

FY 2024 1Q



Business Results

for the First Quarter of FY2024/3

NH Foods Ltd. August 1, 2023



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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.

• Due to rounding, numbers may not match totals.

• The beef business relating to Breeders & Packers Uruguay S.A. (“BPU”) has been reclassified to discontinued operations from the fourth quarter of the consolidated accounting period ended March 31, 2023. As a result, the quarterly profit (loss) from discontinued operations is presented separately from the results for continuing operations in the condensed consolidated statements of income. Consequently, only net sales and quarterly profit before tax from continuing operations are shown.

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04 Summary of FY2024/3 1Q Financial Results

FY2024/3 1Q Results

Net sales

¥322.2 billion

(+6.5% year-on-year)

Business profit

¥12.1 billion

(-32.4% year-on-year)

- Net sales were higher because of price revisions in the processed food business, and the adjustment of fresh meat prices to reflect cost increases. Results for the Ballpark Business were also positive.
- Business profit increased thanks to higher sales of domestic chicken and imported fresh meats in the fresh meats business, as well as the Ballpark Business.

Business Profit Forecast for FY2024/3

Net sales

¥1,260.0 billion

(+0.0% year-on-year)

Business profit

¥38.0 billion

(+48.5% year-on-year)

- After considering various factors, including disease problems in Japan and overseas, global economic trends, and the impact of geopolitical risks on feed prices, we decided to leave our initial forecasts unchanged.

05 Financial Highlights (1) FY2024/3 1Q Results



(¥ billion)

	FY2023/3 1Q	FY2024/3 1Q	Variance	Variance (%)
Net sales	302.4	322.2	19.8	6.5%
Business profit	9.2	12.1	3.0	32.4%
(Business profit from continuing operations)	9.5	12.8	3.3	34.6%
Business profit ratio	3.1%	4.0%	0.9%	—
Profit before tax	14.7	18.8	4.1	27.6%
Profit attributable to owners of the parent	10.2	11.7	1.6	15.4%

06 Financial Highlights (2) Net Sales and Business Profit by Segment



Net sales

(¥ billion)

	FY2023/3 1Q	FY2024/3 1Q	Variance	Variance (%)
Processed Foods Business Division	99.0	103.5	4.5	4.6%
Fresh Meats Business Division	179.0	193.9	14.9	8.3%
Overseas Business Division	84.4	75.2	(9.2)	(10.9)%
Ballpark and Other Business	5.0	8.7	3.8	76.0%
Eliminations, adjustments and others	(55.9)	(53.1)	(2.8)	-
Business profit from non-continuing operations	(9.1)	(6.2)	3.0	-
Consolidated	302.4	322.2	19.8	6.5%

Business profit

(¥ billion)

	FY2023/3 1Q	FY2024/3 1Q	Variance	Variance (%)
Processed Foods Business Division	1.2	0.8	(0.4)	(35.2)%
Fresh Meats Business Division	7.1	10.2	3.2	45.1%
Overseas Business Division	0.3	(0.3)	(0.6)	-
Ballpark and Other Business	0.8	2.5	1.6	-
Eliminations, adjustments and others	(0.3)	(1.1)	(0.8)	-
Consolidated	9.2	12.1	3.0	32.4%

07 Segment Data: Processed Foods Business Division (1)



(¥ billion)

	FY2023/3 1Q	FY2024/3 1Q	Variance	Variance (%)
Net sales	99.0	103.5	4.5	4.6%
Business profit	1.2	0.8	(0.4)	(35.2)%
Business profit ratio	1.2%	0.8%	(0.4)%	—

Increase in net sales

- Price revisions for consumer ham and sausage products and commercial deli products made good progress.
- We also implemented price revisions to reflect higher costs for dairy/marine products and extracts/primary processing.

Decrease in business profit

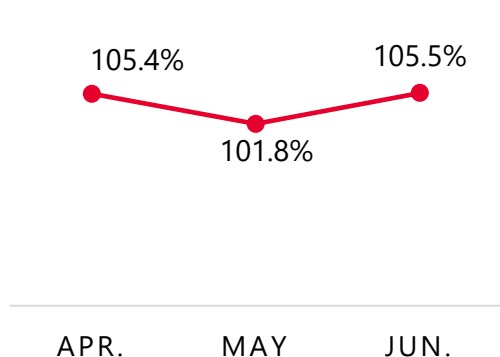
- Profit margin improved for commercial-use products due to progress in price revisions, mainly for deli and processed foods products.
- In consumer products, the product mix deteriorated due to a delay in recovery of mainstay products and an increase in the composition ratio of low-profit hams and sausages.

08 Segment Data: Processed Foods Business Division (2)

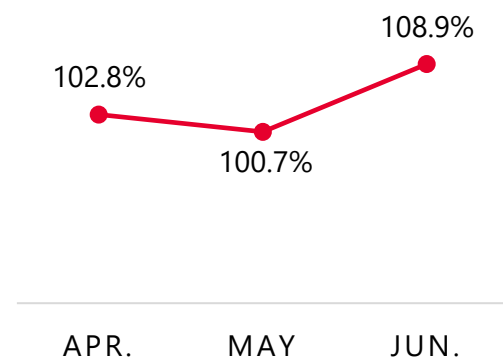
Net sales by channel/consumer product category (year on year)

Hams and sausages	Volume	Amount	Deli and processed foods	Volume	Amount
Schau Essen	—	104.2%	Chilled bakery	—	101.5%
Other wieners	—	109.8%	Chuka Meisai	—	85.6%
Wieners	—	105.7%	Hamburg and meatball	—	107.8%
Loin hams, bacon	—	100.1%	Fried chicken	—	84.1%
Consumer	101.5%	105.0%	Consumer	88.7%	95.7%
Commercial-use	89.6%	98.4%	Commercial-use	104.3%	118.4%
Total	99.0%	104.1%	Total	94.6%	102.9%

Year on year trends in Schau Essen sales



Year on year trends in chilled pizza sales



Factor analysis: Year on year changes in business profit

(¥ billion)

	Increase (Decrease)	Main Reasons
Hams and sausages, deli and processed foods	(0.9)	
External factors	(3.8)	
Principal raw material prices	(2.0)	Persistently high pork prices due to the weak yen and production cuts by US packers
Other materials	(1.5)	Sharply higher prices for packaging, materials, powdered albumin, and sheep intestines
Electric power	(0.3)	Soaring electric power costs
Internal factors	2.9	
Effect of price revisions	3.3	Volume effect ¥(0.4) billion Unit price effect ¥3.7 billion
Improvement activities	(0.4)	Product mix deterioration due to an increase in the proportion of low-margin products Cost increases resulting from the expansion of sales promotion activities compared with the previous year
Dairy/marine products and extract/primary processing	0.6	Emergence of benefits from price revisions by multiple companies
DX costs	(0.1)	
Total	(0.4)	

9 Segment Data: Fresh Meats Business Division (1)

(¥ billion)

	FY2023/3 1Q	FY2024/3 1Q	Variance	Variance (%)
Net sales	179.0	193.9	14.9	8.3%
Business profit	7.1	10.2	3.2	45.1%
Business profit ratio	3.9%	5.3%	1.3%	—

Increase in net sales

- The sales volume of each imported meat grew, and sales expanded.
- We passed on prices of domestic and imported meats to the high market price.

Increase In Business profit

- High feed prices continued to affect domestic chicken. However, profit increased, in part because of the high market price and the introduction of the *Sakurahime* chicken and *Kitanokomekokko* chicken brands.
- Profit from imported fresh meats improved thanks to stronger sales through the restaurant and meat wholesale channels, as well as changes to procurement methods.
- Sales volume for Food sales increased thanks to an improved meat mix and the expansion of in-depth sales.

10 Segment Data: Fresh Meats Business Division (2)

Four Nippon Food Group companies: 1Q sales volumes and values by meat type (year on year)

Domestic	Volume	Amount	Imported	Volume	Amount
Beef	101.2%	101.3%	Beef	108.1%	106.5%
Pork	97.7%	105.7%	Pork	101.2%	106.7%
Chicken	98.5%	117.6%	Chicken	105.2%	102.6%
Domestic total	98.4%	108.6%	Imported total	103.7%	105.4%

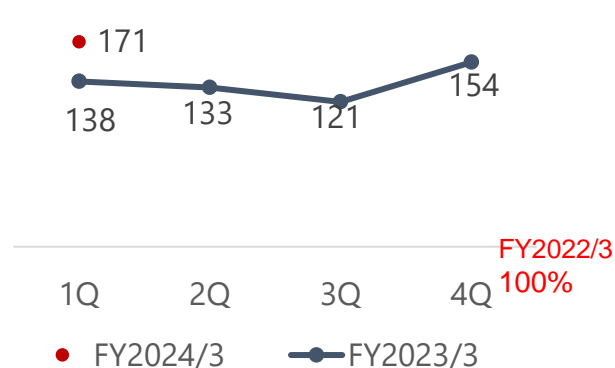
Four Nippon Food Group companies: 1Q sales volumes by channel

Overall volume growth of 101.2%
(107.1% in value terms)



4 Nippon Food Group companies (compared with FY2022/3)

Major increase in Food sales over the past two years



Factor analysis: Year on year changes in business profit (¥ billion)

	Increase (decrease)	Main Reasons
Domestic beef/pork business	(0.4)	Production: It was affected by soaring feed costs. Consignment: Price adjustments did not keep pace with soaring pork prices.
Domestic chicken business	1.9	Production: A sharp increase in feed prices was offset by passing on price increases for branded fresh meats. Consignment: Sales volume was increased by in-house production and expansion of external procurement
Imported fresh meats business	0.4	Despite improved sales of chilled beef and pork, the figures were impacted by a reactionary downswing in chicken sales after a strong FY23/3 1Q result.
Food sales	1.2	Volume retailers: Sales volume increased in urban areas. Restaurants: Improved meat mix thanks to a recovery in the beef category
DX costs	0.1	
Others	0	
Total	3.2	

11 Segment Data: Overseas Business Division

(¥ billion)

	FY2023/3 1Q	FY2024/3 1Q	Variance	Variance (%)
Net sales	84.4	75.2	(9.2)	(10.9)%
Business profit	0.3	(0.3)	(0.6)	—
Business profit ratio	0.4%	—	—	—

Decrease in net sales

- The sales price of beef in Australia fell.
- The amount of pork exported to Japan in Europe decreased.

Business profit by region / Factor analysis: Year on year changes in business profit

(¥ billion)

	FY24/3 1Q	Variance	Variance (%)	Main reasons
Australia	(0.8)	(1.1)	-	
Australia	(0.1)	(0.8)	-	Lower cattle prices were outweighed by a bigger decline in selling prices, resulting in reduced profit.
Uruguay	(0.7)	(0.3)	-	Despite efforts to reduce losses through planned production cuts, lower export prices resulted in reduced profit.
Americas	0.7	0.6	-	Profit was higher thanks to volume growth driven by strong sales of processed foods in North America, as well as the stability of raw material prices compared with the previous year.
Asia & Europe	0.2	0	(0.6)%	The chicken business in Turkey recorded higher unit prices, but profit was lower due to the effects of soaring feed prices.
Others	(0.3)	(0.1)	-	
Total	(0.3)	(0.6)	-	

Net sales by region

(¥ billion)

FY24/3 1Q	Variance
32.1	(4.3)
25.6	(0.2)
6.5	(4.1)
30.5	0.5
12.8	(6.2)
-	-
75.2	(9.2)

External customer net sales

(¥ billion)

FY24/3 1Q	Variance
29.9	(1.9)
23.7	1.1
6.2	(3.0)
8.6	0.5
7.5	(1.2)
-	-
45.9	(2.6)

12 Segment Data: Ballpark Business and Other Business

(¥ billion)

	FY2023/3 1Q	FY2024/3 1Q	Variance	Variance (%)
Net sales	5.0	8.7	3.8	76.0%
Business profit	0.8	2.5	1.6	200.9%
Business profit ratio	16.5%	28.2%	11.7%	—

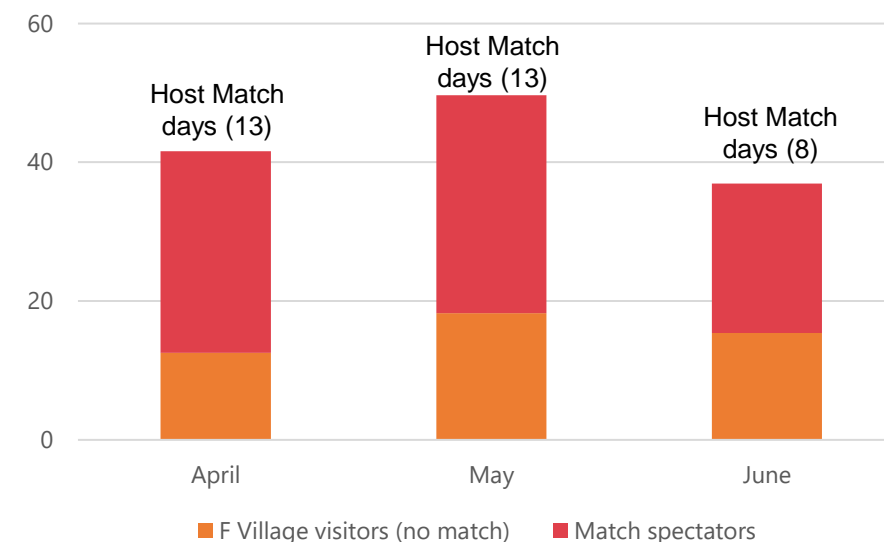
* The above figures are totals for the Ballpark business and new business.

Net sales/business profit

- We are working to enhance the attractiveness of Hokkaido Ballpark F Village, not only for match attendance, but also as a place to spend time before and after matches or on non-match days. This was reflected in higher attendance and net sales.
- Because the facility is now owned by NH Foods, sales of food, beverages, and goods and advertising (sponsorship) revenues are helping to improve profitability.

Hokkaido Ballpark F Village Visitors

(10,000)



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



Net sales/ business profit

After considering various factors, including disease problems in Japan and overseas, global economic trends, and the impact of geopolitical risks on feed prices, we decided to leave our initial forecasts unchanged.

(¥ 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	39.5	11.3	40.1%
Business profit ratio	2.2%	3.1%	0.9%	—
Profit before tax	22.2	34.0	11.8	53.4%
Profit attributable to owners of the parent	16.6	23.0	6.4	38.2%
ROE	3.4%	4.6%	1.2%	—
ROIC	2.4%	3.5%	1.1%	—

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



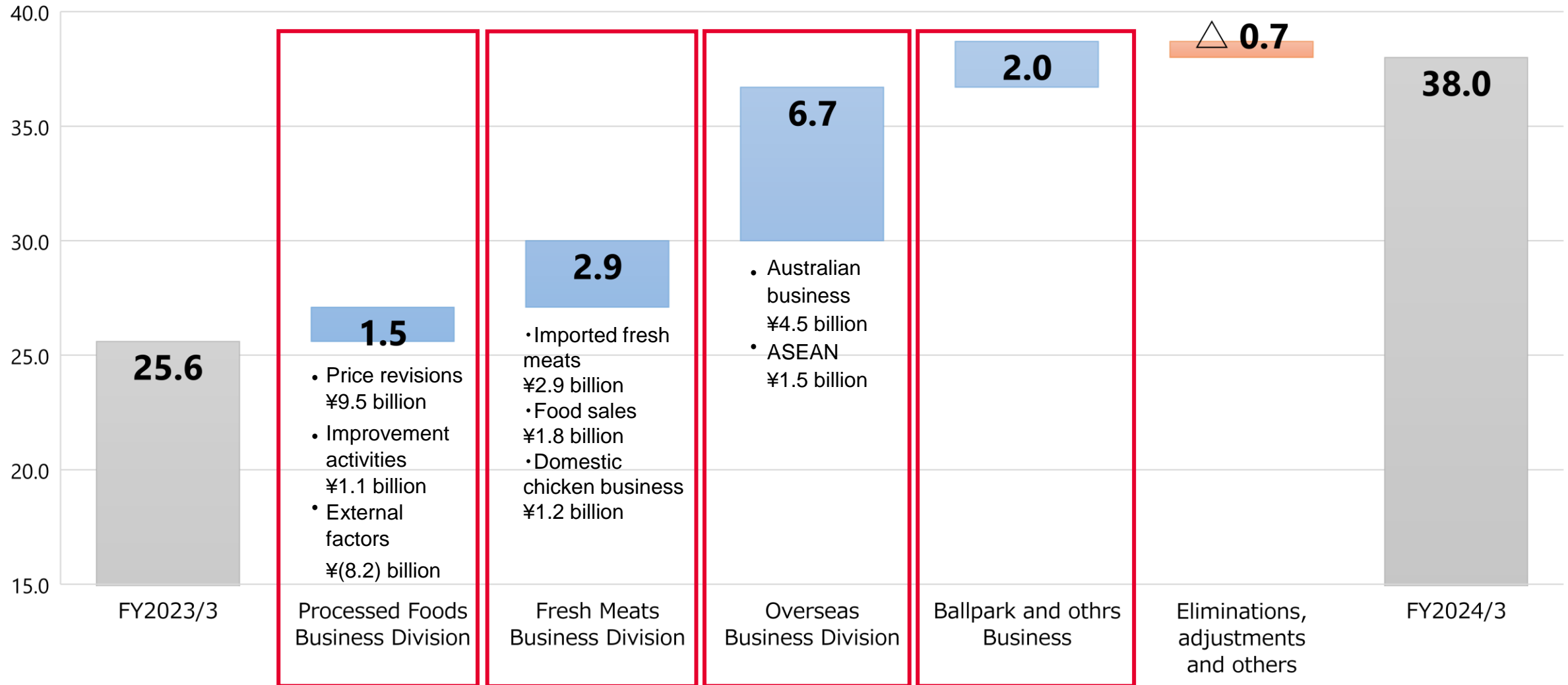
Business profit targets by segment

(¥ billion)

	FY2024/3						
	1Q	1st half		2nd half		Full year	
	Results	Initial forecasts	Variance	Initial forecasts	Variance	Initial forecasts	Variance
Processed Foods Business Division	0.8	1.7	0.4	4.8	1.1	6.5	1.5
Fresh Meats Business Division	10.2	14.5	0.3	17.5	2.6	32.0	2.9
Overseas Business Division	(0.3)	(0.7)	0.2	2.4	6.5	1.7	6.7
Ballpark and other Businesses	2.5	6.6	4.7	(5.1)	(2.7)	1.5	2.0
Eliminations, adjustments and others	(1.1)	(2.1)	(0.8)	(1.6)	0	(3.7)	(0.7)
Total	12.1	20.0	4.8	18.0	7.6	38.0	12.4

Forecasts for the whole of FY2024/3

(¥ billion)



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18 Processed Foods Business Division: Outlook (1)

(¥ billion)

	FY2023/3	FY2024/3	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%	—

Increase in net sales

- Price revisions will result in a slower recovery in sales of consumer deli and processed products. However, volume increases due to a recovery in sales volume of hams and sausages and commercial products.

Increase in business profit

- Costs will deteriorate from the previous year due to soaring raw material prices and an increase in sales promotion expenses aimed at enhancing future brand value.
- We secure gross profit by recovering stagnant mainstay brands and improving the product mix by expanding sales of *Morning Serve*.
- We improve productivity by concentrating on high productivity lines, saving labor, and consolidating items.

19 Processed Foods Business Division: Outlook (2)

Sales targets by channel / consumer product category (YoY)

Hams and sausages	Amount	Deli and processed foods	Amount
<i>Schau Essen</i>	104.1%	Chilled bakery	104.2%
Other wieners	107.2%	<i>Chuka Meisai</i>	91.4%
Wieners	105.2%	Hamburg and meatball	103.7%
Loin hams, bacon	86.7%	Fried chicken	85.7%
Consumer	102.5%	Consumer	95.5%
Commercial-use	98.9%	Commercial-use	106.0%
Total	101.9%	Total	99.1%

We will work to build a product portfolio to maximize profits and promote brand strategies and product development from the customer's perspective.

- Ham and bacon We will prioritize securing profits by optimizing prices.
- *Schau Essen* We will focus on high productivity lines and continue to launch branded CM.
- Chilled pizza We will Improve the product mix by growing the mini-pizza.
- *Chuka Meisai* We will expand the market with the introduction of new formats.
- *Morning Serve* We will improve the producing system and further expand sales by rolling out large-bag products around autumn.

Full-year analysis of reasons for variations from the profit forecasts

(¥ billion)

	Full year Initial forecasts	Full year forecasts	Variance	Main reasons
Hams and sausages, deli and processed foods	3.4	2.5	(1.0)	
External factors	(10.3)	(8.2)	2.2	Procurement prices for pork, cheese, etc. are expected to improve, but changes in exchange rates and the global procurement environment need to be watched closely.
Principal raw materials	(4.9)	(4.3)	0.7	
Other materials/energy costs	(5.4)	(3.9)	1.5	Other materials ¥0.6 billion Energy costs ¥0.9 billion
Internal factors	13.8	10.6	(3.1)	【Price revisions】 • Sales of <i>Chuka Meisai</i> are not recovering and are expected to fall short of plan
Price revisions	10.1	9.5	(0.6)	Volume effect ¥(0.4) billion Unit price effect ¥(0.2) billion
Improvement activities	3.7	1.1	(2.6)	【Improvement activities】 • Gross margin will decline due to an increase in low-profit products. • Sales promotion expenses for the recovery of mainstay brands will increase.
Dairy/marine products and extract/primary processing	0.1	0.6	0.5	Increase the ratio of highly profitable products manufactured in-house.
DX costs	(2.0)	(1.6)	0.4	
Total	1.5	1.5	0	

20 Fresh Meats Business Division: Outlook (1)

(¥ billion)

	FY2023/3	FY2024/3	Variance	Variance (%)
Net sales	750.1	720.0	(30.1)	(4.0)%
Business profit	29.1	32.0	2.9	10.0%
Business profit ratio	3.9%	4.4%	0.5%	—

Decrease in net sales

- Higher market prices are predicted for all meat types. We will strengthen our Food sales and proposal capabilities so that increases can be passed on through prices.
- We will step up our sales of beef through the restaurant channel, especially in urban areas. We aim to expand both net sales and volumes.

Business profit

- We will increase profits from domestic chicken brands and strengthen the introduction of the rebranded *Mugikomachi* domestic pork.
- We will thoroughly implement profit-conscious procurement to address uncertainty about the outlook for the imported fresh meats.
- We will carefully manage appropriate profit levels for each food sales channel.

21 Fresh Meats Business Division: Outlook (2)

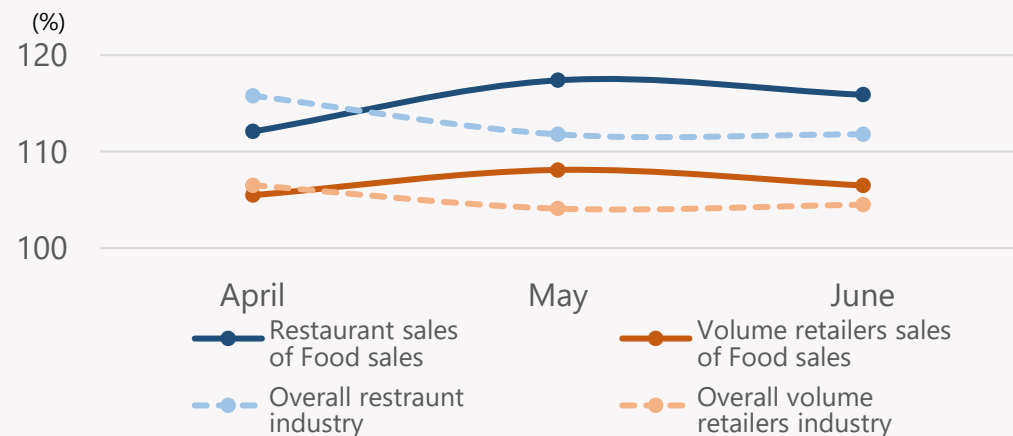
Food Marketing and Sales Plan

We will expand profit by developing a platform, including business styles and area strategies, and by implementing channel and product policies.

- We will create units specializing in volume retailers and restaurants and build a competitive advantage through area/channel strategies.
- Trial use of sales models based on new routes makes possible by digital technology
- We will focus on the domestic chicken brand *Sakurahime* and *Strengthen sales by promoting Hokkaido's added value and social value through KitanoKomekokko*

4 Nippon Food Group companies: YoY sales of major volume retailers

We aim to exceed market growth in both restaurants and mass retailers.



Full-year analysis of reasons for variations from the profit forecasts

(¥ billion)

	Full year initial forecasts	Full year forecasts	Variance	Main reasons
Domestic beef/pork business	0	(0.9)	(0.9)	Production: Feed and energy prices are expected to continue rising. Consignment: A trend toward price-consciousness will result in slower sales of high-priced products.
Domestic chicken business	0.5	1.2	0.7	Production: There will be a recovery in the number of chickens processed. Consignment: Sales of branded fresh meats will result in better profitability. We aim to achieve a profit recovery through increased external procurement.
Imported fresh meats business	3.4	2.9	(0.5)	The decline in the supply of pork in North America and the impact of avian influenza raise concerns about supply and increase uncertainty.
Food sales	1.0	1.8	0.8	Volume retailers: We will secure appropriate profit levels through in-depth sales. Restaurants: We will step up sales of domestic and imported beef.
DX costs	(1.2)	(0.8)	0.4	
Others	(0.8)	(1.2)	(0.4)	
Total	2.9	2.9	0	

22 Overseas Business Division: Outlook

(¥ 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%	—	—

Sales plan by region

[Australia]

- While production of U.S. beef declines, Australian production increases from last year and the sales environment will improve.
- We will increase sales of high-value-added products to North America.

[Americas]

- We will expand sales areas for processed chicken products and develop new products by building a supply system from Asia.

Full-year analysis of reasons for variations from the profit forecasts

(¥ billion)

	Full year Initial plan	Full year forecasts	Variance	Main reasons
Australia	5.3	4.5	(0.8)	
Australia	4.0	3.3	(0.7)	The delay in the recovery of beef sales prices continues until the first half.
Uruguay	1.3	1.2	(0.1)	We aim to transfer the business quickly in order to reduce the deficit.
Americas	0.5	0.9	0.4	Volume will increase due to expanded production of processed chicken products.
Asia & Europe	1.1	1.5	0.4	Profits will increase due to the pass-through of cost increases in the fresh chicken business in Turkey and in-house sales of processed products in Asia.
Others	(0.1)	(0.1)	0	
Total	6.7	6.7	0	

Business Profit by Region

(¥ billion)

FY2024/3
0
1.5
(1.5)
2.6
0.3
(1.2)
1.7

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(¥ million)

		FY2023/3 results			FY2024/3 forecasts					
		1Q results	1st half results	Full year results	1Q results	Variance (%)	1st half forecasts	Variance (%)	Full year forecasts	Variance (%)
(1)	Net sales	302,378	618,688	1,259,792	322,175	6.5%	620,000	0.2%	1,260,000	0.0%
(2)	Cost of goods sold	255,511	526,185	1,082,760	267,666	4.8%	517,000	(1.7)%	1,056,000	(2.5)%
	Gross profit	46,867	92,503	177,032	54,509	16.3%	103,000	11.3%	204,000	15.2%
	Gross profit ratio	15.5%	15.0%	14.1%	16.9%	-	16.6%	-	16.2%	-
(3)	Selling, General and Administrative expenses	39,470	80,642	166,080	41,557	5.3%	81,000	0.4%	168,000	1.2%
	Other income and expenses	6,119	9,035	6,907	4,680	-	(500)	-	(3,000)	-
	Finance income and costs	(442)	58	1,530	1,106	-	-	-	-	-
	Share of profit (loss) in investments accounted for using the equity method	1,646	2,646	2,773	47	(97.)%	500	(81.1)%	1,000	(63.9)%
	Profit before tax	14,720	23,600	22,162	18,785	27.6%	22,000	(6.8)%	34,000	53.4%
	Income tax expense	3,811	6,070	4,770	5,763	51.2%	6,500	7.1%	10,500	120.1%
	Tax rate	25.9%	25.7%	21.5%	30.7%	-	29.5%	-	30.9%	-
	Profit attributable to owners of the parent	10,182	15,480	16,637	11,749	15.4%	13,000	(16.0)%	23,000	38.2%
(4)	Operating income (1)-(2)-(3)	7,397	11,861	10,952	12,952	75.1%	22,000	85.5%	36,000	
(5)	Foreign exchange losses	(2,759)	(5,973)	(10,079)	(919)	(66.7)%	-	-	-	
(6)	Adjustments in accordance with IFRS and other	694	1,367	(6,992)	1,127	62.4%	-	-	-	
(7)	Adjustment for discontinued operations	292	1,263	2,427	604	106.8%	-	-	-	
	Business profit (4)-(5)-(6)-(7)	9,170	15,204	25,596	12,140	32.4%	20,000	31.5%	38,000	48.5%

25 FY2023/3 Sales by Product Category and FY2024/3 Forecasts



(¥ million, %)

	FY2023/3 results			FY2024/3 forecasts								
	1Q results	1st half results	Full year results	1Q results	Variance (%)	Volume Growth (%)	1st half forecasts	Variance (%)	Volume Growth (%)	Full year forecasts	Variance (%)	Volume Growth (%)
Hams and sausages	29,924	62,683	130,161	31,038	3.7%	(1.1)%	64,000	2.1%	(1.8)%	132,000	1.4%	(1.4)%
Processed foods	55,052	116,383	235,166	58,720	6.7%	(4.2)%	119,000	2.2%	(0.7)%	237,000	0.8%	(0.4)%
Fresh meats	189,890	384,509	791,972	203,750	7.3%	(1.3)%	381,000	(0.9)%	(0.2)%	787,000	(0.6)%	(0.3)%
Beef	75,708	153,883	312,372	79,717	5.3%	3.6%	151,000	(1.9)%	1.0%	307,000	(1.7)%	0.3%
Pork	60,074	121,533	251,001	65,240	8.6%	(0.6)%	119,000	(2.1)%	(1.6)%	246,000	(2.0)%	(1.7)%
Chicken	49,192	99,320	209,570	54,541	10.9%	(2.5)%	102,000	2.7%	0.2%	216,000	3.1%	0.3%
Other fresh meats	4,916	9,773	19,029	4,252	(13.5)%	(37.7)%	9,000	(7.9)%	2.4%	18,000	(5.4)%	1.0%
Dairy products	8,932	18,126	36,194	9,890	10.7%	(0.9)%	18,500	2.1%	(3.0)%	37,000	2.2%	1.2%
Others	18,580	36,987	66,299	18,777	1.1%	-	37,500	1.4%	-	67,000	1.1%	-
Total	302,378	618,688	1,259,792	322,175	6.5%	-	620,000	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)

26 Balance Sheets

(¥ million)

	End of FY2022/3	End of FY2023/3	2024年1Q	Variance (%)	Variance
Cash and cash equivalents	85,374	64,986	74,987	15.4	10,001
Trade and other receivables	136,017	146,660	138,087	(5.8)	(8,573)
Inventories	119,980	141,930	151,942	7.1	10,012
Biological assets	32,755	27,984	29,104	4.0	1,120
Other current assets	40,180	46,458	46,856	0.9	398
Total current assets	414,306	428,018	440,976	3.0	12,958
Property, plant and equipment	345,022	364,381	363,772	(0.2)	(609)
Right-of-use assets	46,090	40,898	40,746	(0.4)	(152)
Biological assets	1,240	1,517	1,536	1.3	19
Others	102,555	102,341	104,925	2.5	2,584
Total Non-current Assets	494,907	509,137	510,979	0.4	1,842
Total Assets	909,213	937,155	951,955	1.6	14,800
Interest-bearing liabilities	90,056	102,199	99,536	(2.6)	(2,663)
Trade and other payables	103,719	106,027	114,766	8.2	8,739
Others	88,144	70,310	70,624	(0.9)	(84)
Total Current liabilities	281,919	278,536	284,926	2.3	6,390
Interest-bearing liabilities	121,351	139,856	139,756	(0.1)	(100)
Other	16,389	15,982	16,358	0.9	376
non-current liabilities	137,740	155,838	156,114	0.2	276
Total Equity Attributable to Owners of the Parent	479,069	492,913	499,889	1.4	6,976
Non-controlling Interests	10,485	9,868	11,026	11.7	1,158
Total Equity	489,554	502,781	510,915	1.6	8,134
Total Liabilities and Equity	909,213	937,155	951,955	1.6	14,800

27 Statements of Cash Flows / Capital Expenditures / Depreciation and Amortization



Statements of cash flows

(¥ million)

	FY2022/3 1Q	FY2023/3 1Q	FY2024/3 1Q
Profit before tax	*15,465	14,720	18,785
Depreciation and amortization	8,949	9,369	9,786
Increase (decrease) in receivables	1,096	(3,057)	9,793
Increase (decrease) in inventories	(14,981)	(22,878)	(7,985)
Increase (decrease) in biological assets	(80)	41	883
Increase (decrease) in trade payables	8,105	10,801	7,147
Others	(6,000)	(5,127)	(2,132)
Cash flows from operating activities	12,554	3,869	36,277
Acquisition of fixed assets, proceeds from sales of fixed assets	(14,747)	(27,013)	(11,184)
Others	(24)	(3,432)	1,035
Cash flows from investing activities	(14,771)	(30,445)	(10,149)
Cash flows from financing activities	(7,649)	16,098	(20,104)

* FY2022/3 1Q includes discontinued operations (BPU)

[Cash flows from operating activities]

Despite a ¥8.0 billion increase in inventory assets, and other factors, net cash provided by operating activities amounted to ¥36.3 billion. Reasons for this result included quarterly profit before tax of ¥18.8 billion, depreciation and amortization expenses of ¥98 billion, and a ¥9.8 billion decrease in trade and other payables.

[Cash flows from operating activities]

Net cash used for investing activities amounted to ¥10.1 billion. Reasons for this result include fixed asset acquisitions totaling ¥11.2 billion.

[Cash flows from operating activities]

Despite the procurement of loans totaling ¥31.1 billion, net cash used for financing activities amounted to ¥20.1 billion. Reasons for this result include the payment of cash dividends of ¥11.3 billion, and the short-term loan repayments totaling ¥32.7 billion.

Capital expenditures, depreciation and amortization

(¥ million)

	FY2023/3	FY2024/3			
	1Q	1Q	Variance (%)	Variance	Full year forecasts
Capital expenditures	17,769	10,569	(40.5)	(7,200)	70,100
Processed Foods Business Division	1,529	1,719	12.4	190	12,100
Fresh Meats Business Division	3,513	4,617	31.4	1,104	29,200
Overseas Business Division	918	1,149	25.2	231	10,400
Baseball Club Business	8,459	544	(93.6)	(7,915)	200
Others	3,350	2,540	(24.2)	(810)	18,200
Depreciation and amortization	9,353	9,942	6.3	589	40,700

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29 External Environment: Market (1)

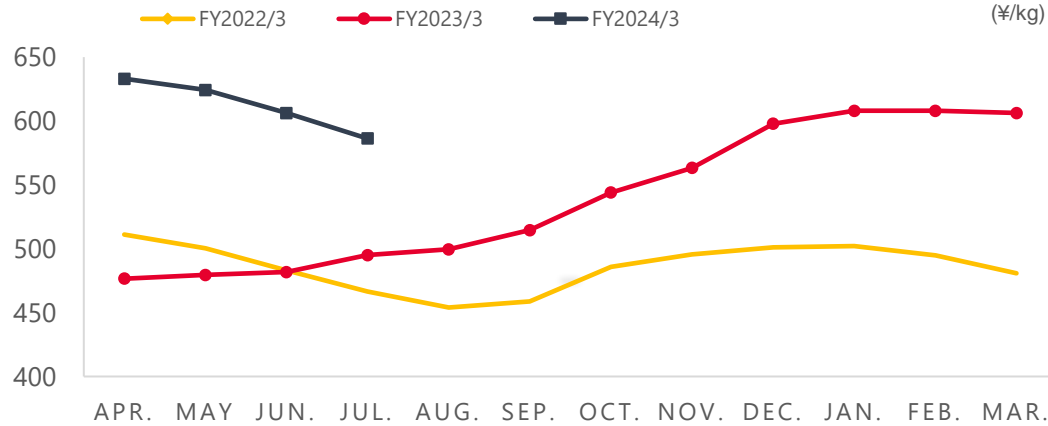


For more information, please refer to market trends on our website.



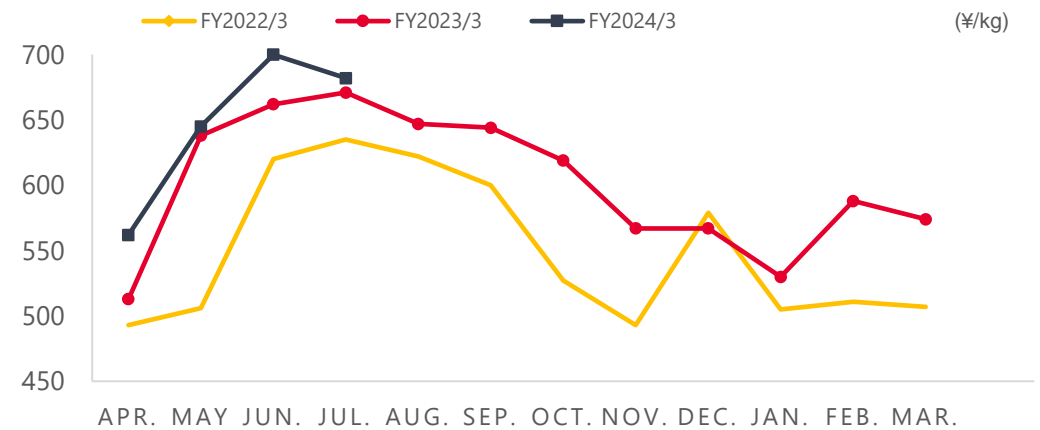
Domestic chicken market price

Source: Based on weighted average for chicken meat (Simple average unit price as cited in *Chikusan Nippo* [Daily Meat & Livestock] published by Shokuhin Sangyo Shimbunsha Co., Ltd.



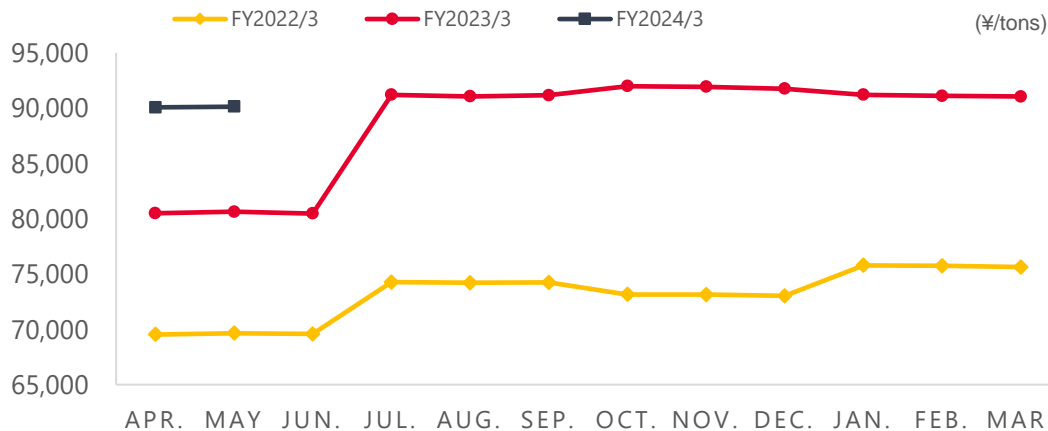
Domestic pork market price

Source: Average price for high-quality beef, on the Tokyo Meat Market



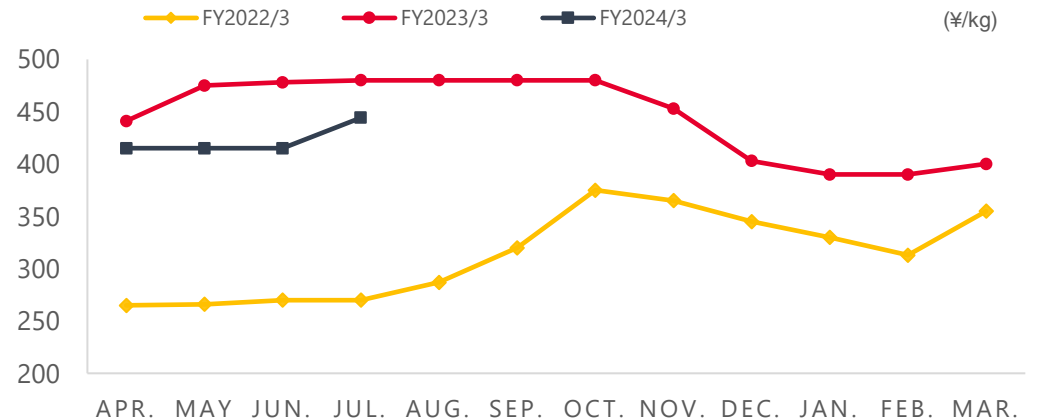
Compound feed price

Source: Agriculture & Livestock Industries Corporation



Domestic price of Brazilian Chicken thigh meat

Source: Simple average prices based on data published in *Chikusan Nippo* [Daily Meat & Livestock] published by the *Shokuhin Sangyo Shinbun* [Food Industry News]

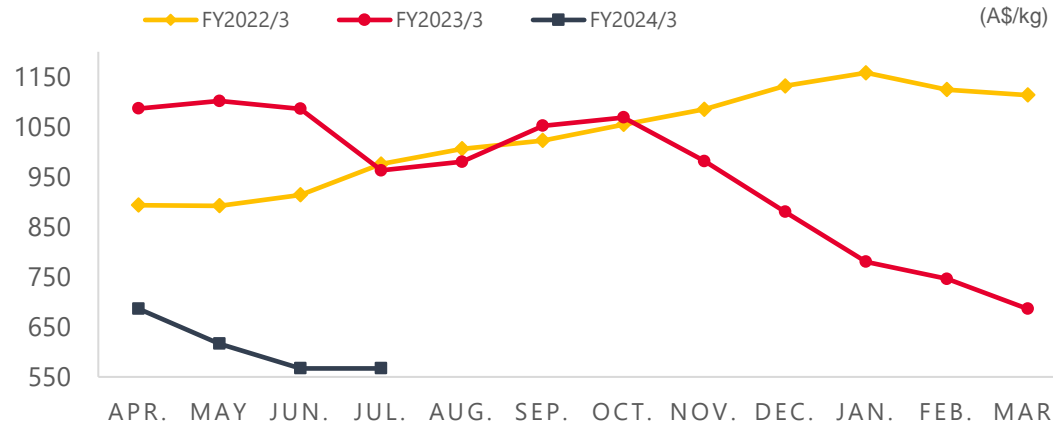


30 External Environment: Market (2)



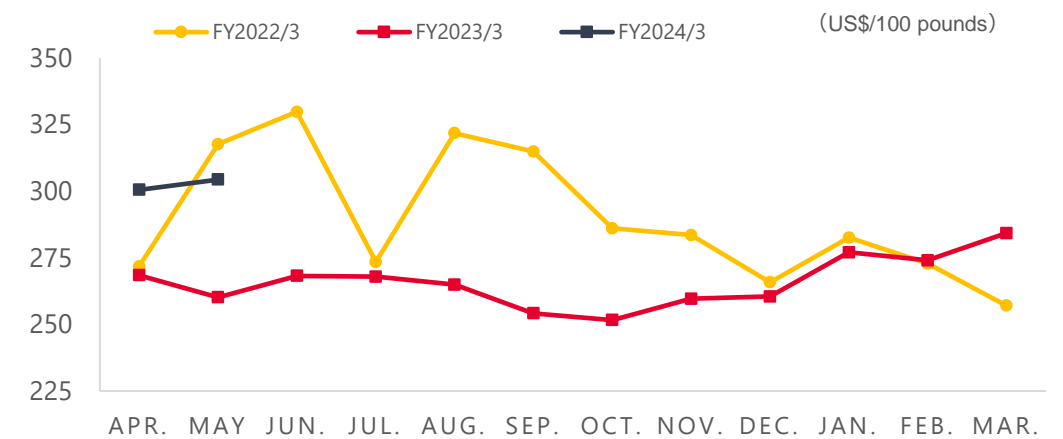
Eastern Young Cattle Indicator (EYCI)

Source: Meat & Livestock Australia



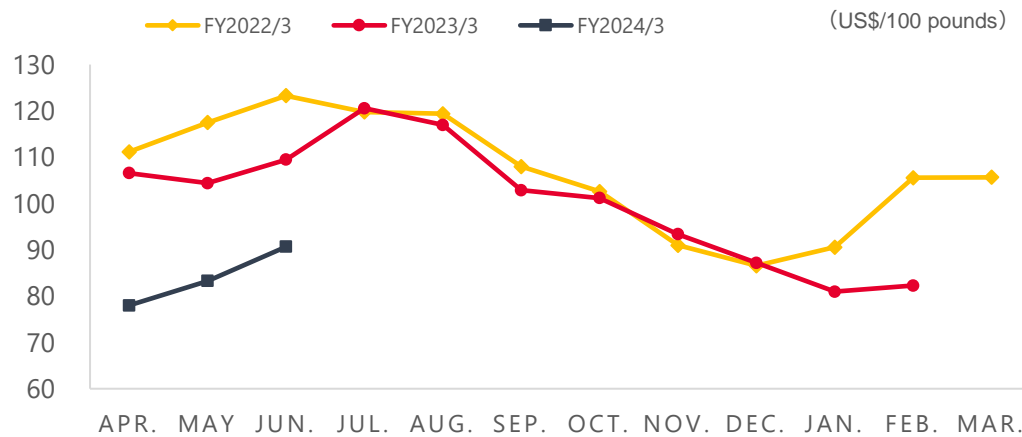
Cut-out value of American beef (wholesale benchmark price) based on local prices

Source: U.S. Meat Export Federation



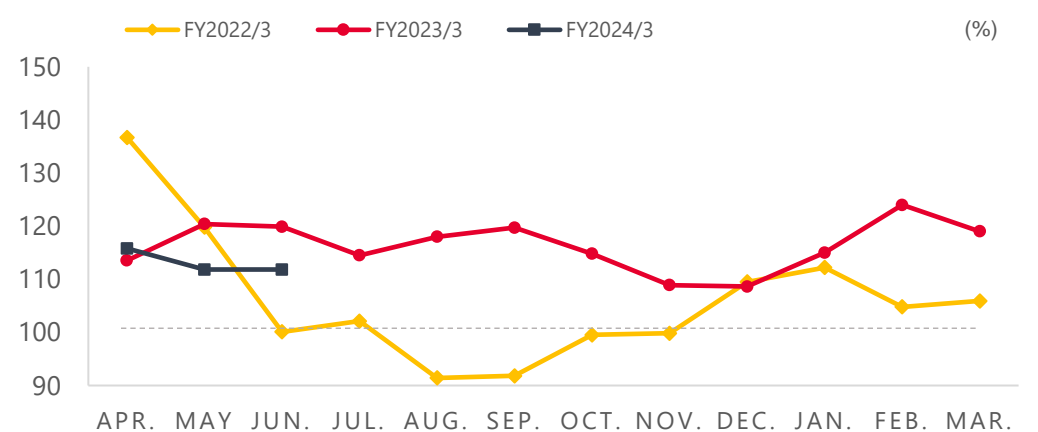
Cut-out value of the American pork (carcass basis) based on local prices

Source: Agriculture & Livestock Industries Corporation



Year on year comparisons of monthly restaurant sales

Source: Japan Foodservice Association



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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.