

Business Results

for the Fourth Quarter of FY2023/3

May 10, 2023
NH Foods Ltd.



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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 marine food business of The Marine Foods Corporation and its affiliated companies, etc., have been classified as discontinued operations since the previous consolidated fiscal year. The beef business of Breeders & Packers Uruguay S.A. has been classified as a discontinued operation since the current consolidated fiscal year. Profit from these discontinued operations is therefore shown separately from that of continuing operations in the Consolidated Statements of Income. Figures for net sales and profit before tax refer only to continuing operations. Because similar adjustments have also been made in the figures for the fiscal year ended March 2022, year on year increases (decreases) are not shown.

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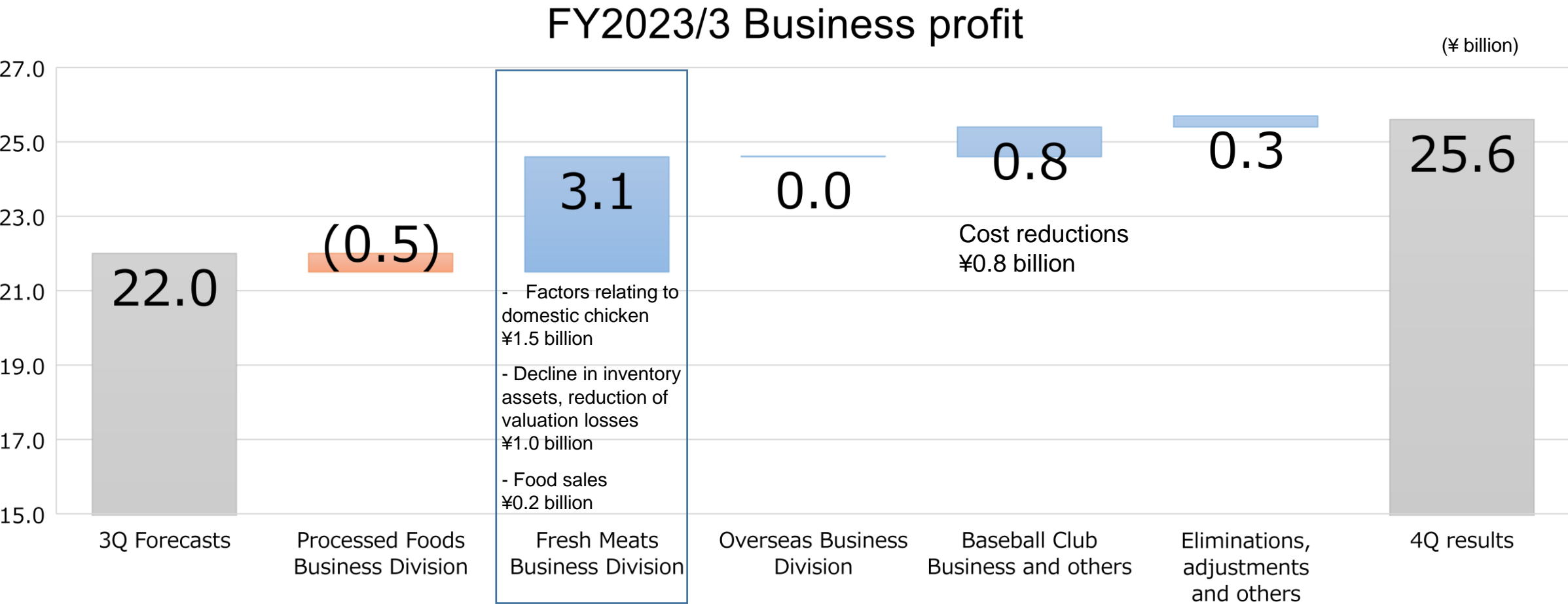
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In the Fresh Meats segment, production of domestic chicken improved more than anticipated as of 3Q, resulting in a ¥3.6 billion increase.



1. Financial Highlights (1) FY2023/3 Results

Net sales: Sales were 9.4% higher thanks to soaring fresh meat prices in Japan and overseas.

Business profit: We were unable to offset sharply higher prices for inputs, including raw materials, electric power, and fuel, with the result that profit was 46.8% lower.

(¥ billion)

	FY2022/3	FY2023/3	Variance	Variance (%)
Net sales	1151.9	1,259.8	107.9	9.4%
Business profit	48.1	25.6	(22.5)	(46.8)%
(Business profit from continuing operations)	46.2	28.2	(18.0)	(39.0)%
Business profit ratio	4.2%	2.0%	(2.2)%	-
Profit before tax	51.8	22.2	(29.6)	(57.2)%
Profit attributable to owners of the parent	48.0	16.7	(31.4)	(65.4)%
ROE	10.5%	3.4%	(7.1)%	-
ROIC	5.0%	2.4%	(2.6)%	-

1. Financial Highlights (2) Business Profit by Segment

Processed Foods Business Division: Higher raw material prices, higher electric power and fuel costs, and a volume decline in sales of flagship brands resulted in lower profit.

Fresh Meats Business Division: Procurement prices for imported fresh meats continued to rise, while domestic inventories expanded. A lack of progress on price adjustments to offset these factors caused profit to decline.

Overseas Business Division: Profit from the beef business was lower due to sharply higher cattle prices and production costs.

Baseball Club Business and others: Profit rose thanks to increased crowd numbers resulting from spectator attraction events and other factors.

				(¥ billion)
	FY2022/3	FY2023/3	Variance	Variance (%)
Processed Foods Business Division	14.7	5.0	(9.7)	(65.8)%
Fresh Meats Business Division	35.6	29.1	(6.5)	(18.2)%
Overseas Business Division	2.4	(5.0)	(7.4)	-
Baseball Club Business and others	(1.6)	(0.5)	1.1	-
Eliminations, adjustments and others	(3.0)	(3.0)	0	-
Consolidated	48.1	25.6	(22.5)	(46.8)%

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

Despite price revisions to reflect changes in the external environment, a decline in sales volumes for flagship brands resulted in lower sales and profit.

FY2023/3 results

	FY2022/3	FY2023/3	Variance	Variance (%)
Net sales	496.7	417.7	(79.0)	(15.9)%
Business profit	14.7	5.0	(9.7)	(65.8)%
(Business profit from continuing operation)	12.4		(7.4)	(59.7)%
Business profit ratio	3.0%	1.2%	(1.8)%	-

* Net sales figures for the previous fiscal year include the marine foods business, including that of The Marine Foods Corporation and its affiliated companies,

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		(6.1)	(6.6)	(0.5)
External factors		(14.4)	(14.3)	0.1
	Principal raw material prices	(5.9)	(6.2)	(0.3)
	Other materials	(5.4)	(5.1)	0.3
	Energy costs	(3.1)	(3.0)	0.1
Internal factors		8.2	7.7	(0.5)
	Effect of price revisions	7.3	7.0	(0.3)
	Improvement activities	0.9	0.7	(0.2)
Dairy/marine products and extract/primary processing		0.5	0.2	(0.3)
DX costs		(1.2)	(1.0)	0.3
Total		(6.9)	(7.4)	(0.5)

* Year on year comparisons are based on continuing operations, excluding the marine food business of The Marine Foods Corporation and its affiliated companies.

Analysis of reasons for year on year variations (full year)

[Hams and sausages, deli and processed foods] ¥(6.6) billion

(External factors) ¥ (14.3) billion

Principal raw materials: Beef, pork, chicken ¥(6.2) billion

Other materials: Sheep casings, packaging, etc. ¥(5.1) billion

Energy costs: Electric power, LNG ¥(3.0) billion

(Internal factors) ¥7.7 billion

Effect of price revisions: Volume effect ¥(4.5) billion

Unit price effect ¥11.5 billion

Improvement activities: Reduction of labor costs through the achievement of appropriate staffing levels for manufacturing operations

[Dairy/marine products and extract/primary processing] ¥0.2 billion

Yogurt: Sales of *Vanilla Yogurt* in volume retailers declined, but total sales remained around the previous year's level thanks to increased sales of drink yogurt in convenience stores

Extract/primary processing: The extract business recorded strong sales through ramen restaurants and prepared food channels

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

Yearly sales by channel/consumer product (year on year)

Hams and sausages	Volume	Amount	Deli and processed foods	Volume	Amount
Consumer	96.6%	99.2%	Consumer	88.8%	97.3%
Commercial-use	98.3%	100.7%	Commercial-use	93.3%	102.9%
Total	96.8%	98.9%	Total	92.3%	99.3%

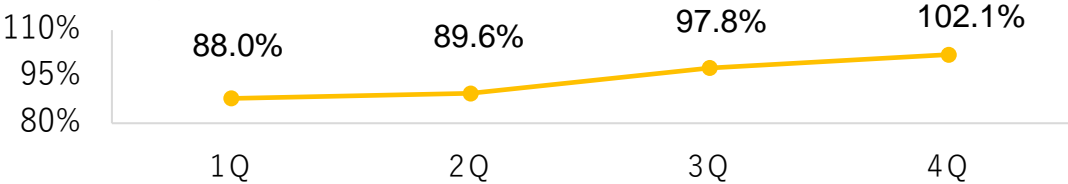
Consumer products: Unit prices for hams and sausages and for deli, and processed foods rose following price revisions for flagship brands. However, sales were lower due to volume declines.

Schau Essen sales shifted to a recovery trend in response to expanded sales promotion efforts.

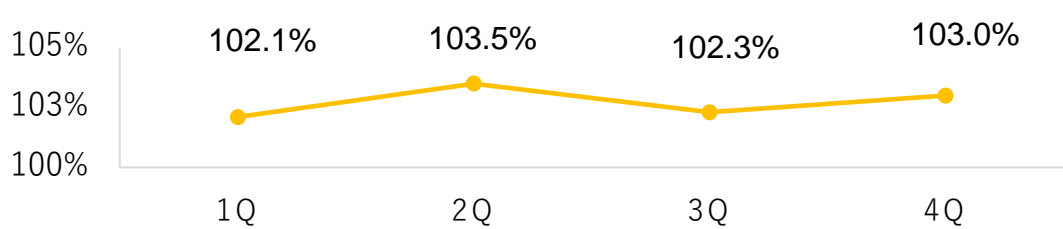
Commercial-use products: Sales were higher thanks to a recovery in sales to restaurants.

Hams and sausages	Amount	Deli and processed foods	Amount
Wieners	97.9%	Chilled bakery	102.7%
Loin hams	110.3%	Chilled dish	89.4%
Bacons	103.4%	Fried chicken	97.1%
Char-siu pork	107.4%	Hamburg and meatball	104.0%
Consumer	99.2%	Consumer	97.3%

Year on year trends in *Schau Essen* sales



Year on year trends in chilled pizza sales



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

Revenues increased thanks to higher unit prices for imported fresh meats and strong food sales. However, it was not possible to pass on higher costs through the prices of imported chicken and beef, and profit was lower.

FY2023/3 results

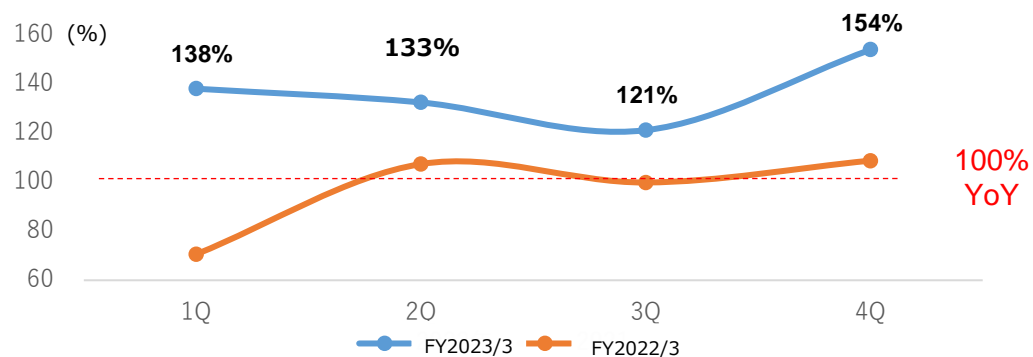
	FY2022/3	FY2023/3	Variance	Variance (%)
Net sales	683.3	750.1	66.8	9.8%
Business profit	35.6	29.1	(6.5)	(18.2)%
Business profit ratio	5.2%	3.9%	(1.3)%	-

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
Domestic beef/pork business	(1.0)	(1.1)	0
Domestic chicken business	(2.8)	(1.3)	1.5
Imported fresh meats business	(7.2)	(7.2)	0
Food sales	3.1	3.3	0.2
DX costs	(1.4)	(1.3)	0.1
Others	(0.2)	1.0	1.2
Total	(9.6)	(6.5)	3.1

Year on year comparison of profit for 4 Nippon Food Group companies



Analysis of reasons for year on year variations

[Domestic beef/pork business] ¥(1.1) billion

Production: Profit was lower due to the effects of decrease in production and site closures.

Consignment business: Profit increased thanks to the recovery of inbound demand for domestic beef.

[Domestic chicken business] ¥(1.3) billion

Production: Profit declined under the impact of soaring feed prices and bird flu.

Consignment business: A firm trend in market prices and the expansion of external procurement were reflected in higher profit.

[Imported fresh meats business] ¥(7.2) billion

Despite positive conditions in terms of imported inventories and the selling environment, profit was eroded by lower domestic market prices for imported chicken in the third quarter.

[Food sales] ¥3.3 billion

A recovery in sales to restaurants brought an improvement in the channel mix.

We enhanced proposal capabilities and profitability by developing specialist organizations for each channel, resulting in higher profit.

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

Four Nippon Food Group companies: Full year sales volumes and values by meat type (year on year)

Domestic	Volume	Amount	Imported	Volume	Amount
Beef	104.3%	105.6%	Beef	99.9%	109.3%
Pork	98.6%	106.0%	Pork	106.5%	112.7%
Chicken	101.0%	110.0%	Chicken	100.9%	131.1%

Major factors for increase in volume

[Domestic]

Beef: A recovery in sales to restaurants resulted in growth. Higher prices for imported beef also contributed.

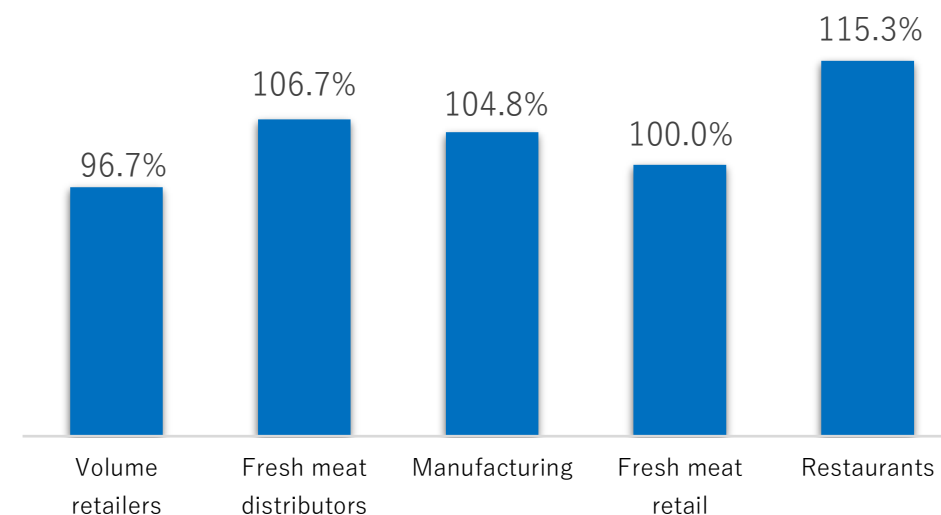
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Beef: The result was close to the previous year's level thanks to a recovery in restaurant sales in the second half of the year.

Pork: Sales of chilled products fell due to high market prices, but increased sales of frozen products to volume retailers and restaurants provided the impetus for growth.

Four Nippon Food Group companies: Full year sales volumes by channel

Overall volume growth of 101.1% (109.8% in value terms)



Volume Retailers: Sales declined due to the reduction of special sales following increases in over-the-counter prices, as well as a consumer focus on cost savings.

Restaurants: Sales were higher thanks to inbound demand and the easing of COVID-19 restrictions.

4. Segment Data: Overseas Business Division (1)

Revenue was higher thanks to higher unit selling prices and to the processed foods business in Americas. However, profits declined under the impact of soaring costs affecting the beef and chicken businesses.

FY2023/3 results

	FY2022/3	FY2023/3	Variance	Variance (%)
Net sales	267.6	321.4	53.8	20.1%
Business profit	2.4	(5.0)	(7.4)	-
(Business profit from continuing operations)	2.8	(2.4)	(5.3)	-
Business profit ratio	0.9%	-	-	-

* Net sales figures for the previous and current fiscal year include the beef business, including that of Breeders & Packers Uruguay S.A.,

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	(6.9)	(7.1)	(0.2)
Australia	(4.5)	(4.9)	(0.4)
Uruguay	(2.3)	(2.1)	0.2
Americas	0.8	0.5	(0.2)
Asia & Europe	(1.1)	(0.8)	0.4
Others	(0.2)	(0.2)	0
Total	(7.4)	(7.4)	0

Business profit (¥ billion)

	FY2022/3	FY2023/3	Variance	Variance (%)
Australia	2.6	(4.5)	(7.1)	-
Australia	3.0	(1.9)	(4.9)	-
Uruguay	(0.5)	(2.6)	(2.1)	-
Americas	1.2	1.7	0.5	44.5%
Asia & Europe	(0.4)	(1.2)	(0.8)	-
Others	(1.0)	(1.1)	(0.2)	-
Total	2.4	(5.0)	(7.5)	-

Analysis of reasons for year on year variations

[Australia] ¥(7.1) billion

(Australia) ¥(4.9) billion
(Uruguay) ¥(2.1) billion

Cattle prices declined in the third quarter, but export prices also fell, resulting in lower profit.

[Americas] ¥0.5 billion

(Processed products)

Profit rose thanks to production line expansion and increased sales of processed chicken products.

(Meat exports)

Strong exports of South American pork resulted in higher profit.

[Asia & Europe] ¥(0.8) billion

(Turkey)

Costs remained high throughout the year, resulting in lower profit.

4. Segment Data: Overseas Business Division (3)

Breakdown of net sales by region

(¥ billion)

	FY2022/3	FY2023/3	Variance	Variance (%)
Australia	105.2	133.7	28.5	27.1%
Australia	79.3	100.2	20.9	26.3%
Uruguay	25.9	33.5	7.6	29.4%
Americas	100.5	123.8	23.3	23.2%
Asia & Europe	64.8	66.4	1.6	2.5%
Total	267.6	321.4	53.8	20.1%

Results by region

[Australia]

Australia
 Uruguay

Revenue growth driven by higher unit selling prices

[Americas]

Processed products: Revenue growth thanks to higher sales volumes following production line expansion

Exports: Higher sales thanks to volume growth in exports of South American pork

External customer net sales results

(¥ billion)

	FY2022/3	FY2023/3	Variance	Variance (%)
Australia	90.9	119.6	28.8	31.7%
Australia	68.3	89.4	21.1	30.9%
Uruguay	22.5	30.2	7.7	34.2%
Americas	25.6	34.3	8.7	34.0%
Asia & Europe	26.3	32.5	6.2	23.4%
Total	142.8	186.4	43.7	30.6%

* The net sales total for Overseas Business does not match the figures for individual regions due to the exclusion of inter-segment transactions.

[Asia & Europe]

ASEAN: No recovery in sales to Japan, resulting in lower revenue

Turkey: Revenue growth due to higher chicken selling prices resulting from inflation in Turkey

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1. Plan Highlights (1) Business Profit Forecast for FY2024/3



Net sales: Similar to the previous year’s figure due to continuing sharp rises in domestic and overseas fresh meat prices

Business profit: Higher profit thanks to an improvement in the sales environment for Australian beef and imported fresh meats

	(¥ billion)			
	FY2023/3	FY2024/3	Variance	Variance (%)
Net sales	1,259.8	1,260.0	0.2	0.0%
Business profit	25.6	38.0	12.4	48.5%
(Business profit from continuing operations)	28.2		9.8	34.8%
Business profit ratio	2.0%	3.0%	1.0%	-
Profit before tax	22.2	34.0	11.8	53.4%
Profit attributable to owners of the parent	16.7	23.0	6.3	37.4%
ROE	3.4%	4.6%	1.2%	-
ROIC	2.4%	3.5%	1.1%	-

1. Plan Highlights (2) Business Profit Forecast for FY2024/3

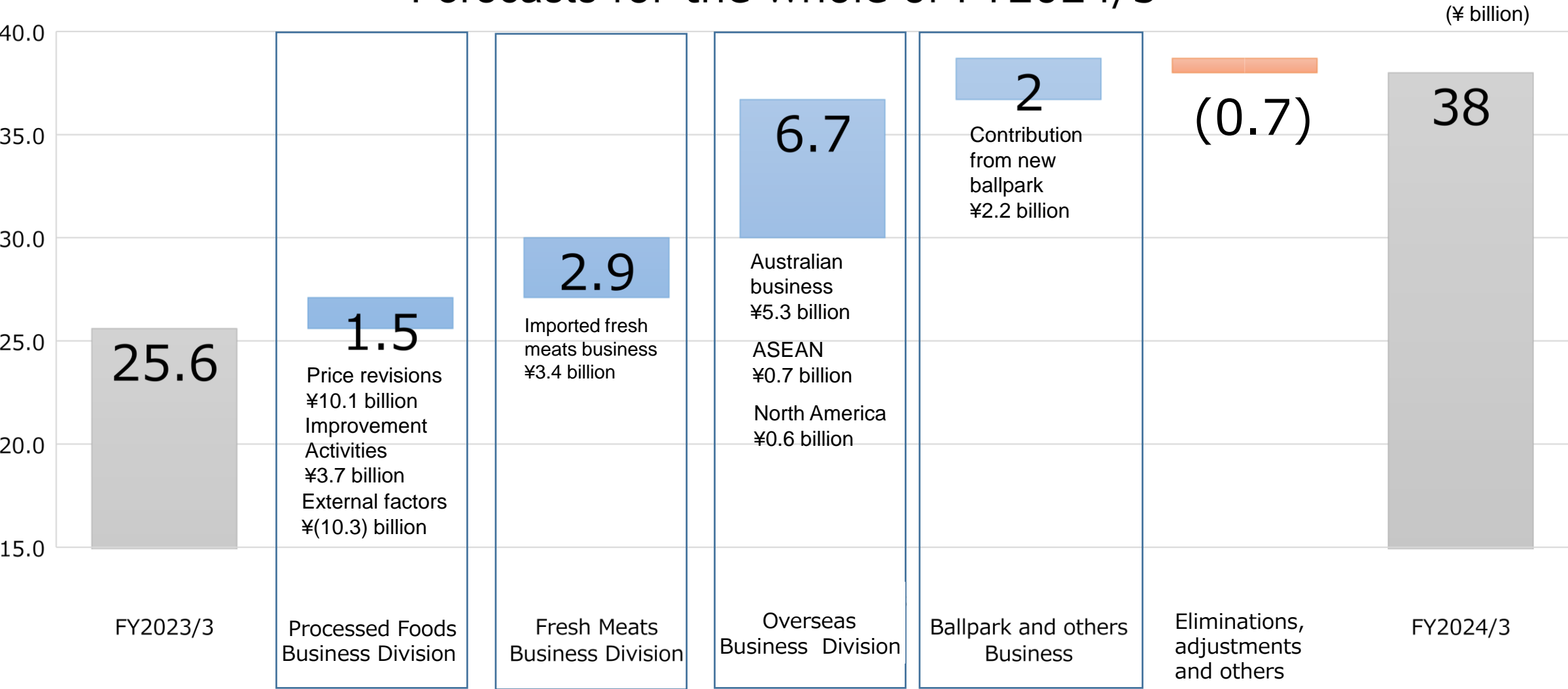
Business profit targets by segment

(¥ billion)

	1st half			2nd half			Full year		
	FY2023/3	FY2024/3	Variance	FY2023/3	FY2024/3	Variance	FY2023/3	FY2024/3	Variance
Processed Foods Business Division	1.3	1.7	0.4	3.7	4.8	1.1	5.0	6.5	1.5
Fresh Meats Business Division	14.2	14.5	0.3	14.9	17.5	2.6	29.1	32.0	2.9
Overseas Business Division	(0.9)	(0.7)	0.2	(4.1)	2.4	6.5	(5.0)	1.7	6.7
Ballpark and others Business	1.9	6.6	4.7	(2.4)	(5.1)	(2.7)	(0.5)	1.5	2.0
Eliminations, adjustments and others	(1.3)	(2.1)	(0.8)	(1.6)	(1.6)	0.0	(3.0)	(3.7)	(0.7)
Total	15.2	20.0	4.8	10.4	18.0	7.6	25.6	38.0	12.4

1. Plan Highlights (3) Yearly Business Profit Targets and Analysis of Main Reasons for Year on Year Changes

Forecasts for the whole of FY2024/3



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2. Processed Foods Business Division: Outlook (1)

We have established a new marketing organization to strengthen product development and branding from the consumer's perspective. It will work with the Processed Foods Business Division to create new products and achieve a full recovery for flagship brands.

(¥ billion)

	FY2023/3 results	FY2024/3 forecasts	Variance	Variance (%)
Net sales	417.7	420.0	2.3	0.5%
Business profit	5.0	6.5	1.5	29.5%
Business profit ratio	1.2%	1.5%	0.3%	-

We expect to achieve a full recovery by concentrating resources toward flagship brands and strengthening our branding.

- Schau Essen

We will carry out full-year promotions and introduce TV commercials, while further enhancing quality.

- Chuka Meisai

We will update and completely rebrand our products and remodel sales areas at stores.

- Chilled pizza

We will expand production of mini pizzas, which are a growth category, and restructure the brand strategy.

- New products

Marketing efforts will focus on *Morning Serve*, which has remained popular since its launch.



2. Processed Foods Business Division: Outlook (2)

Sales targets by channel and consumer brand (year on year)

Hams and sausages	Amount	Hams and sausages	Amount	Deli and processed foods	Amount
Consumer	103.1%	<i>Schau Essen</i>	115.0%	Chilled bakery	110.0%
Commercial-use	101.0%	Other wieners	105.0%	<i>Chuka Meisai</i>	110.0%
Total	102.5%	Wieners	112.5%	Hamburg	105.0%
Deli and processed foods	Amount	Loin hams, bacon	100.0%	Fried chicken	100.0%
Consumer	102.8%	Consumer	103.1%	Consumer	102.8%
Commercial-use	101.0%				
Total	102.3%				

Sales targets value for key brands (YoY)


115%


110%


110%


¥2.1 billion

Profit targets/Projected increases (decreases) (¥ billion)

	1st half	2nd half	Full year
Hams and sausages, deli and processed foods	1.4	2.0	3.4
External factors	(8.0)	(2.3)	(10.3)
Principal raw material price	(4.0)	(0.9)	(4.9)
Other materials	(3.1)	(1.3)	(4.3)
Energy costs	(0.9)	(0.1)	(1.1)
Internal factors	9.4	4.3	13.8
Effect of price revisions	7.7	2.4	10.1
Improvement activities	1.7	1.9	3.7
Dairy/marine products and extract/primary processing	0	0	0.1
DX costs	(1.0)	(1.0)	(2.0)
Total	0.4	1.1	1.5

Analysis of reasons for year on year variations in full year business profit

[Hams and sausages, deli and processed foods] ¥3.4 billion
(External factors) ¥(10.3) billion

Principal raw materials: Costs will be higher, especially for imported pork.

Other materials: Packaging costs, etc., will be higher.

Energy costs: Heavy oil prices will increase.

(Internal factors) ¥13.8 billion

Price revisions: External factors will be rolled back through second (October 2022) and third (April 2023) rounds of price revisions.

Improvement activities: We will work to reduce production costs.

Increasing sales efforts for flagship brands results in an improvement of product mix.

3. Fresh Meats Business Division: Outlook (1)

We will enhance food sales channel strategies and improve supply and demand forecasting for imported fresh meats. Improvements in the productivity of production businesses will drive a profit recovery.

(¥ billion)

	FY2023/3 results	FY2024/3 forecasts	Variance	Variance (%)
Net sales	750.1	720.0	(30.1)	(0.4)
Business profit	29.1	32.0	2.9	10.8%
Business profit ratio	3.9%	4.4%	0.5%	-

We will strengthen marketing operations with the aim of achieving volume growth in food sales.

- We will strengthen marketing capabilities by implementing area strategies and creating dedicated organizations for each channel.
- We will expand sales of high-margin branded fresh meats.
- We will create new value through initiatives targeting new products and marketing.
 - Launch of new products suitable for customers affected by labor shortages
 - Marketing of *Kitanokomekokko* brand fresh meats developed through co-creation networks

3. Fresh Meats Business Division: Outlook (2)

Profit targets/Projected increases (decreases)

(¥ billion)

	1st half	2nd half	Full year
Domestic beef/pork business	0.0	0.0	0.0
Domestic chicken business	1.5	(1.0)	0.5
Imported fresh meats business	(0.6)	4.0	3.4
Food sales	0.6	0.4	1.0
DX costs	(0.7)	(0.6)	(1.2)
Others	(0.6)	(0.2)	(0.8)
Total	0.3	2.6	2.9

Analysis of reasons for year on year variations in full year business profit

[Domestic beef/pork business] ¥0 billion

Production: Profitability will be improved thanks to the comprehensive improvement of key production indicators. We will continue to work with feed manufacturers on measures to reduce feed prices.

Consignment: We will secure sales volumes by expanding external procurement.

[Domestic chicken business] ¥0.5 billion

Production: We will expand production volumes by thoroughly applying quarantine measures. We will improve profitability by increasing the percentage of branded fresh meats, such as *Sakurahime* chicken.

Consignment: We will secure profits by adjusting selling prices to reflect continuing cost increases.

[Imported fresh meats business] ¥3.4 billion

Beef/Pork/Chicken: We will accurately identify the supply-demand balance for each meat type to ensure the sales and inventory. Procurement risks will be reduced, and we will secure profit by enhancing profitability. Sales of Australian beef, which has a price advantage, will be expanded. We will further strengthen our co-creation network with suppliers and buyers.

[Food sales] ¥1.0 billion

Profitability will be improved thanks to the strengthening of specialized organizations for each channel and the proposal of value-added products.

Volume retailer channel: We will secure profit by responding to declining demand through in-depth management of earnings and costs.

Restaurant channel: We will expand profit by strengthening collaboration with the consignment business in response to a demand recovery. New profit will be generated through the introduction of new products suitable for an environment affected by labor shortages.

4. Overseas Business Division: Outlook (1)

We will expand sales volumes for processed foods from the North American business.
We anticipate a profit recovery for the Australian business thanks to a recovery in the number of cattle processed and an improvement in the global sales environment.

	(¥ billion)			
	FY2023/3	FY2024/3	Variance	Variance (%)
Net sales	321.4	295.0	(26.4)	(8.2)%
Business profit	(5.0)	1.7	6.7	-
Business profit ratio	-	0.6%	-	-

Expansion of the North American processed foods business

- Manufacturing and supply structures will be built up to support the expansion of sales volumes.
- We will expand sales of processed foods by strengthening external procurement from Mexico and Asia and supplying products in collaboration with the Processed Foods Business Division.

Australian beef business

- The efficiency of plant operations will be enhanced through the expansion of our manufacturing structures in step with the recovery of the number of cattle processed.
- We will step up initiatives toward the expansion of sales channels in the North American market.

4. Overseas Business Division: Outlook (2)

Profit targets/Projected increases (decreases) (¥ billion)

	1st half	2nd half	Full year
Australia	0.1	5.2	5.3
Australia	0.1	4.0	4.0
Uruguay	0.1	1.2	1.3
Americas	0.2	0.3	0.5
Asia & Europe	0.0	1.1	1.1
Others	(0.1)	0.0	(0.1)
Total	0.2	6.5	6.7

Business profit forecasts (¥ billion)

	1st half	2nd half	Full year
Australia	(0.4)	1.2	0.8
Australia	1.0	1.2	2.2
Uruguay	(1.4)	0.0	(1.4)
Americas	0.6	1.6	2.2
Asia & Europe	(0.3)	0.2	(0.1)
Others	(0.6)	(0.6)	(1.2)
Total	(0.7)	2.4	1.7

* Breeders & Packers Uruguay S.A. plans to transfer shares at the end of October

Analysis of reasons for year on year variations in full year business profit

[Australia] ¥5.3 billion

(Australia) ¥4.0 billion

Performance will recover beyond the previous year's level thanks to growth in the number of cattle processed, combined with the impetus from reduced production in the United States.

[Americas] ¥0.5 billion

Profit from processed foods will be secured through the expansion of production volumes.

[Asia & Europe] ¥1.1 billion

(Turkey)

Higher unit selling prices will drive a profit recovery.

(Thailand)

We will improve productivity and expand the volume of sales to Japan.

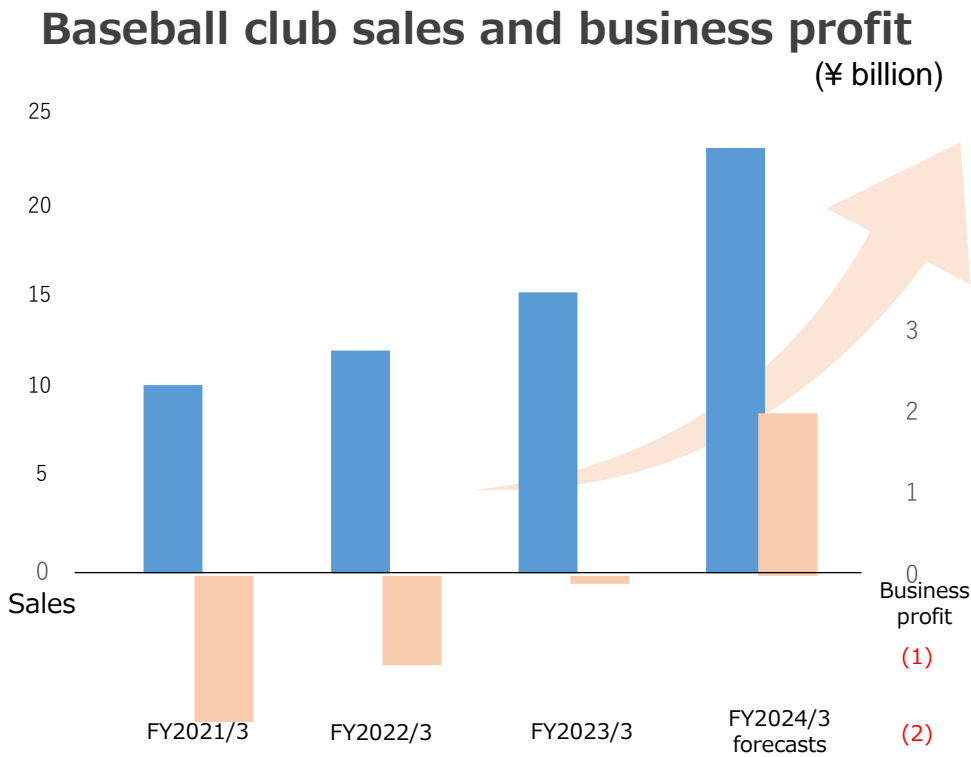
5. Ballpark and Others Business: Outlook (1)

We will generate profit under a new business model designed to attract customers to all facilities in the HOKKAIDO BALLPARK F VILLAGE.

	FY2023/3	FY2024/3	Variance	増減率
				(¥ billion)
Net sales	17.1	25.0	7.9	46.2%
Business profit	(0.5)	1.5	2.0	-
Business profit ratio	-	6.0%	-	-

* In addition to the baseball club, this segment also includes new businesses

Sales increase in goods, food and beverage, and advertising(sponsorship) by the improvement of the business environment



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1. FY2023/3 Business Results at a Glance and FY2024/3 Forecasts

(¥ million, %)

FY2023/3 results						
	1st half	YoY	2nd half	YoY	Full year	Full year
1) Net sales	618,688	-	641,104	-	1,259,792	9.4
2) Cost of goods sold	526,185	-	556,575	-	1,082,760	13.6
Gross profit	92,503	-	84,529	-	177,032	(11.0)
Gross profit ratio	15.0%	-	13.2%	-	14.1%	-
3) Selling, General and Administrative ex	80,642	-	85,438	-	166,080	6.1
Other income and expenses	9,035	-	(2,128)	-	6,907	-
Finance income and costs	58	-	1,472	-	1,530	-
Share of profit (loss) in investments accounted for using the equity method	2,646	-	127	-	2,773	(69.3)
Profit before tax	23,600	-	(1,438)	-	22,162	(57.2)
Income tax expense	6,070	-	(1,300)	-	4,770	(63.2)
Tax rate	25.7%	-	-	-	21.5%	-
Profit attributable to owners of the parent	15,480	-	1,157	-	16,637	(65.4)
4) Operating income (1)-(2)-(3)	11,861	-	(909)	-	10,952	(74.1)
5) Foreign exchange gains (losses)	(5,973)	-	(4,106)	-	(10,079)	-
6) Adjustments in accordance with IFRS and others	1,367	-	(8,359)	-	(6,992)	-
7) Adjustment for discontinued operations	1,263	-	1,164	-	2,427	-
Business profit (4)-(5)-(6)-(7)	15,204	-	10,392	-	25,596	(46.8)

FY2024/3 forecasts						
	1st half	YoY	2nd half	YoY	Full year	YoY
	620,000	0.2	640,000	(0.2)	1,260,000	0.0
	517,000	(1.7)	539,000	(3.2)	1,056,000	△ 2.5
	103,000	11.3	101,000	19.5	204,000	15.2
	16.6%	-	15.8%	-	16.2%	-
	81,000	0.4	87,000	1.8	168,000	1.2
	(500)	-	(2,500)	-	(3000)	-
	-	-	-	-	-	-
	500	(81.1)	500	293.7	1,000	△ 63.9
	22,000	(6.8)	12,000	-	34,000	53.4
	6,500	7.1	4,000	-	10,500	120.1
	29.5%	-	33.3%	-	30.9%	-
	13,000	(16.0)	10,000	764.3	23,000	38.2
	22,000	85.5	14,000	-	36,000	228.7
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	20,000	31.5	18,000	73.2	38,000	48.5

* Business profit for the previous fiscal year includes results for the beef business of Breeders & Packers Uruguay S.A.

Similar adjustments have also been made in the figures for the fiscal year ended March 2022, year on year increases (decreases) are not shown.

2. FY2023/3 Sales by Product Category and FY2024/3 Forecasts

(¥ million, %)

	FY2023/3 results			FY2024/3 forecasts								
	1st half	2nd half	Full year	1st half	Variance (%)	Volume growth	2nd half	Variance (%)	Volume growth	Full year	Variance (%)	Volume growth
Hams and sausages	62,683	67,478	130,161	64,000	2.1	(1.8)	68,000	0.8	(0.9)	132,000	1.4	(1.4)
Processed foods	116,383	118,783	235,166	119,000	2.2	(0.7)	118,000	(0.7)	(0.1)	237,000	0.8	(0.4)
Fresh meats	384,509	407,463	791,972	381,000	(0.9)	(0.2)	406,000	(0.4)	(0.4)	787,000	(0.6)	(0.3)
Beef	153,883	158,489	312,372	151,000	(1.9)	1.0	156,000	(1.6)	(0.3)	307,000	(1.7)	0.3
Pork	121,533	129,468	251,001	119,000	(2.1)	(1.6)	127,000	(1.9)	(1.7)	246,000	(2.0)	(1.7)
Chicken	99,320	110,250	209,570	102,000	2.7	0.2	114,000	3.4	0.5	216,000	3.1	(0.3)
Other fresh meats	9,773	9,256	19,029	9,000	(7.9)	2.4	9,000	(2.8)	(1.0)	18,000	(5.4)	1.0
Dairy products	18,126	18,068	36,194	18,500	2.1	(3.0)	18,500	2.4	5.8	37,000	2.2	1.2
Others (including marine products)	36,987	29,312	66,299	37,500	1.4	-	29,500	0.6	-	67,000	1.1	-
Total	618,688	641,104	1,259,792	620,000	0.2	-	640,000	(0.2)	-	1,260,000	0.0	-

* Because category sales are calculated as segment totals, the figures do not match segment sales.

* Excluding results from discontinued operations (BPU)

3. Balance Sheets / Capital Expenditures / Depreciation and Amortization / Statements of Cash Flows

Consolidated balance sheets

(¥ million, %)

	FY2023/3	FY2024/3		
	Year-end	Year-end	Variance (%)	Variance
Total assets	909,213	937,155	3.1	27,942
Total liabilities	419,659	434,374	3.5	14,715
Total equity attributable to owners of parent	479,069	492,913	2.9	13,844
Non-controlling interests	10,485	9,868	(5.9)	(617)
Total equity	489,554	502,781	2.7	13,227

Consolidated statements of cash flows

(¥ million)

	FY2022/3	FY2023/3		FY2024/3
	Year-end	Year-end	Variance	Full year forecasts
Cash flows from operating activities	33,387	11,331	(22,056)	74,800
Cash flows from investing activities	(22,837)	(63,677)	(40,840)	(53,000)
Cash flows from financing activities	(12,162)	28,417	40,579	(32,400)

Capital expenditures, depreciation and amortization

(¥ million, %)

	FY2022/3	FY2023/3			FY2024/3
	Year-end	Year-end	Variance (%)	Variance	Full year forecasts
Capital expenditures	80,395	67,519	(16.0)	(12,876)	70,100
Processed Foods Business Division	11,038	10,730	(2.8)	(308)	12,100
Fresh Meats Business Division	17,083	19,273	12.8	2,190	29,200
Overseas Business Division	3,321	4,000	20.5	679	10,400
Baseball Club	21,790	20,558	(5.7)	(1,232)	200
Others	27,163	12,958	(52.3)	(14,205)	18,200
Depreciation and amortization	36,379	38,379	5.5	2,000	40,700

Major reasons for increase/decrease

(1) Total equity

These include a ¥22.0 billion increase in inventory assets, and a ¥19.4 billion increase in tangible fixed assets.

(2) Cash flows from operating activities

Cash flows from operating activities included a ¥24.5 billion increase in inventory assets, and a ¥13.6 billion increase in corporate income tax payments. However, there was an ¥11.3 billion increase net because of factors that included profit before tax of ¥22.2 billion, and depreciation and amortization expenses amounting to ¥38.4 billion.

(3) Cash flows from investing activities

With regard to investing activities, acquisition of fixed assets amounted to ¥82.3 billion, while the decrease in short-term loans receivable amounted to ¥10.0 billion. As a result, net cash used in investing activities amounted to ¥63.7 billion.

(4) Cash flows from financing activities

With regard to financing activities, the increase in short-term bank loans amounted to ¥36.5 billion, and proceeds from debt amounted to ¥110.4 billion, while cash dividends amounted to ¥10.4 billion and repayments of debt amounted to ¥108.6 billion. As a result, net cash provided by financing activities amounted to ¥28.4 billion.

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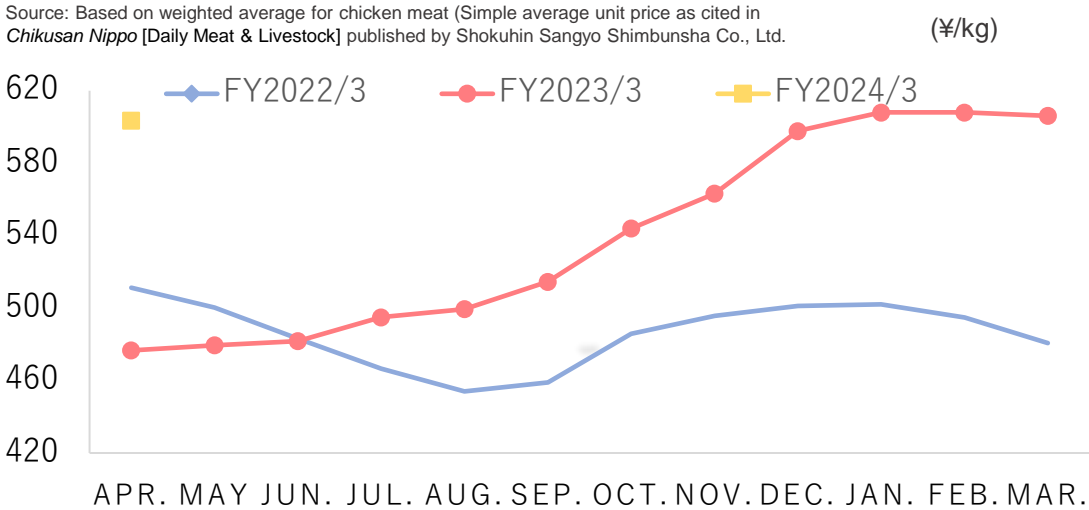
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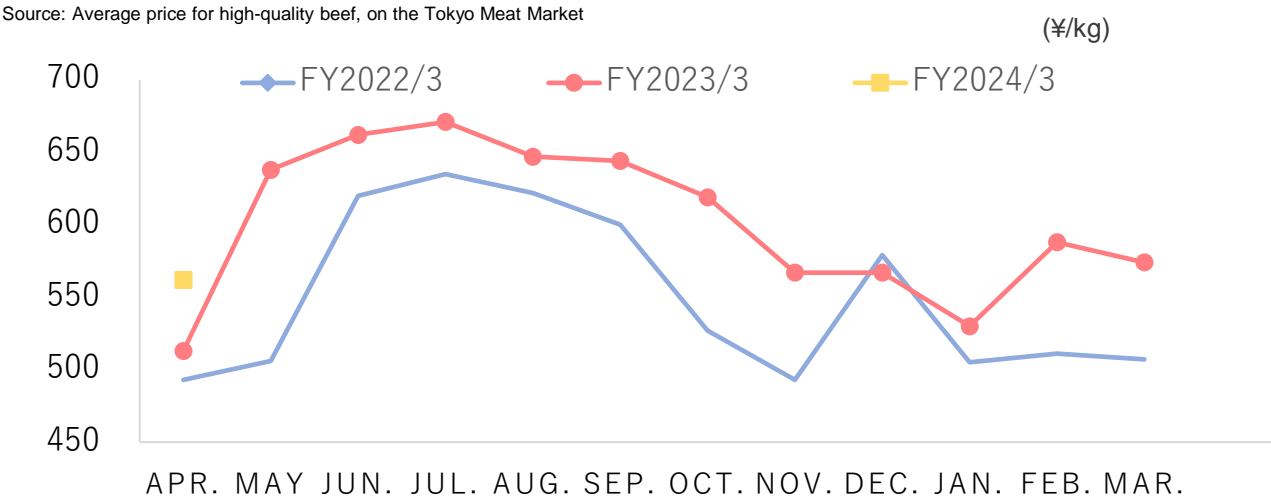
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4. External Environment: Market (1)

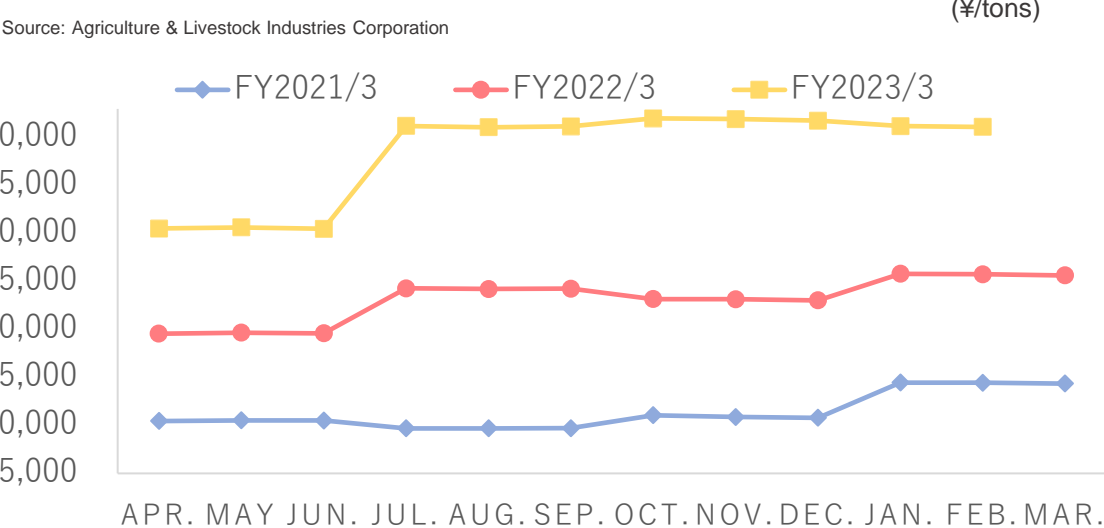
[Domestic chicken market price]



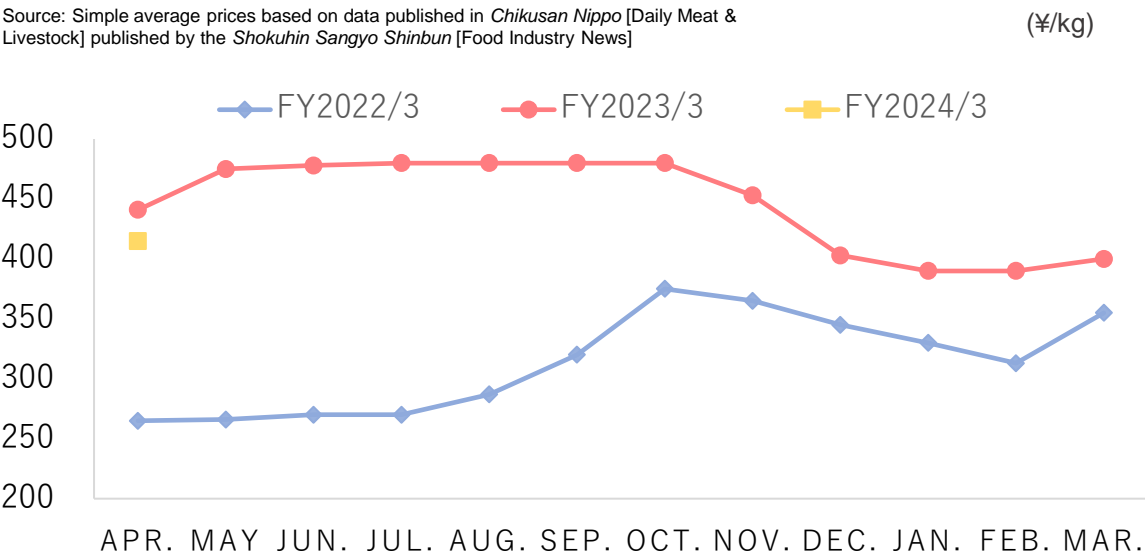
[Domestic pork market price]



[Compound feed price]

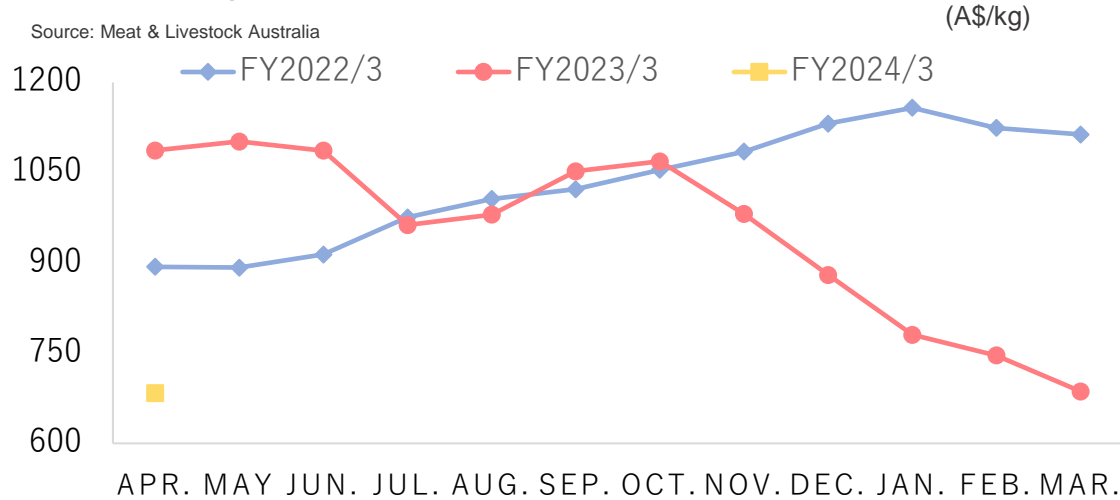


[Domestic price of Brazilian thigh meat]

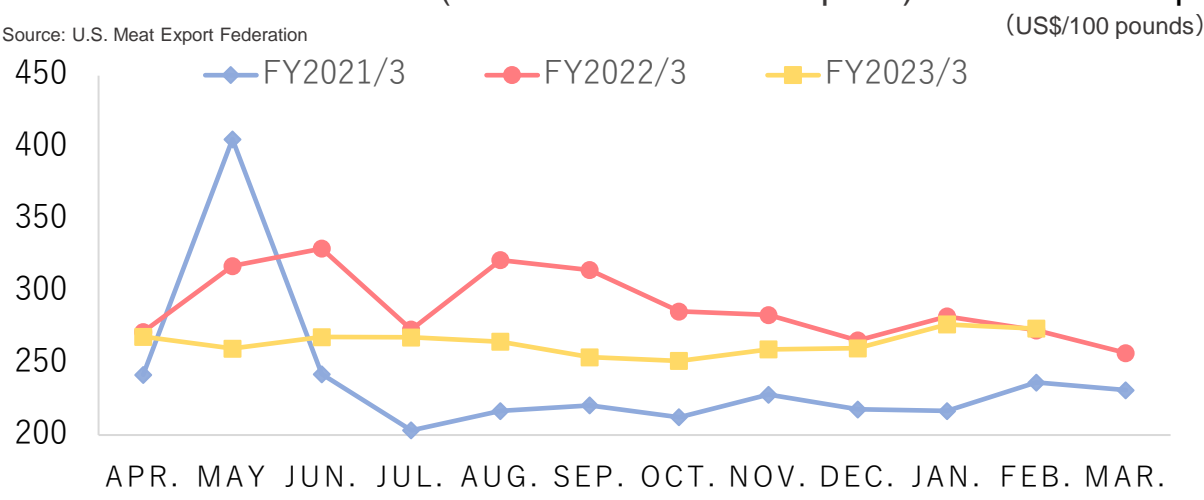


5. External Environment: Market (2)

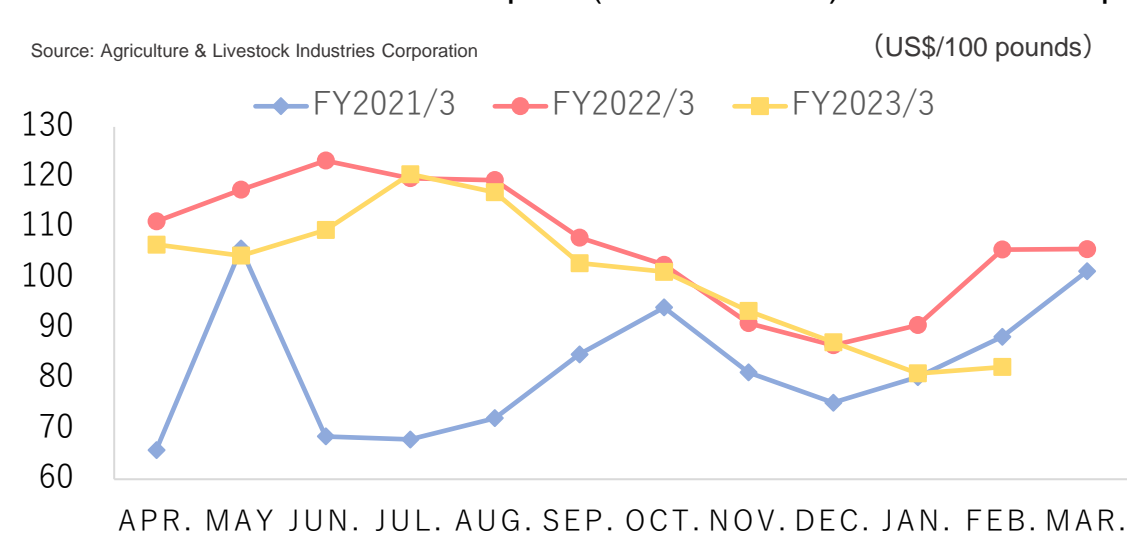
Eastern Young Cattle Indicator (EYCI)



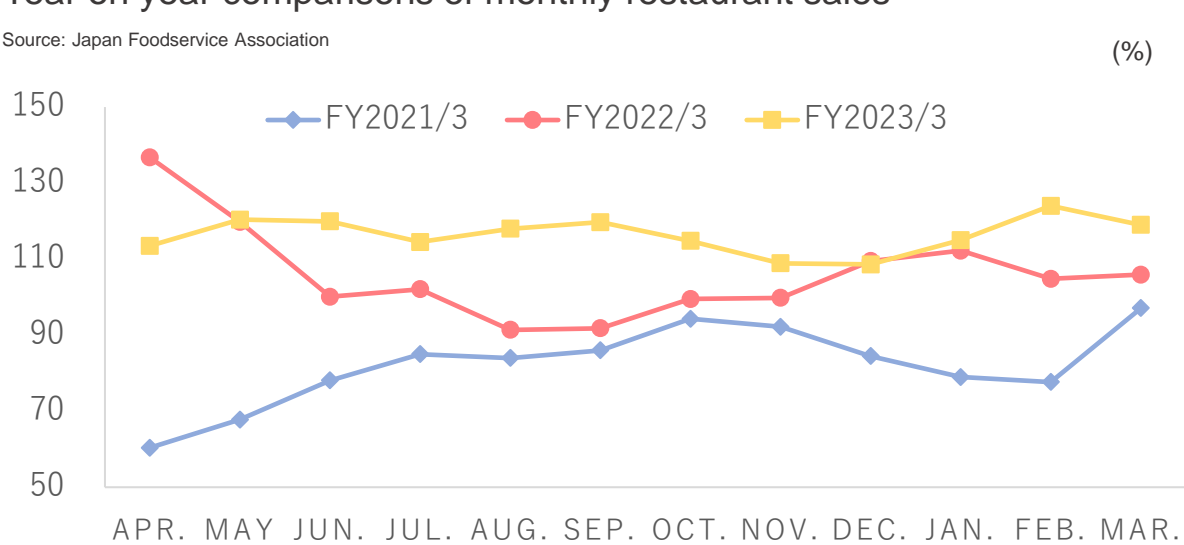
Cut-out value of American beef (wholesale benchmark price) based on local prices



Cut-out value of the American pork (carcass basis) based on local prices



Year on year comparisons of monthly restaurant sales



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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.