



Business Results

for the First Quarter of FY2022/3

 Unleash new potentials for protein
Nipponham Group Vision 2030



August 2, 2021
NH Foods Ltd.

I: Consolidated Business Results for FY2022/3 1Q

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* 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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1. Consolidated Business Results for 1Q (Apr.-Jun.) (1)

Results Summary

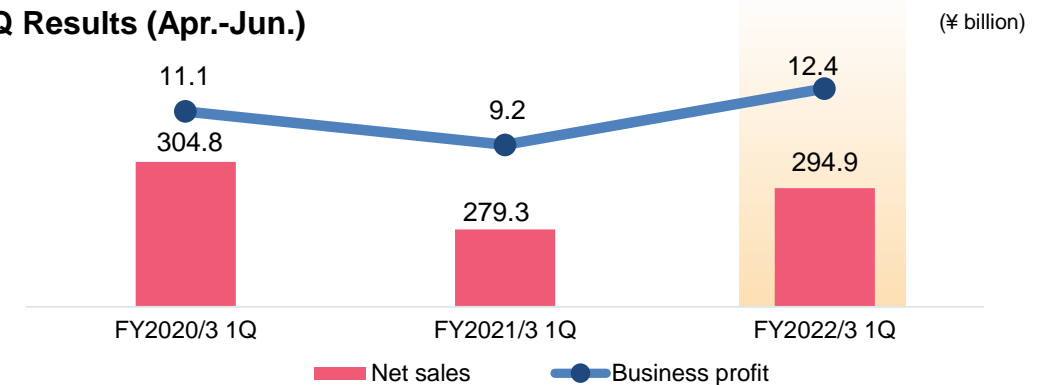
Increased sales and profit in 1Q

Reason for increased sales: Rising sales price of beef in Australia and recovery in marine/dairy products and extract/primary processing.

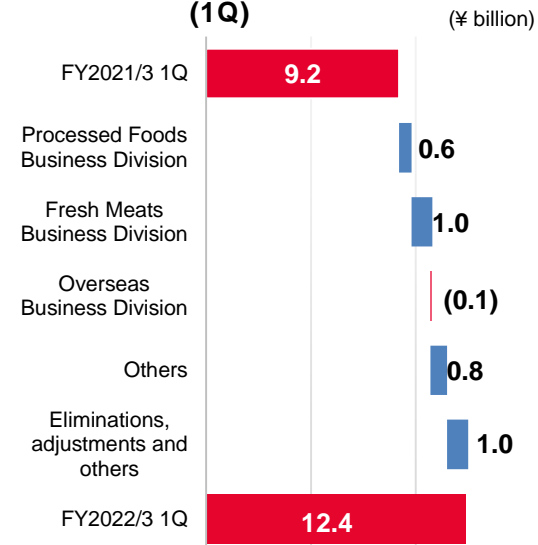
Reason for increased profit: Profits were secured despite DX costs incurred in Fresh Meats Business and Processed Foods Business.

		FY2020/3	FY2021/3	FY2022/3	Variance	Variance (%)
		1Q	1Q	1Q		
Processed Foods Business Division	Net sales	119.0	114.4	118.3	3.9	3.4
	Business profit	2.4	2.8	3.3	0.6	20.7
	Business profit ratio	2.0%	2.4%	2.8%	0.4	—
Fresh Meats Business Division	Net sales	172.3	160.5	162.6	2.1	1.3
	Business profit	7.5	8.5	9.5	1.0	11.7
	Business profit ratio	4.4%	5.3%	5.9%	0.6	—
Overseas Business Division	Net sales	64.7	55.8	60.4	4.7	8.4
	Business profit	0.8	(0.1)	(0.2)	(0.1)	—
	Business profit ratio	1.2%	—	0	—	—
Others	Net sales	6.1	2.2	4.4	2.2	98.6
	Business profit	1.4	(0.4)	0.4	0.8	—
	Business profit ratio	23.1%	—	8.6%	—	—
Eliminations, adjustments and others	Net sales	(57.3)	(53.5)	(50.8)	2.8	—
	Business profit	(1.1)	(1.5)	(0.6)	1.0	—
	Business profit ratio	—	—	—	—	—
Consolidated	Net sales	304.8	279.3	294.9	15.6	5.6
	Business profit	11.1	9.2	12.4	3.2	34.6
	Business profit ratio	3.6%	3.3%	4.2%	0.9	—

1Q Results (Apr.-Jun.)



Changes in business profit (1Q)



Factor Analysis: Changes in business profit

[Processed Foods Business Division]

- Profits were secured especially in primary processing and marine/dairy products thanks to recovery in commercial-use products.

[Fresh Meats Business Division]

- Profits were increased by passing on costs to sales price particularly in imported fresh meat despite demand for commercial use and restaurants yet to fully recover.

[Overseas Business Division]

- Decrease in profits due mainly to rising costs of raw materials in Americas.

[Baseball club / Others]

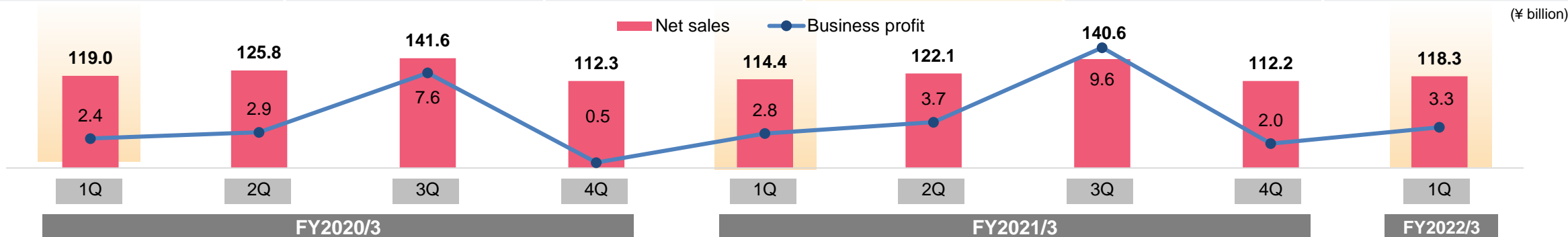
- A recovery in profits from the previous year thanks to the conditional opening of the season and matches with spectators.

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

Sales increased with growth in marine/dairy products and primary processing thanks to recovery in commercial-use products. Profits increased with improved product mix despite increased advertising expenses and DX costs.

(¥ billion)

	1Q				
	FY2020/3	FY2021/3	FY2022/3	Variance	Variance (%)
Net sales	119.0	114.4	118.3	3.9	3.4
Business profit	2.4	2.8	3.3	0.6	20.7
of which marine/dairy product, extract/primary processing	0.2	(0.3)	0.5	0.8	-
Business profit ratio	2.0%	2.4%	2.8%	0.4	



Net Sales in FY2022/3 1Q

Hams and sausages, deli and processed foods

- Consumer: Growth in deli and processed foods especially with the new products; Decline in hams and sausages
- Commercial-use: Growth in the products for restaurants and convenience stores channels

Marine/dairy products and extract/primary processing

- Consumer: Growth in *Vanilla Yogurt*; Decline in canned foods
- Commercial-use: Growth in products for volume retailers and sushi-shops and other restaurant channels

Business Profit in FY2022/3 1Q

Hams and sausages, deli and processed foods

- Gross profit: Improvement thanks to improved product mix of deli and processed foods
- Expenses: Increase in one-time expenses such as TV commercials for new products aiming for brand development

Marine/dairy products and extract/primary processing

- Gross profit: Improvement thanks to growth in primary processing and high profit marine products
- Expenses: Increase in logistics costs from increased sales

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

Hams and sausages, deli and processed foods sales results

1) Products for consumer channels: Demand for home meals remained high; stock demand for bulk purchasing also continued.

- **Hams and sausages:** Sales declined due partly to the lack of the effect from COVID-19 which helped boost sales in the previous year, despite our efforts to expand sales of our core brand, *SCHAU ESSEN*, through TV commercials aimed at expanding the consumer base, and packaging products in large-bags to meet stock demand.

- **Deli and processed foods:** High performance thanks to strong sales of our core brand *Ishigama Kobo*, the introduction of TV commercials aiming at developing a new brand for shelf-stable products, and the development of new sales channels.

Year-on-year growth in sales by channel

		Volume	Amount
Hams and sausages	Consumer	96%	96%
	Commercial-use	109%	109%
	Total	98%	98%
Deli and processed foods	Consumer	100%	102%
	Commercial-use	105%	106%
	Total	102%	104%

Implemented marketing to meet changes in lifestyle



Proposed products with focus on preservability and stock demand



Proposed high-value-added products to meet increasing demand for home meals



Year-on-year sales comparison of consumer products

Hams and sausages	Consumer products		Deli and processed foods	Consumer products	
	Wieners	97%		Chilled bakery	110%
	Loin hams	96%		Chilled dish	93%
	Bacon	88%		Fried chicken	103%
	Yakibutas	97%		Hamburg and meatball	101%
Total	96%	Total	102%		

2) Products for commercial-use products:

Rebounded from the impact of COVID-19 in last year and strong demand for takeout continued. Strong sales of products for fast-food restaurants and convenience stores.

Marine/dairy products and extract/primary processing sales results

1) **Marine:** Sales remained strong for sushi-toppings for volume retailers and restaurants and high profit products manufactured in in-house factories.

2) **Dairy products:** Sales of cheese to restaurants and food manufacturers remained strong. Sales of yogurt were at the same level as the previous year due to weak sales to convenience stores despite the addition of a new flavor to our core brand *Vanilla Yogurt* and the acquisition of new sales channels for food services.

3) **Extract/primary processing:** Sales to restaurants, including yakiniku restaurants, and to convenience stores were strong.



Vanilla Yogurt with Pineapple from Okinawa



Bifidus Nomu Yogurt - Banana Flavor

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

Factor Analysis: Changes in business profit

(¥ billion)
* Due to rounding, numbers may not match totals.

	FY2022/3
	1Q results
Hams and sausages, deli and processed foods	(0.2)
External factors	0.2
Principal raw material price	0.2
Other materials/fuels	0.0
Internal factors	(0.5)
Volume expansion	0.0
Improvement activities	(0.5)
Vendor and logistics	0.2
Marine/dairy products and extract/primary processing	0.9
DX costs	(0.3)
Total	0.6

Variation Factor Analysis (1Q)

[External factors] ¥0.2 billion

Principal raw materials: Lower prices than last year, mainly for wiener products

[Internal factors] ¥(0.5) billion

Improvement activities: Increased expenses for TV commercials for developing core brands

[Vendor and logistics] ¥0.2 billion

Vendor: Improvement thanks to increased sales of core products and reduction in labor cost ratio with the leveling of production

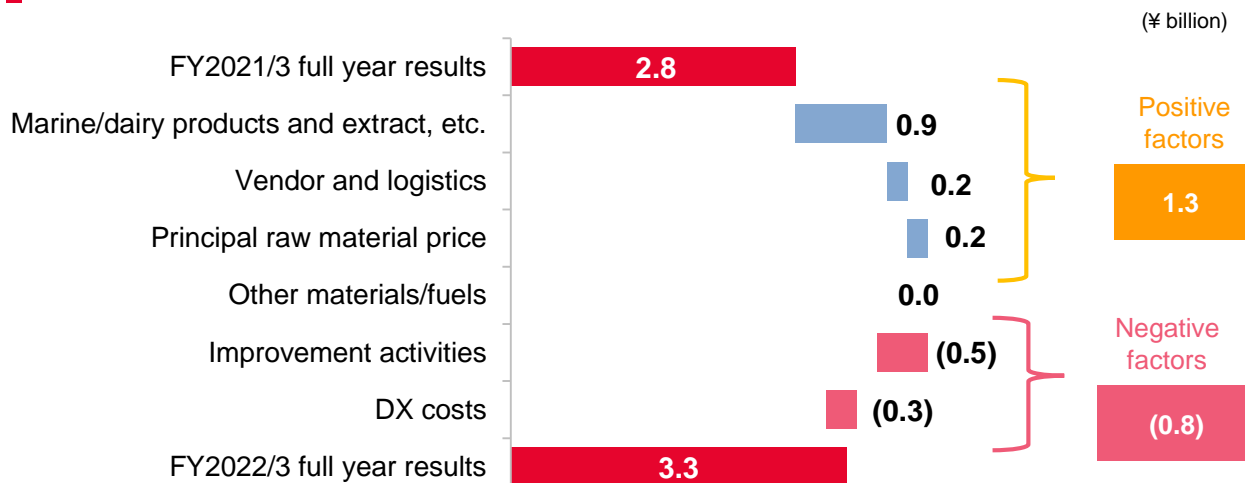
[Marine/dairy products and extract/primary processing] ¥0.9 billion

Marine: Increase in sales and improvement in gross profit rate

Dairy products: Increase in sales of cheese and improvement in gross profit rate

Extract/primary processing: Improvement thanks to growth in sales to yakiniku and other restaurants as well as to convenience stores

Factor Analysis Graph: Changes in business profit results (full year)



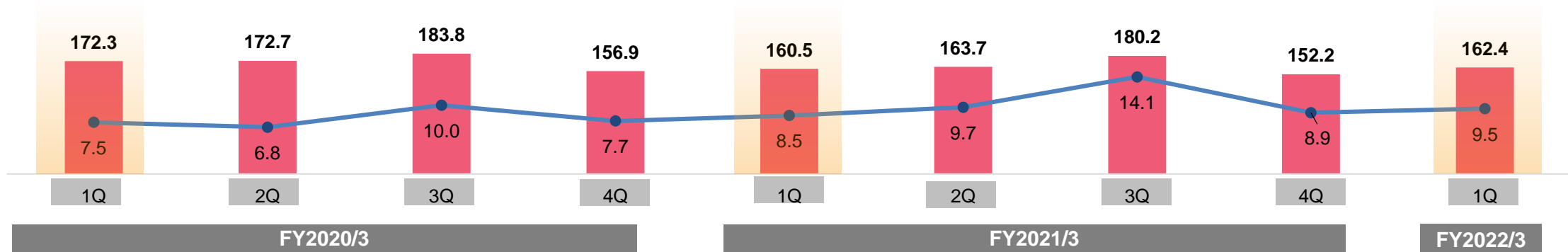
3. Segment Data: Fresh Meats Business Division (1)

Sales increased with rising sales prices thanks to high market prices. Profits increased due to strong demand for takeout of imported chickens, etc.

(¥ billion)

	1Q				
	FY2020/3	FY2021/3	FY2022/3	Variance	Variance (%)
Net sales	172.3	160.5	162.6	2.1	1.3%
Business profit	7.5	8.5	9.5	1.0	11.7%
Business profit ratio	4.4%	5.3%	5.8%	0.5	-

Net sales Business profit



Net Sales in FY2022/3 1Q

- Sales: Net sales exceeded that of the previous year thanks to higher sales prices contributed by high market prices, despite sales volume remained at the same level as the previous year by reflected retailer channels which saw increased sales last year

Business Profit in FY2022/3 1Q

- Production: Profits decreased year-on-year due to declined production volume of domestic pork, weak market prices, and high feed costs
- Sales: Profits were secured thanks to strong demand for imported chicken and other raw materials due to a recovery in market prices of imported fresh meat and continued demand for takeout caused by COVID-19

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

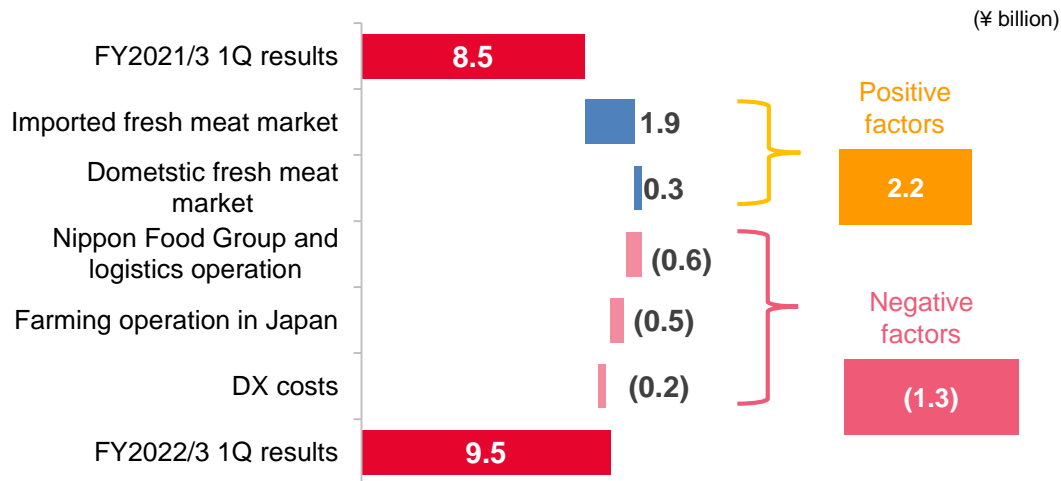
Factor Analysis: Changes in business profit

(¥ billion)

	FY2022/3
	1Q results
Imported fresh meat market	1.9
Domestic fresh meat market	0.3
Farming operation in Japan	(0.5)
Nippon Food Group and logistics operation	(0.6)
DX costs	(0.2)
Total	1.0

* Due to rounding, numbers may not match totals.

Factor Analysis Graph: Changes in business profit results (full year)



Variation Factor Analysis (1Q)

[Imported fresh meat market] ¥1.9 billion

Beef/Pork: Rising procurement prices due to increased global demand have been passed on to sales prices, and therefore profits were secured

Chicken: Profits increased significantly thanks to improved inventory positions and passing on to sales prices in recovery in market prices

[Domestic fresh meat market] ¥0.3 billion

Pork: Sales environment improved with lower market prices compared to last year

Profits were secured with efforts to maintain sales prices

Chicken: Profits were at the same level as last year with demand, sales prices, and market prices all remaining high

[Farming operation in Japan] ¥(0.5) billion

Pork: Profits decreased year-on-year due to low market prices and high feed costs as well as declined production volume

Chicken: Despite the impact from high feed costs, the business was strong thanks to efforts to improve productivity and high market prices

[Nippon Food Group and logistics operation] ¥(0.6) billion

Sales: Sales prices for volume retailers were sluggish due to a stabilization in demand for home meals

Maintained volume by strengthening sales to other channels, but profits fell short of last year

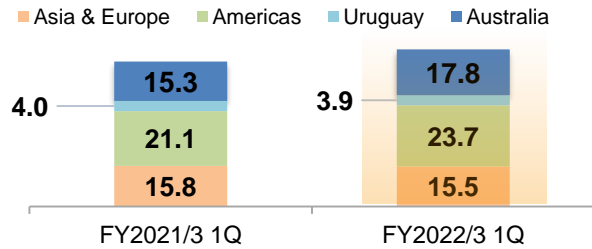
4. Segment Data: Overseas Business Division (1)

Sales increased due to strong sales of processed products in the U.S. and soaring beef prices in Australia. However, profits were maintained at the same level as the previous year despite the impact of soaring raw material prices in the U.S.

1Q Results (Apr.-Jun.)

[Net Sales] (¥ billion)

	FY21/3	FY22/3	Variance	Variance (%)
Overseas total	55.8	60.4	4.7	8.4%
Australia	15.3	17.8	2.5	16.3%
Uruguay	4.0	3.9	(0.1)	(3.3)%
Americas	21.1	23.7	2.6	12.1%
Asia & Europe	15.8	15.5	(0.3)	(2.2)%



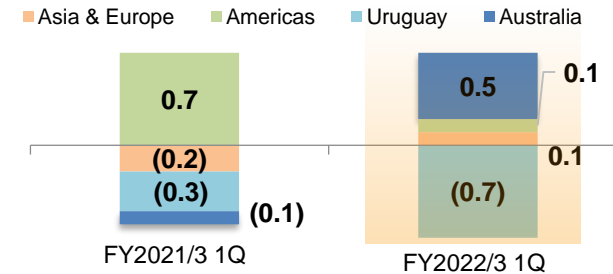
Net Sales in FY2022/3 1Q

- Australia**
 - Australia: Profits were secured due to rising sales prices
 - Uruguay: Sales volume, which had been on recovery trend, slowed down in this fiscal year, resulting in a decline in sales
- Americas**
 - Sales of processed products remained strong in the U.S.
- Asia & Europe**
 - Thailand: Sales increased as the production volume for Japan recovered
 - UK: Sales for Japan decreased

* 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.)

[Business Profit] (¥ billion)

	FY21/3	FY22/3	Variance	Variance
Overseas total	(0.1)	(0.2)	(0.1)	—
Australia	(0.1)	0.5	0.5	—
Uruguay	(0.3)	(0.7)	(0.4)	—
Americas	0.7	0.1	(0.7)	(87.9)%
Asia & Europe	(0.2)	0.1	0.3	—



Business Profit in FY2022/3 1Q

- Australia**
 - Australia: Profits were secured with rising sales prices due to increased global demand
 - Uruguay: Profits were weak due to rising livestock prices and lower sales volume
- Americas**
 - Profitability under pressure from soaring procurement prices of raw materials for processed products and exports
- Asia & Europe**
 - Thailand: Gross profit increased due to increased production volume
 - Turkey: Profits were secured with rising sales prices

4. Segment Data: Overseas Business Division (2)

Factor Analysis: Changes in business profit

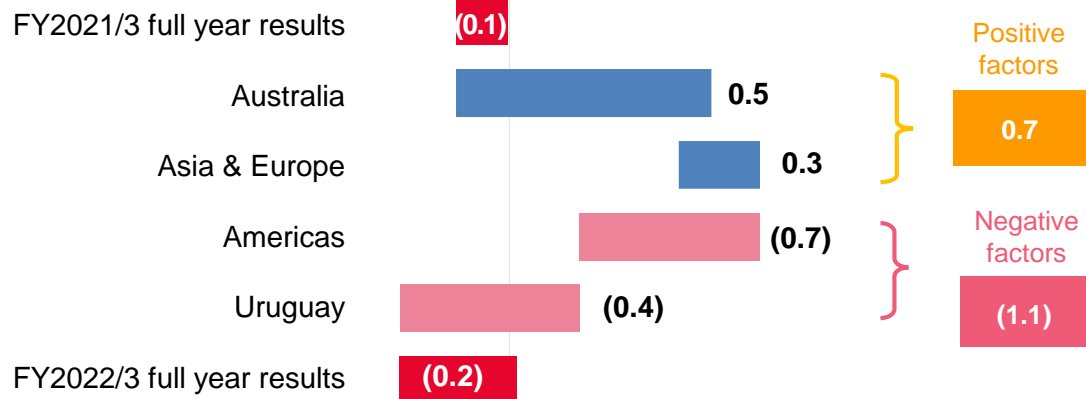
(¥ billion)

	FY2022/3
	1Q results
Australia	0.5
Uruguay	(0.4)
Americas	(0.7)
Asia & Europe	0.3
Others	0.0
Total	(0.1)

* Due to rounding, numbers may not match totals.

Factor Analysis Graph: Changes in business profit results (full year)

(¥ billion)



Variation Factor Analysis (1Q)

[Australia] ¥0.5 billion

Procurement: Livestock costs were further raised

Sales: Sales prices soared due to short supply

⇒ Profits were secured thanks to rising sales prices

[Uruguay] ¥(0.4) billion

Procurement: Argentina's suspension of beef exports to overseas raised Uruguay's cattle price

Sales: Sales volume declined due to the embargo on China

⇒ Lower than last year due to raised procurement costs and declined gross profit

(* Export to China resumed in July.)

[Americas] ¥(0.7) billion

Fresh meat prices soared in the U.S. due to rising feed prices

⇒ Profitability under pressure due to rising procurement prices of pork for Japan and high production costs of processed chicken in the U.S.

[Asia & Europe] ¥0.3 billion

Thailand: Exports of processed products to Japan recovered along with a modest upswing in demand in Japan

⇒ Gross profit was secured, leading to improved profitability

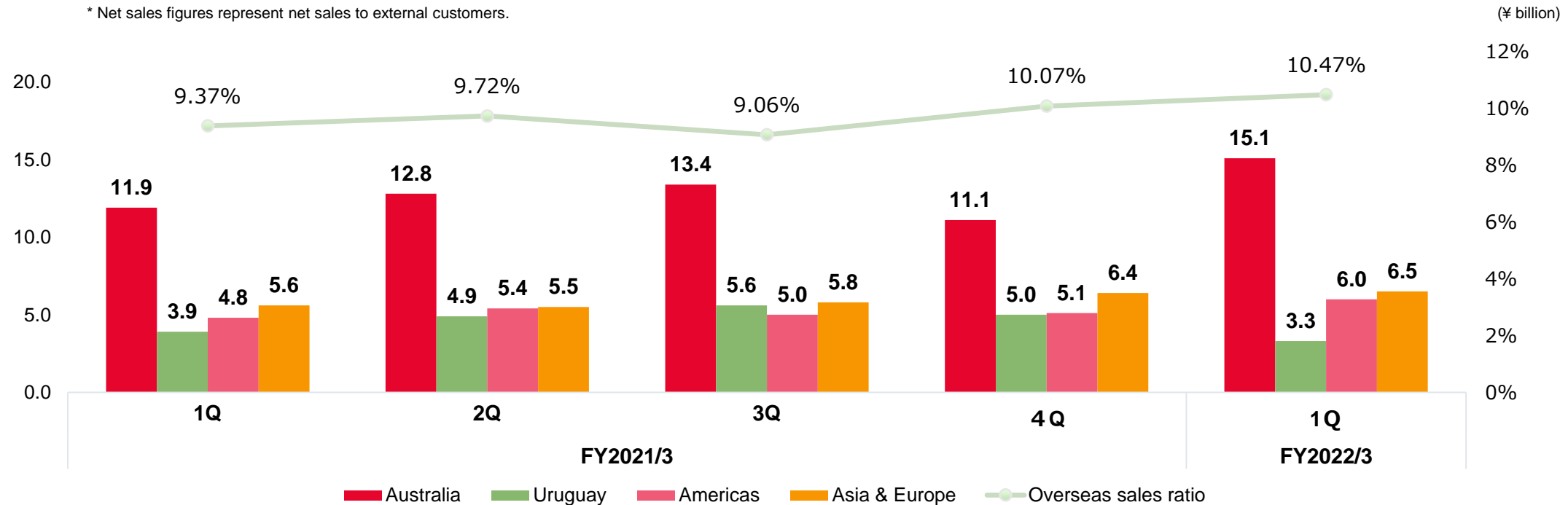
Turkey: Increase in unit sales prices offset higher feed prices, which secured profits

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

(¥ billion)

	FY2021/3					FY2022/3
	1Q	2Q	3Q	4Q	Full year	1Q
Australia	11.9	12.8	13.4	11.1	49.2	15.1
Uruguay	3.9	4.9	5.6	5.0	19.4	3.3
Americas	4.8	5.4	5.0	5.1	20.3	6.0
Asia & Europe	5.6	5.5	5.8	6.4	23.3	6.5
Overseas total	26.2	28.6	29.8	27.5	122.2	30.9
Overseas sales ratio	9.37%	9.72%	9.06%	10.07%	9.54%	10.47%

* Net sales figures represent net sales to external customers.



6. Retrospective Adjustment on Medium-Term Management Plan 2020

		FY2019/3			FY2020/3			FY2021/3		
		Before retrospective adjustment	After retrospective adjustment	Variance	Before retrospective adjustment	After retrospective adjustment	Variance	Before retrospective adjustment	After retrospective adjustment	Variance
Processed Foods Business Division	Net sales (¥ billion)	545.4	512.3	(33.1)	532.3	498.8	(33.5)	523.9	489.4	(34.5)
	Business profit (¥ billion)	9.5	9.6	0.1	13.3	13.4	0.1	17.9	18.0	0.1
	Business profit ratio	1.7%	1.9%	0.2	2.5%	2.7%	0	3.4%	3.7%	0.3
Fresh Meats Business Division	Net sales (¥ billion)	741.5	673.0	(68.5)	755.5	685.6	(69.9)	728.7	656.7	(72.0)
	Business profit (¥ billion)	34.5	34.6	0.1	31.9	32.0	0.1	41.1	41.2	0.1
	Business profit ratio	4.7%	5.1%	0.4	4.2%	4.7%	0.4	5.6%	6.3%	0.7
Overseas Business Division	Net sales (¥ billion)	255.2	254.8	(0.4)	255.0	254.6	(0.4)	223.9	223.6	(0.3)
	Business profit (¥ billion)	(3.8)	(3.8)	0	1.8	1.9	0.1	(0.1)	(0.1)	0.0
	Business profit ratio	-	-	-	0.7%	0.7%	0	-	-	-
Others	Net sales (¥ billion)	17.4	17.2	(0.2)	16.8	16.6	(0.2)	11.8	11.8	0
	Business profit (¥ billion)	1.0	1.0	0	0.6	0.6	0.0	(1.8)	(1.8)	0
	Business profit ratio	5.7%	5.7%	0	3.3%	3.4%	0.1	-	-	-
Eliminations and adjustments	Net sales (¥ billion)	(325.3)	(223.1)	102.2	(329.7)	(225.8)	103.9	(312.2)	(205.3)	106.9
	Business profit (¥ billion)	(2.9)	(3.1)	(0.2)	(3.8)	(4.0)	(0.2)	(4.7)	(4.9)	(0.2)
Company total	Net sales (¥ billion)	1,234.2	1,234.2	0	1,229.8	1,229.8	0.0	1,176.1	1,176.1	0
	Business profit (¥ billion)	38.3	38.3	0	43.8	43.8	0.0	52.4	52.4	0
	Business profit ratio	3.1%	3.1%	0	3.60%	3.60%	0.0	4.5%	4.50%	0

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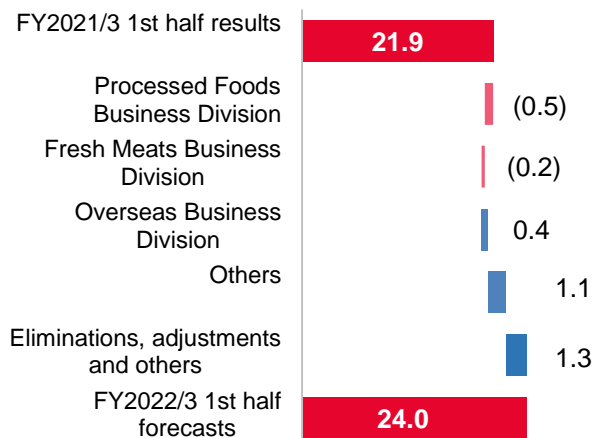
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1. FY2022/3 Business Profit Forecasts

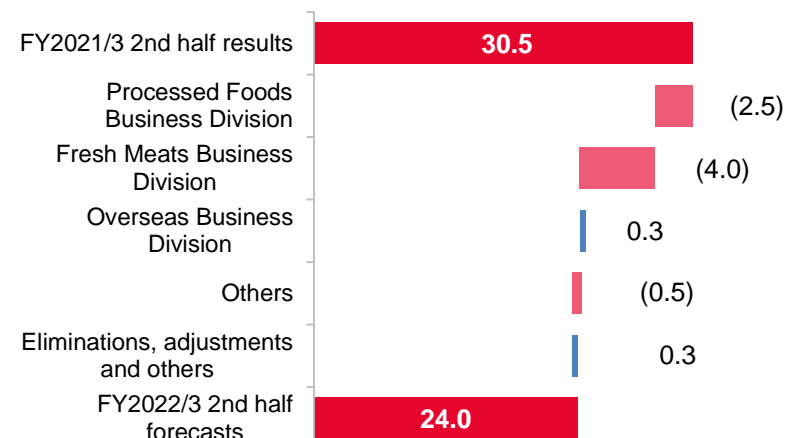
Changes in 1st half forecasts

(¥ billion)



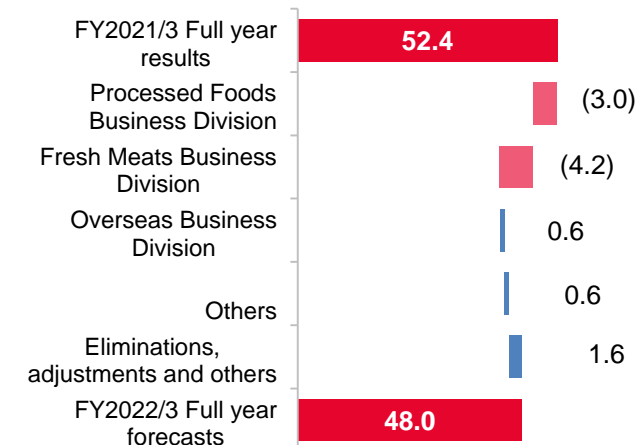
Changes in 2nd half forecasts

(¥ billion)



Changes in full year forecasts

(¥ billion)



(¥ billion)

	FY2022/3 1st half			FY2022/3 2nd half			FY2022/3 Full year		
	FY2021/3 1st half results	Forecasts	Variance	FY2021/3 2nd half results	Forecasts	Variance	FY2021/3 Full year results	Forecasts	Variance
Processed Foods Business Division	6.5	6.0	(0.5)	11.5	9.1	(2.5)	18.0	15.0	(3.0)
Fresh Meats Business Division	18.3	18.1	(0.2)	23.0	18.9	(4.0)	41.2	37.0	(4.2)
Overseas Business Division	0.5	0.9	0.4	(0.6)	(0.4)	0.3	(0.1)	0.5	0.6
Others	(0.4)	0.8	1.1	(1.4)	(2.0)	(0.5)	(1.8)	(1.2)	0.6
Eliminations, adjustments and others	(2.9)	(1.6)	1.3	(2.0)	(1.7)	0.3	(4.9)	(3.3)	1.6
Total	21.9	24.0	2.1	30.5	24.0	(6.5)	52.4	48.0	(4.4)

(Note) Profit for FY2022/3 Full year includes ¥5.0 billion of DX-related costs.

1. FY2022/3 Business Profit Forecasts (2)

Changes from initial business profit forecasts

(¥ billion)

	FY2022/3 1Q	FY2022/3 2Q	FY2022/3 1st half			FY2022/3 2nd half			FY2022/3 Full year		
	Results	Forecasts	Initial forecasts	Forecasts	Variance	Initial forecasts	Forecasts	Variance	Initial forecasts	Forecasts	Variance
Processed Foods Business Division	3.3	2.6	6.0	6.0	0.0	9.1	9.1	0.0	15.0	15.0	0.0
Fresh Meats Business Division	9.5	8.5	18.1	18.1	0.0	18.9	18.9	0.0	37.0	37.0	0.0
Overseas Business Division	(0.2)	1.1	0.9	0.9	0.0	(0.4)	(0.4)	0.0	0.5	0.5	0.0
Others	0.4	0.4	1.5	0.8	(0.7)	(2.0)	(2.0)	0.0	(0.5)	(1.2)	(0.7)
Eliminations, adjustments and others	(0.6)	(1.1)	(2.3)	(1.6)	0.7	(1.7)	(1.7)	0.0	(4.0)	(3.3)	0.7
Total	12.4	11.6	24.0	24.0	0.0	24.0	24.0	0.0	48.0	48.0	0

(Note) Profit for FY2022/3 Full year includes ¥5.0 billion of DX-related costs.

2. Processed Foods Business Division: Outlook

Business profit forecast for FY2022/3: ¥15.0 billion

Efforts in hams and sausages and deli and processed foods businesses

- Products for consumer channels

- Expand sales of core brands and strengthen new product development to meet new demand
- Develop shelf-stable products to reduce food loss as well as to develop new sales channels, and soy meat and the likes to offer a new option for protein

- Products for commercial-use channels

- Strengthen proposals for growth channels and create synergies in sales channels and materials by leveraging the Group's network
- Differentiate our brand by developing high-value-added products

Efforts in marine/dairy products and extract/primary processing

- Marine products

- Further strengthen sales of high profit products such as sushi-toppings for volume retailers and restaurant channels

- Dairy products

- Expand sales of *Vanilla Yogurt* and establish a market for *Ísey SKYR*
- Strengthen the development and proposal of raclette cheese and other high-value-added products

- Extract/primary processing

- Expand the market through the launch of new shelf-stable extract products and generate synergies by introducing menus through the Group's sales channels.

Factor Analysis: Changes in profit forecasts

	2Q	1st half			Full year		
	Forecasts	Initial forecasts	Forecasts	Variance	Initial forecasts	Forecasts	Variance
Hams and sausages, deli and processed foods	(0.4)	(0.7)	(0.7)	0	(2.2)	(2.2)	0
External factors	(0.3)	0	0	0	(2.0)	(2.0)	0
Principal raw material price	0.2	0.4	0.4	0	(0.9)	(0.9)	0
Other materials/fuels	(0.4)	(0.4)	(0.4)	0	(1.1)	(1.1)	0
Internal factors	(0.2)	(0.7)	(0.7)	0	(0.1)	(0.1)	0
Volume expansion	0	0	0	0	0.1	0.1	0
Improvement activities	(0.2)	(0.7)	(0.7)	0	(0.2)	(0.2)	0
Vendor and logistics	0.5	0.8	0.8	0	1	(1.0)	0
Marine/dairy products and extract/primary processing	(0.2)	0.7	0.7	0	0.8	0.8	0
DX Costs	(1.0)	(1.3)	(1.3)	0	(2.7)	(2.7)	0
Total	(1.1)	(0.5)	(0.5)	0	(3.0)	(3.0)	0

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

	Channel	Full year forecast
Hams and sausages	Consumer	99%
	Commercial-use	104%
	Total	100%
Deli and processed foods	Consumer	100%
	Commercial-use	106%
	Total	102%

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

	Category	Full year forecast		Category	Full year forecast
	Hams and sausages	Wieners		99%	Deli and processed foods
Loin hams		100%	Chilled dish	98%	
Bacon		94%	Fried chicken	102%	
Yakibutas		99%	Hamburg and meatball	101%	
Total		99%	Total	100%	

3. Fresh Meats Business Division: Outlook

Business profit forecast for FY2022/3: ¥37.0 billion

Domestic fresh meat market

Market:

Domestic production of fresh meat is expected to be significantly affected by feed prices
 The market is expected to be slightly weaker than last year, which saw higher prices, though pork production is expected to be slightly lower compared to last year
 Market prices for chicken are expected to remain unchanged from last year due to on-going high demand for home meals

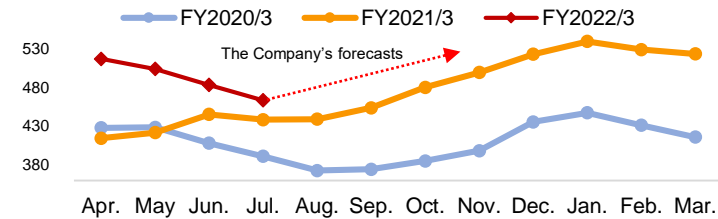
(The Company's efforts)

Chicken and pork productions: Improve production indicators at farms and processing plants to expand production volume

Sales: Secure profits by expanding sales, especially of our own brands

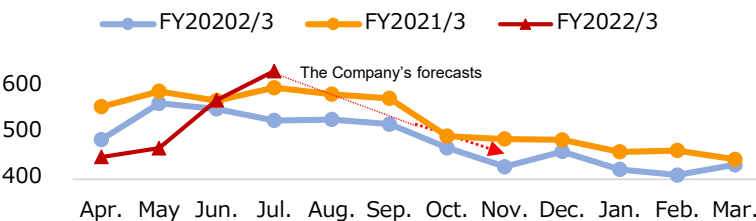
[Chicken market price]

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)



Factor Analysis: Changes in profit forecasts

	2Q	1st half		Full year			
	Forecasts	Initial forecasts	Forecasts	Variance	Initial forecasts	Forecasts	Variance
Imported fresh meat market	0.6	0.8	2.5	1.7	0.2	1.8	1.7
Domestic fresh meat market	0.1	0.7	0.4	(0.2)	(0.2)	(0.5)	(0.2)
Farming operation in Japan	(0.9)	(0.8)	(1.4)	(0.5)	(2.1)	(2.6)	(0.5)
Nippon Food Group and logistics operation	0.0	0.4	(0.6)	(0.9)	0.4	(0.5)	(0.9)
DX Costs	(1.0)	(1.3)	(1.3)	0.0	(2.5)	(2.5)	0.0
Total	(1.2)	(0.2)	(0.2)	0.0	(4.2)	(4.2)	0.0

Imported fresh meat market

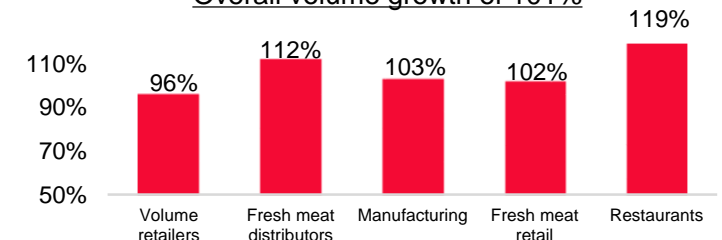
- Market:** Procurement prices are expected to rise due to rising global demand and commodity prices
- (The Company's efforts)**
- Beef:** Further strengthen procurement from Uruguay and EU, our new suppliers
- Pork:** Enhance cooperation with existing suppliers amid the unstable supply situation due to increased global demand
- Chicken:** Ensure stable procurement while keeping a close eye on the external environment amid a sense of future high prices due to rising grain prices

Fresh meats sales (Nippon Food Group)

- Reinforce the efforts on key channels, such as co-operatives and drugstores.
- Develop and propose value-added products to restaurant channels in preparation for their recovery.
- Enhance the effort to make our brand meat standard and regular items in existing stores.



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



4. Overseas Business Division: Outlook

[Americas Business]

Processing) Strong sales of processed products are expected with robust domestic consumption. Raw material costs are expected to remain high.

➔ Strive improving productivity and expanding sales of core brands

Export) Procurement prices are expected to continue to rise amid a recovery in global demand

➔ Ensure a stable supply to Japan

[Asia & Europe Business]

Turkey) Sales prices are expected to remain high

➔ Continue efforts to improve productivity and enhance domestic sales

ASEAN) Impact of the spread of COVID-19 is expected to continue

➔ Stabilize production volume as recovery in sales volume is not yet expected

[Australia Business]

Australia) Rising livestock prices and difficulty in collection will continue

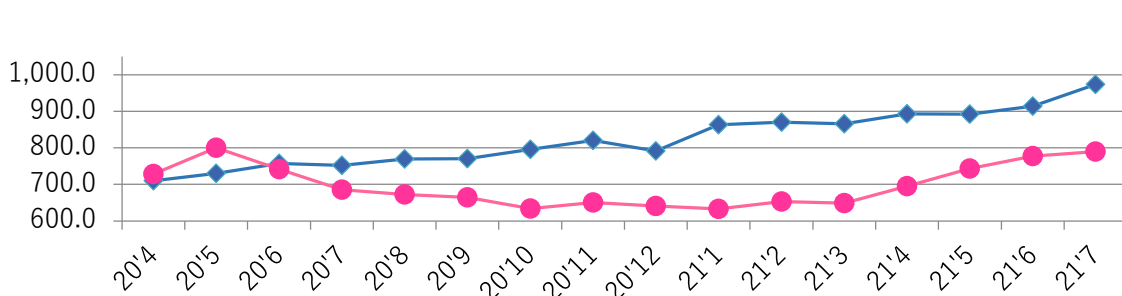
➔ Stabilize profits through internal improvement and enhancement of added value with brand meat

Uruguay) Livestock prices are expected to remain high

➔ Pursue a recovery of profits by improving operations integrating procurement and sales

➔ Promote an early recovery in exports to China and the expansion of sales channels to other export destinations, including Japan

[Australia : Eastern Young Cattle Indicator (EYCI) & Trimming 90CL export price for the U.S.]



(A ¢ /kg) 出典 : MLA



※Trimming 90CL : Lean 90% beef mainly used for beef patty

※Trimming 90CL for the U.S. : Common indicator of export price for the U.S.

Factor Analysis: Changes in business profit forecasts

	2Q	1st half		Full year			
	Forecasts	Initial forecasts	Forecasts	Variance	Initial forecasts	Forecasts	Variance
Australia	0.6	0.2	0.8	0.7	0.4	1.0	0.7
Australia	0.7	(0.2)	1.3	1.5	0.0	1.5	1.5
Uruguay	(0.1)	0.4	(0.5)	(0.8)	0.3	(0.5)	(0.8)
Americas	(0.4)	(0.5)	(1.1)	(0.6)	(0.8)	(1.3)	(0.6)
Asia & Europe	0.3	0.7	0.6	(0.1)	1.0	0.9	(0.1)
Others	0.0	0.0	0.0	0	0.0	0.0	0
Total	0.5	0.4	0.4	0.0	0.6	0.6	0.0

(Business profit forecasts)

	2Q	1st half		Full year			
	Forecasts	Initial forecasts	Forecasts	Variance	Initial forecasts	Forecasts	Variance
Australia	(0.3)	(0.4)	0.2	(0.7)	(0.7)	0	0.7
Australia	(0.1)	(0.2)	1.3	1.5	(0.6)	0.9	1.5
Uruguay	(0.2)	(0.3)	(1.1)	(0.8)	(0.2)	(1.0)	(0.8)
Americas	0.7	1.4	0.8	(0.6)	2.0	1.4	(0.6)
Asia & Europe	0.2	0.4	0.3	(0.1)	0.2	0.1	(0.1)
Others	(0.2)	(0.5)	(0.5)	0.0	(1.0)	(1.0)	0.0
Total	0.4	0.9	0.9	0.0	0.5	0.5	0.0

I: Consolidated Business Results for FY2022/3 1Q

P.4

1. Consolidated Business Results for 1Q (Apr.-Jun.)
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
6. Retrospective Adjustment on Medium-Term Management Plan 2020

III: Consolidated Financial Results for FY2022/3 1Q

P.21

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 results	1st half results	Full year results	1Q results	Variance (%)	Volume growth rate	1st half forecasts	Variance (%)	Volume growth rate	Full year forecasts	Variance (%)	Volume growth rate
(1)	Net sales	279,305	573,484	1,176,101	294,947	5.6	-	580,000	1.1	-	1,180,000	0.3	-
	Hams and sausages	31,704	64,643	132,425	30,791	(2.9)	0.2	64,400	(0.4)	(0.4)	132,500	0.1	(0.0)
	Processed foods	53,045	108,111	223,585	57,426	8.3	3.6	109,400	1.2	1.0	223,600	0.0	(0.0)
	Fresh meats	162,267	330,147	672,880	169,224	4.3	(1.1)	333,500	1.0	(1.8)	674,300	0.2	(1.4)
	Beef	61,464	127,096	256,999	65,424	6.4	(12.6)	130,200	2.4	(11.5)	260,400	1.3	(6.6)
	Pork	56,547	114,515	229,450	54,992	(2.7)	0.4	108,800	(5.0)	0.1	223,600	(2.5)	0.0
	Chicken	39,750	78,386	166,222	43,876	10.4	3.8	84,000	7.2	2.3	169,600	2.0	0.2
	Other fresh meats	4,506	10,150	20,209	4,932	9.5	20.0	10,500	3.4	2.1	20,700	2.4	1.9
	Marine products	15,842	35,239	76,853	17,497	10.4	5.2	35,600	1.0	0.3	77,300	0.6	0.4
	Dairy products	8,000	16,232	31,967	8,631	7.9	0.2	16,300	0.4	0.1	32,100	0.4	0.4
	Others	8,447	19,112	38,391	11,378	34.7	-	20,800	8.8	-	40,200	4.7	-
(2)	Cost of goods sold	229,069	469,396	964,367	239,800	4.7	-						
	Gross profit	50,236	104,088	211,734	55,147	9.8	-						
	Gross profit ratio	18.0%	18.2%	18.0%	18.7%	-	-						
(3)	SG&A expenses	38,797	78,191	161,215	40,385	4.1	-						
	Other income and expenses	1,069	657	(3,459)	(497)	-	-	(1,200)	-	-	(3,250)	-	-
	Finance income and costs	411	(132)	408	(267)	-	-	(1,300)	-	-	(1,750)	-	-
	Share of profit (loss) in investments accounted for using the equity method	116	2,308	1,406	741	538.8	-	500	(78.3)	-	1,000	(28.9)	-
	Profit before tax	13,035	28,730	48,874	14,739	13.1	-	24,000	(16.5)	-	43,000	(12.0)	-
	Income tax expense	3,972	9,916	17,816	4,743	19.4	-	7,500	(24.4)	-	13,500	(24.2)	-
	Tax rate	30.5%	34.5%	39.2%	32.2%	-	-	31.3%	-	-	31.4%	-	-
	Profit attributable to owners of parent	9,384	19,476	32,616	9,906	5.6	-	17,000	(12.7)	-	30,000	(8.0)	-
(4)	Operating income (1)-(2)-(3)	11,439	25,897	50,519	14,762	29.0	-	26,000	0.4	-	47,000	(7.0)	-
(5)	Foreign exchange gains (losses)	(516)	(1,063)	(2,581)	607	-	-	-	-	-	-	-	-
(6)	Adjustments in accordance with IFRS and others	2,725	5,037	674	(2,944)	-	-	-	-	-	-	-	-
	Business profit (4)-(5)-(6)	9,230	21,923	52,426	12,425	34.6	-	24,000	9.5	-	48,000	(8.4)	-

2. Balance Sheets / Capital Expenditures / Depreciation and Amortization

Consolidated balance sheets

(¥ million, %)

	FY2021/3	FY2022/3	Variance (%)	Variance
	Year-end	1Q		
Total assets	825,405	824,388	(0.1)	(1,017)
Cash and cash equivalents	83,831	73,901	(11.8)	(9,930)
Trade and other receivables	127,067	125,843	(1.0)	(1,224)
Inventories	107,906	122,767	13.8	14,861
(1) Property, plant and equipment	325,629	323,384	(0.7)	(2,245)
Right-of-use assets	38,362	37,360	(2.6)	(1,002)
Other financial assets - non-current	35,796	33,960	(5.1)	(1,836)
Deferred tax assets	26,056	25,653	(1.5)	(403)
Total liabilities	381,096	381,216	0.0	120
Trade and other payables	98,983	106,960	8.1	7,977
(2) Interest-bearing liabilities	193,750	196,459	1.4	2,709
Total equity attributable to owners of parent	433,595	432,429	(0.3)	(1,166)
Non-controlling interests	10,714	10,743	0.3	29

Major reasons for increase/decrease

(1) Inventories

Increased ¥14.9 billion in fresh meats, mainly pork and chicken

(2) Interest-bearing liabilities

Increased ¥2.7 billion due to an increase in short-term bank loan, etc.

Capital expenditures, depreciation and amortization

(¥ million, %)

	FY2021/3	FY2022/3			FY2022/3
	1Q	1Q	Variance (%)	Variance	Full year forecasts
Capital expenditures	10,547	8,276	(21.5)	(2,271)	81,700
Processed Foods Business Division	4,388	3,102	(29.3)	(1,286)	17,200
Fresh Meats Business Division	1,663	1,420	(14.6)	(243)	26,000
Overseas Business Division	1,186	1,039	(12.4)	(147)	7,000
Others	3,290	2,715	(17.5)	(575)	31,500
Depreciation and amortization	8,388	8,925	6.4	537	34,600

Consolidated statements of cash flows

(¥ million)

		FY2021/3	FY2022/3		FY2022/3
		1Q results	1Q results	Variance	Full year forecasts
(1)	Cash flows from operating activities	18,053	12,554	(5,499)	76,100
(2)	Cash flows from investing activities	(13,712)	(14,771)	(1,059)	(65,200)
(3)	Cash flows from financing activities	(14,628)	(7,649)	6,979	(26,300)

Major reasons for increase/decrease

(1) Cash flow from operating activities

With regard to operating activities, the increase in inventories amounted to ¥14,981 million, and income tax paid amounted to ¥9,960 million, while profit before tax amounted to ¥14,739 million, depreciation and amortization expense amounted to ¥8,949 million, and the increase in trade and other payables amounted to ¥8,105 million. As a result, net cash provided by operating activities amounted to ¥12,554 million.

(2) Cash flows from investing activities

With regard to investing activities, acquisition of fixed assets amounted to ¥14,747 million. As a result, net cash used in investing activities amounted to ¥14,771 million.

(3) Cash flows from financing activities

With regard to financing activities, increase in short-term bank loans amounted to ¥5,069 million, and proceeds from debt amounted to ¥8,843 million, while cash dividends amounted to ¥9,610 million, and repayments of debt amounted to ¥11,976 million. As a result, net cash used in financing activities amounted to ¥7,649 million.

Contact

Public & Investor Relations Department

NH Foods Ltd.

ThinkParkTower

2-1-1 Osaki, Shinagawa-ku, Tokyo 141-6013

Tel: +81-3-4555-8024

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.