

Business Results for the Fourth Quarter of FY2023/3(abridged version) (1)

* 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.

【FY2023/3 4Q Results and Full year Forecasts】

(¥ million)

	FY2022/3	FY2023/3					FY2024/3
	Full year Results	Full year Forecasts as of 3Q	Full year Results	Variance	Variance(%)	Forecast variance	Full year Forecast
Net Sales	1,151,886	1,270,000	1,259,792	107,906	9.4	(10,208)	1,260,000
Processed Foods Business Division	496,700	-	417,738	(78,962)	(15.9)	-	420,000
Fresh Meats Business Division	683,301	-	750,109	66,808	9.8	-	720,000
Overseas Business Division	267,623	-	321,429	53,806	20.1	-	295,000
Baseball Club Business and Others	13,809	-	17,052	3,243	23.5	-	25,000
Eliminations and adjustments	(214,977)	-	(216,321)	(1,342)	0.6	-	(200,000)
Non-continuing operations	(94,570)	-	(30,215)	64,353	(68.1)	-	-
Business Profit	48,116	22,000	25,596	(22,520)	(46.8)	3,596	38,000
Processed Foods Business Division	14,679	5,500	5,018	(9,661)	(65.8)	(482)	6,500
(Non-continuing operations)	2,295	-	-	-	-	-	-
Fresh Meats Business Division	35,573	26,000	29,082	(6,491)	(18.2)	3,082	32,000
Overseas Business Division	2,409	(5,000)	(5,036)	(7,445)	(309.0)	(36)	1,700
(Non-continuing operations)	(401)	-	(2,595)	(2,194)	547.1	-	-
Baseball Club Business and Others	(1,569)	(1,300)	(483)	1,086	(69.2)	817	1,500
Eliminations and adjustments	(2,976)	(3,200)	(2,985)	(9)	0.3	215	(3,700)
Income before income tax	51,760	22,000	22,162	(29,598)	(57.2)	162	34,000
Income tax expense	12,955	4,500	4,770	(8,185)	(63.2)	270	10,500
Profit attributable owners of parent	48,049	17,000	16,637	(31,412)	(65.4)	(363)	23,000

【Breakdown of overseas Business Division】

(¥ million)

		FY2022/3		FY2023/3					FY2024/3	
		Full year Results	Net sales(%)	Full year Forecasts as of 3Q	Full year Results	Net sales(%)	Variance	Variance(%)	Forecast variance	Full year Forecast
Overseas Business Division	Net sales	267,623	-	-	321,429	-	53,806	20.1	-	295,000
	External Customer Net Sales	142,799	53	-	186,449	58.0	43,650	30.6	-	-
	Intersegment	124,824	47	-	134,980	42.0	10,156	8.1	-	-
	Business profit	2,409	-	(5,000)	(5,036)	-	(7,445)	-	(36)	1,700
Australia	Net sales	105,193	-	-	133,677	-	28,484	27.1	-	-
	External Customer Net Sales	90,884	86	-	119,649	89.5	28,765	31.7	-	-
	Intersegment	14,309	14	-	14,028	10.5	(281)	(2.0)	-	-
	Net sales from non-continuing operations	22,503	-	-	30,203	-	7,700	34.2	-	-
	Business profit	2,585	-	(4,270)	(4,473)	-	(7,058)	-	(203)	800
	Non-continuing operations	(401)	-	-	(2,595)	-	(2,194)	-	-	-
Americas	Net sales	100,486	-	-	123,759	-	23,273	23.2	-	-
	External Customer Net Sales	25,614	25	-	34,334	27.7	8,720	34.0	-	-
	Intersegment	74,872	75	-	89,425	72.3	14,553	19.4	-	-
	Business profit	1,198	-	1,970	1,731	-	533	44.5	(239)	2,180
Asia & Europe	Net sales	64,771	-	-	66,376	-	1,605	2.5	-	-
	External Customer Net Sales	26,301	41	-	32,466	48.9	6,165	23.4	-	-
	Intersegment	38,470	59	-	33,910	51.1	(4,560)	(11.9)	-	-
	Business profit	(428)	-	(1,550)	(1,180)	-	(752)	-	370	(80)

【Capital expenditures, depreciation and amortization】

(¥ million, %)

Division	FY2022/3	FY2023/3					FY2024/3
	Full year results	Full year Forecasts	Full year Results	Variance	Variance(%)	Forecast variance	Full year Forecast
Total capital expenditures	80,395	76,800	67,519	(12,876)	△ 16.0	△ 9,281	70,100
Processed Foods Business Division	11,038	12,260	10,730	(308)	△ 2.8	△ 1,530	12,100
Fresh Meats Business Division	17,083	19,900	19,273	2,190	12.8	△ 627	29,200
Overseas Business Division	3,321	8,630	4,000	679	20.4	△ 4,630	10,400
Baseball Club Business and Others	21,806	21,670	20,619	(1,187)	△ 5.4	△ 1,051	7,400
Eliminations and adjustments	27,147	14,340	12,897	(14,250)	△ 52.5	△ 1,443	11,000
Depreciation and amortization	36,379	38,700	38,379	2,000	5.5	△ 321	40,700

【Progress of Medium-Term Management Plan2023】

(¥ million)

Division	Medium-Term Management Plan2023 forecasts
Total capital expenditures	248,000
Processed Foods Business Division	45,700
Fresh Meats Business Division	78,100
Overseas Business Division	18,800
Other facilities	105,400
Depreciation and amortization	112,600

【Breakdown of Sales Results by products】

(¥ million, %)

	FY2022/3	FY2023/3					
		Full year Forecasts as of 3Q	Full year Results	Variance	Variance(%)	Volume variance(%)	Forecast variance
Hams and sausages	131,147	130,000	130,161	(986)	(0.8)	(3.1)	161
Processed foods	224,976	235,000	235,166	10,190	4.5	(5.1)	166
Fresh meats	702,160	799,000	791,972	89,812	12.8	1.3	(7,028)
Beef	273,225	330,000	312,372	39,147	14.3	8.1	(17,628)
Pork	230,762	248,000	251,001	20,239	8.8	1.1	3,001
Chicken	179,549	202,000	209,570	30,021	16.7	(1.4)	7,570
Other fresh meats	18,624	19,000	19,029	405	2.2	(3.6)	29
Marine products	35,214	37,000	36,194	980	2.8	(5.6)	(806)
Others	58,389	69,000	66,299	7,910	13.5	-	(2,701)
Total	1,151,886	1,270,000	1,259,792	107,906	9.4	-	(10,208)

Business Results for the Fourth Quarter of FY2023/3(abridged version) (2)

【Segment Results and Factor analysis of changes in business profit】

[Consolidated results]

		FY2023/3		
		Full year Forecasts as of 3Q	Full year Results	Variance
		(¥ billion)		
Net sales	Processed Foods Business Division	-	418	-
	Fresh Meats Business Division	-	750	-
	Overseas Business Division	-	32	-
	Baseball Club Business and Others	-	17	-
	Eliminations and adjustments	-	(22)	-
	Non-continuing operations	-	(30)	-
Total		1,270	1,260	(10)

		FY2024/3	
		Full year Forecast	Forecast Variance
		(¥ billion)	
		420	2
		720	(30)
		295	263
		25	8
		(200)	(178)
		-	-
Total		1,260	0

		FY2023/3		
		Full year Forecasts as of 3Q	Full year Results	Variance
		(¥ billion)		
Business profit	Processed Foods Business Division	5.5	5.0	(0.5)
	(Dairy/marine products and extract/primary processing)	-	1.3	-
	Fresh Meats Business Division	26.0	29.1	3.1
	Overseas Business Division	(5.0)	(5.0)	0.0
	Baseball Club Business and Others	(1.3)	(0.5)	0.8
	Eliminations and adjustments	(3.2)	(3.0)	0.2
Total		22.0	25.6	3.6

		FY2024/3	
		Full year Forecast	Forecast Variance
		(¥ billion)	
		6.5	1.5
		1.4	0.1
		32.0	2.9
		1.7	6.7
		1.5	2.0
		(3.7)	(0.7)
Total		38.0	12.4

[Processed Foods Business Division]

		FY2023/3		
		Full year Forecasts as of 3Q	FY2022/3	Variance
		(¥ billion)		
Business profit		5.5	5.0	(0.5)
Factor analysis	Hams and sausages, deli and processed foods	(6.1)	(6.6)	(0.5)
	(External factor(1) Principal raw material prices	(5.9)	(6.2)	(0.3)
	(External factor(2) Other material	(5.4)	(5.1)	0.3
	(External factor(3) Energy costs	(3.1)	(3.0)	0.1
	(Internal factor(1) Effect of price revisions)	7.3	7.0	(0.3)
	(Internal factor(1) 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)	0.2
Total		(6.9)	(7.4)	(0.5)

		FY2024/3	
		Full year Forecast	Forecast Variance
		(¥ billion)	
		6.5	1.5
		3.4	-
		(4.9)	-
		(4.3)	-
		(1.1)	-
		10.1	-
		3.7	-
		0.1	-
		(2.0)	-
Total		1.5	-

Analysis of reasons for year on year variations (full year)	
Principal raw materials: Beef, pork, chicken	
Other materials: Sheep casings, packaging, etc.	
Energy costs: Electric power, LNG	
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	
Yogurt: Sales of <i>Vanilla Yogurt</i> 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	

[Fresh Meats Business Division]

		FY2023/3		
		Full year Forecasts as of 3Q	Full year Results	Variance
		(¥ billion)		
Business profit		26.0	29.1	3.1
Factor analysis	Domestic beef/pork business	(1.0)	(1.1)	0.0
	Domestic chicken business	(2.8)	(1.3)	1.5
	Imported fresh meats business	(7.2)	(7.2)	0.0
	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)

		FY2024/3	
		Full year Forecast	Forecast Variance
		(¥ billion)	
		32.0	2.9
		0.0	-
		0.5	-
		3.4	-
		1.0	-
		(1.2)	-
		(0.8)	-
Total		2.9	-

Analysis of reasons for year on year variations (full year)	
(Domestic beef/pork business) 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) 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) 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) 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.	

[Overseas Business Division]

		FY2023/3		
		Full year Forecasts as of 3Q	Full year Results	Variance
		(¥ billion)		
Business profit		(5.0)	(5.0)	0.0
Factor analysis	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)	0.0
Total		(7.4)	(7.4)	0.0

		FY2024/3	
		Full year Forecast	Forecast Variance
		(¥ billion)	
		1.7	6.7
		4.0	-
		1.3	-
		0.5	-
		1.1	-
		(0.1)	-
Total		6.7	-

Analysis of reasons for year on year variations (full year)	
(Australia & Uruguay) Cattle prices declined in the third quarter, but export prices also fell, resulting in lower profit.	
(Americas) 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.	
(Turkey) Costs remained high throughout the year, resulting in lower profit.	

*Due to rounding, numbers may not match totals