

FY 2024 2Q



Business Results

for the Second Quarter of FY2024/3

NH Foods Ltd. October 31, 2023



CONTENTS

01

FY2024/3

Results/Segment Results

- 4** Summary of FY2024/3 1st half Financial Results
- 5** Financial Highlights
- 8** Segment Data: Processed Foods Business Division
- 11** Segment Data: Fresh Meats Business Division
- 13** Segment Data: Overseas Business Division
- 14** Segment Data: Ballpark Business and Other Business
- 15** 1st half Main Marketing Activities

02

FY2024/3

Plan

- 17** Plan Highlights
- 21** Outlook: Processed Foods Business Division
- 23** Outlook: Fresh Meats Business Division
- 25** Outlook: Overseas Business Division

03

FY2024/3

Key Financial Data/ Reference Data

- 27** FY2023/3 Business Results at a Glance and FY2024/3 Forecasts
- 28** FY2023/3 Sales by Product Category and FY2024/3 Forecasts
- 29** Balance Sheets
- 30** Statements of Cash Flows / Capital Expenditures / Depreciation and Amortization, etc.
- 32** External Environment: Market

- 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.

CONTENTS

01

FY2024/3

Results/Segment Results

- 4 Summary of FY2024/3 1st half Financial Results
- 5 Financial Highlights
- 8 Segment Data: Processed Foods Business Division
- 11 Segment Data: Fresh Meats Business Division
- 13 Segment Data: Overseas Business Division
- 14 Segment Data: Ballpark Business and Other Business
- 15 1st half Main Marketing Activities

02

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Plan

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- 21 Outlook: Processed Foods Business Division
- 23 Outlook: Fresh Meats Business Division
- 25 Outlook: Overseas Business Division

03

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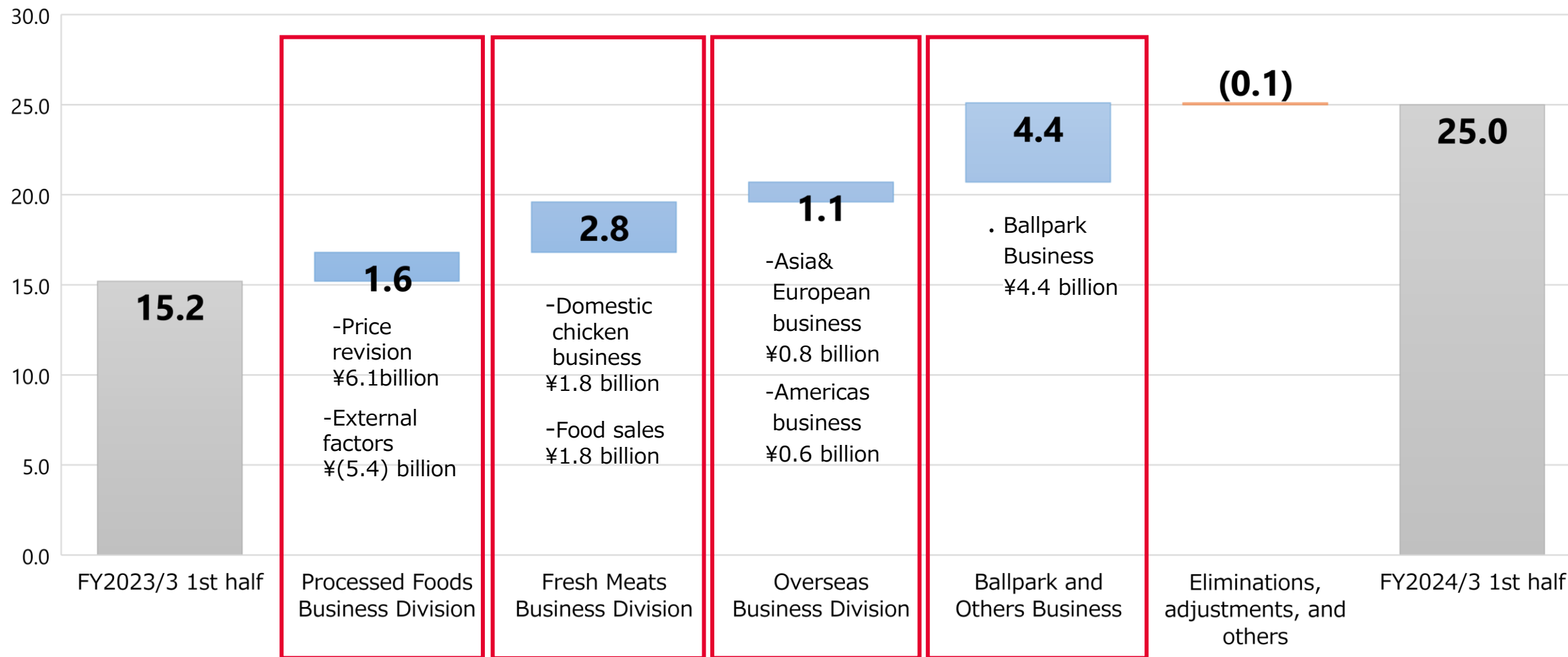
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- 28 FY2023/3 Sales by Product Category and FY2024/3 Forecasts
- 29 Balance Sheets
- 30 Statements of Cash Flows / Capital Expenditures / Depreciation and Amortization, etc.
- 32 External Environment: Market

04 Summary of the first half of FY2024/3 (1)

Business Profit of the first half of FY2024/3

(¥ billion)



05 Summary of the first half of FY2024/3 (2)

Results for the first half of FY2024/3

Net sales

¥652.1 billion

(+5.4% year-on-year)

Business profit

¥25.0 billion

(+64.2% year-on-year)

- Net sales increased thanks to the penetration of price adjustments implemented to reflect higher costs affecting the Fresh Meats Business and Processed Foods Business, as well as an increase in spectator numbers in the Ballpark Business.
- The main contributors to growth in business profit were the Ballpark Business, with its new business model, sales of domestic chicken in the Fresh Meats Business, and the Nippon Food sales.

Business Profit Forecast for FY2024/3

Net sales

¥1,300.0 billion

(+3.2% year-on-year)

Business profit

44.0 billion

(+71.9% year-on-year)

- Net sales forecast has been raised because of price revisions in the first half and forecasts for high prices in the imported meat market.
- Business profit increased by ¥5 billion in the first half, a strong trend is expected to continue in the second half. The forecast for the whole year has been raised to +¥6 billion.

06 Financial Highlights (1) Results for the first half of FY2024/3

(¥ billion)

	FY2024/3 1Q	FY2024/3 2Q	1st half of FY2024/3	YoY Variance	Variance (%), YoY
Net sales	322.2	329.9	652.1	33.4	5.4%
Business profit	12.1	12.8	25.0	9.8	64.2%
(Business profit from continuing operations)	12.8	13.1	25.9	9.3	56.1%
Business profit ratio	4.0%	4.0%	4.0%	1.3%	—
Profit before tax	18.8	12.8	31.6	8.0	33.9%
Profit attributable to owners of the parent	11.7	8.2	20.0	4.5	29.1%

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

Net sales

(¥ billion)

	FY2024/3 1Q	FY2024/3 2Q	1st half of FY2024/3	YoY Variance	Variance (%), YoY
Processed Foods Business Division	103.5	107.4	210.9	6.9	3.4%
Fresh Meats Business Division	193.9	192.1	386.1	24.4	6.8%
Overseas Business Division	75.2	75.0	150.2	(19.1)	(11.3)%
Ballpark and Other Business	8.7	9.8	18.5	8.0	75.6%
Eliminations, adjustments and others	(53.1)	(49.9)	(103.0)	8.6	—
Discontinued operations	(6.2)	(4.5)	(10.6)	4.7	—
Consolidated	322.2	329.9	652.1	33.4	5.4%

Business profit

(¥ billion)

	FY2024/3 1Q	FY2024/3 2Q	1st half of FY2024/3	YoY Variance	Variance (%), YoY
Processed Foods Business Division	0.8	2.1	2.9	1.6	117.8%
Fresh Meats Business Division	10.2	6.8	17.0	2.8	19.8%
Overseas Business Division	(0.3)	0.5	0.2	1.1	—
Ballpark and Other Business	2.5	3.8	6.3	4.3	225.6%
Eliminations, adjustments and others	(1.1)	(0.4)	(1.5)	(0.1)	—
Consolidated	12.1	12.8	25.0	9.8	64.2%

08 Segment Data: Processed Foods Business Division (1)

(¥ billion)

	FY2024/3 1Q	FY2024/3 2Q	1st half of FY2024/3	YoY Variance	Variance (%), YoY
Net sales	103.5	107.4	210.9	6.9	3.4%
Business profit	0.8	2.1	2.9	1.6	117.8%
Business profit ratio	0.8%	2.0%	1.4%	0.7%	—

Increase in net sales

- Recovery trend in *Schau Essen* sales, continuing strong sales of *Hojun* wieners
- Penetration of price adjustments for ham and sausage (consumer items) and deli products (commercial items) to offset cost increases
- Penetration of price adjustments for dairy products and extracts/primary processed items

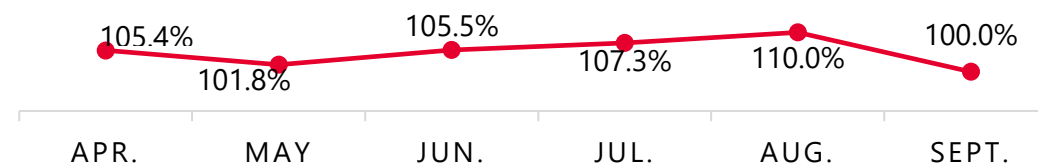
Increase in business profit

- Profit improvement thanks to price adjustments to reflect soaring raw material costs
- Increase in gross profit thanks to sales expansion resulting from the recovery of the flagship *Schau Essen* and chilled pizza ranges

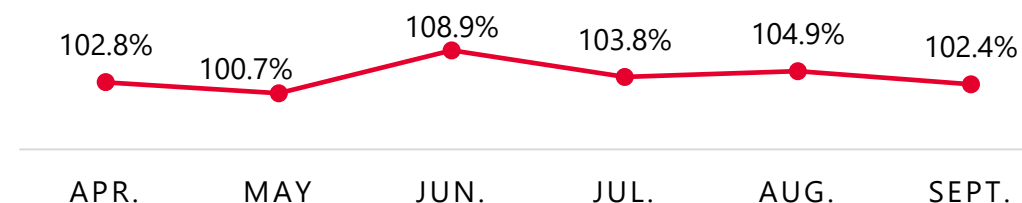
1st half net sales by channel/consumer product category (year on year)

Hams and sausages	Volume	Amount	Deli and processed foods	Volume	Amount
<i>Schau Essen</i>	-	105.0%	Chilled bakery	-	103.9%
Other wieners	-	109.3%	<i>Chuka Meisai</i>	-	83.3%
Wieners	-	106.1%	Hamburg & meatball	-	104.9%
Loin hams, bacon	-	100.9%	Fried chicken	-	84.8%
Consumer	100.6%	105.4%	Consumer	87.7%	95.0%
Commercial-use	88.5%	97.8%	Commercial-use	104.6%	117.4%
Total	97.9%	103.8%	Total	94.1%	103.0%

Year on year trends in *Schau Essen* sales



Year on year trends in chilled pizza sales



9 Segment Data: Processed Foods Business Division (2)

Analysis of reasons for year on year changes in first-half business profit

(¥ billion)

	1Q changes	2Q changes	1st half changes	Main reasons for year on year changes
Hams and sausages, deli and processed foods	(0.9)	1.8	0.9	
External factors	(3.8)	(1.6)	(5.4)	
Principal raw material prices	(2.0)	(1.2)	(3.2)	Mainly because of soaring prices for pork raw materials
Other materials	(1.5)	(0.8)	(2.3)	Mainly because of higher powdered albumin, sheep intestines, and packaging prices
Electric power	(0.3)	0.3	0.1	Reduction of usage through self-help efforts
Internal factors	2.9	3.4	6.3	
Effect of price revisions	3.3	2.8	6.1	Unit prices improving, but sales volumes down due to a delayed recovery in the deli category
Improvement activities	(0.4)	0.6	0.2	Product mix improved due to a recovery in sales of mainstay <i>Schau Essen</i> and chilled pizza ranges
Dairy/marine products and extract/primary processing	0.6	0.4	1.0	Emergence of benefits from price adjustments for dairy and marine products
DX costs	(0.1)	(0.2)	(0.3)	
Total	(0.4)	2.0	1.6	

(¥ billion)

1st half plan as of 1Q	Variance from plan
0.4	0.5
(5.9)	0.4
(3.4)	0.2
(2.5)	0.2
(0.1)	0.1
6.3	0
7.1	(1)
(0.8)	1
0.6	0.4
(0.6)	0.3
0.4	1.2

10 Segment Data: Processed Foods Business Division (3) Price Revisions Summary

		FY2022.3				FY2023.3				FY2024.3			
		Adjustment ratio: 5-12%				Adjustment ratio: 2-34%				Adjustment ratio: 2-26%		Adjustment ratio: 7-20%	
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Consumer	Hams and sausages				● 40 items			● 78 items		● 184 items	● 18 items		
	Processed foods				● 133 items			● 125 items		● 99 items			
	Commercial-use				● 232 items			● 168 items		● 107 items			
	Frozen foods				● 19 items			● 17 items		● 35 items			



11 Segment Data: Fresh Meats Business Division (1)

(¥ billion)

	FY2024/3 1Q	FY2024/3 2Q	1st half of FY2024/3	YoY Variance	Variance (%), YoY
Net sales	193.9	192.1	386.1	24.4	6.8%
Business profit	10.2	6.8	17.0	2.8	19.8%
Business profit ratio	5.3%	3.5%	4.4%	0.5%	—

Increase in net sales

- With the prices of fresh meat products still high, sales of domestic chicken expanded due to a demand shift driven by the price advantage.
- We secured good sales results, especially through the volume retailer channel even in a high market environment.

Increase in business profit

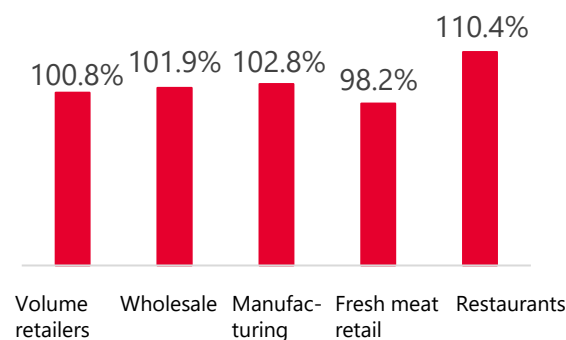
- Market prices for domestic chicken have remained higher year on year throughout the first half, resulting in profit from production operations.
- Profit was achieved thanks to a recovery in sales of imported beef.

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

Domestic	Volume	Amount	Imported	Volume	Amount
Beef	100.4%	100.5%	Beef	108.8%	107.7%
Pork	99.9%	106.8%	Pork	103.5%	108.5%
Chicken	99.1%	112.5%	Chicken	103.8%	99.4%
Domestic total	99.6%	107.1%	Imported total	104.7%	106.2%

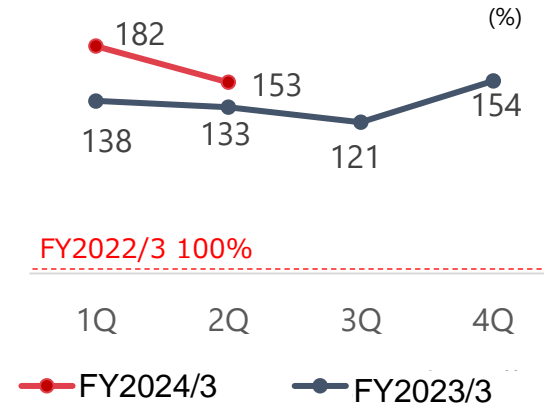
Four Nippon Food Group companies: 1st half sales volumes by channel

Overall volume growth of 101.7%
(106.7% in value terms)



Four Nippon Food Group companies: 1st half profit (compared with FY2022/3)

Major increase in Food sales over the past two years



12 Segment Data: Fresh Meats Business Division (2)

Analysis of reasons for year on year changes in first-half business profit

(¥ billion)

	1Q changes	2Q changes	1st half changes	Main reasons for year on year changes
Domestic beef/pork Business	(0.4)	(0.3)	(0.7)	Production: Persistently high pork prices throughout the first half Consignment: Delays in adjusting prices to reflect higher market prices for pork
Domestic chicken business	1.9	(0.2)	1.8	Production: Higher market prices for chicken in 1Q Consignment: Higher sales volumes thanks to increased external procurement
Imported fresh meats business	0.4	0.2	0.6	Changes to procurement of imported chilled beef and pork
Food sales	1.2	0.6	1.8	Volume retailers: Strong sales in urban areas Restaurants: Volume/value growth, especially strong sales of beef products
DX costs	0.1	0.0	0.1	
Others	0.0	(0.7)	(0.7)	
Total	3.2	(0.4)	2.8	

(¥ billion)

1st half plan as of 1Q	Variance from plan
(0.9)	0.2
2.1	(0.4)
(1.1)	1.7
1.4	0.4
(0.3)	0.3
(1.0)	0.3
0.3	2.5

13 Segment Data: Overseas Business Division

(¥ billion)

	FY2024/3 1Q	FY2024/3 2Q	1st half of FY2024/3	YoY Variance	Variance (%), YoY
Net sales	75.2	75.0	150.2	(19.1)	(11.3)%
Business profit	(0.3)	0.5	0.2	1.1	—
Business profit ratio	—	0.6%	0.1%	—	—

(¥ billion)

Decrease in net sales

- Sales lower despite strong sales of processed products in North America, due to the sale of the marine products business and the sale of shares in the Uruguayan beef business

Securing profits in business profit

- Profit growth thanks to strong sales of processed chicken products in the Americas and good performance by the Turkish chicken business

	Analysis of reasons for year YoY changes			Main reasons for YoY changes	Business profit by region		Net sales by region		External customer net sales	
	1Q variance	2Q Variance	1st half variance		1st half	YoY Variance	1st half	YoY Variance	1st half	YoY Variance
Australia	(1.1)	0.8	(0.3)		(0.8)	(0.3)	63.2	(7.2)	58.6	(3.2)
Australia	(0.8)	0.4	(0.5)	Decline in beef selling prices	0.4	(0.5)	52.2	(0.9)	48.0	1.5
Uruguay	(0.3)	0.5	0.2	Business sale completed at end of August	(1.2)	0.2	11.0	(6.3)	10.6	(4.7)
Americas	0.6	0.1	0.6	Raw material environment for processed chicken products stabilized, volume growth thanks to sales promotions	1.1	0.6	60.6	(2.4)	17.4	0
Asia & Europe	0	0.8	0.8	Progress in adjusting prices to reflect higher feed costs for the chicken business in Turkey	0.5	0.8	26.9	(11.0)	16.0	(1.5)
Others	(0.1)	0.1	0		(0.5)	0	—	—	—	—
Total	(0.6)	1.7	1.1		0.2	1.1	150.2	(19.1)	92.0	(4.8)

14 Segment Data: Ballpark Business and Other Business

(¥ billion)

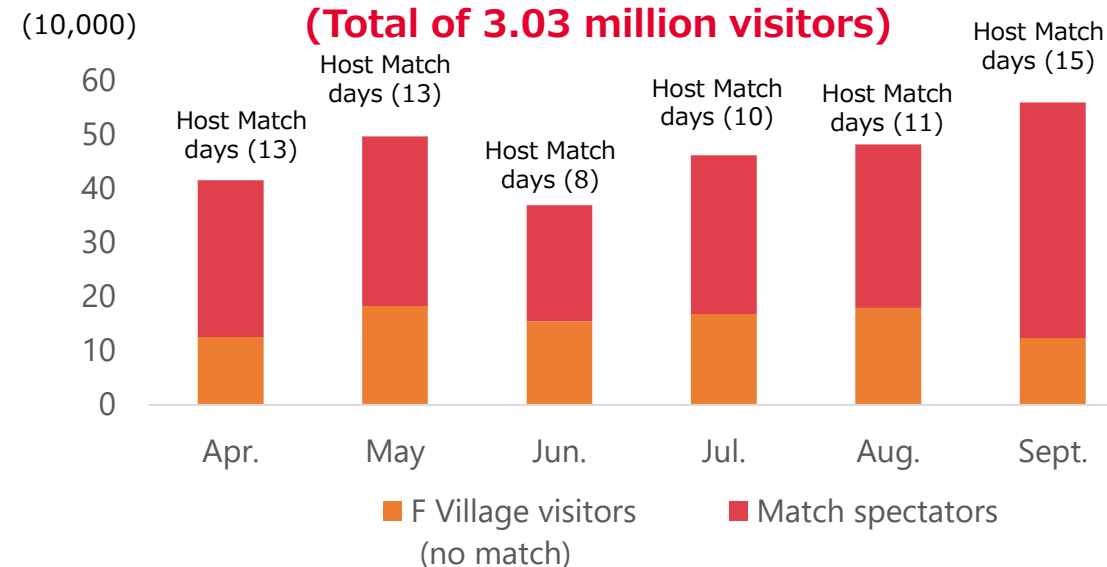
	FY2024/3 1Q	FY2024/3 2Q	1st half of FY 2024/3	YoY Variance	Variance (%), YoY
Net sales	8.7	9.8	18.5	8.0	75.6%
Business profit	2.5	3.8	6.3	4.3	225.6%
Business profit ratio	28.2%	39.1%	33.9%	15.6%	—

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

Net sales/business profit

- Sales expanded thanks to increased visitor numbers, as well as seasonal events on non-match days
- Substantially higher revenues from advertising, matches, and goods, etc., as well as increased food and beverage revenues, resulted in improved profitability.

Hokkaido Ballpark F Village Visitors (Total of 3.03 million visitors)



15 Main Marketing Activities in the First Half

Processed Foods Business Division

■ Internet ad campaign for *Schau Essen* in collaboration with other companies (July)

Development of youth market, expansion of eating opportunities
Internet ads viewed 7.6 million times



■ *Schau Essen* crunch day (August)

Nationwide newspaper ads, events at ESCON Field, almost 30,000 visitors on a weekday



■ *Schau Essen* Hot Dog Kitchen Vans (September-December)

Schau Dogs on sale at nine locations nationwide campaign following their popularity ESCON Field—linked to initiatives to attract customers through a sales campaign in October



Ballpark Business

■ <Match day> Changes in visitor profiles at different events

Around 28% of F Village visitors from outside of Hokkaido (previously around 10%), rise in percentage of visitors aged 20-30, especially those in their 20s



Genghis Khan dance show



Fighters Super Fireworks Display



Schau Essen crunch day

■ Seasonal events (April-June, July-August)

Seasonal events to attract visitors on both match and non-match days—yearly visitor number target: approx. 600,000



CONTENTS

01

FY2024/3

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- 14** Segment Data: Ballpark Business and Other Business
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02

FY2024/3

Plan

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03

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

Net sales

Forecast raised to mainly reflect price revisions in the first half

Business profit

Profit targets for all segments raised to reflect firm trends, yearly forecast of +¥6 billion

(¥ billion)

	FY2023/3	1Q forecasts	2Q forecasts	YoY Variance	Variance (%), YoY
Net sales	1,259.8	1,260.0	1,300.0	40.2	3.2%
Business profit	25.6	38.0	44.0	18.4	71.9%
(Business profit from continuing operations)	28.2	39.5	45.0	16.8	59.6%
Business profit ratio	2.2%	3.1%	3.5%	1.2%	—
Profit before tax	22.2	34.0	42.0	19.8	89.5%
Profit attributable to owners of the parent	16.6	23.0	28.0	11.4	68.3%
ROE	3.4%	4.6%	5.6%	2.2%	—
ROIC	2.4%	3.5%	4.0%	1.6%	—

(Note) Business profit margin was calculated using business profit after adjustment on discontinued operations

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

Business profit targets by segment

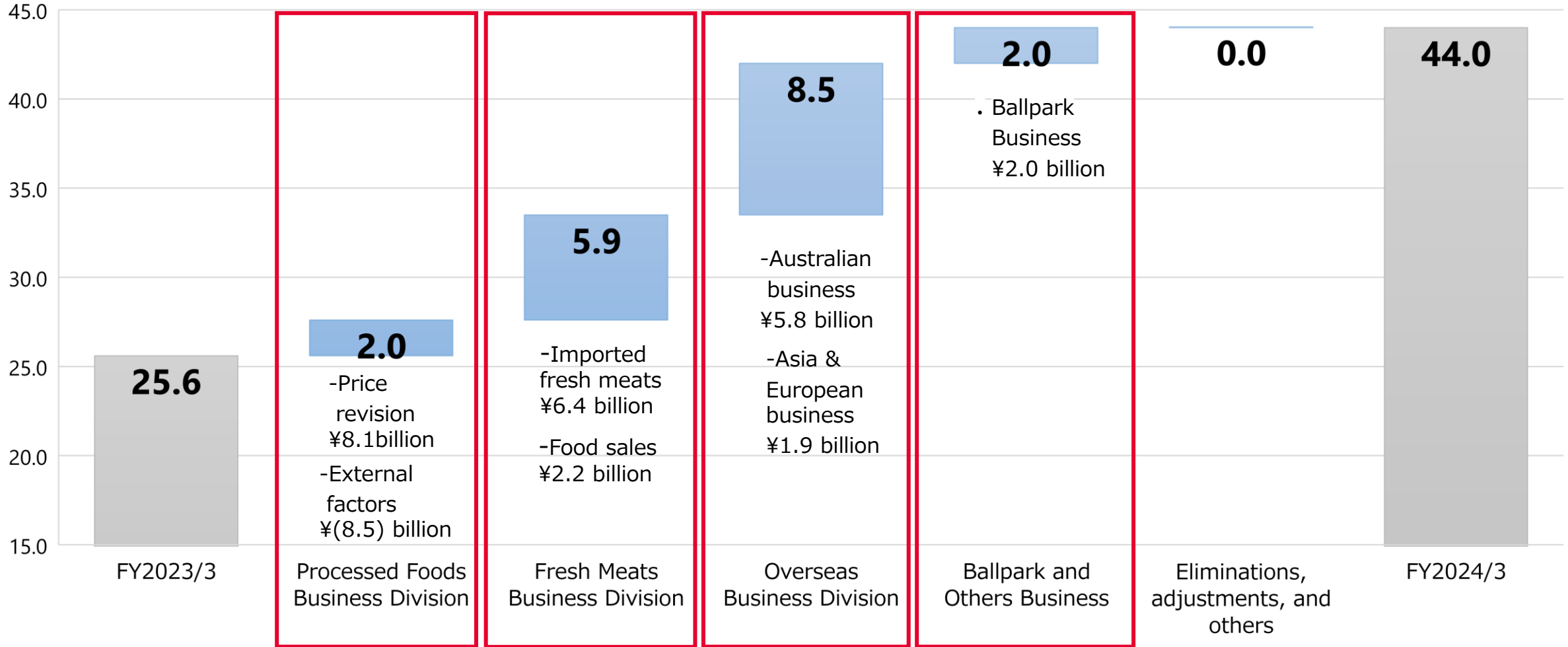
(¥ billion)

	FY2024/3											
	1st half				2nd half				Full year			
	FY2023/3 results	1Q forecasts	Results	Variance from forecasts	FY2023/3 results	1Q forecasts	2Q forecasts	Variance from forecasts	FY2023/3 results	1Q forecasts	2Q forecasts	Variance from forecasts
Processed Foods Business Division	1.3	1.7	2.9	1.2	3.7	4.7	4.1	(0.7)	5.0	6.5	7.0	0.5
Fresh Meats Business Division	14.2	14.5	17.0	2.5	14.9	17.5	18.0	0.5	29.1	32.0	35.0	3.0
Overseas Business Division	(0.9)	(0.7)	0.2	0.9	(4.1)	2.4	3.3	0.9	(5.0)	1.7	3.5	1.8
Ballpark and other Businesses	1.9	6.6	6.3	(0.3)	(2.4)	(5.1)	(4.8)	0.3	(0.5)	1.5	1.5	0
Eliminations, adjustments and others	(1.3)	(2.1)	(1.5)	0.7	(1.6)	(1.6)	(1.5)	0.0	(3.0)	(3.7)	(3.0)	0.7
Total	15.2	20.0	25.0	5.0	10.4	18.0	19.0	1.1	25.6	38.0	44.0	6.0

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

Business Profit of the first half of FY2024/3

(¥ billion)



CONTENTS

01

FY2024/3

Results/Segment Results

- 4** Summary of FY2024/3 1st half Financial Results
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- 13** Segment Data: Overseas Business Division
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FY2024/3

Plan

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03

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21 Processed Foods Business Division: Outlook (1)

(¥ billion)

	FY2023/3	1Q forecasts	2Q forecasts	YoY Variance	Variance (%),YoY
Net sales	417.7	420.0	430.0	12.3	2.9%
Business profit	5.0	6.5	7.0	2.0	40.0%
Business profit ratio	1.2%	1.5%	1.6%	0.4%	—

Increase in net sales

- We will focus on high-margin products and steadily implemented sales measures targeting flagship brands, which are now on a recovery trend.
- We will create new categories, especially Morning Serve, with the potential to become business pillars.

Increase in business profit

- The product mix improved thanks to the recovery of the high-profit *Schau Essen* brand, reviews of low-profit products, and product consolidation.
- We continued to improve profitability by concentrating production on highly productive lines.

Sales targets by channel / consumer product category (YoY)

Hams and sausages	Amount	Deli and processed foods	Amount
<i>Schau Essen</i>	109.9%	Chilled bakery	106.5%
Other wieners	106.6%	<i>Chuka Meisai</i>	86.6%
Wieners	109.1%	Hamburg and meatball	105.6%
Loin hams, bacon	98.5%	Fried chicken	87.3%
Consumer	102.6%	Consumer	95.9%
Commercial-use	97.8%	Commercial-use	109.4%
Total	101.5%	Total	101.2%

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 Pursuit of profit through price normalization, and improvement of profitability through the development of an optimal production structure
- *Schau Essen* Recovery in sales of the *Schau Essen* range through sales expansion measures for large bags, enhancement of branding to mark the 40th anniversary of the launch next year
- Chilled pizza Expansion of sales of *Ishigama Kobo* mini pizzas, test marketing of new products for launching next year
- *Chuka Meisai* Sales recovery through updating of existing products, exploration of new marketing methods targeting new customers
- *Morning Serve* Volume expansion through enhancement of sales promotion activities

22 Processed Foods Business Division: Outlook (2)

Analysis of reasons for changes in business profit relative to targets for the second half of the fiscal year

(¥ billion)

	2nd half forecasts for YoY change as of:			Full year forecasts for YoY change as of:			Main reasons for variance from targets
	1Q	2Q	Variance	1Q	2Q	Variance	
Hams and sausages, deli and processed foods	2.0	0.9	(1.2)	2.5	1.8	(0.7)	
External factors	(2.3)	(3.1)	(0.8)	(8.2)	(8.5)	(0.4)	
Principal raw materials	(0.9)	(1.7)	(0.8)	(4.3)	(4.9)	(0.6)	Pork prices higher due to the weak yen
Other materials/energy costs	(1.4)	(1.4)	0	(3.9)	(3.6)	0.3	Oil prices are expected to improve
Internal factors	4.3	4.0	(0.4)	10.6	10.3	(0.3)	
Price revisions	2.4	2.0	(0.4)	9.5	8.1	(1.4)	Volume effect: Slow recovery for <i>Chuka Meisai</i>
Improvement activities	1.9	2.0	0.1	1.1	2.2	1.1	Improvement of product mix thanks to the recovery of the high-profit <i>Schau Essen</i> range
Dairy/marine products & extract/primary Processing	0.1	0.1	0	0.6	1.1	0.4	Penetration of price revisions for commercial items, especially dairy products
DX costs	(1.0)	(0.5)	0.5	(1.6)	(0.9)	0.8	
Total	1.1	0.4	(0.7)	1.5	2.0	0.5	

23 Fresh Meats Business Division: Outlook (1)

(¥ billion)

	FY2023/3	1Q forecasts	2Q forecasts	YoY Variance	Variance (%), YoY
Net sales	750.1	720.0	765.0	14.9	2.0%
Business profit	29.1	32.0	35.0	5.9	20.0%
Business profit ratio	3.9%	4.4%	4.6%	0.7%	—

Increase in net sales

- With consumers focused on reducing expenditure, the selling environment for beef and pork will be challenging. However, we aim to achieve sales growth while passing on cost increases through prices.
- Growth in sales volumes, thanks to a recovery in imported beef sales

Increase in business profit

- We anticipate an improvement in the profitability of Food sales to volume retailers. A recovery in the restaurant business is expected to bring profit growth.
- We will monitor the supply-demand balance carefully and maintain appropriate inventory levels.

Nippon Food sales - Sales Plan

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

- Sales of Processed Food Business Division products through the nationwide sales networks of the Nippon Food companies
- Introduction and trial operation of AI-based market price forecasting system with the aim of reducing volatility
- Active marketing of Omugi-gyu brand Australian beef (integration from production to sales within the NH Foods Group)

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



24 Fresh Meats Business Division: Outlook (2)

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

(¥ billion)

	2nd half forecasts for YoY change as of:			2nd half forecasts for YoY change as of:			Main reasons for variance from targets
	1Q	2Q	Variance	1Q	2Q	Variance	
Domestic beef/pork business	0.0	(0.2)	(0.2)	(0.9)	(0.9)	0.0	Processing: Increase in numbers processed and improvement in productivity thanks to enhanced procurement Consignment: Despite price stabilization in the second half, result still impacted by high pork prices in the first half
Domestic chicken business	(0.1)	(2.7)	(1.7)	1.2	(0.9)	(2.1)	Production: Market prices expected to fall below projected levels in the second half Consignment: Profit target likely to be reached, thanks to enhanced external procurement and higher sales volumes
Imported fresh meats business	4.0	5.8	1.8	2.9	6.4	3.5	Increased sales in all livestock categories, especially imported beef In-depth management based on monitoring of supply-demand balance for imported chicken
Food sales	0.4	0.4	0	1.8	2.2	0.4	Volume retailers: Achievement of appropriate profits, enhanced marketing of high-profit items Restaurants: Enhanced marketing of imported products
DX costs	(0.6)	(0.1)	0.4	(0.8)	(0.1)	0.8	
Others	(0.2)	0.0	0.2	(1.2)	(0.7)	0.5	
Total	2.6	3.1	0.5	2.9	5.9	3.0	

25 Overseas Business Division: Outlook

(¥ billion)

	FY2023/3	1Q forecasts	2Q forecasts	YoY Variance	Variance (%), YoY
Net sales	321.4	295.0	275.0	(46.4)	(14.4)%
Business profit	(0.5)	1.7	3.5	8.5	—
Business profit ratio	—	0.6%	1.3%	—	—

Sales plan by region

- [Australia]
 - Expansion of sales of Premium Grass-Fed products to North America
- [Americas]
 - Expansion of processed food items, increase in production capacity of plants
- [Asia/Europe]
 - Increased focus on development of processed chicken products for the Japanese market

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

(¥ billion)

	2nd half forecasts for YoY change as of:			Full year forecasts for YoY change as of:			Main reasons for variance from targets
	1Q	2Q	Variance	1Q	2Q	Variance	
Australia	5.2	6.1	0.9	4.5	5.8	1.3	
Australia	4.0	4.8	0.9	3.3	4.4	1.1	Cattle prices are expected to fall significantly from the previous year sales expected to recover in the second half
Uruguay	1.2	1.2	0.0	1.2	1.4	0.2	
Americas	0.3	0.3	0.0	0.9	0.9	0.0	Sales in line with targets, improved production capacity at plants
Asia & Europe	1.1	1.1	0.0	1.5	1.9	0.4	Continuing firm trends in the sales environment for the Turkish chicken business
Others	0.0	0.0	0.0	(0.1)	0.0	0.1	
Total	6.5	7.4	0.9	6.7	8.5	1.8	

Business Profit by Region (¥ billion)

FY2024/3
1.3
2.5
(1.2)
2.6
0.7
(1.1)
3.5

CONTENTS

01

FY2024/3

Results/Segment Results

- 4** Summary of FY2024/3 1st half Financial Results
- 5** Financial Highlights
- 8** Segment Data: Processed Foods Business Division
- 11** Segment Data: Fresh Meats Business Division
- 13** Segment Data: Overseas Business Division
- 14** Segment Data: Ballpark Business and Other Business
- 15** 1st half Main Marketing Activities

02

FY2024/3

Plan

- 17** Plan Highlights
- 21** Outlook: Processed Foods Business Division
- 23** Outlook: Fresh Meats Business Division
- 25** Outlook: Overseas Business Division

03

FY2024/3

Key Financial Data/ Reference Data

- 27** FY2023/3 Business Results at a Glance and FY2024/3 Forecasts
- 28** FY2023/3 Sales by Product Category and FY2024/3 Forecasts
- 29** Balance Sheets
- 30** Statements of Cash Flows / Capital Expenditures / Depreciation and Amortization, etc.
- 32** External Environment: Market

27 FY2023/3 Business Results at a Glance and FY2024/3 Forecasts

(¥ million)

	FY2023/3 results			FY2024/3 forecasts					
	1st half results	2nd half results	Full year results	1st half results	Variance (%)	2nd half forecasts	Variance (%)	Full year forecasts	Variance (%)
Net sales	618,688	641,104	1,259,792	652,122	5.4%	647,878	1.1%	1,300,000	3.2%
Cost of goods sold	526,185	556,575	1,082,760	544,253	3.4%	543,747	(2.3)%	1,088,000	0.5%
Gross profit	92,503	84,529	177,032	107,869	16.6%	104,131	23.2%	212,000	19.8%
Gross profit ratio	15.0%	13.2%	14.1%	16.5%	-	16.1%	-	16.3%	-
Selling, General and Administrative expenses	80,642	85,438	166,080	83,974	4.1%	92,026	7.7%	176,000	6.0%
Other income and expenses	9,035	(2,128)	6,907	6,760	-	(2,260)	-	4,500	-
Finance income and costs	58	1,472	1,530	584	-	(84)	-	500	-
Share of profit (loss) in investments accounted for using the equity method	2,646	127	2,773	366	(86.2)%	634	399.2%	1,000	(63.9)%
Profit before tax	23,600	(1,438)	22,162	31,605	33.9%	10,395	-	42,000	89.5%
Income tax expense	6,070	(1,300)	4,770	9,826	61.9%	3,174	-	13,000	172.5%
Tax rate	25.7%	90.4%	21.5%	31.1%	-	30.5%	-	31.0%	-
Profit attributable to owners of the parent	15,480	1,157	16,637	19,984	29.1%	8,016	592.8%	28,000	68.3%
Business profit	15,204	10,392	25,596	24,963	64.2%	19,037	83.2%	44,000	71.9%

Returns on investments accounted for using the equity method: ¥2.3 billion lower year on year—Significant decline in equity-based investment returns due to reduced earnings from North American beef processing company

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

(¥ million)

	FY2023/3 results			FY2024/3 forecasts								
	1st half results	2nd half results	Full year results	1st half results	Variance (%), YoY	Volume Growth (%), YoY	2nd half forecasts	Variance (%), YoY	Volume Growth (%), YoY	Full year forecasts	Variance (%), YoY	Volume Growth (%), YoY
Hams and sausages	62,683	67,478	130,161	64,980	3.7%	(2.0)%	68,020	0.8%	0.9%	133,000	2.2%	(0.6)%
Processed foods	116,383	118,783	235,166	118,384	1.7%	(7.4)%	119,616	0.7%	(2.4)%	238,000	1.2%	(4.9)%
Fresh meats	384,509	407,463	791,972	410,231	6.7%	(5.9)%	412,769	1.3%	2.4%	823,000	3.9%	1.5%
Beef	153,883	158,489	312,372	163,818	6.5%	9.9%	159,182	0.4%	0.7%	323,000	3.4%	5.2%
Pork	121,533	129,468	251,001	129,708	6.7%	0.0%	129,292	(0.1)%	(1.2)%	259,000	3.2%	(0.6)%
Chicken	99,320	110,250	209,570	106,982	7.7%	(2.7)%	115,018	4.3%	6.1%	222,000	5.9%	1.7%
Other fresh meats	9,773	9,256	19,029	9,723	(0.5)%	(19.4)%	9,277	0.2%	0.8%	19,000	(0.2)%	(10.9)%
Dairy products	18,126	18,068	36,194	19,657	8.4%	(2.6)%	18,343	1.5%	5.5%	38,000	5.0%	1.2%
Others	36,987	29,312	66,299	38,870	5.1%	-	29,130	(0.6)%	-	68,000	2.6%	-
Total	618,688	641,104	1,259,792	652,122	5.4%	-	647,878	1.1%	-	1,300,000	3.2%	-

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

* Excluding results from discontinued operations (BPU)

29 Balance Sheets

(¥ million)

	End of FY2022/3	End of FY2023/3	1st half of 2024	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
Total 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

Major reasons for increase/decrease

【Total current assets】

Current assets increased by 2.3% from the end of the previous fiscal year to ¥437.7 billion as cash and cash equivalents increased by 18.9% to ¥77.3 billion and trade and other receivables increased by 8.9% to ¥159.7 billion because the end of the second quarter was a holiday for financial institutions, while assets held for sale decreased by 98.6% to ¥1.8 billion due to the transfer of shares of BPU.

【Non-current assets】

Non-current assets increased by 0.2% from the end of the previous fiscal year to ¥510.2 billion mainly because intangible assets and goodwill increased by 16.3% to ¥23.5 billion, while deferred tax assets decreased by 11.4% to ¥27.5 billion.

Total liabilities decreased by 2.5% from the end of the previous fiscal year to ¥423.7 billion, mainly because liabilities directly associated with assets held for sale decreased by ¥11.4 billion due to the transfer of shares of BPU, although trade and other payables increased by 10.8% to ¥117.5 billion due to increased higher market prices and increased purchasing of inventory in preparation for a demand recovery.

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

Statements of cash flows

(¥ million)

	1st half of FY2022/3	1st half of FY2023/3	1st half of FY2024/3
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)

* 1st half of FY2022/3 includes discontinued operations (BPU)

Capital expenditures, depreciation and amortization

(¥ million)

	FY2023/3	FY2024/3			
	1st half	1st half	Variance (%)	Variance	Full year forecasts
Capital expenditures	32,770	20,219	(38.3)	(12,551)	70,100
Processed Foods Business Division	3,479	3,692	6.1	213	11,600
Fresh Meats Business Division	7,607	7,144	(6.1)	(463)	29,100
Overseas Business Division	1,646	3,042	84.8	1,396	10,400
Ballpark and Other Businesses Business	14,254	567	(96.0)	(13,687)	800
Eliminations, adjustments and others	5,784	5,774	(0.2)	(10)	18,200
Depreciation and amortization	18,818	19,658	4.5	840	40,700

[Cash flows from operating activities]

With regard to operating activities, profit before tax amounted to ¥31.6 billion, depreciation and amortization expenses amounted to ¥19.7 billion and the increase in trade and other payables amounted to ¥10.5 billion, while the increase in trade and other receivables amounted to ¥12.2 billion. As a result, net cash provided by operating activities amounted to ¥46.3 billion.

[Cash flows from investing activities]

With regard to investing activities, acquisition of fixed assets amounted to ¥21.0 billion. As a result, net cash used in investing activities amounted to ¥20.9 billion.

[Cash flows from financing activities]

With regard to financing activities, the decrease in short-term bank loans amounted to ¥24.8 billion and the repayments of debt amounted to ¥22.3 billion, while proceeds from debt amounted to ¥38.6 billion. As a result, net cash used in financing activities amounted to ¥19.5 billion.

CONTENTS

01

FY2024/3 Results/Segment Results

- 4** Summary of FY2024/3 1st half Financial Results
- 5** Financial Highlights
- 8** Segment Data: Processed Foods Business Division
- 11** Segment Data: Fresh Meats Business Division
- 13** Segment Data: Overseas Business Division
- 14** Segment Data: Ballpark Business and Other Business
- 15** 1st half Main Marketing Activities

02

FY2024/3 Plan

- 17** Plan Highlights
- 21** Outlook: Processed Foods Business Division
- 23** Outlook: Fresh Meats Business Division
- 25** Outlook: Overseas Business Division

03

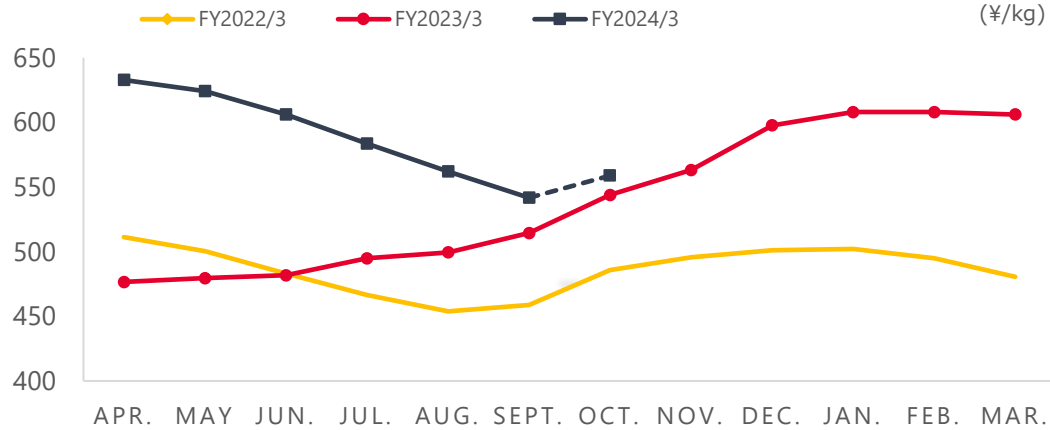
FY2024/3 Key Financial Data/ Reference Data

- 27** FY2023/3 Business Results at a Glance and FY2024/3 Forecasts
- 28** FY2023/3 Sales by Product Category and FY2024/3 Forecasts
- 29** Balance Sheets
- 30** Statements of Cash Flows / Capital Expenditures / Depreciation and Amortization, etc.
- 32** External Environment: Market



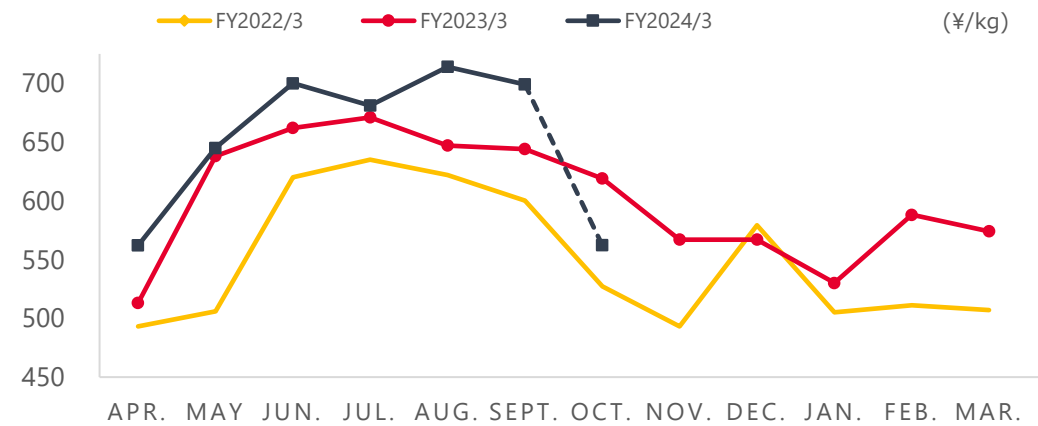
Domestic chicken market price

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



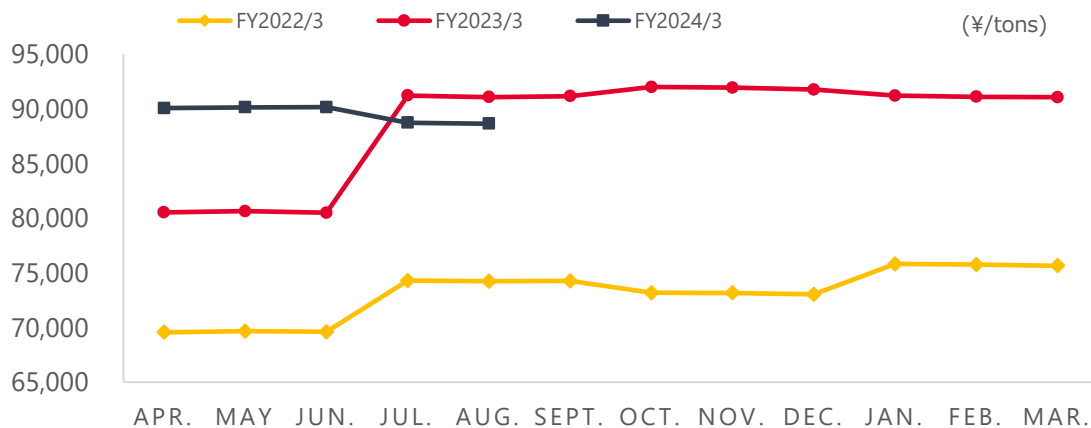
Domestic pork market price

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



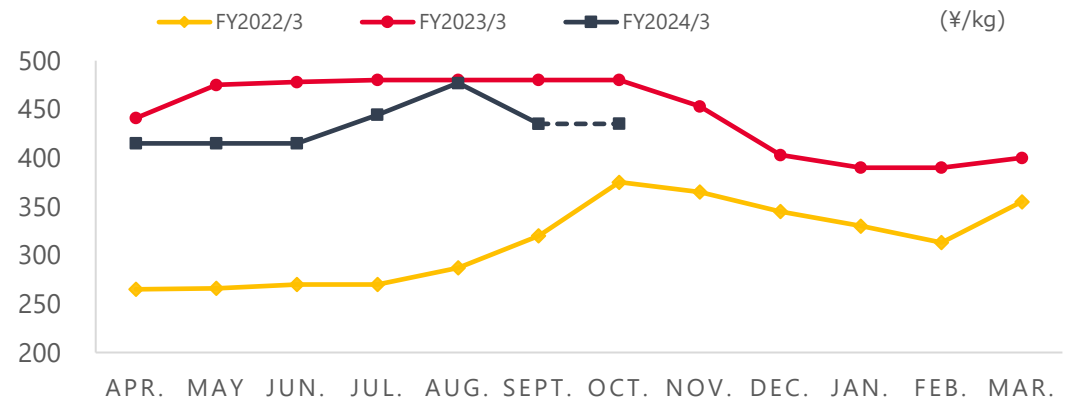
Compound feed price

Source: Agriculture & Livestock Industries Corporation



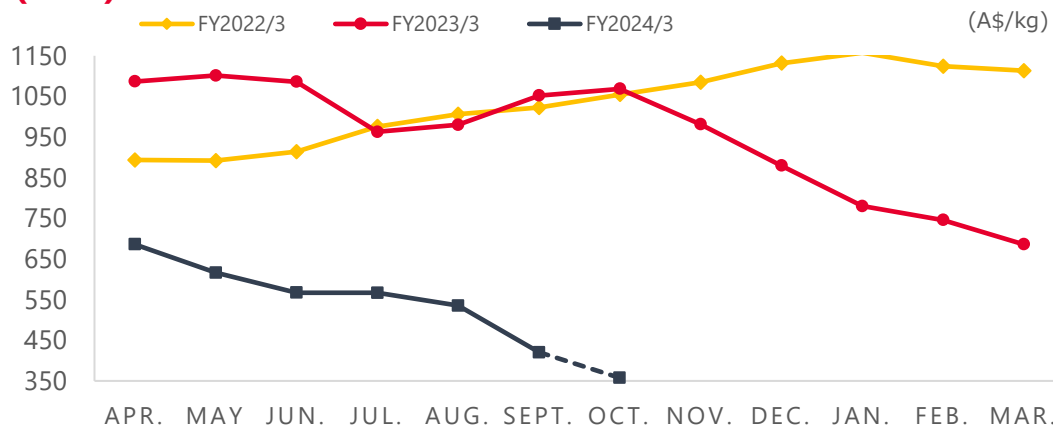
Domestic price of Brazilian Chicken thigh meat

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



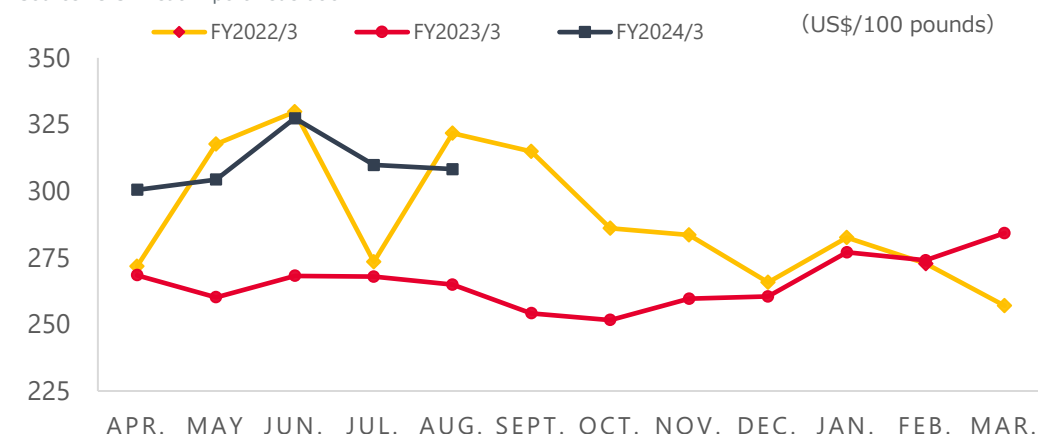
Eastern Young Cattle Indicator (EYCI)

Source: Meat & Livestock Australia



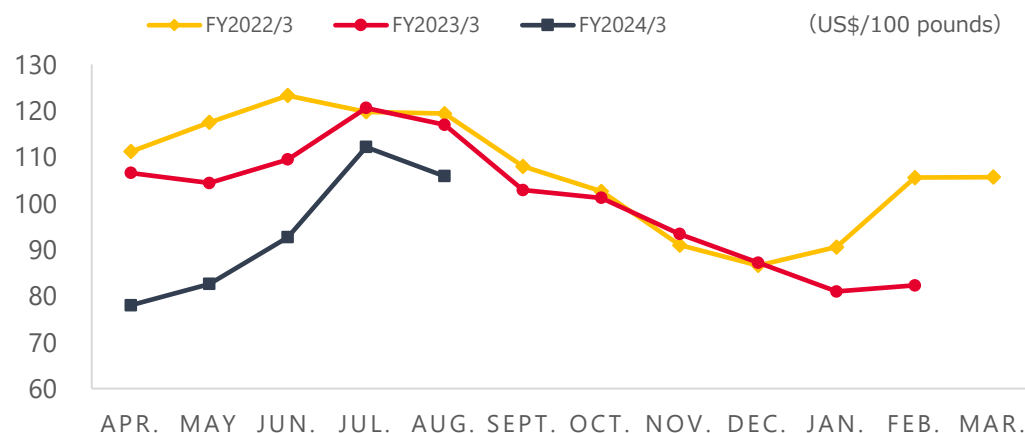
Cut-out value of American beef (wholesale benchmark price) based on local prices

Source: U.S. Meat Export Federation



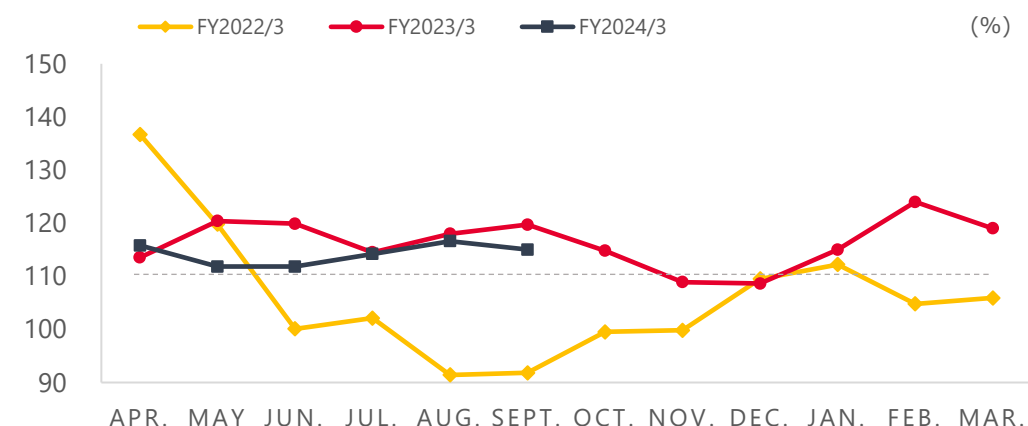
Cut-out value of the American pork (carcass basis) based on local prices

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.