



Business Results

for the Third Quarter of FY2022/3

 Unleash new potentials for protein
Nipponham Group Vision 2030



February 2, 2022
NH Foods Ltd.



I: Consolidated Business Results for FY2022/3 3Q

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2. Segment Data: Processed Foods Business Division
3. Segment Data: Fresh Meats Business Division
4. Segment Data: Overseas Business Division
5. External Customer Net Sales Results in Major Overseas Geographical Areas

III: Consolidated Financial Results for FY2022/3 3Q

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1. FY2021/3 Business Results at a Glance and FY2022/3 Forecasts
2. Balance Sheets / Capital Expenditures / Depreciation and Amortization
3. Cash Flows

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1. FY2022/3 Business Profit Forecasts
2. Processed Foods Business Division: Outlook
3. Fresh Meats Business Division: Outlook
4. Overseas Business Division: Outlook

* The Company has adopted International Financial Reporting Standards (“IFRS”).

* Business profit is calculated by deducting cost of goods sold and selling, general and administrative expenses from net sales, and accounting for foreign exchange gains and losses determined by the Group, while deducting adjustments in accordance with IFRS and non-recurring items.

* The Company discloses the baseball club business and new businesses in the “Others” category from the first quarter of the fiscal year under review for the purpose of enhancing new business areas. In addition, from the first quarter of the fiscal year under review, the Company has changed the calculation method of net sales in order to appropriately reflect the business results of the reportable segments.
For the above changes, figures prior to the previous fiscal year have been retroactively adjusted. However, figures before the fiscal year ended March 31, 2020 have not been audited.

* Due to rounding, numbers may not match totals.

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- 2. Segment Data: Processed Foods Business Division**
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- 1. FY2022/3 Business Profit Forecasts**
- 2. Processed Foods Business Division: Outlook**
- 3. Fresh Meats Business Division: Outlook**
- 4. Overseas Business Division: Outlook**

1. Consolidated Business Results for 3Q (Oct.-Dec.) (1)

Results Summary

Increased sales and decreased profit in 3Q

Reason for increased sales: Soaring sales prices of beef expanded sales in overseas business and fresh meats business.

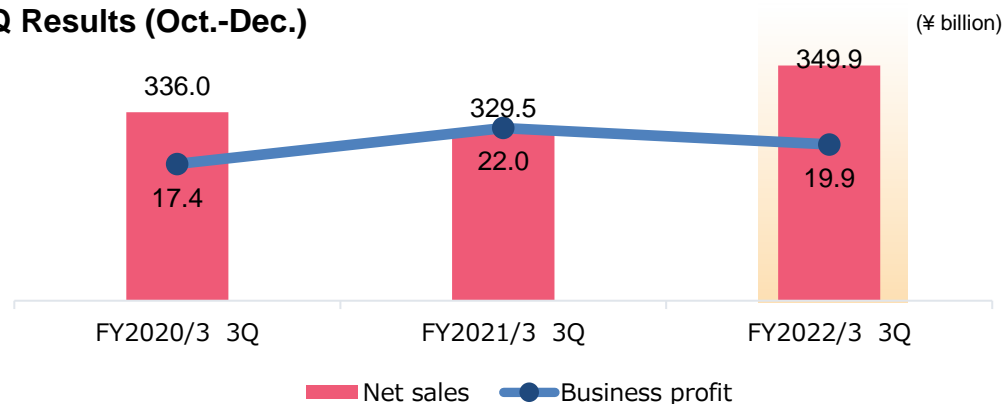
Reason for decreased profit: Profits of processed foods and fresh meats businesses were under pressure due to increased raw material prices, fuel costs and labor costs.

Increased sales and profit in 1Q-3Q

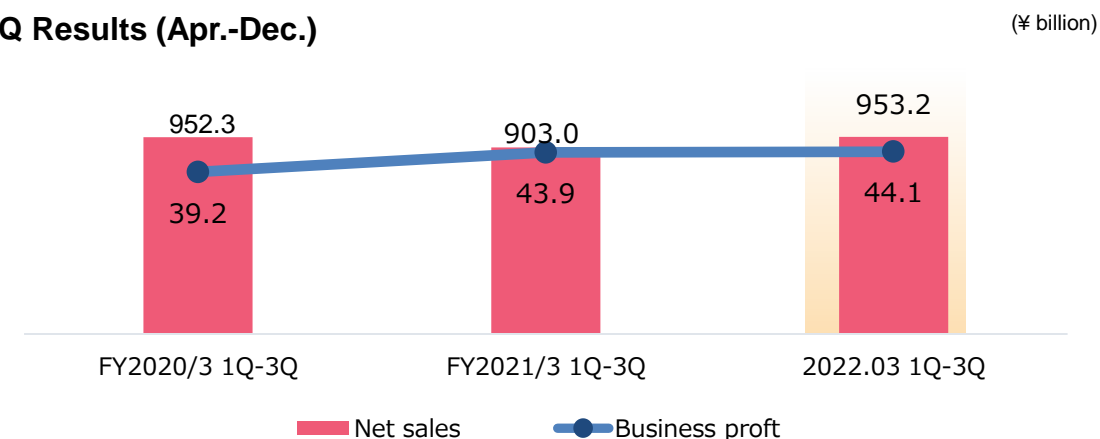
Reason for increased sales: Sales expanded in overseas business and fresh meats business due to soaring sales prices of beef.

Reason for increased profit: Profits were secured by overseas business, which covered production costs with soaring sales prices.

3Q Results (Oct.-Dec.)



1Q-3Q Results (Apr.-Dec.)



Consolidated business results for FY2022/3 3Q

	3Q	Variance	Variance (%)
Net sales	349.9	20.4	6.2%
Business profit	19.9	(2.1)	(9.6)%
Business profit ratio	5.7%	-	-

	1Q-3Q	Variance	Variance (%)
Net sales	953.2	50.3	5.6%
Business profit	44.1	0.2	0%
Business profit ratio	4.6%	-	-

(¥ billion)

1. Consolidated Business Results for 3Q (Oct.-Dec.) (2)

3Q Results (Oct.-Dec.)

(¥ billion)

		FY2020/3 3Q	FY2021/3 3Q	FY2022/3 3Q	Variance	Variance (%)
Processed Foods Business Division	Net sales	141.6	140.6	139.8	(0.8)	(0.6)
	Business profit	7.6	9.6	7.1	(2.4)	(25.5)
Fresh Meats Business Division	Net sales	183.8	180.2	192.9	12.6	7.0
	Business profit	10.0	14.1	12.7	(1.5)	(10.4)
Overseas Business Division	Net sales	66.1	58.5	71.5	13.0	22.3
	Business profit	1.1	(0.2)	1.6	1.8	-
Others	Net sales	2.4	3.1	3.1	0.0	(0.1)
	Business profit	(0.6)	(0.5)	(0.6)	(0.2)	-
Eliminations, adjustments and others	Net sales	(57.8)	(53.0)	(57.5)	(4.5)	-
	Business profit	(0.7)	(1.1)	(0.9)	0.2	-
Consolidated	Net sales	336.0	329.5	349.9	20.4	6.2
	Business profit	17.4	22.0	19.9	(2.1)	(9.6)

1Q-3Q Results (Apr.-Dec.)

(¥ billion)

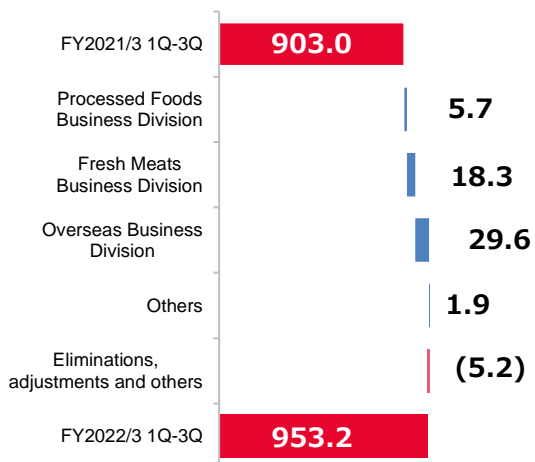
		FY2020/3 1Q-3Q	FY2021/3 1Q-3Q	FY2022/3 1Q-3Q	Variance	Variance (%)
Processed Foods Business Division	Net sales	386.5	377.1	382.8	5.7	1.5
	Business profit	12.9	16.0	14.1	(1.9)	(11.8)
Fresh Meats Business Division	Net sales	528.8	504.4	522.7	18.3	3.6
	Business profit	24.3	32.4	30.5	(1.9)	(5.9)
Overseas Business Division	Net sales	197.7	169.8	199.3	29.6	17.4
	Business profit	3.1	0.3	2.2	1.9	575.5
Others	Net sales	14.4	9.5	11.4	1.9	20.1
	Business profit	1.8	(0.8)	(0.2)	0.6	-
Eliminations, adjustments and others	Net sales	(175.1)	(157.8)	(163.0)	(5.2)	-
	Business profit	(2.8)	(4.0)	(2.5)	1.5	-
Consolidated	Net sales	952.3	903.0	953.2	50.3	5.6
	Business profit	39.2	43.9	44.1	0.2	0.5

Changes in net sales (1Q-3Q)

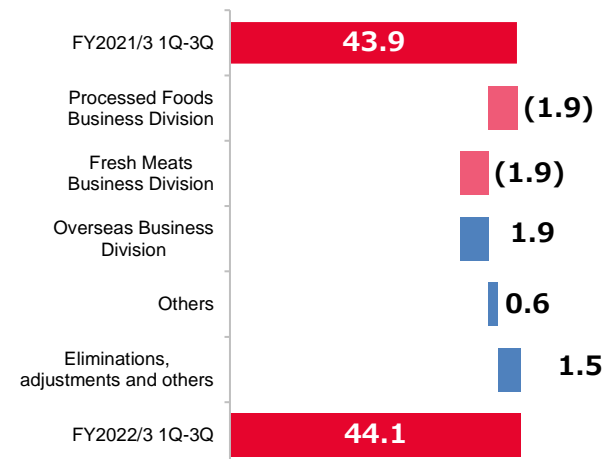
Factor Analysis: Changes in net sales

Changes in business profit (1Q-3Q)

Factor Analysis: Changes in business profit



- [Processed Foods Business Division]**
 - Sales grew mainly in commercial-use products partly due to the recovery in demand for restaurants
- [Fresh Meats Business Division]**
 - Sales grew in imported fresh meats business due to higher sales prices
- [Overseas Business Division]**
 - Maintained strong sales in Australia business due to globally robust sales of beef
- [Others]**
 - Sales increased due to an increase in the number of baseball games with spectators



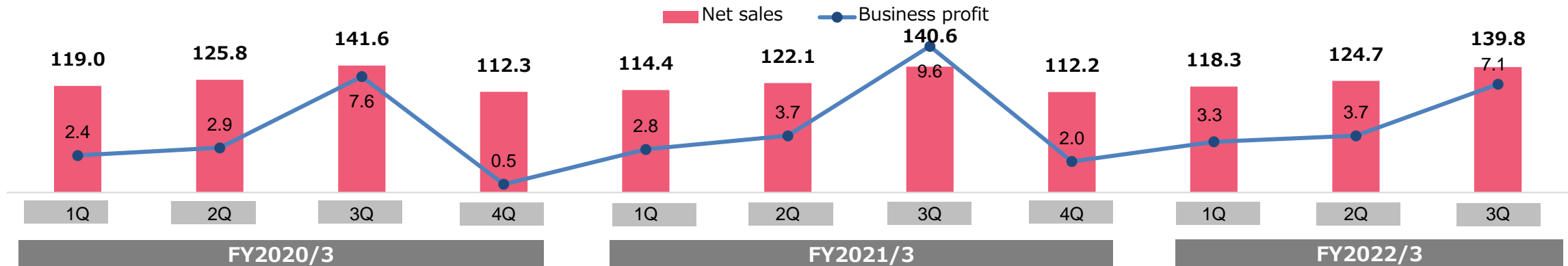
- [Processed Foods Business Division]**
 - Profits decreased in hams and sausages, deli and processed foods business due to increased raw material prices, fuel costs and labor costs
- [Fresh Meats Business Division]**
 - Profits were sluggish in domestic production business due to soaring feed costs
- [Overseas Business Division]**
 - Profits were secured in Australia business due to continued high sales price of beef
- [Others]**
 - Profits increased due to an increase in the number of baseball games with spectators

2. Segment Data: Processed Foods Business Division (1)

Sales increased primarily in marine products and extract/primary processing business due to recovery in commercial-use products, while profits decreased in hams and sausages, deli and processed foods mainly due to soaring raw material prices and fuel costs.

(¥ billion)

	3Q				1Q-3Q			
	FY2021/3	FY2022/3	Variance	Variance (%)	FY2021/3	FY2022/3	Variance	Variance (%)
Net sales	140.6	139.8	(0.8)	(0.6)%	377.1	382.8	5.7	1.5%
Business profit	9.6	7.1	(2.4)	(25.5)%	16.0	14.1	(1.9)	(11.8)%
of which marine/dairy product and extract	2.4	1.8	(0.6)	(25.1)%	2.9	3.2	0.3	9.7%
Business profit ratio	6.8%	5.1%	(1.7)%	-	4.2%	3.7%	0.5%	-



Net Sales in FY2022/3 1Q-3Q

Hams and sausages, deli and processed foods

- Consumer: Same level as the previous year due to robust sales of high-unit-price products of hams and sausages, deli and processed foods
- Commercial-use: Increase led by sales of products for convenience stores and restaurants despite the impact of decreased production in Thailand

Marine products and extract/primary processing

- Consumer: Same level as the previous year due to steady performance for high profit dairy products
- Commercial-use: Strong performance in sales of primary processing products for restaurants and sushi toppings

Business Profit in FY2022/3 1Q-3Q

Hams and sausages, deli and processed foods

- Gross profit: Same level as the previous year due to decrease in gift products, despite continued high-level profits from consumer products and recovery in commercial-use products
- Expenses: Increase in fuel costs and labor costs

Marine products and extract/primary processing

- Gross profit: Gross profit expansion backed by sales growth of primary processing products and marine products
- Expenses: Increase in fuel costs and labor costs

2. Segment Data: Processed Foods Business Division (2)

Hams and sausages, deli and processed foods sales results

Year on year growth in sales by channel

		Volume	Amount
Hams and sausages	Consumer	99%	98%
	Commercial-use	106%	106%
	Total	100%	99%
Deli and processed foods	Consumer	100%	101%
	Commercial-use	99%	99%
	Total	99%	101%

1) Products for consumer channels

- **Hams and sausages:** Same level as the previous year through efforts such as introduction of large-bag type *SCHAU ESSEN* to meet growing stock demand, and proposal of *SCHAU SLICES* and other products that focus on preservability.
- **Deli and processed foods:** Strong performance thanks to the contribution from *Ajiwai Range* that can be stored at room temperature, in addition to robust sales of high-end products such as *KANADE*, a pizza product, and *Kiwamiyaki*, a hamburg product.

Proposed products with focus on preservability and stock demand



2) Products for commercial-use channels:

Solid sales of products for fast-food restaurants and convenience stores, despite the decrease after last year's Go To Travel campaign and supply shortages due to COVID-19 in Thailand.

Products for which sales were strengthened to meet stay-at-home consumption demand



Year on year sales comparison of consumer products

	Consumer products	1st half	Deli and processed foods	Consumer products	1st half
	Hams and sausages	Wieners		99%	Chilled bakery
Loin hams		99%	Chilled dish	92%	
Bacons		93%	Fried chicken	106%	
Yakibutas		100%	Hamburg and meatball	100%	
Total		99%	Total	101%	

Gift sales results

- Conducted sales promotion for the 15th anniversary of our core brand, *Utsukushi-no-Kuni*.
- Enhanced new products for young people but sales of high-unit-price items struggled, resulting in decreased sales.
- Made efforts such as simplifying gift boxes to reduce materials costs.

Marine/dairy products and extract/primary processing sales results

- **Marine:** Strong sales for high profit products such as products manufactured in-house, for which sales were strengthened, and sushi toppings.
- **Dairy products:** Yogurt) Strong sales for our core product, *Vanilla Yogurt*, partly due to the launch of a new flavor. Cheese) Strong sales for our core commercial-use products to fast-food restaurants and food manufacturers.
- **Extract/primary processing:** Sales expansion mainly in primary processing products thanks to enhanced proposal-based sales activities for restaurants.

Gift product sales results

		FY2021/3 Results	FY2022/3 Results
Summer gift-giving season	Overall sales	98%	96%
	(<i>Utsukushi-no-Kuni</i>)	89%	99%
Year-end gift-giving season	Overall sales	98%	93%
	(<i>Utsukushi-no-Kuni</i>)	95%	96%
Total	Overall sales	98%	94%
	(<i>Utsukushi-no-Kuni</i>)	93%	96%

2. Segment Data: Processed Foods Business Division (3)

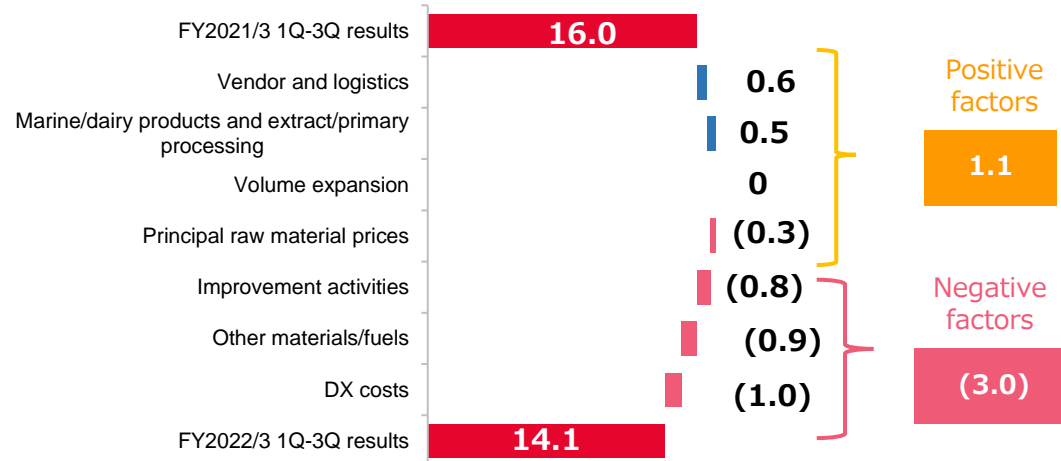
Factor Analysis: Changes in business profit

(¥ billion)

FY2022/3			
	1st half results	3Q results	1Q-3Q results
Hams and sausages, deli and processed foods	(0.5)	(1.5)	(2.0)
External factors	(0.1)	(1.2)	(1.3)
Principal raw material prices	0.2	(0.6)	(0.3)
Other materials/fuels	(0.3)	(0.6)	(0.9)
Internal factors	(0.5)	(0.3)	(0.8)
Volume expansion	0.1	(0.1)	0
Improvement activities	(0.5)	(0.2)	(0.8)
Vendor and logistics	0.6	0	0.6
Marine/dairy products and extract/primary processing	1.0	(0.5)	0.5
DX costs	(0.6)	(0.4)	(1.0)
Total	0.6	(2.4)	(1.9)

Factor Analysis Graph: Changes in business profit results (1Q-3Q)

(¥ billion)



Variation Factor Analysis (1Q-3Q)

[External factors] ¥(1.3) billion

Principal raw materials: Soaring material costs for sausages and hamburger

Other materials: Soaring prices of sheep casings and frying oil

Fuels: More-than-anticipated soar in prices such as fuel costs due to rising crude oil prices

[Internal factors] ¥(0.8) billion

Improvement activities:

Increased labor costs in line with growth of commercial-use products business, and increased depreciation and amortization expense due to capital investment for improving productivity

[Vendor and logistics] ¥0.6 billion

Vendor : Growth in sales of core products boosted gross profit

[Marine/dairy products and extract/primary processing] ¥0.5 billion

Marine: Profits were secured by shifting to products with high unit prices and sales of products such as crabs during the year-end sales season

Extract/primary processing:

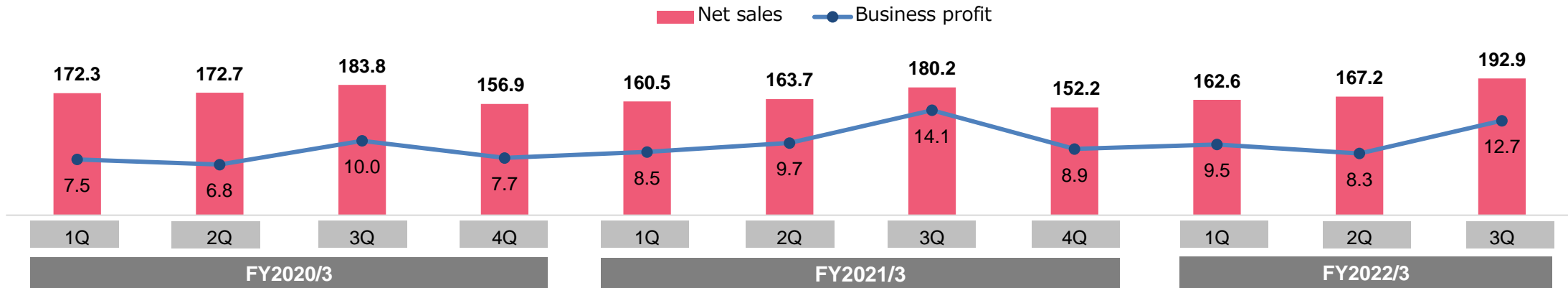
Profits were secured due to growth in sales thanks to recovery in demand for restaurants and progress in passing on increased costs to prices, primarily arising from soaring prices of raw materials and fuel costs

3. Segment Data: Fresh Meats Business Division (1)

Sales increased thanks to higher sales prices of imported fresh meats, while profits decreased in domestic production business due to rising costs such as feed prices and fuel costs.

(¥ billion)

	3Q				1Q-3Q			
	FY2021/3	FY2022/3	Variance	Variance (%)	FY2021/3	FY2022/3	Variance	Variance (%)
Net sales	180.2	192.9	12.6	7.0%	504.4	522.7	18.3	3.6%
Business profit	14.1	12.7	(1.5)	(10.4)%	32.4	30.5	(1.9)	(5.9)%
Business profit ratio	7.8%	6.6%	(1.2)%	-	6.4%	5.8%	(0.6)%	-



Net Sales in FY2022/3 1Q-3Q

- Sales: Sales were secured thanks to a rise in unit sales prices of imported fresh meats due to soaring procurement price
- Sales: Recovery trend seen in sales to restaurants toward year-end, in addition to steady sales to volume retailers

Business Profit in FY2022/3 1Q-3Q

- Production: Production cost for domestic chicken and pork rose due to soaring feed prices and fuel costs
- Sales: Profitability on a recovery trend during the third quarter as costs were passed on to prices in line with the market environment

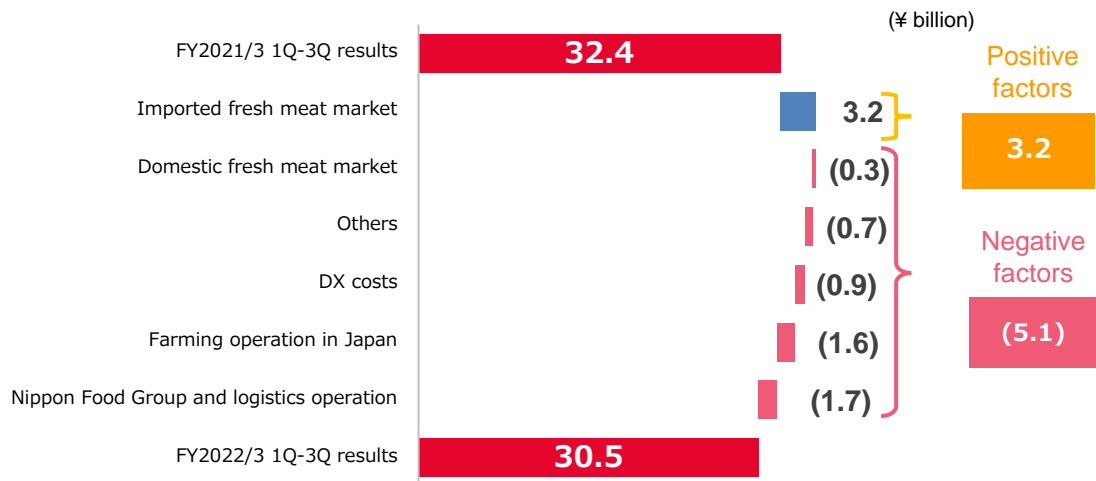
3. Segment Data: Fresh Meats Business Division (2)

Factor Analysis: Changes in business profit (¥ billion)

FY2022/3			
	1st half results	3Q results	1Q-3Q results
Imported fresh meats business	2.9	0.3	3.2
Domestic fresh meats business	0.1	(0.4)	(0.3)
Farming operation in Japan	(0.9)	(0.7)	(1.6)
Nippon Food Group and logistics operation	(1.5)	(0.2)	(1.7)
DX costs	(0.5)	(0.4)	(0.9)
Others	(0.6)	(0.1)	(0.7)
Total	(0.5)	(1.5)	(1.9)

* Extract/primary processing business, previously included in the Nippon Food Group and logistics operation, was transferred to the Processed Foods Business Division from FY2021/3

Factor Analysis Graph: Changes in business profit results (1Q-3Q)



Variation Factor Analysis (1Q-3Q)

[Imported fresh meats business] ¥3.2 billion

Chicken: Profits increased due to boosted sales volume thanks to demand for takeout fried chicken and the budget-minded trend, as well as increased sales of our original brands, such as “*Mate Chicken*.”

Pork: Profits increased thanks to steady procurement of European pork and expanded sales of commercial-use products, such as our original branded pork “*Andes Kogen-buta*.”

[Domestic fresh meats business] ¥(0.3) billion

Pork: Profits decreased as the passing on of costs from soaring sales prices did not progress, despite efforts made for strengthening external sourcing and stabilizing trade conditions

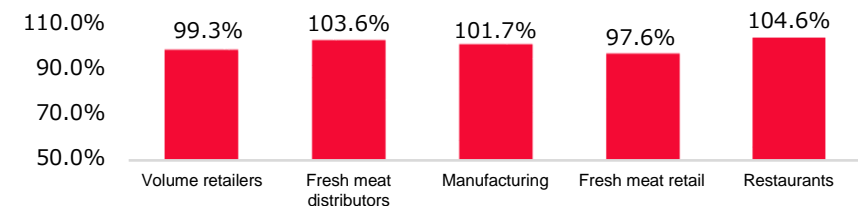
[Farming operation in Japan] ¥(1.6) billion

Pork and chicken: Production cost rose due to soaring prices of feed and fuel costs
Profits decreased due to failure in productivity improvements at some pork production bases, despite a high level of productivity of chicken

[Nippon Food Group and logistics operation] ¥(1.7) billion

Sales: Profitability on a recovery track as sales of domestic fresh beef expanded going into the third quarter due to strengthened proposals for restaurants and steady progress in passing on of costs to prices

FY2022/3 1Q-3Q Sales Results of four Nippon Food Group companies:
Overall volume growth of 101%



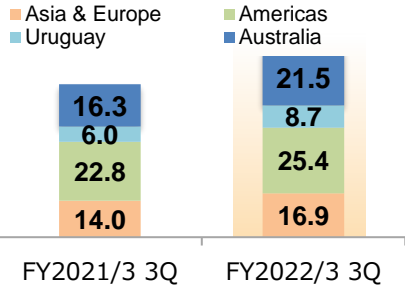
4. Segment Data: Overseas Business Division (1)

Sales and profits both increased led by Australia business, which saw a continued rise in sales prices of beef.

* Net sales and business profit figures are amounts before the elimination of intersegment sales.
 (The sum of figures for each region does not match the "overseas total," due to the elimination of intersegment transactions.)

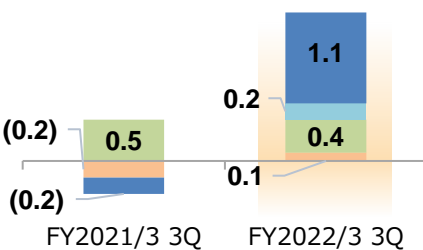
3Q results (Oct.-Dec.)

[Net Sales]



	FY21/3	FY22/3	Variance	Variance (%)
Overseas total	58.5	71.5	13.0	22.3%
Australia	16.3	21.5	5.2	31.6%
Uruguay	6.0	8.7	2.7	45.1%
Americas	22.8	25.4	2.7	11.7%
Asia & Europe	14.0	16.9	2.9	20.8%

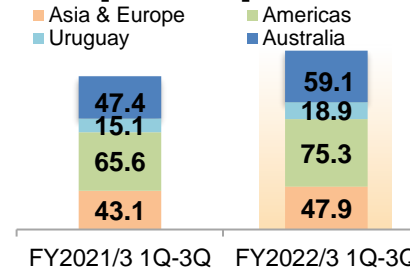
[Business Profit]



	FY21/3	FY22/3	Variance	Variance (%)
Overseas total	(0.2)	1.6	1.8	-
Australia	(0.2)	1.1	1.3	-
Uruguay	0	0.2	0.2	397.8%
Americas	0.5	0.4	(0.1)	(19.7)%
Asia & Europe	(0.2)	0.1	0.3	-

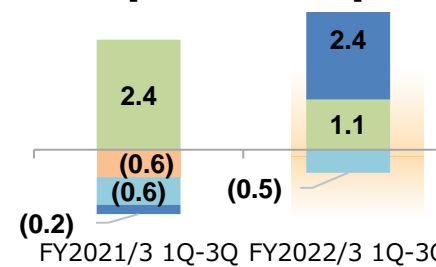
1Q-3Q results (Apr.-Dec.)

[Net Sales]



	FY21/3	FY22/3	Variance	Variance (%)
Overseas total	169.8	199.3	29.6	17.4%
Australia	47.4	59.1	11.8	24.9%
Uruguay	15.1	18.9	3.9	25.8%
Americas	65.6	75.3	9.6	14.7%
Asia & Europe	43.1	47.9	4.7	11.0%

[Business Profit]



	FY21/3	FY22/3	Variance	Variance (%)
Overseas total	0.3	2.2	1.9	575.5%
Australia	(0.2)	2.4	2.6	-
Uruguay	(0.6)	(0.5)	0	-
Americas	2.4	1.1	(1.3)	(55.0)%
Asia & Europe	(0.6)	0	0.5	-

Net Sales in FY2022/3 1Q-3Q

- Australia**
 - Australia: Net sales were secured due to the strong sales price of beef
 - Uruguay: Net sales were secured due to the resumption of sales for China and strong sales price of beef
- Americas**
 - Net sales increased due to strong sales of processed chicken products and solid export of pork
- Asia & Europe**
 - ASEAN: Sales of processed products to Japan recovered
 - Turkey: Net sales were secured due to strong sales prices of chicken in Turkey

Business Profit in FY2022/3 1Q-3Q

- Australia**
 - Australia: Profits were secured due to soaring sales prices
 - Uruguay: Profits recovered due to rising sales prices, in addition to a recovery in exports
- Americas**
 - Profits were under pressure from a continuous soar of prices of raw materials for processed products
- Asia & Europe**
 - Turkey: Profits were secured with sales prices remaining strong

4. Segment Data: Overseas Business Division (2)

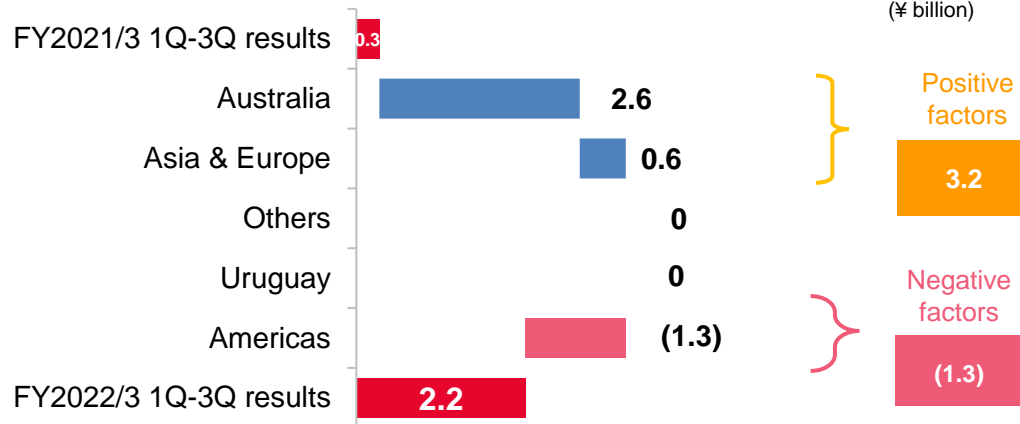
Factor Analysis: Changes in business profit

(¥ billion)

FY2022/3			
	1st half results	3Q results	1Q-3Q results
Australia	1.3	1.3	2.6
Uruguay	(0.2)	0.2	0
Americas	(1.2)	(0.1)	(1.3)
Asia & Europe	0.2	0.3	0.6
Others	0	0	0
Total	0.1	1.8	1.9

Factor Analysis Graph: Changes in business profit results (1Q-3Q)

(¥ billion)



Variation Factor Analysis (1Q-3Q)

[Australia] ¥2.6 billion

Procurement prices continue to remain at historic high levels, but sales prices also remained high

Profits were secured due to enhancement of brand meat in Australia

[Uruguay] ¥0 billion

Profits were affected by the ban on exports to China in the 1st half, but recovered due to strong sales prices in the third quarter onwards

[Americas] ¥(1.3) billion

Profits were under pressure from soaring prices of raw chicken materials for processed products and logistics costs, despite strong sales of processed products

[Asia & Europe] ¥0.6 billion

In Turkey, profits were secured as a result of continued high sales price, while feed prices continued to soar

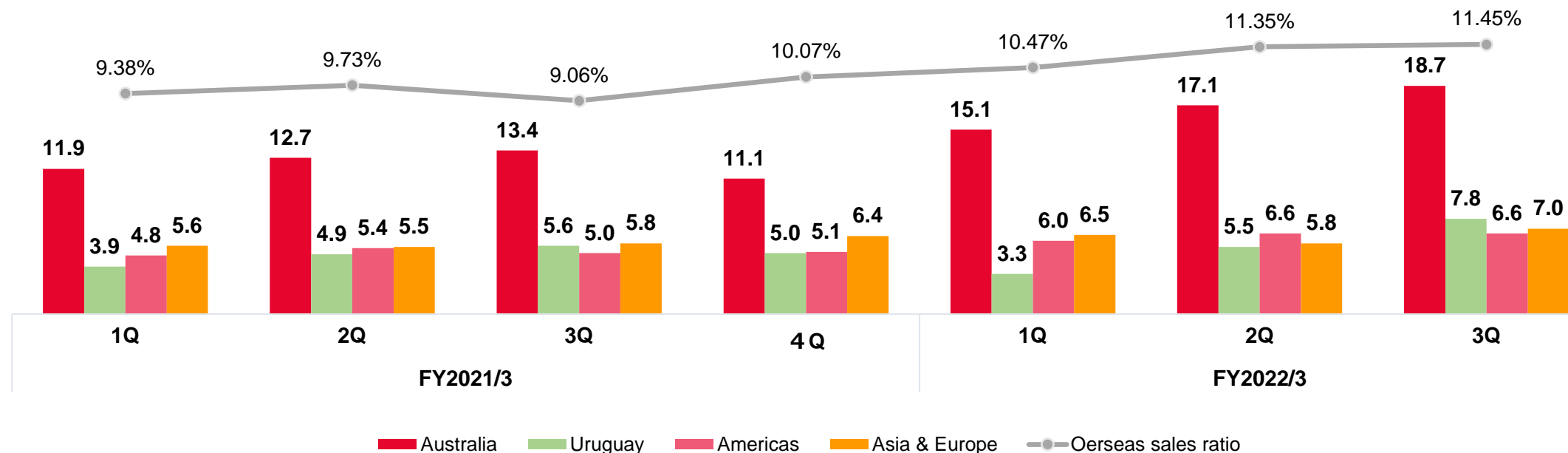
5. External Customer Net Sales Results in Major Overseas Geographical Areas

(¥ billion)

	FY2021/3					FY2022/3		
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q
Australia	11.9	12.7	13.4	11.1	49.2	15.1	17.1	18.7
Uruguay	3.9	4.9	5.6	5.0	19.4	3.3	5.5	7.8
Americas	4.8	5.4	5.0	5.1	20.3	6.0	6.6	6.6
Asia & Europe	5.6	5.5	5.8	6.4	23.3	6.5	5.8	7.0
Overseas total	26.2	28.6	29.8	27.5	112.2	30.9	35.0	40.1
Overseas sales ratio	9.38%	9.73%	9.06%	10.07%	9.54%	10.47%	11.35%	11.45%

* Net sales figures represent net sales to external customers.

(¥ billion)



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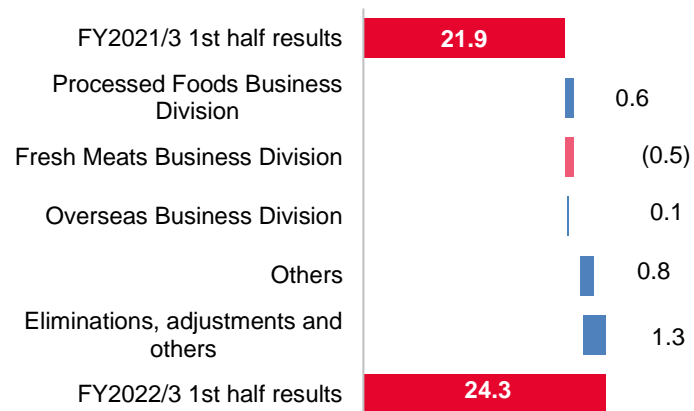
II: Outlook for FY2022/3

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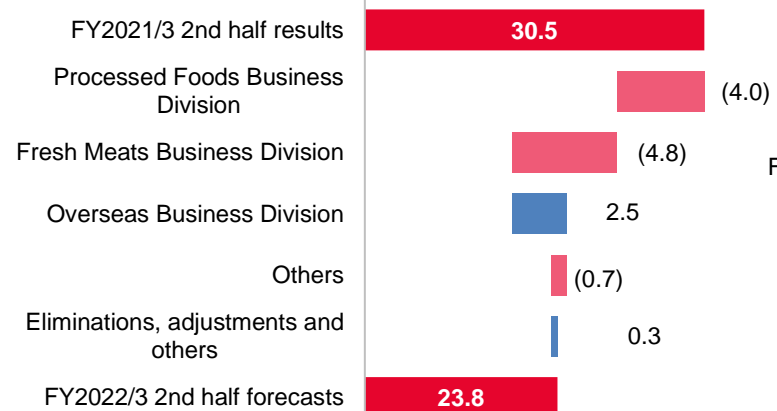
1. FY2022/3 Business Profit Forecasts
2. Processed Foods Business Division: Outlook
3. Fresh Meats Business Division: Outlook
4. Overseas Business Division: Outlook

1. FY2022/3 Business Profit Forecasts (1)

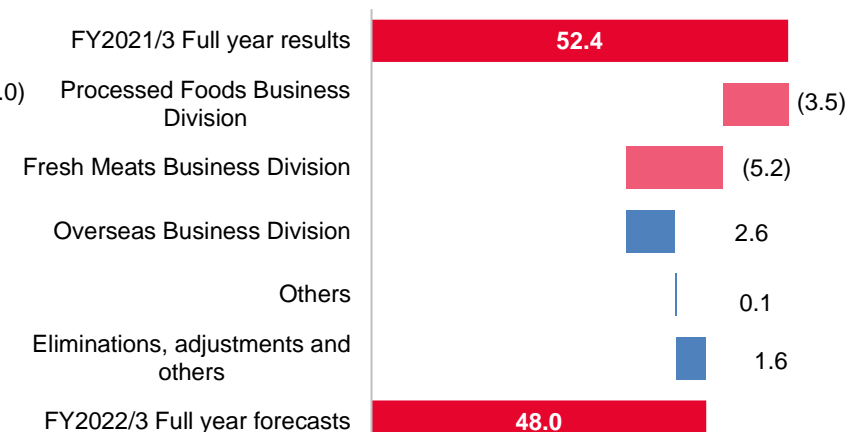
Changes in 1st half results



Changes in 2nd half forecasts



Changes in full year forecasts



(¥ billion)

(¥ billion)

	FY2022/3 1st half			FY2022/3 2nd half			FY2022/3 Full year		
	FY2021/3 1st half results	Results	Variance	FY2021/3 2nd half results	Forecasts	Variance	FY2021/3 Full year results	Forecasts	Variance
Processed Foods Business Division	6.5	7.0	0.5	11.5	7.5	(4.0)	18.0	14.5	(3.5)
Fresh Meats Business Division	18.3	17.8	(0.5)	23.0	18.2	(4.8)	41.2	36.0	(5.2)
Overseas Business Division	0.5	0.6	0.1	(0.6)	1.9	2.5	(0.1)	2.5	2.6
Others	(0.4)	0.4	0.8	(1.4)	(1.9)	(0.5)	(1.8)	(1.5)	0.3
Eliminations, adjustments and others	(2.9)	(1.6)	1.3	(2.0)	(1.9)	0.1	(4.9)	(3.5)	1.4
Total	21.9	24.3	2.3	30.5	23.8	(6.8)	52.4	48.0	(4.4)

1. FY2022/3 Business Profit Forecasts (2)

(Impact on business profit)

External environment: Uncertainty regarding domestic consumption due to more-than-expected soar in prices of fuel, raw materials and feed, as well as repeated outbreaks of COVID-19

→ Profits are expected to fall short of the 2Q forecasts in the processed foods and fresh meats businesses

Our response: Drive profits by strong performance of Australia business

→ Full year business profit is expected to land at ¥48.0 billion as initially expected

Changes from 2Q business profit forecasts

* 2nd half and full year forecasts are forecasts revised after 3Q.

(¥ billion)

	FY2022/3 1st half	FY2022/3 3Q	FY2022/3 1Q-3Q	FY2022/3 2nd half			FY2022/3 Full year		
	Results	Results	Results	2Q Forecasts	3Q Forecasts	Variance	2Q Forecasts	3Q Forecasts	Variance
Processed Foods Business Division	7.0	7.1	14.1	8.0	7.5	(0.5)	15.0	14.5	(0.5)
Fresh Meats Business Division	17.8	12.7	30.5	19.2	18.2	(1.0)	37.0	36.0	(1.0)
Overseas Business Division	0.6	1.6	2.2	0.4	1.9	1.5	1.0	2.5	1.5
Others	0.4	(0.6)	(0.2)	(2.0)	(1.9)	0.1	(1.6)	(1.5)	0.1
Eliminations, adjustments and others	(1.6)	(0.9)	(2.5)	(1.8)	(1.9)	(0.1)	(3.4)	(3.5)	(0.1)
Total	24.3	19.9	44.1	23.8	23.8	0.0	48.0	48.0	0

2. Processed Foods Business Division: Outlook

Business profit forecast for FY2022/3: ¥14.5 billion

Hams and sausages and deli and processed foods businesses

- Efforts geared for consumer channel products

- Expand our core brands for which price were revised and implement sales promotion activities aimed at improving recognition of *SCHAU ESSEN*, which uses a new packaging that reduces the use of plastic by 28%
- Undertake initiatives supporting food diversification, such as shelf-stable products that help reduce food loss, and new products that offer greater choice of protein
- Develop new sales channels by introducing new categories

- Efforts geared for commercial-use channel products

- Continue to improve profits by continuing to reassess the number of items and low profit products
- Propose menus for restaurants and develop new categories



【Sales Promotion】

Marine/dairy products and extract/primary processing business

- Efforts in marine products business

- Step up sales of high profit, value-added products including products manufactured in in-house factories and sushi toppings

- Efforts in dairy products business

- For yogurt products, strengthen sales of *Ísey SKYR*, and bolster production capacity of the strongly performing *Vanilla Yogurt* products
- For cheese, strengthen proposals with a focus on value-added products with special attention to ingredients

- Efforts in extract/primary processing business

- Develop and expand sales of consumer products and high-end products that use wagyu beef

Factor Analysis: Changes in profit forecasts (¥ billion)

	FY2022/3 2nd half			FY2022/3 Full year		
	2Q Forecasts	3Q Forecasts	Variance	2Q Forecasts	3Q Forecasts	Variance
Hams and sausages, deli and processed foods	(1.5)	(2.1)	(0.6)	(2.0)	(2.7)	(0.6)
External factors	(2.6)	(2.7)	(0.1)	(2.7)	(2.8)	(0.1)
Principal raw material price	(1.5)	(1.3)	0.2	(1.2)	(1.0)	0.2
Other materials/fuels	(1.2)	(1.4)	(0.3)	(1.5)	(1.7)	(0.3)
Internal factors	1.1	0.6	(0.6)	0.7	0.1	(0.6)
Volume expansion	0.1	(0.1)	(0.2)	0.2	0	(0.2)
Improvement activities	1.0	0.7	(0.4)	0.5	0.1	(0.4)
Vendor and logistics	0.1	0.1	0	0.7	0.7	0
Marine/dairy products and extract/primary	(0.6)	(0.7)	(0.1)	0.4	0.4	0
DX costs	(1.6)	(1.3)	0.3	(2.2)	(1.9)	0.3
Total	(3.5)	(4.0)	(0.5)	(3.0)	(3.5)	(0.5)

Net sales forecasts by channel (year-on-year comparison)

	Channel	Full year forecasts
Hams and sausages	Consumer	99%
	Commercial-use	107%
	Total	100%
Deli and processed foods	Consumer	100%
	Commercial-use	99%
	Total	100%

Net sales forecasts of consumer products (year-on-year comparison)

	Category	Full year forecasts		Category	Full year forecasts
	Hams and sausages	Wieners		99%	Deli and processed foods
Loin hams		98%	Chilled dish	93%	
Bacon		93%	Fried chicken	106%	
Yakibutas		100%	Hamburg and meatball	99%	
Total		99%	Total	100%	

3. Fresh Meats Business Division: Outlook

Business profit forecast for FY2022/3: ¥36.0 billion

Domestic fresh meats business

Market: Domestic fresh meat production is expected to continue to be significantly affected by the soar in feed prices and fuel costs (Chicken) The market is expected to remain relatively sluggish; production status in Thailand and other developments must be monitored

Pork) The market price is expected to be the same level as the previous year; procurement status of Canadian pork and other developments must be monitored

(Efforts in domestic fresh meats business)

Internal) Work on productivity improvements, anti-livestock diseases measures, thorough implementation of COVID-19 countermeasures and maintenance of stable operation, and expansion of integrated brand meat production

External) Aim to increase suppliers and procurement volume



Imported fresh meats business

Market: Procurement prices are expected to remain high due to soaring feed prices and increasing global demand for meat

(Efforts in imported fresh meats business)

Beef) Work to pass on costs to prices in the Japanese market, and increase procurement volume from new suppliers (from Poland and Uruguay)

Pork and chicken) Work to strengthen cooperation with suppliers, develop branded meats, and develop products for expanding new sales channels



Fresh meats sales (Nippon Food Group)

(Efforts in fresh meats business)

Further spread of brand meat

- Prioritized sales promotions for *Sakurahime*, which has reached its 20th anniversary
- Campaigns, use of social media, sales floor contests, etc.
- Focus on co-operative and drugstore channels, expansion of group collaboration products and value-added products



Sakurahime frozen fried chicken (Scheduled launch in March (Group collaboration product))

Establishing a sustainable fresh meats business model

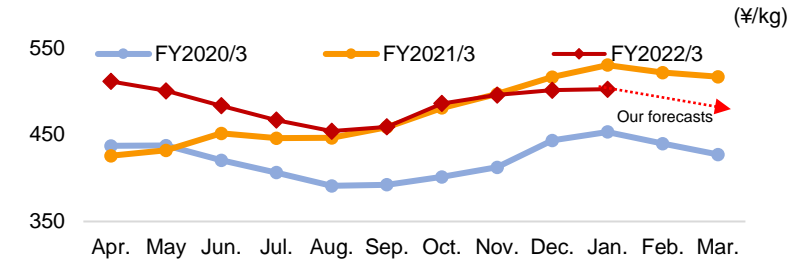
- Promote structural reforms aimed at maximizing profits through total optimization
- Create diverse dietary habits and solve social issues through collaboration and co-creation with external partners, in addition to our unique vertical integration system

Factor Analysis: Changes in profit forecasts

	FY2022/3 2nd half			FY2022/3 Full year		
	2Q forecasts	3Q forecasts	Variance	2Q forecasts	3Q forecasts	Variance
Imported fresh meats business	(0.7)	(1.0)	(0.3)	2.3	1.9	(0.3)
Domestic fresh meats business	(0.6)	(0.6)	0	(0.5)	(0.5)	0
Farming operation in Japan	(1.7)	(2.1)	(0.4)	(2.6)	(3.0)	(0.4)
Nippon Food Group and logistics operation	0.5	0.2	(0.3)	(1.0)	(1.3)	(0.3)
DX costs	(1.4)	(1.2)	0.2	(1.9)	(1.7)	0.2
Others	0	(0.1)	(0.1)	(0.6)	(0.7)	(0.1)
Total	(3.8)	(4.8)	(1.0)	(4.2)	(5.2)	(1.0)

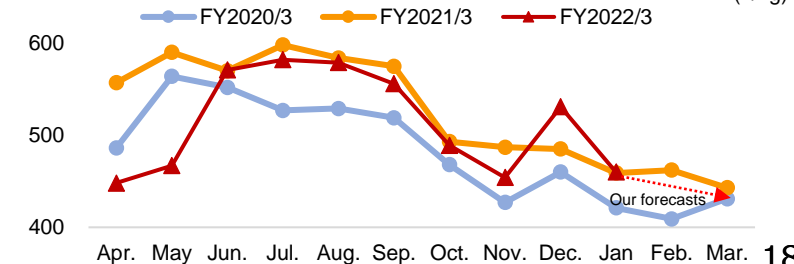
[Chicken market price]

Based on weighted average for chicken market: Simple average unit price taken from Shokuhin Sangyo Shimbunsha's Daily meat & livestock.



[Pork market price]

"Excellent" pork average of three markets (Tokyo, Saitama, Yokohama) (¥/kg)



4. Overseas Business Division: Outlook

Business profit forecast for FY2022/3: ¥2.5 billion

Efforts in Americas Business

Processing) Domestic consumption is expected to remain strong, while the impact of soaring raw materials prices, logistics costs and other prices are expected to continue

- ➔ Strengthen cooperation with business partners to raise production volume and prepare for price revisions in the next year

Export) Procurement prices are expected to continue soaring and disruptions in ocean shipments are expected to continue, although sales to Japan will remain strong.

- ➔ Strengthen cooperation with suppliers to stabilize supply

Efforts in Asia & Europe Business

Turkey) Rise in production cost including wages and feed prices is expected to continue

- ➔ Improve productivity and strengthen sales of value-added products

ASEAN) While production volume for Japan will recover, shortages in supply of chicken materials are expected

- ➔ Secure profits by working on stabilizing production volume and improving productivity

Efforts in Australia Business

Australia) While sales will be strong, impacts from difficulty in collection and soaring feed prices are expected to continue

- ➔ Secure profits by expanding sales of branded fresh meats in and outside Australia

Uruguay) Production costs will stabilize due to a decline in procurement price. Sales are expected to remain strong thanks to a recovery in demand

- ➔ Secure profits by sale of high value-added beef and mitigate country risk by diversifying export destinations

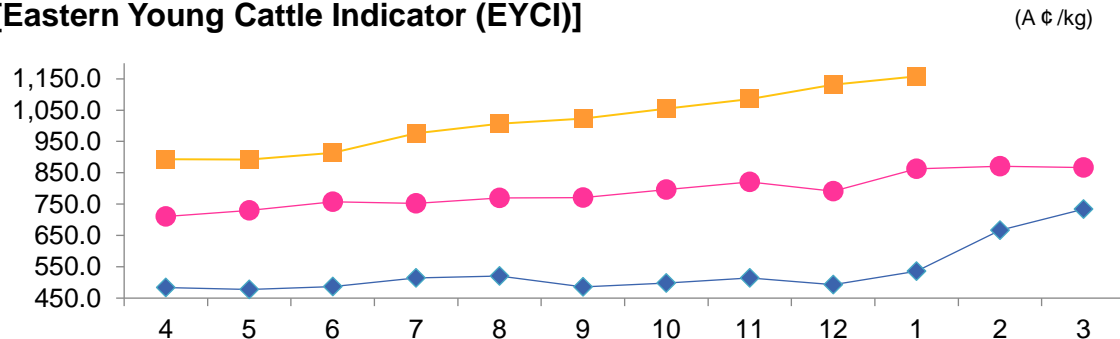
Factor Analysis: Changes in business profit forecasts

	FY2022/3 2nd half			FY2022/3 Full year		
	2Q forecasts	3Q forecasts	Variance	2Q forecasts	3Q forecasts	Variance
Australia	1.1	2.5	1.4	2.3	3.7	1.4
Australia	1.1	2.3	1.2	2.4	3.6	1.2
Uruguay	0	0.2	0.2	(0.1)	0	0.2
Americas	(0.4)	(0.4)	0	(1.6)	(1.6)	0
Asia & Europe	0.2	0.3	0.1	0.4	0.6	0.1
Others	0	0	0	0	0	0
Total	1.0	2.5	1.5	1.1	2.6	1.5

(Business profit forecasts)

	FY2022/3 2nd half		FY2022/3 Full year	
	2Q forecasts	3Q forecasts	2Q forecasts	3Q forecasts
Australia	0.7	2.1	1.2	2.6
Australia	0.5	1.7	1.8	3.0
Uruguay	0.2	0.4	(0.9)	(0.4)
Americas	0.5	0.5	1.2	1.1
Asia & Europe	(0.3)	(0.2)	(0.4)	(0.3)
Others	(0.5)	(0.5)	(1.0)	(0.9)
Total	0.4	1.9	1.0	2.5

[Eastern Young Cattle Indicator (EYCI)]



Source: MLA

I: Consolidated Business Results for FY2022/3 3Q

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1. Consolidated Business Results for 3Q (Oct.-Dec.)
2. Segment Data: Processed Foods Business Division
3. Segment Data: Fresh Meats Business Division
4. Segment Data: Overseas Business Division
5. External Customer Net Sales Results in Major Overseas Geographical Areas

III: Consolidated Financial Results for FY2022/3 3Q

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1. FY2021/3 Business Results at a Glance and FY2022/3 Forecasts
2. Balance Sheets / Capital Expenditures / Depreciation and Amortization
3. Cash Flows

II: Outlook for FY2022/3

P.15

1. FY2022/3 Business Profit Forecasts
2. Processed Foods Business Division: Outlook
3. Fresh Meats Business Division: Outlook
4. Overseas Business Division: Outlook

1. FY2021/3 Business Results at a Glance and FY2022/3 Forecasts

(¥ million, %)

		FY2021/3 results			FY2022/3 results and forecasts								
		1Q-3Q results	4Q results	Full year results	1Q-3Q results	Variance	Volume growth rate	4Q forecasts	Variance	Volume growth rate	Full year forecasts	Variance	Volume growth rate
(1)	Net sales	902,988	273,113	1,176,101	953,239	5.6	-	226,761	(17.0)	-	1,180,000	0.3	-
	Hams and sausages	103,649	28,777	132,426	102,663	(1.0)	0.5	21,737	(24.5)	(23.3)	124,400	(6.1)	(5.0)
	Processed foods	168,070	55,515	223,585	177,583	5.7	1.5	41,417	(25.4)	(24.9)	219,000	(2.1)	(5.0)
	Fresh meats	516,166	156,926	673,092	549,662	6.5	(1.4)	138,338	(11.8)	(18.0)	688,000	2.2	(5.3)
	Beef	200,675	56,324	256,999	225,719	12.5	(5.0)	54,281	(3.6)	(18.9)	280,000	8.9	(8.0)
	Pork	175,834	53,615	229,449	174,273	(0.9)	(1.0)	46,427	(13.4)	(17.5)	220,700	(3.8)	(5.0)
	Chicken	123,439	42,783	166,222	135,062	9.4	0.9	33,538	(21.6)	(17.6)	168,600	1.4	(3.7)
	Other fresh meats	16,218	3,990	20,208	14,608	(9.9)	(13.4)	4,092	2.6	(26.3)	18,700	(7.5)	(15.9)
	Marine products	60,520	16,333	76,853	63,231	4.5	4.3	12,069	(26.1)	(25.2)	75,300	(2.0)	(2.4)
	Dairy products	24,661	7,306	31,967	26,002	5.4	(0.1)	6,098	(16.5)	(20.6)	32,100	0.4	(4.9)
	Others	29,922	8,469	38,391	34,098	14.0	-	7,102	(16.1)	-	41,200	7.3	-
(2)	Cost of goods sold	735,006	229,361	964,367	782,920	6.5	-						
	Gross profit	167,982	43,752	211,734	170,319	1.4	-						
	Gross profit ratio	18.6%	16.0%	18.0%	17.9%	-	-						
(3)	SG&A expenses	120,048	41,167	161,215	123,942	3.2	-						
	Other income and expenses	(4,814)	1,355	(3,459)	(85)	-	-	(3,165)	-	-	(3,250)	-	-
	Finance income and costs	289	119	408	(2,216)	-	-	466	291.6%	-	(1,750)	-	-
	Share of profit (loss) in investments accounted for using the equity method	961	445	1,406	6,161	541.1	-	(5,161)	-	-	1,000	(28.9)	-
	Profit before tax	44,370	4,504	48,874	50,237	13.2	-	(7,237)	-	-	43,000	(12.0)	-
	Income tax expense	16,679	1,137	17,816	13,459	(19.3)	-	41	(96.4)%	-	13,500	(24.2)	-
	Tax rate	37.6%	25.2%	36.5%	26.8%	-	-	-	-	-	31.4%	-	-
	Profit attributable to owners of parent	28,511	4,105	32,616	36,747	28.9	-	(6,747)	-	-	30,000	(8.0)	-
(4)	Operating income (1)-(2)-(3)	47,934	2,585	50,519	46,377	(3.2)	-	623	(75.9)%	-	47,000	(7.0)	-
(5)	Foreign exchange gains (losses)	(1,299)	(1,282)	(2,581)	(1,654)	-	-	-	-	-	-	-	-
(6)	Adjustments in accordance with IFRS and others	5,319	(4,645)	674	3,901	(26.7)	-	-	-	-	-	-	-
	Business profit (4)-(5)-(6)	43,914	8,512	52,426	44,130	0.5	-	3,870	(54.5)	-	48,000	(8.4)	-

2. Balance Sheets / Capital Expenditures / Depreciation and Amortization

Consolidated balance sheets

(¥ million, %)

		FY2021/3	FY2022/3	Variance (%)	Variance
		Year-end	3Q		
	Total assets	825,405	902,437	9.3	77,032
	Cash and cash equivalents	83,831	59,954	(28.5)	(23,877)
(1)	Trade and other receivables	127,067	192,011	51.1	64,944
(2)	Inventories	107,906	126,415	17.2	18,509
	Property, plant and equipment	325,629	340,590	4.6	14,961
	Right-of-use assets	38,362	34,389	(10.4)	(3,973)
	Other financial assets - non-current	35,796	36,916	3.1	1,120
	Deferred tax assets	26,056	24,773	(4.9)	(1,283)
	Total liabilities	381,096	430,744	13.0	49,648
	Trade and other payables	98,983	129,496	30.8	30,513
	Interest-bearing liabilities	193,750	217,844	12.4	24,094
	Total equity attributable to owners of parent	433,595	460,925	6.3	27,330
	Non-controlling interests	10,714	10,768	0.5	54
	Total equity	444,309	471,693	6.2	27,384

Major reasons for increase/decrease

(1) Trade and other receivables

Increased by ¥64.9 billion mainly due to increased sales thanks to seasonal factors

(2) Inventories

Increased by ¥18.5 billion mainly due to rising prices of fresh meats (beef and chicken)

Capital expenditures, depreciation and amortization

(¥ million, %)

	FY2021/3	FY2022/3				
	1Q-3Q	1Q-3Q			Full year	
	Results	Results	Variance (%)	Variance	2Q forecasts	Full year forecasts
Capital expenditures	54,034	44,168	(18.3)	(9,866)	98,600	81,500
Processed Foods Business Division	14,496	6,834	(52.9)	(7,662)	16,680	11,630
Fresh Meats Business Division	8,930	11,131	24.6	2,201	23,160	18,620
Overseas Business Division	4,054	2,137	(47.3)	(1,917)	6,620	3,430
Others	26,554	24,065	(9.4)	(2,489)	52,140	47,820
Depreciation and amortization	25,301	27,057	6.9	1,756	34,600	36,000

Consolidated statements of cash flows

(¥ million)

	FY2021/3	FY2022/3		FY2022/3
	3Q results	3Q results	Variance	Full year forecasts
(1) Cash flows from operating activities	34,724	(5,293)	(40,017)	77,500
(2) Cash flows from investing activities	(44,064)	(30,449)	13,615	(45,700)
(3) Cash flows from financing activities	809	11,695	10,886	(25,400)

Major reasons for increase/decrease

(1) Cash flows from operating activities

With regard to operating activities, profit before tax amounted to ¥50.2 billion, and the increase in trade and other payables amounted to ¥30.8 billion, while the increase in trade and other receivables amounted to ¥62.6 billion, the increase in inventories amounted to ¥18.6 billion, and income tax paid amounted to ¥20.2 billion. As a result, net cash used by operating activities amounted to ¥5.3 billion.

(2) Cash flows from investing activities

With regard to investing activities, acquisition of fixed assets amounted to ¥34.9 billion. As a result, net cash used in investing activities amounted to ¥30.4 billion.

(3) Cash flows from financing activities

With regard to financing activities, cash dividends amounted to ¥9.6 billion and repayments of debt amounted to ¥38.8 billion, while the increase in short-term bank loans amounted to ¥36.7 billion, and proceeds from debt amounted to ¥23.0 billion. As a result, net cash provided by financing activities amounted to ¥11.7 billion.

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Forward-looking statements

This presentation includes forecasts regarding targets, strategies and earnings. These forecasts are based on information available at the current time and contain certain assumptions about the future. They are subject to numerous external uncertainties in areas such as economic environment, market trends and exchange rates. Actual performance may differ significantly from the targets in this presentation, and investment decisions should not be based exclusively on them.