

Consolidated financial statements (past 10 years)

NH Foods Ltd. and Subsidiaries
For the Years Ended March 31

	USGAAP						IFRS						(¥ million)
	3/14	3/15	3/16		3/17	3/18	3/18	3/19	3/20	3/21	3/22	3/23	
Net sales	1,110,766	1,199,956	1,229,324		1,202,293	1,269,201	1,258,463	1,234,180	1,229,826	1,106,351	1,151,886	1,259,792	
Operating income	36,089	47,770	49,207		53,802	49,218	—	—	—	—	—	—	
Profit before tax [Net profit for the period from continuing operations before income taxes, etc.]	35,673	43,797	35,309		49,112	50,455	52,798	30,267	27,039	47,604	51,760	22,162	
Profit attributable to owners of the parent [Net profit attributable to owners of the parent]	24,524	31,048	21,779		35,004	37,147	37,552	19,561	19,214	32,616	48,049	16,637	
Business profit	—	—	—		—	—	50,589	38,311	43,772	52,426	48,116	25,596	
Total assets	627,220	661,567	682,855		720,276	755,076	734,528	741,388	768,861	825,405	909,213	937,155	
Total equity attributable to owners of the parent	320,984	353,664	356,353		404,126	440,793	417,982	401,014	404,414	433,595	479,069	492,913	
Interest-bearing liabilities	144,901	136,758	154,583		138,284	110,948	111,401	147,009	176,493	193,750	211,407	242,055	
Cash flows from operating activities	32,952	29,681	52,535		65,254	54,626	53,284	30,844	65,464	82,518	33,387	11,331	
Cash flows from investing activities	(27,021)	(31,517)	(49,139)		(38,271)	(49,006)	(48,194)	(45,110)	(36,728)	(57,827)	(22,837)	(63,677)	
Free cash flow	5,931	(1,836)	3,396		26,983	5,620	5,090	(14,266)	28,736	24,691	10,550	(52,346)	
Cash flows from financing activities	(9,373)	(17,187)	8,182		(11,439)	(27,508)	(27,110)	2,932	(3,077)	(14,934)	(12,162)	28,417	
Capital expenditures	29,152	35,694	36,799		43,765	41,466	41,201	47,820	47,802	82,902	80,395	67,519	
Depreciation and amortization	18,649	18,951	19,445		19,765	21,234	20,714	22,417	33,038	33,939	36,379	38,379	
Per share amounts													
Basic earnings per share [Basic net profit per share attributable to owners of the parent]													
Continuing operations (¥)	¥ 182.94	¥ 297.70	¥ 245.56		¥ 343.59	¥ 348.46	¥ 352.26	¥ 183.21	¥ 186.70	¥ 311.13	¥ 381.91	¥ 176.27	
Discontinued operations (¥)	(¥ 3.79)	¥ 7.16	(¥ 31.72)		(¥ 0.12)	—	—	—	—	¥ 6.84	¥ 88.01	(¥ 13.83)	
Total (¥)	¥ 244.23	¥ 304.86	¥ 213.84		¥ 343.47	¥ 348.46	¥ 352.26	¥ 183.21	¥ 186.70	¥ 317.97	¥ 469.92	¥ 162.44	
Diluted earnings per share [Diluted earnings per share for the period attributable to owners of the parent]													
Continuing operations (¥)	¥ 225.27	¥ 279.50	¥ 230.61		¥ 322.66	¥ 342.07	¥ 350.00	¥ 181.48	¥ 186.64	¥ 311.05	¥ 381.82	¥ 176.25	
Discontinued operations (¥)	(¥ 3.44)	¥ 6.72	(¥ 29.72)		(¥ 0.12)	—	—	—	—	¥ 6.84	¥ 87.99	(¥ 13.83)	
Total (¥)	¥ 221.83	¥ 286.22	¥ 200.89		¥ 322.54	¥ 342.07	¥ 350.00	¥ 181.48	¥ 186.64	¥ 317.89	¥ 469.81	¥ 162.42	
Total equity per share attributable to owners of the parent (¥)	¥ 3,151.94	¥ 3,472.37	¥ 3,498.72		¥ 3,832.95	¥ 4,100.70	¥ 3,888.48	¥ 3,896.64	¥ 3,929.43	¥ 4,243.70	¥ 4,681.82	¥ 4,808.70	
Cash dividends (¥)	¥ 37.00	¥ 46.00	¥ 33.00		¥ 52.00	¥ 53.00	¥ 53.00	¥ 90.00	¥ 90.00	¥ 94.00	¥ 102.00	¥ 110.00	
Financial indicators													
Business profit ratio (%)	—	—	—		—	—	4.0	3.1	3.6	4.6	4.0	2.2	
Operating profit ratio (%)	3.2	4.0	4.0		4.5	3.9	—	—	—	—	—	—	
Return on equity (ROE) (%)	8.0	9.2	6.1		9.2	8.8	9.4	4.8	4.8	7.8	10.5	3.4	
Return on invested capital (ROIC) (%)	4.9	6.4	6.5		7.0	6.2	6.6	4.9	5.3	5.9	5.0	2.4	
Total equity attributable to owners of the parent ratio [Total equity ratio] (%)	51.2	53.5	52.2		56.1	58.4	56.9	54.1	52.6	52.5	52.7	52.6	
Interest-bearing liabilities / Equity ratio [Equity ratio] (Times)	0.45	0.39	0.43		0.34	0.25	0.27	0.37	0.44	0.45	0.44	0.49	
Interest coverage ratio (Times)	21.3	24.2	35.1		57.4	44.7	43.1	24.2	40.6	61.6	27.9	6.3	
Payout ratio (consolidated) (%)	30.3	30.2	30.9		30.3	30.4	30.1	49.1	48.2	29.6	21.7	67.7	

Notes:

1. NH Foods Ltd. has voluntarily applied International Financial Reporting Standards (IFRS) to consolidated financial statements for the first quarter of the fiscal year ended March 31, 2019. Where items differ from the USGAAP or IFRS standards, the corresponding USGAAP item is shown in [].

2. Figures have been rounded to the nearest unit.

3. As of April 1, 2018, NH Foods Ltd. carried out a share consolidation at a ratio of one share for each two shares of common stock. Total NH Foods Ltd. shareholders' equity per share, basic earnings per share attributable to NH Foods Ltd. shareholders and diluted earnings per share attributable to NH Foods Ltd. shareholders were computed on the assumption that the share consolidation was carried out at the beginning of the fiscal year ended March 31, 2015. Cash dividends represent the actual payment prior to the relevant share consolidation.

4. Operating income represents net sales less cost of goods sold and selling, general and administrative expenses.

5. Starting from the fiscal year ended March 31, 2020, NH Foods Group discloses business profit (calculated by deducting the cost of goods sold, and selling, general and administrative expenses from net sales, and making adjustments of currency gains and losses as determined by the Group, adjustments in accordance with IFRS, and adjustments of non-recurring items) in place of the operating income results disclosed previously. The purpose of this change is to provide a clear indication of profit earned through business activities. The figures for the fiscal years ended March 31, 2018 and March 31, 2019 have been restated retroactively.

6. Interest-bearing liabilities under USGAAP consists of short-term bank loans, current maturities of long-term debt and long-term debt, less current maturities (including zero coupon convertible bonds) in the consolidated balance sheets.

7. Capital expenditures represent the additions to tangible and intangible fixed assets. Since the fiscal year ended March 2020, capital expenditures have consisted of changes.
8. Depreciation and amortization consist of depreciation of tangible fixed assets and amortization of intangible fixed assets. Since the fiscal year ended March 2020, depreciation and amortization have consisted of depreciation of property, plant and equipment, right-of-use assets, and intangible assets.

9. ROE (%) = Profit attributable to owners of the parent / Average total equity attributable to owners of the parent × 100
Free cash flow (million yen) = Cash flows provided by operating activities + Cash flows used in investing activities
Total equity attributable to owners of the parent ratio (%) = Total equity attributable to owners of the parent / Total assets × 100
Interest-bearing liabilities / equity ratio (times) = Interest-bearing liabilities / Total equity attributable to owners of the parent
Interest coverage ratio (times) = Cash flows provided by operating activities / Interest paid

10. In the fiscal year ended March 2022, we sold our entire shareholding in Marine Foods Corporation, a consolidated subsidiary. As result, Marine Foods Corporation and its subsidiaries, etc., are now classified as non-continuous businesses.
The ratio of business profit to net sales was calculated using business profit after adjustment for discontinued operations (¥50,532 million in the fiscal year ended March 31, 2021). Please refer to Note 11 for business profit after adjustment for discontinued operations in the fiscal year ended March 31, 2022.

11. In the fiscal year ended March 31, 2023, we decided to sell our entire shareholding in our consolidated subsidiary, Breeders & Packers Uruguay S.A., to Minerva S.A. As a result, Breeders & Packers Uruguay S.A. is now classified as a discontinued operation. Net sales and profit for the period before income tax for the fiscal years ended March 31, 2023 and March 31, 2022 are therefore shown as the amounts for continuing operations, excluding discontinued operations.
The ratio of business profit to net sales was calculated using business profit after adjustment for discontinued operations (¥28,191 million in the fiscal year ended March 31, 2023, ¥46,222 million in the fiscal year ended March 31, 2022).

Corporate data/Stock information (As of April 1, 2023)

Corporate data

Corporate name	NH Foods Ltd.
Established	May 30, 1949
Capital	¥36,294 million
President	Nobuhisa Ikawa
Employees	Consolidated 27,050 Non-consolidated 2,198 Note: Including the average number of temporary employees
Main businesses	<div><div></div><div>• Manufacture and sale of processed meats (hams and sausages, etc.) and cooked foods (retort-packed foods, pre-prepared foods, etc.)</div><div>• Breeding of livestock, and processing and sale of fresh meats</div><div>• Production and sale of dairy products and marine</div></div>
Head office	Breezé Tower, 4-9, Umeda 2-chome, Kita-ku, Osaka 530-0001, Japan
Telephone	+81-6-7525-3026

Main companies of the Group

Production and Breeding	<div><div></div><div>• Nippon White Farm Co., Ltd.</div><div>• Nippon Clean Farm Ltd.</div><div>• Nippon White Farm Niigata Co., Ltd.</div><div>• Whyalla Beef Pty. Ltd. (Australia)</div></div>
Packing and Processing of Fresh Meats	<div><div></div><div>• Nippon Food Packer, Inc.</div><div>• Nippon Food Packer Tsuraru Co., Ltd.</div><div>• Usune Co., Ltd.</div><div>• Miyazaki Beef Center Co., Ltd.</div><div>• Nippon Pure Food, Inc.</div><div>• Oakey Beef Exports Pty. Ltd. (Australia)</div><div>• Wingham Beef Exports Pty. Ltd. (Australia)</div><div>• Thomas Borthwick & Sons Pty. Ltd. (Australia)</div><div>• Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Şirketi (Turkey)</div></div>
Sales of Fresh Meats	<div><div></div><div>• Higashi Nippon Food, Inc.</div><div>• Kanto Nippon Food, Inc.</div><div>• Naka Nippon Food, Inc.</div><div>• Nishi Nippon Food, Inc.</div><div>• NHJF Corporation</div><div>• Minami Nippon Fresh Foods Co., Ltd.</div><div>• NH Foods Australia Pty. Ltd. (Australia)</div><div>• Beef Producers Australia Pty. Ltd. (Australia)</div><div>• Day-Lee Foods, Inc. (USA)</div><div>• Nippo Food (Shanghai) Co., Ltd. (China)</div></div>
Production and Sales of Hams and Sausages	<div><div></div><div>• Nipponham Factory Ltd.</div><div>• Nipponham Hokkaido Factory Ltd.</div><div>• Nipponham Northeast Ltd.</div><div>• Kyodo Foods Co., Ltd.</div><div>• Nipponham Southwest Ltd.</div><div>• Kamakura Ham Tomioka Co., Ltd.</div><div>• NH Foods Vietnam Joint Stock Company (Vietnam)</div><div>• Redondo's, LLC (USA)</div></div>
Production of Processed Foods	<div><div></div><div>• Nipponham Processed Foods Ltd.</div><div>• Nipponham Delicatessen Ltd.</div><div>• Premium Kitchen Co., Ltd.</div><div>• Shandong Rilong Foodstuffs Co., Ltd. (China)</div><div>• Thai Nippon Foods Co., Ltd.(Thailand)</div><div>• PT NH Foods Diamond Indonesia, Ltd. (Indonesia)</div></div>

Sales of Hams and Sausages, and Processed Foods	<div><div></div><div>• NH Foods Marketing Ltd.</div><div>• Nipponham Customer Communications Ltd.</div></div>
Production and Sales of Processed Marine Products	<div><div></div><div>• Hoko Co., Ltd.</div></div>
Production and Sales of Fermented Milk, Lactic Acid Probiotic Beverages, and Dairy Products (Cheese)	<div><div></div><div>• Nippon Luna, Inc.</div><div>• The Hoko Co., Ltd. (ROLF Division)</div></div>
Production and Sales of Extract Seasonings	<div><div></div><div>• Nippon Pure Food, Inc.</div><div>• Pure Food Asia, Inc. (Taiwan)</div></div>
Production and Sales of Freeze-Dried and Frozen Foods	<div><div></div><div>• Nipponham Frozen Foods Ltd.</div><div>• Hoko Co., Ltd.</div></div>
Professional Sports	<div><div></div><div>• Hokkaido Nippon-Ham Fighters Baseball Club Co., Ltd.</div><div>• Fighters Sports & Entertainment Co., Ltd.</div></div>
IT, Services, and Other Businesses	<div><div></div><div>• Nipponham System Solutions Ltd.</div><div>• Nipponham Business Associe Ltd.</div><div>• Nipponham Career Consulting Ltd.</div><div>• Nipponham Engineering Ltd.</div></div>
Logistics and Trading	<div><div></div><div>• Nippon Chilled Logistics, Inc.</div><div>• Nippon Logistics Center, Inc.</div><div>• Nippon Daily Net Co., Ltd.</div><div>• Nippon Route Service Co., Ltd.</div><div>• Japan Food Corporation</div><div>• NH Foods Chile Y Compania Limitada (Chile)</div><div>• NH Foods Mexicana S.A.DE C.V. (Mexico)</div><div>• NH Foods Singapore Pte. Ltd. (Singapore)</div><div>• NH Foods Thailand Ltd. (Thailand)</div><div>• Thai Nippon Cold Storage Co., Ltd. (Thailand)</div><div>• NH Foods Taiwan Ltd. (Taiwan)</div><div>• NH Foods U.K. Ltd. (The United Kingdom)</div></div>

Share data (As of March 31, 2023)

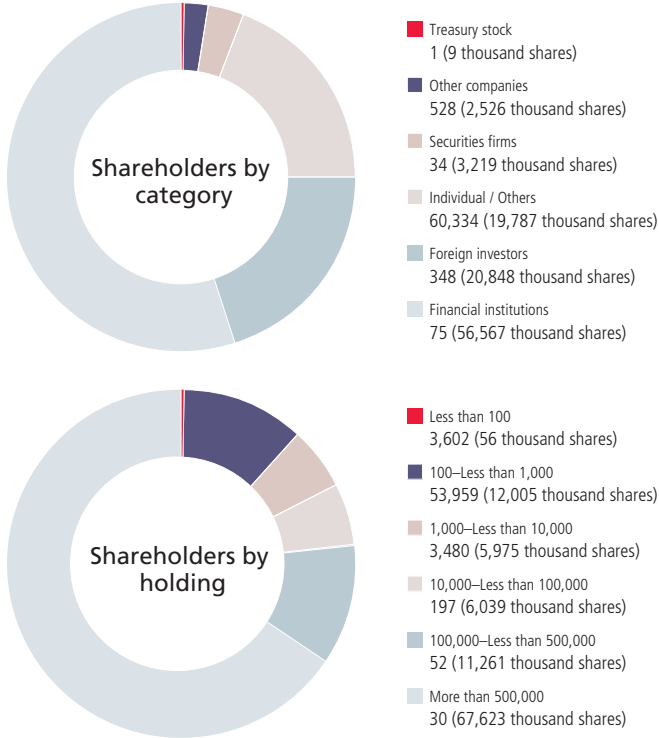
Authorized shares	285,000,000
Issued and outstanding	102,958,904
Shareholders	61,320

Major shareholders (leading 10 by holding)

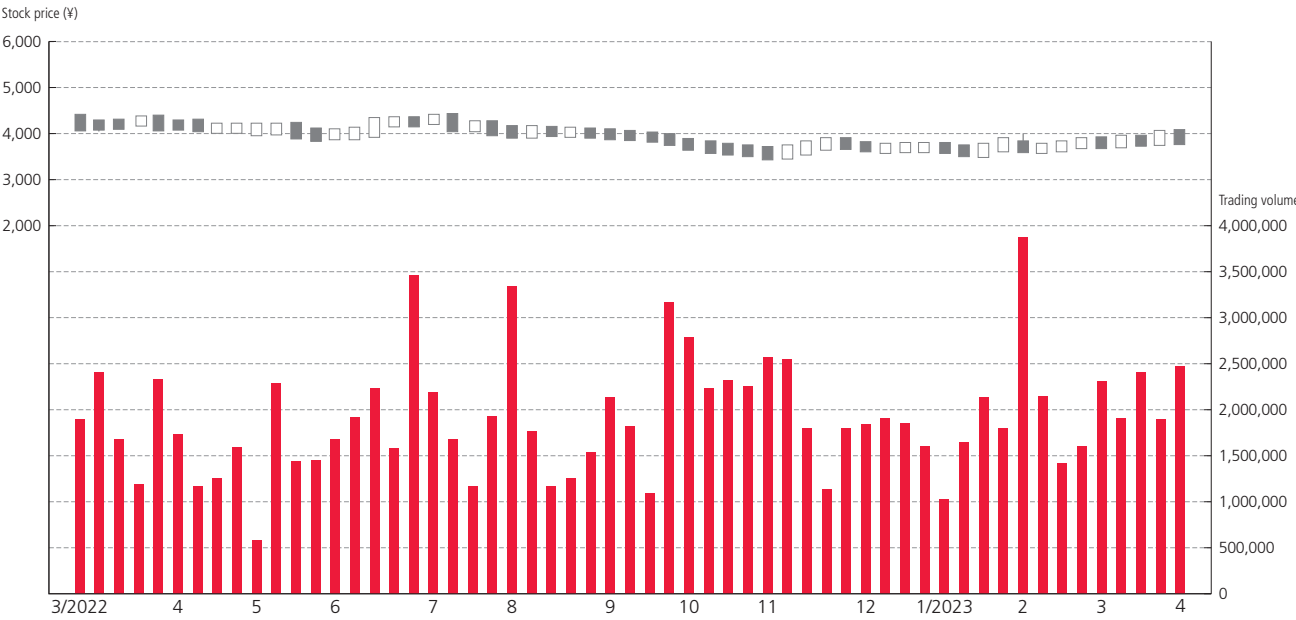
Name of shareholder	Holding (1,000s of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	19,305	18.75
Custody Bank of Japan, Ltd. (Trust account)	9,785	9.50
The Hyakujushi Bank, Ltd.	3,708	3.60
Meiji Yasuda Life Insurance Company	3,677	3.57
The Norinchukin Bank	2,963	2.88
Nippon Life Insurance Company	2,785	2.71
MUFG Bank, Ltd	2,200	2.14
STATE STREET BANK AND TRUST COMPANY 505001	2,168	2.11
Sumitomo Mitsui Banking Corporation	1,860	1.81
SSBTC CLIENT OMNIBUS ACCOUNT	1,772	1.72

Note: Shareholding ratio is calculated by deducting the number of treasury stock.

Distribution of shares



Stock price trend



Main initiatives and organizations of which the Group is a member

<p>United Nations Global Compact (UNGC)</p> <p>The world's largest sustainability initiative which is being jointly advanced by the UN and the private sector (corporations and organizations) with the goal of building a healthy global society.</p> <p>RSPO (Roundtable on Sustainable Palm Oil)</p> <p>An international non-profit organization which has built and operates a certification system that has become the standard for sustainable palm oil, and which encourages the production and distribution of such oil.</p>	<p>TCFD Consortium</p> <p>An organization established with the aim of facilitating discussion between companies regarding effective information disclosure and appropriate initiatives in relation to the Task Force on Climate-related Financial Disclosure (TCFD)</p> <p>CGF (The Consumer Goods Forum)</p> <p>An international industry association for major manufacturers of foods and consumer goods and major retailers. As of July 2021, it has around 400 member companies from over 100 countries.</p>
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