

**Business Results for the Second Quarter of FY2024/3(abbreviated version) (1)**

\* 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.

**[FY2024/3 2Q Results and Full year Forecasts]**

(¥ million)

	FY2023/3		FY2024/3						
	2Q Results	First half Results	2Q results	First half Results	First half Variance	First half Variance(%)	Full year Forecasts as of 1Q	Full year Forecasts as of 2Q	Variance
Net Sales	316,310	618,688	329,947	652,122	33,434	5.4	1,260,000	1,300,000	40,000
Processed Foods Business Division	105,007	204,019	107,395	210,938	6,919	3.4	420,000	430,000	10,000
Fresh Meats Business Division	182,657	361,652	192,143	386,068	24,416	6.8	720,000	765,000	45,000
Overseas Business Division	84,925	169,348	74,969	150,200	(19,148)	(11.3)	295,000	275,000	(20,000)
Ballpark and other Business	5,568	10,538	9,758	18,505	7,967	75.6	25,000	27,000	2,000
Eliminations and adjustments	(55,645)	(111,533)	(49,861)	(102,966)	8,567	-	(200,000)	(197,000)	3,000
Non-continuing operations	(6,202)	(15,336)	(4,457)	(10,623)	4,713	-	-	-	-
Business Profit	6,034	15,204	12,823	24,963	9,759	64.2	38,000	44,000	6,000
Processed Foods Business Division	114	1,334	2,116	2,906	1,572	117.8	6,500	7,000	500
Fresh Meats Business Division	7,160	14,220	6,786	17,029	2,809	19.8	32,000	35,000	3,000
Overseas Business Division	(1,279)	(936)	459	205	1,141	-	1,700	3,500	1,800
Continuing operations	(206)	449	762	1,133	684	-	-	-	-
Ballpark and other Business	1,109	1,928	3,813	6,277	4,349	225.6	1,500	1,500	0
Eliminations and adjustments	(1,070)	(1,342)	(351)	(1,454)	(112)	-	(3,700)	(3,000)	700
Income before income tax	8,880	23,600	12,820	31,605	8,005	33.9	34,000	42,000	8,000
Income tax expense	2,259	6,070	4,063	9,826	3,756	61.9	10,500	13,000	2,500
Profit attributable owners of parent	5,298	15,480	8,235	19,984	4,504	29.1	23,000	28,000	5,000

**[Breakdown of overseas Business Division]**

(¥ million)

	FY2023/3			FY2024/3				
	2Q Results	First half Results	Net sales(%)	2Q results	First half Results	First half Net sales(%)	First half variance	First half variance(%)
Overseas Business Division	84,925	169,348	-	74,969	150,200	-	(19,148)	(11.3)
External Customer Net Sales	48,253	96,793	57.2	46,074	92,018	61.3	(4,775)	(4.9)
Intersegment	36,672	72,555	42.8	28,895	58,182	38.7	(14,373)	(19.8)
Business profit	(1,279)	(936)	-	459	205	-	1,141	-
Australia	33,980	70,346	-	31,074	63,170	-	(7,176)	(10.2)
External Customer Net Sales	30,068	61,826	87.9	28,753	58,614	92.8	(3,212)	(5.2)
Intersegment	3,912	8,520	12.1	2,321	4,556	7.2	(3,964)	(46.5)
Non-continuing operations	6,202	15,336	-	4,457	10,623	-	(4,713)	(30.7)
Business profit	(827)	(518)	-	11	(791)	-	(273)	-
Non-continuing operations	(1,073)	(1,385)	-	(303)	(928)	-	457	-
Americas	33,041	63,045	-	30,145	60,649	-	(2,396)	(3.8)
External Customer Net Sales	9,360	17,456	27.7	8,861	17,428	28.7	(28)	(0.2)
Intersegment	23,681	45,589	72.3	21,284	43,221	71.3	(2,368)	(5.2)
Business profit	301	414	-	374	1,047	-	633	152.9
Asia & Europe	18,858	37,828	-	14,051	26,855	-	(10,973)	(29.0)
External Customer Net Sales	8,825	17,511	46.3	8,460	15,976	59.5	(1,535)	(8.8)
Intersegment	10,033	20,317	53.7	5,591	10,879	40.5	(9,438)	(46.5)
Business profit	(475)	(295)	-	293	472	-	767	-

**[Balance Sheets]**

(¥ million)

	End of FY2022/3	End of FY2023/3	FY2024/3 1st half	Variance(%)	Variance
Cash and cash equivalents	85,374	64,986	77,276	18.9	12,290
Trade and other receivables	136,017	146,660	159,718	8.9	13,058
Inventories	119,980	141,930	143,947	1.4	2,017
Biological assets	32,755	27,984	27,103	(3.1)	(881)
Other current assets	40,180	46,458	29,634	(36.2)	(16,824)
Total current assets	414,306	428,018	437,678	2.3	9,660
Property, plant and equipment	345,022	364,381	364,332	(0.0)	(49)
Right-of-use assets	46,090	40,898	39,027	(4.6)	(1,871)
Biological assets	1,240	1,517	1,507	(0.7)	(10)
Others	102,555	102,341	105,372	3.0	3,031
Total Non-current Assets	494,907	509,137	510,238	0.2	1,101
Total Assets	909,213	937,155	947,916	1.1	10,761
Interest-bearing liabilities	90,056	102,199	100,860	(1.3)	(1,339)
Trade and other payables	103,719	106,027	117,506	10.8	11,479
Others	88,144	70,310	50,829	(27.7)	(19,481)
Total Current liabilities	281,919	278,536	269,195	(3.4)	(9,341)
Interest-bearing liabilities	121,351	139,856	137,888	(1.4)	(1,968)
Other	16,389	15,982	16,592	3.8	610
non-current liabilities	137,740	155,838	154,480	(0.9)	(1,358)
Total Equity Attributable to Owners of the Parent	479,069	492,913	512,048	3.9	19,135
Non-controlling Interests	10,485	9,868	12,193	23.6	2,325
Total Equity	489,554	502,781	524,241	4.3	21,460
Total Liabilities and Equity	909,213	937,155	947,916	1.1	10,761

**[Statements of Cash Flows]**

(¥ million)

	FY2022/3 First half	FY2023/3 First half	FY2024/3 First half
Profit before tax	※ 28,073	23,600	31,605
Depreciation and amortization	18,029	18,846	19,684
Increase (decrease) in receivables	(3,797)	(11,153)	(12,231)
Increase (decrease) in inventories	(23,464)	(37,644)	(155)
Increase (decrease) in biological assets	(1,915)	817	3,140
Increase (decrease) in trade payables	11,508	11,839	10,548
Others	(19,117)	(19,659)	(6,279)
Cash flows from operating activities	9,317	(13,354)	46,312
Acquisition of fixed assets, proceeds from sales of fixed assets	(26,739)	(35,795)	(20,647)
Others	(15)	9,250	(299)
Cash flows from investing activities	(26,754)	(26,545)	(20,946)
Cash flows from financing activities	1,819	11,938	(19,518)

\* FY2022/3 first half includes discontinued operations (BPU)

**[Capital expenditures, depreciation and amortization]**

(¥ million)

	FY2023/3	FY2024/3			Medium-Term Management Plan 2023	
	First half results	First half results	Variance	Variance(%)		通期計画
Capital expenditures	32,770	20,219	(12,551)	(38.3)	70,100	248,000
Processed Foods Business Division	3,479	3,692	213	6.1	11,600	45,700
Fresh Meats Business Division	7,607	7,144	(463)	(6.1)	29,100	78,100
Overseas Business Division	1,646	3,042	1,396	84.8	10,400	18,800
Ballpark and other Business	14,254	567	(13,687)	(96.0)	800	105,400
Eliminations and adjustments	5,784	5,774	(10)	(0.2)	18,200	-
Depreciation and amortization	18,818	19,658	840	4.5	40,700	112,600

**Business Results for the Second Quarter of FY2024/3(abridged version) (2)**

**【Business profit by segments】**

[Consolidated]

		(¥ billion)					
Net Sales		First half Forecast as of 1Q	First half results	Second half Forecasts as of 2Q	Full year Forecasts as of 1Q	Full year Forecasts as of 2Q	Variance
	Processed Foods Business Division	-	210.9	219.1	42.0	43.0	10.0
	Fresh Meats Business Division	-	386.1	378.9	720.0	76.5	45.0
	Overseas Business Division	-	150.2	135.4	295.0	27.5	(20.0)
	Ballpark and other Business	-	18.5	8.5	2.5	2.7	2.0
	Eliminations and adjustments	-	(10.3)	(9.4)	(2.0)	(19.7)	3.0
	Non-continuing operations	-	(10.6)	-	-	-	-
	<b>Total</b>	-	<b>652.1</b>	<b>647.9</b>	<b>12.6</b>	<b>130.0</b>	<b>40.0</b>

		(¥ billion)					
Business profit		First half Forecast as of 1Q	First half results	Second half Forecasts as of 2Q	Full year Forecasts as of 1Q	Full year Forecasts as of 2Q	Variance
	Processed Foods Business Division	1.7	2.9	4.1	6.5	7.0	0.5
	(Dairy/marine products and extract/primary processing)	1.4	1.8	1.8	3.0	3.7	0.6
	Fresh Meats Business Division	14.5	17.0	18.0	32.0	35.0	3.0
	Overseas Business Division	(0.7)	0.2	3.3	1.7	3.5	1.8
	Ballpark and other Business	6.6	6.3	(4.8)	1.5	1.5	0.0
	Eliminations and adjustments	(2.1)	(1.5)	(1.5)	(3.7)	(3.0)	0.7
	<b>Total</b>	<b>20.0</b>	<b>25.0</b>	<b>19.0</b>	<b>38.0</b>	<b>44.0</b>	<b>6.0</b>

**【Reasons for changes in business profit】**

[Processed Foods Business Division]

		Variance from previous year		Variance from plan			
		First half Forecast as of 1Q	First half results	Second half Forecasts as of 2Q	Full year Forecasts as of 1Q	Full year Forecasts as of 2Q	Variance
Business profit		1.7	2.9	4.1	6.5	7.0	0.5
	Hams and sausages, deli and processed foods	0.4	0.9	0.9	2.5	1.8	(0.7)
	(External factor(1) Principal raw material prices)	(3.4)	(3.2)	(1.7)	(4.3)	(4.9)	(0.6)
	(External factor(2) Other materials)	(2.5)	(2.3)	(1.3)	(3.7)	(3.5)	0.2
	(External factor(3) Energy costs)	(0.1)	0.1	(0.1)	(0.2)	(0.1)	0.1
	(Internal factor(1) Effect of price revisions)	7.1	6.1	2.0	9.5	8.1	(1.4)
	(Internal factor(2) Improvement activities)	(0.8)	0.2	2.0	1.1	2.2	1.1
	Dairy/marine products and extract/primary processing	0.6	1.0	0.1	0.6	1.1	0.4
	DX costs	(0.6)	(0.3)	(0.5)	(1.6)	(0.9)	0.8
	<b>Total</b>	<b>0.4</b>	<b>1.6</b>	<b>0.4</b>	<b>1.5</b>	<b>2.0</b>	<b>0.5</b>

[Fresh Meats Business Division]

		Variance from previous year		Variance from plan			
		First half Forecast as of 1Q	First half results	Second half Forecasts as of 2Q	Full year Forecasts as of 1Q	Full year Forecasts as of 2Q	Variance
Business profit		14.5	17.0	18.0	32.0	35.0	3.0
	Domestic beef/pork business	(0.9)	(0.7)	(0.2)	(0.9)	(0.9)	0.0
	Domestic chicken business	2.1	1.8	(2.7)	1.2	(0.9)	(2.1)
	Imported fresh meats business	(1.1)	0.6	5.8	2.9	6.4	3.5
	Food sales	1.4	1.8	0.4	1.8	2.2	0.4
	DX costs	(0.3)	0.1	(0.1)	(0.8)	(0.1)	0.8
	Others	(1.0)	(0.7)	0.0	(1.2)	(0.7)	0.5
	<b>Total</b>	<b>0.3</b>	<b>2.8</b>	<b>3.1</b>	<b>2.9</b>	<b>5.9</b>	<b>3.0</b>

[Overseas Business Division]

		Variance from previous year		Variance from plan			
		First half Forecast as of 1Q	First half results	Second half Forecasts as of 2Q	Full year Forecasts as of 1Q	Full year Forecasts as of 2Q	Variance
Business profit		(0.7)	0.2	3.3	1.7	3.5	1.8
	Australia	(0.7)	(0.5)	4.8	3.3	4.4	1.1
	Uruguay	(0.1)	0.2	1.2	1.2	1.4	0.2
	Americas	0.6	0.6	0.3	0.9	0.9	0.0
	Asia & Europe	0.4	0.8	1.1	1.5	1.9	0.4
	Others	(0.1)	0.0	0.0	(0.1)	0.0	0.1
	<b>Total</b>	<b>0.2</b>	<b>1.1</b>	<b>7.4</b>	<b>6.7</b>	<b>8.5</b>	<b>1.8</b>

\*Due to rounding, numbers may not match totals

**【Breakdown of Sales Results by products】**

		FY2023/3		FY2024/3							
		2Q Results	First half results	2Q Results	First half Results	First half Variance	First half Variance(%)	First half Volume Variance(%)	Full year Forecasts as of 1Q	Full year Forecasts as of 2Q	Variance
	Hams and sausages	32,759	62,683	33,942	64,980	2,297	3.7	(2.0)	132,000	133,000	1,000
	Processed foods	61,331	116,383	59,664	118,384	2,001	1.7	(7.4)	237,000	238,000	1,000
	Fresh meats	194,619	384,509	206,481	410,231	25,722	6.7	(5.9)	787,000	823,000	36,000
	Beef	78,175	153,883	84,101	163,818	9,935	6.5	9.9	307,000	323,000	16,000
	Pork	61,459	121,533	64,468	129,708	8,175	6.7	0.0	246,000	259,000	13,000
	Chicken	50,128	99,320	52,441	106,982	7,662	7.7	(2.7)	216,000	222,000	6,000
	Other fresh meats	4,857	9,773	5,471	9,723	(50)	(0.5)	(19.4)	18,000	19,000	1,000
	Dairy products	9,194	18,126	9,767	19,657	1,531	8.4	(2.6)	37,000	38,000	1,000
	Others	18,407	36,987	20,093	38,870	1,883	5.1	-	67,000	68,000	1,000
	<b>Total</b>	<b>316,310</b>	<b>618,688</b>	<b>329,947</b>	<b>652,122</b>	<b>33,434</b>	<b>5.4</b>	<b>-</b>	<b>1,260,000</b>	<b>1,300,000</b>	<b>40,000</b>

**Main reasons for year on year changes in the first half**

Mainly because of soaring prices for pork raw materials  
 Mainly because of higher powdered albumin, sheep intestines and packaging prices  
 Reduction of usage through self-help efforts  
 Unit prices improving, but sales volumes down due to a delayed recovery in the deli category  
 Product mix improved due to a recovery in sales of mainstay *Schau Essen* and chilled pizza ranges  
 Emergence of benefits from price adjustments for dairy and marine products

**Main reasons for year on year changes in the first half**

Production: Persistently high pork prices throughout the first half    Consignment: Delays in adjusting prices to reflect higher market prices for pork  
 Production: Higher market prices for chicken in 1Q    Consignment: Higher sales volumes thanks to increased external procurement  
 Changes to procurement of imported chilled beef and pork  
 Volume retailers: Strong sales in urban areas    Restaurants: Volume/value growth, especially strong sales of beef products

**Main reasons for year on year changes in the first half**

Decline in beef selling prices  
 Raw material environment for processed chicken products stabilized, volume growth thanks to sales promotions  
 Progress in adjusting prices to reflect higher feed costs for the chicken business in Turkey