

FY2022

Financial results
briefing

Business Results

for the Fourth Quarter of FY2022/3

2022/5/10

NH Foods Ltd.

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Unleash new potentials for protein

NH Foods Group Vision 2030

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

* Starting with its consolidated financial forecasts for the fiscal year ended March 2020, the NH Foods Group has switched from the disclosure of operating income to the disclosure of business profit (calculated by deducting the cost of goods sold and selling, general and administrative expenses from net sales, accounting for foreign exchange gains and losses determined by the Group, and adjusting for IFRS compliance and non-recurring items). The purpose of this change was to provide a clearer indication of profit from business operations.

* Due to rounding, numbers may not match totals.

* The extract/primary processing business, which was previously under the jurisdiction of the Affiliated Business Division and Fresh Meats Business Division, have been integrated under the Processed Foods Business Division since the fiscal year ended March 2021. This is reflected in the breakdown of business profit. Figures for periods up to the fiscal year ended March 2020 have been adjusted retrospectively. (These figures were calculated by the Company but have not been audited.)

FY2022/3 Results

1 . Financial Highlights(1): FY2022/3 Results

Business profit for the fiscal year ended March 2022 was affected by soaring raw material costs and higher procurement and production costs. However, we were able to achieve the projected results thanks to cost absorption measures and the contributions from the beef business of the Overseas Business Division.

FY2022/3 results

(¥ billion)

	Full year results	Variance	Variance (%)
Net sales:	1,246.4*	70.3	6.0%
(Net sales from continuing operations)	1,174.4	68.0	6.1%
(Net sales from discontinued operations)	72.1	2.3	3.3%
Business profit	48.1*	(4.3)	(8.2)%
Business profit ratio	3.9%*	(0.6)%	-
Profit before tax	51.4	3.8	7.9%
Profit attributable to owners of the parent	48.0*	15.4	47.3%
ROE	*10.5%	2.7%	-
ROIC	*5.0%	△0.9%	-

* Including results from discontinued operations (The Marine Foods Corp.)

* The business profit ratio was calculated on the basis of business profit of ¥48.1 billion and net sales of ¥1246.4 billion, including discontinued operations.

Variation Factor Analysis

Net sales benefited from a recovery in demand from commercial users and the restaurant business, thanks to the waning impact of COVID and changes in consumer behavior. There was an increase of 6%, resulting in part from price increases to pass on higher beef procurement costs.

Business profit was lower because of soaring raw material costs, and increased procurement and production costs.

Profit before tax was 7.9% higher due to the effects of ¥7.6 billion gains from equity method investments.

Profit increased by 47.3%, in part because of profit on the sale of a business.

ROE was 2.7% higher due to a substantial increase in profit attributable to owners of the parent, and other factors.

1 . Financial Highlights(2): Business Profit by Segment

Business profit by segment

(¥ billion)

	FY2021/3	FY2022/3	Variance
Processed Foods Business Division	18.0	14.7	(3.3)
Fresh Meats Business Division	41.2	35.6	(5.7)
Overseas Business Division	(0.1)	2.4	2.5
Baseball Club Business and others	(1.8)	(1.6)	0.2
Eliminations and adjustments	(4.9)	(3.0)	1.9
Consolidated	52.4	48.1	(4.3)

Variation Factor Analysis

Processed Foods Business Division

Profits were lower, especially in the areas of hams and sausages, deli and processed foods, due to increased raw material prices, fuel costs, etc.

Fresh Meats Business Division

Profits, especially from domestic production and sales, were lower due to increased production costs, including higher feed prices and fuel costs, and a decline in the quantity of beef sold.

Overseas Business Division

A continuing uptrend in beef selling prices resulted in higher profits, especially from the Australian business.

Baseball Club Business and others

Profit increased thanks to a recovery in spectator numbers.

FY2022/3

Segment Results

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

Despite higher sales due to consistently strong consumer demand and a recovery in commercial demand, profits from hams and sausages, deli and processed foods were lower because of sharply higher prices for raw materials and fuels, etc..

FY2022/3 results

(¥ billion)

	FY2021/3	FY2022/3	Variance	Variance (%)
Net sales	489.4	496.7	7.3	1.5%
Business profit	18.0	14.7	(3.3)	(18.3)%
Business profit ratio	3.7%	3.0%	(0.7)%	-

Sales of consumer products

- Hams and sausages: Sales reached the previous year's level thanks to increased sales of large-bags products in the flagship *Schau Essen* brand range, the introduction of online advertising, and other factors
- Deli and processed foods: Strong sales of high-priced products, such as *Kanade* pizza and *Kiwamiyaki Hamburg*
- Dairy products: Strong sales of the flagship *Vanilla Yogurt* range

Year on year growth in sales by channel

		Volume	Amount
Hams and sausages	Consumer	98%	98%
	Commercial-use	107%	109%
	Total	100%	99%
Deli and processed foods	Consumer	98%	100%
	Commercial-use	98%	99%
	Total	98%	100%

Year on year sales comparison of consumer products

		Consumer products	Amount			Consumer products	Amount
Hams and sausages	Wieners		98%	Deli and processed foods	Chilled bakery		108%
	Loin hams		100%		Chilled dish		91%
	Bacons		95%		Fried chicken		107%
	Yakibutas		100%		Hamburger and meatball		99%
	Total		99%		Total		100%



Sales of commercial products

- Hams and sausages: Strong sales to the restaurant industry
- Deli and processed foods: Sales impacted by supply shortages affecting processed products imported from Thailand
- Extract/primary processing: Strong sales to restaurants and convenience stores
- Marine products: Strong sales of in-house products and sushi toppings

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

Factor Analysis: Changes in business profit

(¥ billion)

	Yearly estimate as of 3Q	Full year results	Variation from estimate
Hams and sausages, deli and processed foods	(2.7)	(2.8)	(0.1)
External factors	(2.8)	(2.7)	0.1
Principal raw material prices	(1.0)	(0.9)	0.2
Other materials/fuels	(1.7)	(1.8)	(0.1)
Internal factors	0.1	(0.1)	(0.2)
Volume expansion	0	(0.1)	0
Improvement activities	0.1	0	(0.1)
Vendor and logistics	0.7	0.6	(0.1)
Marine/dairy products and extract/primary processing	0.4	0.7	0.3
DX costs	(1.9)	(1.8)	0.1
Total	(3.5)	(3.3)	0.2

Variation Factor Analysis

[External factors] ¥(2.7) billion

Sharply higher procurement prices and energy costs in the second half of the fiscal year

(Breakdown of key items)

Principal raw materials: Soaring prices for Fried chicken/hamburger ingredients

Other materials: Soaring prices for sheep casings and frying oil

Fuels: Sharply higher electric power and fuel prices

[Internal factors] ¥(0.1) billion

Improvement activities: Prices adjusted in 4Q to offset cost increases in the first half of the fiscal year

[Vendors and logistics] ¥0.6 billion

Vendors: Increased sales of key products thanks to improvement activities

Logistics: Improvement of warehouse operations, strong trend in value-added operations

[Marine/dairy products and extract/primary processing] ¥0.7 billion

Marine: Shift to high-margin products manufactured in-house

Extract/primary processing: Earnings secured thanks to a recovery in the restaurant industry and price increases to reflect higher costs

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

Revenues increased thanks to higher prices for imported fresh meats, but profits on domestic production fell due to higher production costs, including feed prices and fuel costs. Profits of Nippon Food were also eroded by a decline in beef sales.

FY2022/3 results

(¥ billion)

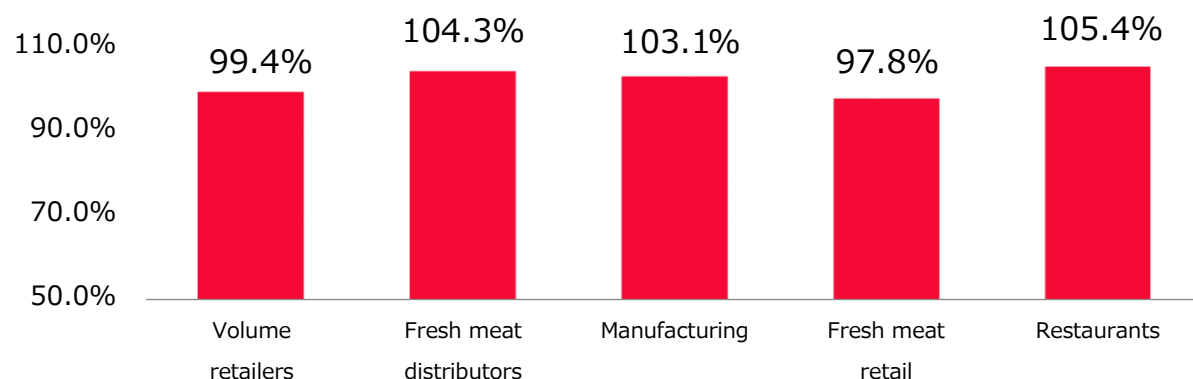
	FY2021/3	FY2022/3	Variance	Variance (%)
Net sales	656.7	683.3	26.6	4.1%
Business profit	41.2	35.6	(5.7)	(13.7)%
Business profit ratio	6.3%	5.2%	(1.1)%	-

Sales by livestock type

- Beef: Despite the increased value of sales, demand failed to keep pace with price adjustments near the end of the fiscal year to reflect higher costs, due to soaring procurement prices for imported beef.
- Pork: Despite sharply higher prices for imported pork, the value of sales remained at previous year's level, in part because of a downturn in the price of domestic pork in the first half of the fiscal year.
- Chicken: Demand for imported chicken drove the market throughout the year, in part because of changes in food service formats. Sales of domestic chicken also remained strong thanks to a consumer preference for affordable products.

Year on year growth in sales by channel

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



Sales by channel

- Volume retailers: Sales remained at the previous year's level thanks to the stabilization of demand for home meals, an increased focus on the proposal of prepared meal products, and other factors.
- Restaurants: Despite the impact of restrictions on going out as part of infection prevention measures, sales increased, in part because of a rebound starting in the first half of the year.

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

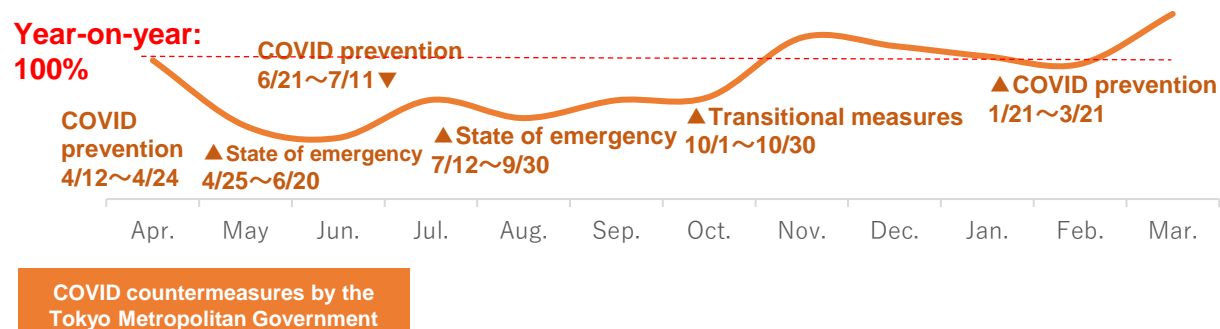
Factor Analysis: Changes in business profit

(¥ billion)

	Yearly estimate as of 3Q	Full year results	Variation from estimate
Imported fresh meats business	1.9	1.5	(0.4)
Domestic fresh meats business	(0.5)	(0.7)	(0.2)
Farming operation in Japan	(3.0)	(2.7)	0.3
Nippon Food Group and logistics operation	(1.3)	(1.6)	(0.3)
DX costs	(1.7)	(1.5)	0.2
Others	(0.7)	(0.7)	0
Total	(5.2)	(5.7)	(0.4)

* 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.

Year-on-year variation in profits from the four food companies



Variation Factor Analysis

[Imported fresh meats business] ¥1.5 billion

Chicken: Prices were adjusted in step with demand growth to reflect a shift to fried chicken in the restaurant industry, a reduction in imports of processed foods from Thailand in December, and other factors. Sales volumes were also strong, and profits rose, especially in the first half.

Beef: Prices soared due to high prices for Australia beef, the reduced frequency of ship calls in Japan, and unstable supplies of American beef. The profit decline was kept to a minimum through increased efforts to build relationships with local packers and the discovery of new packers.

[Domestic fresh meats business] ¥(0.7) billion

Chicken: Chicken prices began to fall year-on-year in the second half of the fiscal year, and profits declined.

Pork: Pork prices fell year-on-year until November but started to rise in December. Prices were lower over the whole year, and profits fell.

[Farming operation in Japan] ¥(2.7) billion

Chicken and pork: The prices of feed products (corn, etc.) rose sharply in the second half of the fiscal year. Government actions to stabilize compound feed prices failed to offset price increases. The improvement of production costs was delayed by soaring fuel costs, disease outbreaks, and other factors.

[Nippon Food Group and logistics operation] ¥(1.6) billion

Sales: We shifted to the volume retailer channel and stepped-up marketing efforts because of COVID prevention measures and the state of emergency. Sales volumes increased, but profit was lower due to reduced sales of high-priced beef as consumers became more price-conscious. A recovery trend has emerged since the start of 2022.

4. Segment Data: Overseas Business Division (1)

The Australian business drove growth in sales and profits thanks to a continuing rise in beef prices.

FY2022/3 results

(¥ billion)

	FY2021/3	FY2022/3	Variance	Variance (%)
Net sales	223.6	267.6	44.0	19.7%
Business profit	(0.1)	2.4	2.5	-
Business profit ratio	-	0.9%	0.9%	-

Results by region

• Australia

Beef: Sales volumes were lower year-on-year due to cattle collection problems. However, higher unit selling were reflected in an increased sales revenues.

• Americas

Processed products: In addition to strong sales of processed products in North America, the development of new markets also helped to boost sales, resulting in strong performance.

Exports: Pork exports to Japan remained strong.

• Asia & Europe

Processed products: Sales followed a recovery trend, but production volumes were limited by the continuing impact of COVID on manufacturing operations.

Chicken: Chicken prices in Turkey rose. Sales were also strong.

Business profits by region

(¥ billion)

	FY2021/3	FY2022/3	Variance	Variance (%)
Overseas total	(0.1)	2.4	2.5	-
Australia	(0.6)	3.1	3.6	-
Uruguay	(0.5)	(0.5)	0	-
Americas	2.7	1.2	(1.5)	(55.9)%
Asia & Europe	(0.8)	(0.4)	4	-

External customer net sales results

(¥ billion)

	FY2021/3	FY2022/3	Variance	Variance (%)
Overseas total	112.2	142.8	30.6	27.3%
Australia	49.2	68.3	19.2	39.0%
Uruguay	19.4	22.5	3.2	16.4%
Americas	20.3	25.6	5.3	26.3%
Asia & Europe	23.3	26.3	3.0	12.8%

4. Segment Data: Overseas Business Division (2)

Factor Analysis: Changes in business profit

(¥ billion)

	Yearly estimate as of 3Q	Full year results	Variation from estimate
Australia	3.6	3.7	0.1
Uruguay	0	(0.1)	(0.1)
Americas	(1.6)	(1.5)	0.1
Asia & Europe	0.6	0.4	(0.2)
Others	0	0	0
Total	2.6	2.5	(0.1)

Variation Factor Analysis

[Australia] ¥3.7 billion

Procurement prices remained historically high throughout the fiscal year, but selling prices were also higher.

Profits were secured thanks to an improvement in the area of brand meat.

[Uruguay] ¥0.1 billion

A ban on exports to China in the first half resulted in lower volumes, but profits recovered to the previous year's level after the lifting of the export ban, thanks to a strong global price trend.

[Americas] ¥(1.5) billion

Volumes were higher, but profits from sales of processed products came under pressure from higher prices for chicken used in the products.

[Asia & Europe] ¥0.4 billion

Turkey: Despite soaring feed and raw material prices, profits were secured by adjusting prices to reflect higher costs.

Thailand: An outbreak of African swine fever triggered increased demand for chicken, resulting in higher raw material costs.

FY2022/3

Business Plan

1. Plan Highlights

FY2023/3 Profit Forecasts

(¥ billion)

	Full year forecasts	Variance	Variance (%)
Net sales	1,240.0	65.6	5.6%
Business profit	46.0	(2.1) *0.2	(4.4)% 0.4%
Business profit ratio	3.7%	(0.4)%	-
Profit before tax	44.5	(6.9)	(13.4)%
Profit attributable to owners of the parent	33.0	(15.0)	(31.3)%
ROE	6.7%	(3.8)%	-
ROIC	4.4%	(0.6)%	-

Segment profit targets

(¥ billion)

	FY2023/3 1st half		FY2023/3 2nd half		FY2023/3 Full year	
	Forecasts	Variance	Forecasts	Variance	Forecasts	Variance
Processed Foods Business Division	4.4	(1.5)*	5.6	(0.9)*	10.0	(2.4)
Fresh Meats Business Division	18.0	0.2	18.0	0.2	36.0	0.4
Overseas Business Division	0.9	0.3	2.1	0.3	3.0	0.6
Others	2.3	1.9	(2.3)	(0.3)	0	1.6
Eliminations, adjustments and others	(1.6)	0	(1.4)	0	(3.0)	0
Total	24.0	0.9	22.0	(0.7)	46.0	0.2

* Year on year variance, excluding profits from discontinued operations (The Marine Foods Corp.)

Profit forecasts for the current fiscal year by segments

Processed Foods Business Division: Despite price adjustments and internal improvements, etc., performance will be impacted to some extent by soaring prices for raw material, electric power, and fuels.

Fresh Meats Business Division: Performance will be affected by soaring feed prices, procurement prices, and fuel costs. However, profits should be around the previous year's level thanks to improvements in the productivity of production operations, the recovery of food sales, and other factors

Overseas Business Division: The outlook for the beef business and processed product exports to Japan remains uncertain, but we will secure profits by expanding sales of processed products in North America.

Baseball Club Business and others: Profit is expected to recover thanks to the easing of restrictions on spectator numbers and the effects of BIGBOSS activities.

2. Processed Foods Business Division: Outlook

Business profit forecast for FY2023/3: ¥10.0 billion

Factor Analysis: Changes in profit forecasts

(¥ billion)

		1st half	2nd half	Full year
Hams and sausages, deli and processed foods		(0.9)	(0.6)	(1.5)
External factors		(6.2)	(6.8)	(13.0)
	Principal raw material price	(2.6)	(3.2)	(5.8)
	Other materials/fuels	(3.6)	(3.6)	(7.2)
Internal factors		5.3	6.2	11.6
	Effect of price adjustments	3.0	3.0	6.0
	Effect of improvements	2.3	3.2	5.6
Marine/dairy products and extract/primary processing		0.6	0.5	1.1
DX costs		(1.2)	(0.8)	(2.0)
Total		(1.5)	(0.9)	(2.4)

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

		Forecasts
Ham and sausages	Consumer	102%
	Commercial-use	101%
	Total	102%
Deli and processed foods	Consumer	102%
	Commercial-use	100%
	Total	102%

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

	Category	Forecasts		Category	Forecasts
	Ham and sausages	Wieners		102%	Deli and processed foods
Loin hams		110%	Chilled dish	100%	
Bacons		110%	Fried chicken	108%	
Yakibutas		105%	Hamburger and meatball	101%	
Total		102%	Total	102%	

<Major reasons for increase/decrease>

[External factors] ¥(13.0) billion

Principal raw materials: Impact of transportation costs and the weak yen

Other materials: Higher oil, cheese, and transportation costs

Fuels: Rising oil price

[Internal factors] ¥11.6 billion

The initial forecast of ¥6 billion will be covered by price changes.

The product mix will improve due to increased sales of flagship brands.

Logistics operations will improve thanks to the consolidation of items.

[Marine/dairy products and extract/primary processing] ¥1.1 billion

Dairy products and extract/primary processing:

We will negotiate price changes for commercial products. This will offset higher costs for beef materials, cheese, electric power, and fuels.

<Major efforts>

(Efforts focusing on consumer products)

- Expansion of flagship brand sales through BIGBOSS sales promotions
- Continuing development of new sales channels (e.g., e-commerce, drugstores, home centers)

(Efforts focusing on commercial-use products)

- Development of value-added products and new category products

(Addressing the impact of rising raw material costs)

- Price changes for commercial products
- Use of competitive raw materials / changes of materials
- Review of low-margin products
- Formula changes

3. Fresh Meats Business Division: Outlook

Business profit forecast for FY2023/3: ¥36.0 billion

Factor Analysis: Changes in profit forecasts (¥ billion)

	1st half	2nd half	Full year
Domestic beef/pork business	0.3	0.3	0.1
Domestic chicken business	(0.9)	(0.6)	(1.5)
Imported fresh meats business	0.3	0.3	0.6
Nippon Food Group sales	2.1	0.7	2.9
DX costs	(1.1)	(0.6)	(1.7)
Total	0.2	0.2	0.4

[Domestic beef/pork business] ¥0.1 billion

Production: Feed prices are expected to rise and remain high because of uncertainty about the external environment.

Consignment business: Demand for pork for use in home cooking will stabilize, but performance will be underpinned by the import procurement environment.

Initiatives: Beef—We will strengthen our brand through links with external assets and further expand exports of Wagyu.

Pork—Costs will fall due to the reduction of disease outbreaks and increased shipment volumes.

[Domestic chicken business] ¥(1.5) billion

Production: Feed prices are expected to rise and remain high because of uncertainty about the external environment.

Consignment business: Performance will remain strong, in part because of soaring prices for imported breast meat, but sales of thigh meat will fall below the previous year's level.

Initiatives: We will expand production and sales of brand meats, especially *Sakurahime* chicken. We will work to strengthen procurement capabilities and enhance cost competitiveness through external collaboration.

[Imported fresh meats business] ¥0.6 billion

Initiatives: We will ensure reliable supplies by strengthening collaboration with existing suppliers. We will continue our efforts to discover new source countries and packers.

[Nippon Food Group sales] ¥2.9 billion

Sales: The livestock mix will improve thanks to a recovery in food service demand.

Initiatives: We will create specialized units for each area and channel. We will secure profits by passing on cost increases through beef prices.

4. Overseas Business Division: Outlook

Business profit forecast for FY2023/3: ¥3.0 billion

Factor Analysis: Changes in profit forecasts

(¥ billion)

	1st half	2nd half	Full year
Australia	0.5	(0.5)	0
Australia	(0.2)	(0.3)	(0.5)
Uruguay	0.7	(0.1)	0.5
Americas	(0.1)	0.8	0.7
Asia & Europe	0.1	0.1	0.1
Others	(0.1)	(0.1)	(0.3)
Total	0.3	0.3	0.6

Business profit forecasts

	1st half	2nd half	Full year
Australia	0.9	1.6	2.5
Uruguay	0.1	0.0	0.1
Americas	0.6	1.4	1.9
Asia & Europe	0	(0.3)	(0.3)
Others	(0.6)	(0.6)	(1.2)
Overseas total	0.9	2.1	3.0

[Australia] ¥(0.5) billion

The number of cattle shipped will recover, but major shifts in selling prices are anticipated due to uncertainty about global economic trends.

Initiatives: We will expand sales of brand meats and increase the percentage of high-value-added products.

[Uruguay] ¥0.5 billion

Live cattle prices are expected to remain high.

Initiatives: We will strengthen marketing in step with the recovery of demand in China. We will step up marketing of high-value-added beef products, such as kosher products.

[Americas] ¥0.7 billion

The external environment will continue to be impacted by soaring raw material costs and labor costs. Total profit is expected to increase due to exports and local sales of processed foods and fresh meats.

Initiatives: We anticipate high profits thanks to an improvement in profitability of processed chicken in North America as a result of price adjustments, as well as the expansion of production volumes.

[Asia & Europe] ¥0.1 billion

Turkey—Continuing surge in feed prices

Thailand—Worsening export environment due to the weak yen

Initiatives: Turkey—Adjustment of prices to reflect high feed costs, expansion of sales of value-added products

Thailand—Product updates, productivity improvements

Key Financial Data

1. FY2022/3 Business Results at a Glance and FY2023/3 Forecasts

(¥ million, %)

		FY2022/3 results						FY2023/3 forecasts					
		1st half	Variance	2nd half	Variance	Full year	Variance	1st half	Variance	2nd half	Variance	Full year	Variance
(1)	Net sales	569,118	(0.8)	605,271	13.6	1,174,389	6.1	610,000	7.2	630,000	4.1	1,240,000	5.6
(2)	Cost of goods sold	468,057	(0.3)	506,304	15.5	974,361	7.3	505,000	7.9	523,000	3.3	1,028,000	5.5
	Gross profit	101,061	(2.9)	98,967	4.9	200,028	0.8	105,000	3.9	107,000	8.1	212,000	6.0
	Gross profit ratio	17.8%	-	16.4%	-	17.0%	-	17.2%	-	17.0%	-	17.1%	-
(3)	Selling, General and Administrative expenses	75,502	(3.4)	82,448	15.1	157,950	5.4	79,000	4.6	88,500	7.3	167,500	6.0
	Other income and expenses	△596	-	2,651	-	2,055	-	(750)	-	(2,050)	-	(2,800)	-
	Finance income and costs	10	-	(1,801)	-	(1,791)	-	1,250	-	(450)	-	800	-
	Share of profit (loss) in investments accounted for using the equity method	3,100	34.3	5,924	(761.9)	9,024	538.6	1,000	(67.7)	1,000	(83.1)	2,000	(77.8)
	Profit before tax	28,067	(2.3)	23,293	23.4	51,366	7.9	27,500	(2.0)	17,000	(27.0)	44,500	(13.4)
	Income tax expense	8,069	(18.6)	4,599	(37.3)	12,668	(26.6)	7,000	(13.2)	4,500	(2.2)	11,500	(9.2)
	Tax rate	28.7%	-	19.7%	-	24.7%	-	25.5%	-	26.5%	-	25.8%	-
	Profit attributable to owners of the parent:	19,604	0.7	28,445	116.5	48,049	47.3	20,000	2.0	13,000	(54.3)	33,000	(31.3)
	(Profit from continuing operations)	19,917	-	19,027	-	38,944	-	-	-	-	-	-	-
	(Profit from discontinued operations)	(313)	-	9,418	-	9,105	-	-	-	-	-	-	-
(4)	Operating income (1)-(2)-(3)	25,559	(1.3)	16,519	(27.3)	42,078	(13.5)	26,000	1.7	18,500	12.0	44,500	5.8
(5)	Foreign exchange gains (losses)	(781)	-	(2,216)	-	(2,997)	-	-	-	-	-	-	-
(6)	Adjustments in accordance with IFRS and others	3,213	(36.2)	(3,959)	-	(746)	-	-	-	-	-	-	-
(7)	Adjustments in accordance with discontinued operations	(1,125)	-	(1,170)	-	(2,295)	-	-	-	-	-	-	-
	Business profit (4)-(5)-(6)-(7)	24,252	10.6	23,864	(21.8)	48,116	(8.2)	24,000	(1.0)	22,000	(7.8)	46,000	(4.4)

2. Balance Sheets / Capital Expenditures / Depreciation and Amortization

Consolidated balance sheets

(¥ million, %)

	FY2021/3	FY2022/3	Year on Year	
	Year-end	Year-end	Variance(%)	Variance
Total assets	825,405	909,213	10.2	83,808
Total liabilities	381,096	419,659	10.1	38,563
Total equity attributable to owners of parent	433,595	479,069	10.5	45,474
Non-controlling interests	10,714	10,485	(2.1)	(229)
Total equity	444,309	489,554	10.2	45,245

Capital expenditures, depreciation and amortization

(¥ million, %)

	FY2021/3	FY2022/3				FY2023/3
	Full year Results	Full year Forecasts	Results	Year on Year		Full year Forecasts
				Variance(%)	Variance	
Capital expenditures	82,902	81,500	80,395	(3.0)	(2,507)	94,200
Processed Foods Business Division	26,032	11,630	11,038	(57.6)	(14,994)	16,000
Fresh Meats Business Division	15,966	18,620	17,083	7.0	1,117	31,300
Overseas Business Division	4,955	3,430	3,321	(33.0)	(1,634)	10,300
Others	35,949	47,820	48,953	36.2	13,004	36,600
Depreciation and amortization	33,939	36,000	36,379	7.2	2,440	37,700

Consolidated statements of cash flows

(¥ million)

	FY2021/3	2022/3	Year on Year	2023/3
	Year-end	Year-end	Variance	Full year forecasts
Cash flows from operating activities	82,518	33,387	(49,131)	69,500
Cash flows from investing activities	(57,827)	(22,837)	34,990	(94,200)
Cash flows from financing activities	(14,934)	(12,162)	2,772	(3,700)

Major reasons for increase/decrease

(1) Total Assets

Increased ¥19.4 billion mainly due to an increase in capital expenditures
Increased by ¥12.1 billion mainly due to rising prices of fresh meats (beef)

(2) Cash flows from operating activities

With regard to operating activities, profit before tax amounted to ¥51,366 million and depreciation and amortization expenses amounted to ¥36,464 million, while the increase of inventories amounted to ¥22,655 million and income tax paid amounted to ¥21,045 million. As a result, net cash provided by operating activities amounted to ¥33,387 million

(3) Cash flows from investing activities

With regard to investing activities, acquisition of fixed assets amounted to ¥44,473 million, while proceeds from sales of business amounted to ¥16,628 million. As a result, net cash used in investing activities amounted to ¥22,837 million.

(4) Cash flows from financing activities

With regard to financing activities, cash dividends amounted to ¥9,610 million and repayments of debt amounted to ¥47,490 million, while increase in short-term bank loans amounted to ¥17,065 million and proceeds from debt amounted to ¥27,462 million. As a result, net cash used in financing activities amounted to ¥12,162 million.

3. Sales by Product Category

(¥ million, %)

	FY2022/3 results					FY2023/3 forecasts		
	4Q results	Full year forecasts (as of 3Q)	Full year forecasts	Variance	Volume growth rate	Full year	Variance	Volume growth rate
Hams and sausages	28,484	124,400	131,147	(1.0)	(0.2)	132,000	0.7	(0.3)
Processed foods	56,851	219,000	224,976	3.7	(0.3)	227,000	0.9	(1.1)
Fresh meats	173,181	688,000	722,843	7.4	(1.7)	774,000	7.1	2.6
Beef	68,189	280,000	293,909	14.4	(4.9)	327,000	11.3	9.6
Port	56,489	220,700	230,762	0.6	(0.3)	242,000	4.9	0.0
Chicken	44,487	168,600	179,550	8.0	(0.4)	186,000	3.6	0.9
Other fresh meats	4,016	18,700	18,622	(7.9)	(13.6)	19,000	2.0	0.1
Marine products	16,000	75,300	*16,224	20.2	(6.6)	16,000	(1.4)	(3.5)
Dairy products	9,212	32,100	35,214	10.2	(0.1)	36,000	2.2	0.7
Others	9,475	41,200	43,985	13.7	(13.6)	55,000	25.0	-
Total	293,203	1,180,000	1,174,389	6.1	-	1,240,000	5.6	-

* Excluding results from discontinued operations (The Marine Foods Corp.)

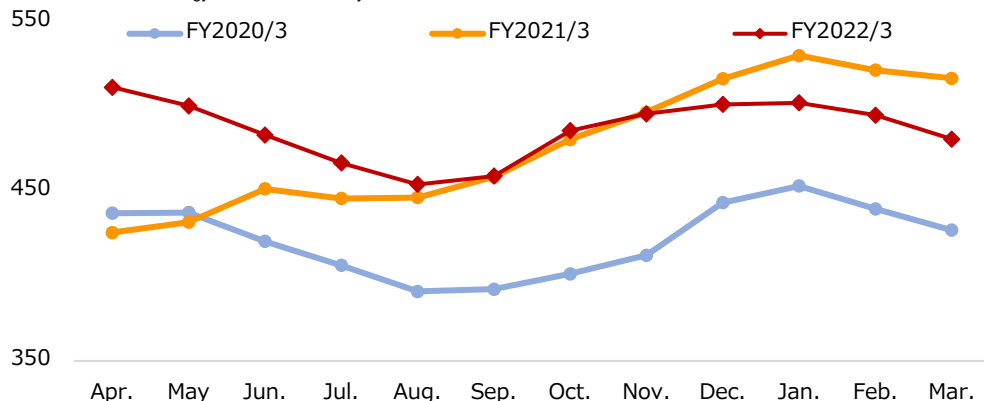
Reference Data

4. External Environment: Market

[Domestic chicken market price]

(¥/kg)

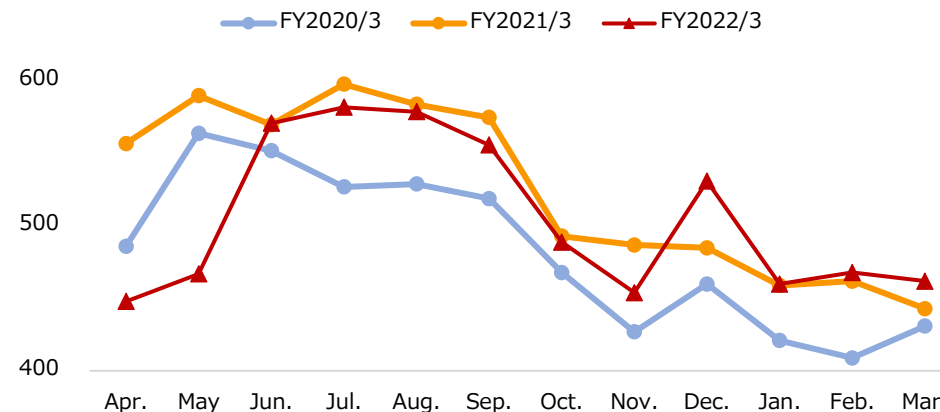
Based on weighted average for chicken market: Simple average unit price taken from Shokuhin Sangyo Shimbunsha's Daily meat & livestock.



[Domestic pork market price]

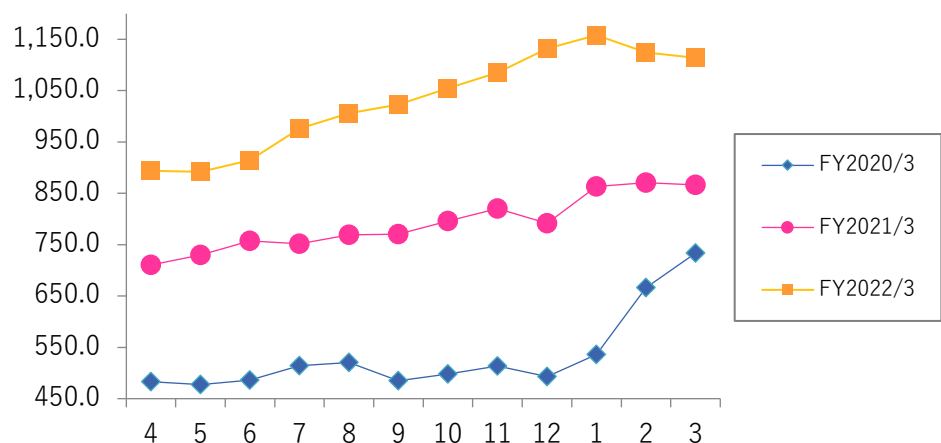
(¥/kg)

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



[Eastern Young Cattle Indicator (EYCI)]

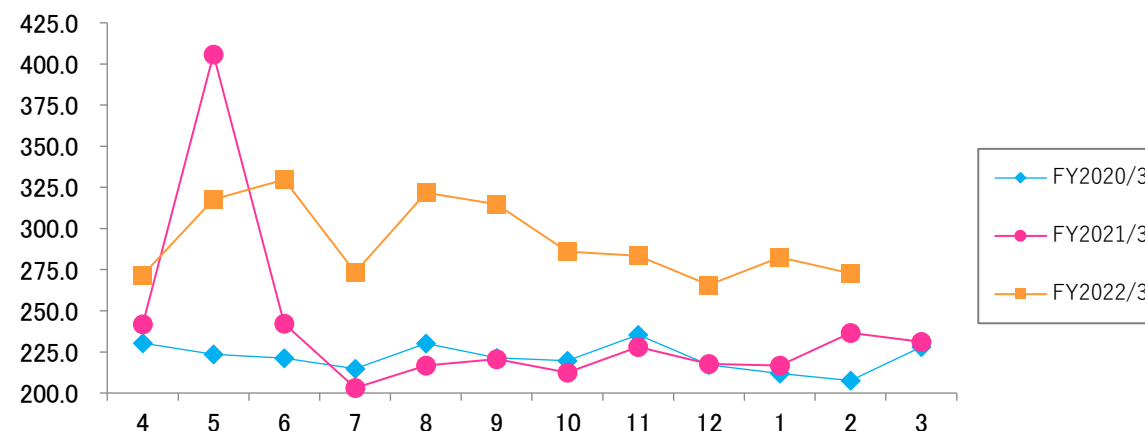
(A ¢/kg)



Source: Meat & Livestock Australia

[Cut-out value of American beef (wholesale benchmark price)]

(US\$/100 pounds)



Source: U.S. Meat Export Federation

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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.