

# FY 2024 3Q



## Business Results

for the Third Quarter of FY2024/3

**NH Foods Ltd.**     February 1, 2024



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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.

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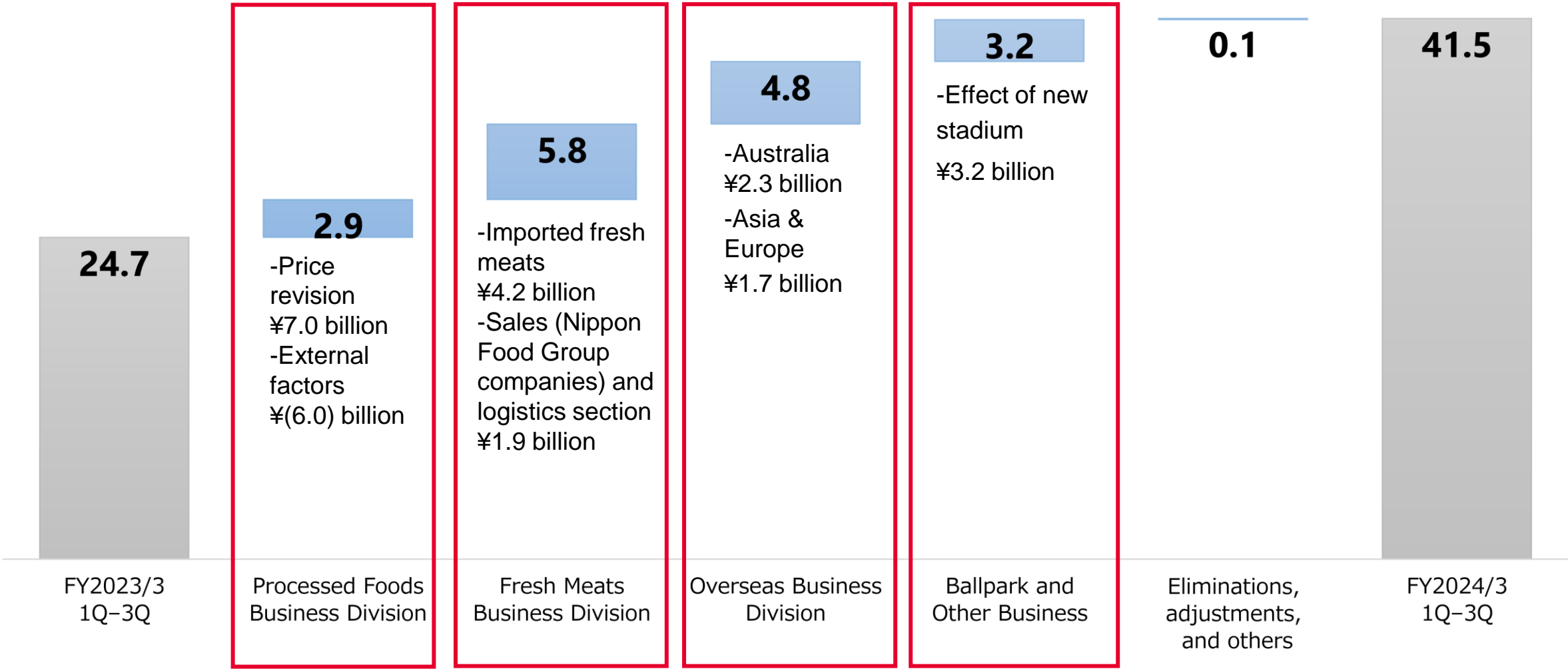
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04 Summary of FY2024/3 3Q Financial Results (1)

Business Profit of FY2024/3 1Q–3Q

(¥ billion)



## 05 Summary of FY2024/3 3Q Financial Results (2)

### FY2024/3 3Q Results

Net sales

**¥998.0** billion

(+3.7% year-on-year)

Business Profit

**¥41.5** billion

(+68.0% year-on-year)

- Net sales increased thanks to the penetration of price revisions implemented to reflect higher costs affecting the Fresh Meats Business and Processed Foods Business. The Ballpark Business also yielded higher sales, thanks to sustained growth in visitor numbers.
- Business profit was higher in all segments. In addition to the impetus from the Fresh Meats Business, contributing factors also included an improvement in the sales environment.

### Business Profit Forecast for FY2024/3

Net sales

**¥1,300.0** billion

(+3.2% year-on-year)

Business Profit

**¥45.0** billion

(+75.8% year-on-year)

- Net sales are expected to reach the target figure.
- The business profit target for the current fiscal year has been raised by ¥1 billion to reflect upswings in the Ballpark Business and Processed Foods Business.

## 06 Financial Highlights (1) Cumulative 3Q Results for FY2024/3

(¥ billion)

	FY2024/3 1st half	FY2024/3 3Q	FY2024/3 1Q–3Q	YoY variance	Variance (%), YoY
Net sales	652.1	345.8	<b>998.0</b>	35.3	3.7%
Business profit	25.0	16.6	<b>41.5</b>	16.8	68%
(Business profit from continuing operations)	25.9	16.6	<b>42.5</b>	15.7	58.8%
Business profit ratio	4.0%	4.8%	<b>4.3%</b>	1.5%	-
Profit before tax	31.6	12.1	<b>43.7</b>	16.5	60.6%
Profit attributable to owners of the parent	20.0	9.5	<b>29.5</b>	10.3	53.6%

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

### Net sales

(¥ billion)

	FY2024/3 1st half	FY2024/3 3Q	FY2024/3 1Q–3Q	YoY variance	Variance (%), YoY
Processed Foods Business Division	210.9	<b>119.0</b>	<b>329.9</b>	9.1	2.8%
Fresh Meats Business Division	386.1	<b>209.5</b>	<b>595.6</b>	25.4	4.5%
Overseas Business Division	150.2	<b>69.5</b>	<b>219.7</b>	(30.9)	(12.3)%
Ballpark and Other Business	18.5	<b>3.0</b>	<b>21.5</b>	8.4	64.6%
Eliminations, adjustments and others	(103.0)	<b>(55.2)</b>	<b>(158.1)</b>	10.4	—
Discontinued operations	(10.6)	-	<b>(10.6)</b>	12.9	—
<b>Consolidated</b>	<b>652.1</b>	<b>345.8</b>	<b>998.0</b>	<b>35.3</b>	<b>3.7%</b>

### Business profit

(¥ billion)

	FY2024/3 1st half	FY2024/3 3Q	FY2024/3 1Q–3Q	YoY variance	Variance (%), YoY
Processed Foods Business Division	2.9	<b>6.0</b>	<b>8.9</b>	2.9	48.6%
Fresh Meats Business Division	17.0	<b>11.3</b>	<b>28.3</b>	5.8	25.6%
Overseas Business Division	0.2	<b>2.0</b>	<b>2.2</b>	4.8	-
Ballpark and Other Business	6.3	<b>(1.9)</b>	<b>4.4</b>	3.2	256.4%
Eliminations, adjustments and others	(1.5)	<b>(0.8)</b>	<b>(2.3)</b>	0.1	—
<b>Consolidated</b>	<b>25.0</b>	<b>16.6</b>	<b>41.5</b>	<b>16.8</b>	<b>68.0%</b>

## 08 Segment Data: Processed Foods Business Division (1)

(¥ billion)

	FY2024/3 1st half	FY2024/3 3Q	FY2024/3 1Q–3Q	YoY variance	Variance (%), YoY
Net sales	210.9	<b>119.0</b>	<b>329.9</b>	9.1	2.8%
Business profit	2.9	<b>6.0</b>	<b>8.9</b>	2.9	48.6%
Business profit ratio	1.4%	<b>5.1%</b>	<b>2.7%</b>	0.8%	—

### Increase in net sales

- Recovery trend in *Schau Essen* sales, continuing strong sales of *Hojun* wieners
- Increased sales of commercial deli products, especially to convenience stores
- Penetration of price revisions for dairy products and extracts/primary processed items

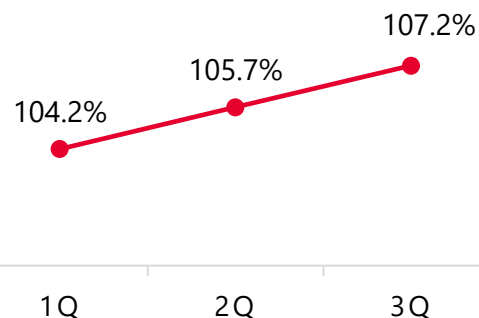
### Increase in business profit

- Higher gross profit thanks to continuing improvement in the product mix resulting from a recovery in sales of the flagship *Schau Essen* brand and chilled bakery products
- Profitability improving despite continuing steep rises in raw material prices, thanks to the penetration of price revisions and improvements in factories

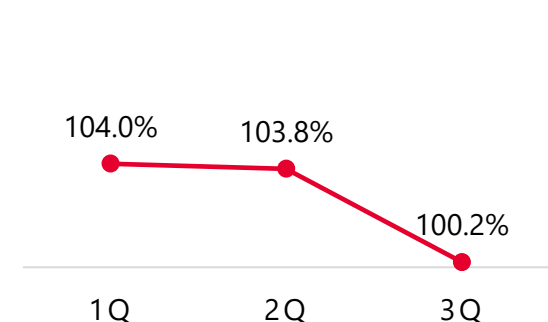
### 1Q–3Q net sales by channel/consumer product category (year on year)

Hams and sausages	Volume	Amount	Deli and processed foods	Volume	Amount
Wieners	-	106.5%	Chilled bakery	-	102.6%
<i>Schau Essen</i>	-	105.8%	<i>Chuka Meisai</i>	-	82.0%
Other wieners	-	108.4%	Hamburg & meatball	-	102.4%
Loin hams, bacon	-	98.1%	Fried chicken	-	87.0%
Consumer	101.6%	105.3%	Consumer	89.2%	94.8%
Commercial-use	90.8%	99.3%	Commercial-use	104.3%	114.0%
Total	98.9%	103.4%	Total	95.2%	101.3%

### Year on year trends in *Schau Essen* sales



### Year on year trends in chilled pizza sales





## 09 Segment Data: Processed Foods Business Division (2)

### Analysis of reasons for year on year changes in business profit

(¥ billion)

	1st half changes	3Q changes	1Q-3Q changes	Main reasons for year on year changes
Hams and sausages, deli and processed foods	0.9	1.0	1.9	
External factors	(5.4)	(0.6)	(6.0)	
Principal raw material prices	(3.2)	(0.7)	(3.9)	Mainly because of soaring prices for pork raw materials
Other materials	(2.3)	(0.5)	(2.8)	Mainly because of higher powdered albumin, sheep intestines, and packaging prices
Electric power	0.1	0.6	0.7	Because of reduced electric power costs, as well as self-help efforts, such as plant operation leveling
Internal factors	6.3	1.6	7.9	
Effect of price revisions	6.1	0.9	7.0	Volumes affected by a delayed recovery in <i>Chuka Mesai</i> sales, but price benefits emerging
Improvement activities	0.2	0.7	0.9	Product mix improving thanks to sales initiatives focusing on flagship brands
Dairy/marine products and extract/primary processing	1.0	0.4	1.4	Strong sales to restaurants, progress on price revisions for dairy products and intensive production of extracts
DX costs	(0.3)	(0.1)	(0.4)	
<b>Total</b>	<b>1.6</b>	<b>1.3</b>	<b>2.9</b>	

# 10 Segment Data: Fresh Meats Business Division (1)



(¥ billion)

	FY2024/3 1st half	FY2024/3 3Q	FY2024/3 1Q–3Q	YoY variance	Variance (%), YoY
Net sales	386.1	209.5	595.6	25.4	4.5%
Business profit	17.0	11.3	28.3	5.8	25.6%
Business profit ratio	4.4%	5.4%	4.8%	0.8%	—

## Increase in net sales

- Post-COVID economic resurgence reflected in increased demand and higher sales through the restaurant channel
- Sales target reached thanks to higher market prices for domestic chicken in the first half of the year
- Firm demand for relatively low-priced domestic chicken and pork

## Increase in business profit

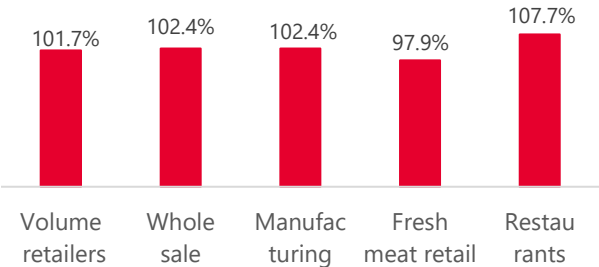
- Profit target for sales operations (Nippon Food Group companies) achieved thanks to strong sales to volume retailers, especially in urban areas
- Profit targets achieved thanks to recovery in sales of imported chicken and beef

## Four Nippon Food Group companies: 1Q–3Q sales volumes and values by meat type (year on year)

Domestic	Volume	Amount	Imported	Volume	Amount
Beef	99.9%	100.1%	Beef	107.9%	106.5%
Pork	101.2%	105.5%	Pork	102.5%	107.1%
Chicken	100.9%	108.9%	Chicken	102.6%	98.7%
Domestic total	101.0%	105.2%	Imported total	103.7%	105.0%

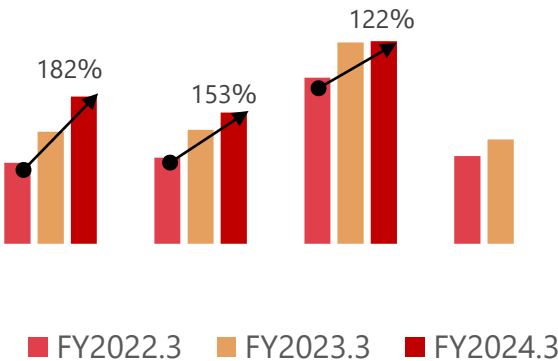
## Four Nippon Food Group companies: 1Q-3Q sales volumes by channel

Overall volume growth of 102.1%  
(105.1% in value terms)



## Four Nippon Food Group companies: 1Q-3Q profit

Growth in profit in the past two years



\* The four food companies include Higashi Nippon Food, Kanto Nippon Food, Naka Nippon Food, and Nishi Nippon Food.

# 11 Segment Data: Fresh Meats Business Division (2)

## Analysis of reasons for year on year changes in business profit

(¥ billion)

	1st half changes	3Q changes	1Q-3Q changes	Main reasons for YoY changes
Domestic beef/pork business	(0.7)	(0.2)	(1.0)	Processing: Year on year decline in pork shipment volumes, persistently high feed prices, pork market prices below planned level in 3Q Consignment: Slow sales of high-priced cuts of domestic beef, lower demand for sliced products due to mild winter weather
Domestic chicken business	1.8	(0.5)	1.3	Production: Market prices lower year on year in 3Q but higher in the first half, especially 1Q Consignment: Higher sales volumes thanks to the expansion of external procurement
Imported fresh meats business	0.6	3.6	4.2	Profit improvement thanks to procurement changes, major year on year improvement in sales of imported beef and chicken, especially in 3Q
Sales (Nippon Food Group companies) and logistics section	1.8	0.2	1.9	Volume retailers: Strong sales in urban areas Restaurants: Increased demand from inbound tourists reflected in strong sales, especially of beef
DX costs	0.1	0.1	0.2	
Others	(0.7)	(0.2)	(0.9)	
<b>Total</b>	<b>2.8</b>	<b>3.0</b>	<b>5.8</b>	

## 12 Segment Data: Overseas Business Division

(¥ billion)

	FY2024/3 1st half	FY2024/3 3Q	FY2024/3 1Q–3Q	YoY, variance	Variance (%), YoY
Net sales	150.2	<b>69.5</b>	<b>219.7</b>	(30.9)	(12.3)%
Business profit	0.2	<b>2.0</b>	<b>2.2</b>	4.8	—
Business profit ratio	0.1%	<b>2.8%</b>	<b>1.0%</b>	—	—

### Decrease in net sales

- Despite the penetration of price revisions for the Turkish chicken business, sales were lower due to the sale of shares in the Uruguayan beef business and the sale of the marine products business.

### Business profit secured

- Profit was higher thanks to strong performance by the Australian beef business and the Turkish chicken business

(¥ billion)

		Analysis of reasons for year YoY changes			Main reasons for YoY changes	Business profit by region	
		1st half changes	3Q changes	1Q–3Q changes		1Q–3Q	YoY variance
Australia		(0.3)	2.6	2.3		0.0	2.3
	Australia	(0.5)	1.9	1.4	Decline in cattle prices, higher sales volumes	1.2	1.4
	Uruguay	0.2	0.7	0.9	Sale of business completed at the end of August	(1.2)	0.9
Americas		0.6	0.1	0.7	Volume growth in sales of processed chicken products, thanks to sales promotion efforts in an environment characterized by stable raw material costs	1.8	0.7
Asia & Europe		0.8	0.9	1.7	Improvement in the profitability of the Turkish chicken business, thanks to price revisions in response to inflation	1.0	1.7
Others		0.0	0.1	0		(0.7)	0.1
Total		1.1	3.7	4.8		2.2	4.8

## 13 Segment Data: Ballpark Business and Other Business

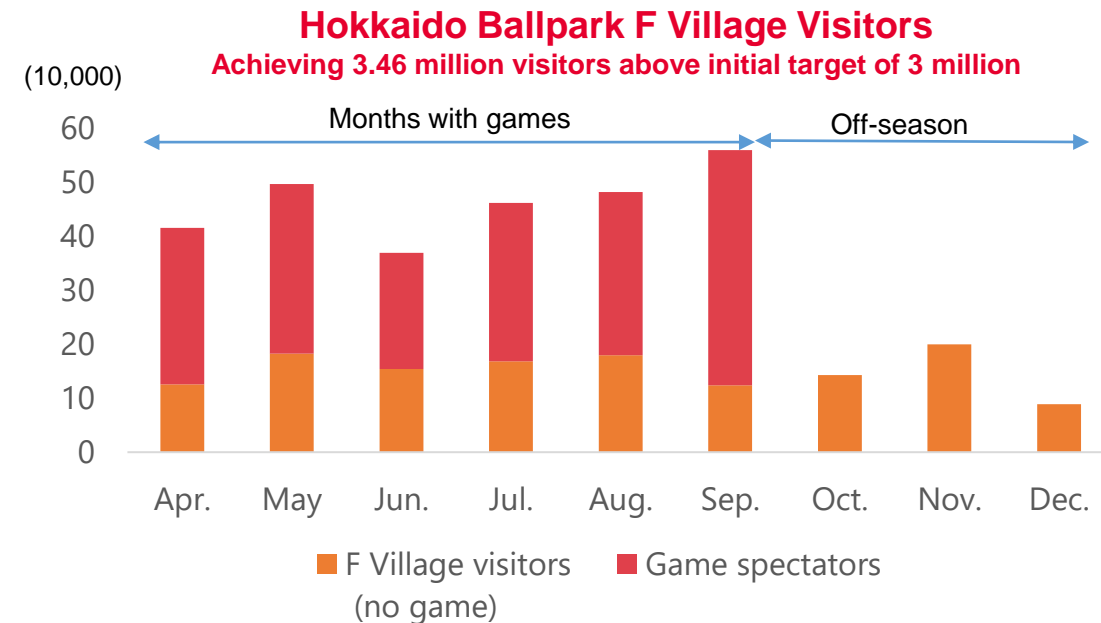
(¥ billion)

	FY2024/3 1st half	FY2024/3 3Q	FY2024/3 1Q–3Q	YoY, variance	Variance (%), YoY
Net sales	18.5	<b>3.0</b>	<b>21.5</b>	8.4	64.6%
Business profit	6.3	<b>(1.9)</b>	<b>4.4</b>	3.2	256.4%
Business profit ratio	33.9%	-	<b>20.4%</b>	-	-

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

### Net sales/business profit

- Visitor numbers remaining firm in the off-season, thanks to fall training camp events and stadium tours, etc., at ES CON FIELD HOKKAIDO
- Strong trend in demand for food, beverages, and goods, sales substantially higher year on year



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



**Net sales** Net sales expected to reach the target

**Business profit** Target for current fiscal year raised by ¥1 billion to reflect an upswing in the Ballpark Business and Processed Foods Business

	FY2023/3	2Q forecasts	3Q forecasts	YoY variance	Variance (%), YoY
Net sales	1,259.8	1,300.0	1,300.0	40.2	3.2%
Business profit	25.6	44.0	45.0	19.4	75.8%
(Business profit from continuing operations)	28.2	45.0	46.0	17.8	63.1%
Business profit ratio	2.2%	3.5%	3.5%	1.3%	-
Profit before tax	22.2	42.0	40.0	17.8	80.5%
Profit attributable to owners of the parent	16.6	28.0	27.0	10.4	62.3%
ROE	3.4%	5.6%	5.4%	2.0%	-
ROIC	2.4%	4.0%	4.1%	1.7%	-

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



## Business profit targets by segment

(¥ billion)

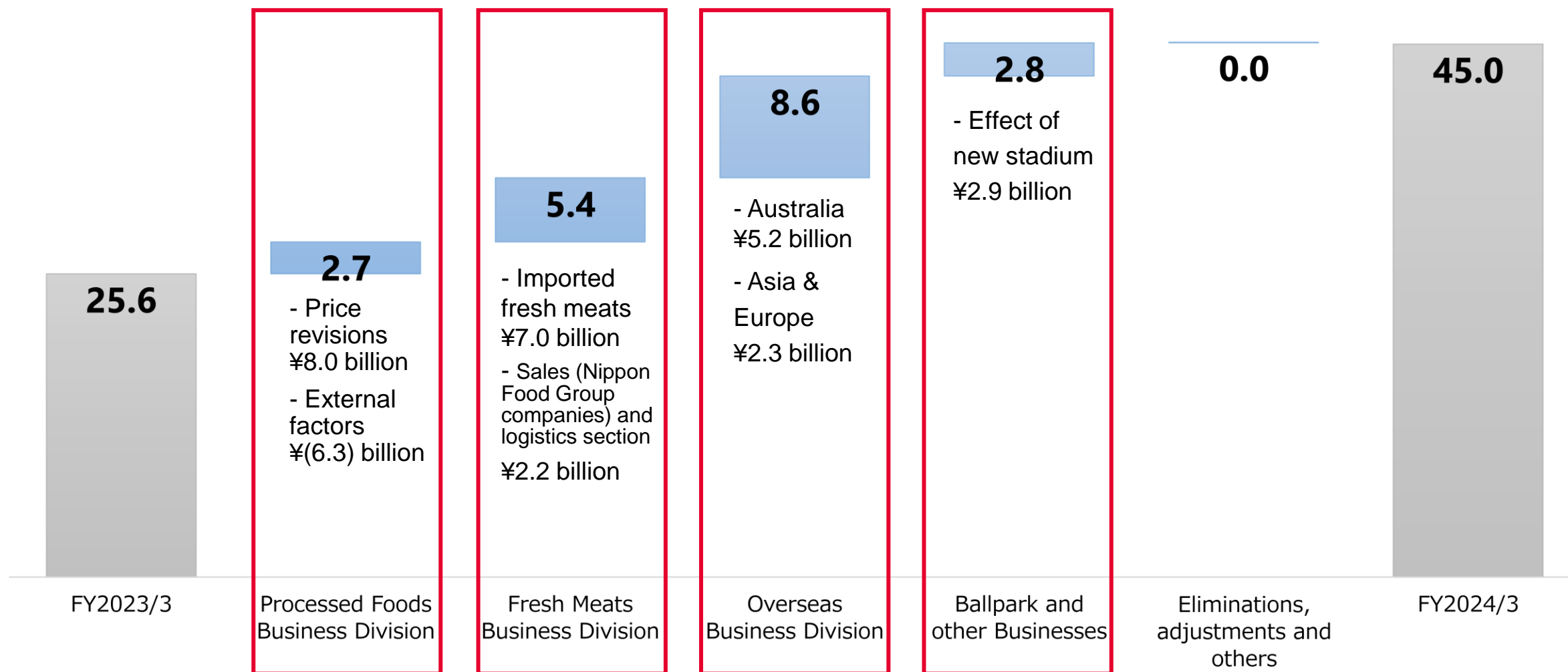
	FY2024/3											
	1st half		3Q	4Q	2nd half				Full year			
	FY2023/3 results	Results	Results	Forecasts	FY2023/3 results	Forecasts as of 2Q	Forecasts as of 2Q	Variance from forecasts	FY2023/3 results	Forecasts as of 2Q	Forecasts as of 2Q	Variance from forecasts
Processed Foods Business Division	1.3	2.9	6.0	(1.2)	3.7	4.1	4.8	0.7	5.0	7.0	7.7	0.7
Fresh Meats Business Division	14.2	17.0	11.3	6.2	14.9	18.0	17.5	(0.5)	29.1	35.0	34.5	(0.5)
Overseas Business Division	(0.9)	0.2	2.0	1.4	(4.1)	3.3	3.3	0.0	(5.0)	3.5	3.5	0.0
Ballpark and Other Business	1.9	6.3	(1.9)	(2.1)	(2.4)	(4.8)	(4.0)	0.8	(0.5)	1.5	2.3	0.8
Eliminations, adjustments and others	(1.3)	(1.5)	(0.8)	(0.7)	(1.6)	(1.5)	(1.6)	0.0	(3.0)	(3.0)	(3.0)	0.0
<b>Total</b>	<b>15.2</b>	<b>25.0</b>	<b>16.6</b>	<b>3.5</b>	<b>10.4</b>	<b>19.0</b>	<b>20.1</b>	<b>1.0</b>	<b>25.6</b>	<b>44.0</b>	<b>45.0</b>	<b>1.0</b>



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

## Forecasts for the Whole of FY2024/3

(¥ billion)



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# 19 Processed Foods Business Division: Outlook (1)

(¥ billion)

	FY2023/3 results	2Q forecasts	3Q forecasts	YoY Variance	Variance (%),YoY
Net sales	417.7	430.0	<b>430.0</b>	12.3	2.9%
Business profit	5.0	7.0	<b>7.7</b>	2.7	54.0%
Business profit ratio	1.2%	1.6%	<b>1.8%</b>	0.6%	-

## 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 step up sales promotion activities to drive further expansion of *Morning Serve* sales.

## Increase in business profit

- The product mix will continue to improve thanks to the recovery of *Schau Essen* sales, the consolidation of product ranges, and changes to low-profit items.
- We will improve profitability by concentrating production on highly productive lines and reducing fixed costs.

## Sales targets by channel / consumer product category (YoY)

Hams and sausages		Amount	Deli and processed foods		Amount
Wieners		105.2%	Chilled bakery		101.7%
	<i>Schau Essen</i>	105.1%	<i>Chuka Meisai</i>		81.5%
	Other wieners	105.5%	Hamburg and meatball		102.3%
Loin hams, bacon		95.5%	Fried chicken		87.9%
Consumer		103.6%	Consumer		94.6%
Commercial-use		99.2%	Commercial-use		111.1%
Total		102.3%	Total		100.7%

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

- Loin hams, etc. The profitability of consumer products and private brand items will continue to improve.
- *Schau Essen* We will further expand sales in the run-up to the 40th anniversary by increasing sales of big bag products, and through brand extension.
- Chilled pizza We will expand sales of *Ishigama Kobo* mini pizzas as differentiated products.  
We will open up new sales outlets and develop products that match customer needs.
- *Chuka Meisai* We will market new-type products that match customer needs and generational changes.
- New categories We will create new categories to attract new users.  
We will introduce more *K-kitchen* South Korean dishes.

## 20 Processed Foods Business Division: Outlook (2)

### 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
		2Q	3Q	Variance	2Q	3Q	Variance	
Hams and sausages, deli and processed foods		0.9	0.9	0.0	1.8	1.8	0.0	
	External factors	(3.1)	(0.9)	2.2	(8.5)	(6.3)	2.2	
	Principal raw materials	(1.7)	(1.0)	0.7	(4.9)	(4.2)	0.7	Sales volumes below target, resulting in reduced use of raw and processed materials
	Other materials	(1.3)	(0.9)	0.4	(3.5)	(3.2)	0.4	
	Energy costs	(0.2)	1.0	1.2	(0.1)	1.1	1.2	
	Internal factors	4.0	1.8	(2.2)	10.3	8.1	(2.2)	
	Price revisions	2.0	1.9	(0.1)	8.1	8.0	(0.1)	Volume benefits below target in 3Q
	Improvement activities	2.3	1.7	(0.6)	2.0	1.4	(0.6)	Sales of flagship products below target Increased sales promotion costs
	Others	(0.3)	(1.8)	(1.5)	0.2	(1.4)	(1.5)	Adjustments to financial results and the impact of the fire
Dairy/marine products & extract/primary Processing		1.0	0.7	0.7	1.1	1.7	0.7	Strong sales to restaurants, achievement of profit targets for dairy products and extracts
DX costs		(0.5)	(0.5)	0.0	(0.9)	(0.8)	0.0	
Total		0.4	1.1	0.7	2.0	2.7	0.7	

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

We aim to improve earnings in the next fiscal year by further revising prices to reflect the likelihood of increases in raw and processed material costs and logistics costs.

		FY2022.3		FY2023.3		FY2024.3		FY2025.3	
Adjustment ratio:		5–12%		2–34%		2–26%		7–20%	
		4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Consumer	Hams and sausages	● 40 items			● 78 items		● 184 items	● 18 items	
	Processed foods	● 133 items			● 125 items		● 99 items		● 38 items
	Commercial-use	● 232 items			● 168 items		● 107 items		● 112 items
	Frozen foods	● 19 items			● 17 items		● 35 items		● 7 items



## 22 Fresh Meats Business Division: Outlook (1)

(¥ billion)

	FY2023/3	2Q forecasts	3Q forecasts	YoY Variance	Variance (%), YoY
Net sales	750.1	765.0	<b>765.0</b>	14.9	2.0%
Business profit	29.1	35.0	<b>34.5</b>	5.4	18.6%
Business profit ratio	3.9%	4.6%	<b>4.5%</b>	0.6%	-

### Increase in net sales

- Volumes will be higher thanks to a recovery in sales of imported beef.
- Cost-consciousness will drive steady demand for domestic chicken and pork, allowing us to achieve sales targets.

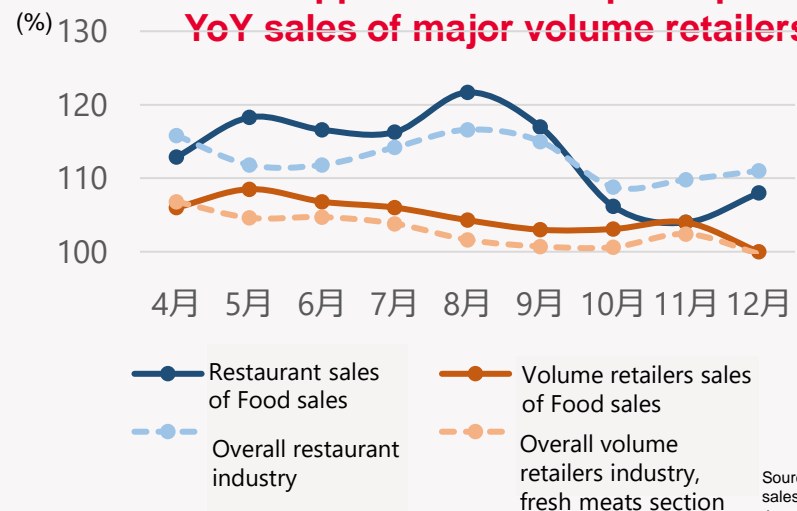
### Increase in business profit

- The profit target for sales operations (Nippon Food Group companies) will be reached thanks to increased sales volumes through the volume retailer channel.
- We will achieve the earnings target by linking sales to the procurement prices of imported fresh meats.

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

- We will appropriately manage inventories of imported fresh meats, build our relationship with external packers, and establish new relationships.
- We will improve the sales and delivery efficiency of sales operations (Nippon Food Group companies).
- We will actively build sales of *Sakurahime* chicken, *Mugikomachi* pork, and *Omugi Beef ANGUS*, for which all stages from production to sales are handled within the NH Foods Group.

**Four Nippon Food Group companies:  
YoY sales of major volume retailers**



We aim to exceed market growth with sales to both restaurants and volume retailers.

Source: Three volume retailer associations, sales statistics survey of volume retailers Japan Foodservice Association

## 23 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:			Full year forecasts for YoY change as of:			Main reasons for variance from targets
	2Q	3Q	Variance	2Q	3Q	Variance	
Domestic beef/pork business	(0.2)	(0.8)	(0.6)	(0.9)	(1.6)	(0.6)	Processing: Effect of year on year decline in pork shipments, persistently high feed prices, and lower-than-planned pork market prices in 3Q Consignment: Decline in pork market prices in 3Q, improvement of sales environment
Domestic chicken business	(2.7)	(2.7)	0.0	(0.9)	(0.9)	0.0	Production: Market prices expected to fall below projected levels in the second half Consignment: Steady demand for breast meat due to price consciousness, profit target achieved thanks to volume growth
Imported fresh meats business	5.8	6.4	0.6	6.4	7.0	0.6	Achievement of profit target thanks to sales activities linked to procurement prices Stringent inventory management based on monitoring of supply-demand balance
Sales (Nippon Food Group companies) and logistics division	0.4	0.4	0.0	2.2	2.2	0.0	Volume retailers: Penetration of price adjustments implemented to reflect cost increases Restaurants: Enhanced marketing of imported products
DX costs	(0.1)	(0.1)	0.0	(0.1)	0.0	0.0	
Others	0	(0.6)	(0.6)	(0.7)	(1.3)	(0.6)	
<b>Total</b>	<b>3.1</b>	<b>2.6</b>	<b>(0.5)</b>	<b>5.9</b>	<b>5.4</b>	<b>(0.5)</b>	



(¥ billion)

	FY2023/3	2Q forecasts	3Q forecasts	YoY variance	Variance (%), YoY
Net sales	321.4	275.0	275.0	(46.4)	(14.4)%
Business profit	(5.0)	3.5	3.5	8.6	-
Business profit ratio	-	1.3%	1.3%	-	-

Sales plan by region

- Australia
- Increase in number of cattle processed
  - Capture of replacement demand due to reduced US beef production
- Americas
- Promotion of sales of processed chicken products in new areas within the US
  - Expansion of range of processed food items

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:				Business Profit by Region
		2Q	3Q	Variance	2Q	3Q	Variance		FY2024/3
Australia		6.1	5.5	(0.6)	5.8	5.2	(0.6)		0.8
	Australia	4.8	4.3	(0.6)	4.4	3.8	(0.6)	Reducing operations in 3Q due to labor negotiations (compromise reached) Collection problems due to rainfall in January	2.0
	Uruguay	1.2	1.2	0.0	1.4	1.4	0.0		(1.2)
Americas		0.3	0.3	0.0	0.9	0.9	0.0	Sales in line with planned levels, thanks to productivity improvements	2.6
Asia & Europe		1.1	1.5	0.4	1.9	2.3	0.4	Continuing firm trends in the sales environment for the Turkish chicken business	1.1
Others		0.0	0.2	0.2	0.0	0.2	0.2		(0.9)
Total		7.4	7.4	0.0	8.5	8.6	0.0		3.5



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## 26 FY2023/3 Business Results at a Glance and FY2024/3 Forecasts



(¥ million)

	FY2023/3 results			FY2024/3 forecasts					
	1Q–3Q	4Q	Full year	1Q–3Q results	Variance (%)	4Q forecasts	Variance (%)	Full year forecasts	Variance (%)
Net sales	962,609	297,183	1,259,792	997,957	3.7%	302,043	1.6%	1,300,000	3.2%
Cost of goods sold	821,926	260,834	1,082,760	834,271	1.5%	253,729	(2.7)%	1,088,000	0.5%
Gross profit	140,683	36,349	177,032	163,686	16.4%	48,314	32.9%	212,000	19.8%
Gross profit ratio	14.6%	12.2%	14.1%	16.4%	-	16.0%	-	16.3%	-
Selling, General and Administrative expenses	122,752	43,328	166,080	126,688	3.2%	49,312	13.8%	176,000	6.0%
Other income and expenses	5,401	1,506	6,907	5,926	-	(2,426)	-	3,500	-
Finance income and costs	693	837	1,530	639	-	(139)	-	500	-
Share of profit (loss) in investments accounted for using the equity method	3,181	(408)	2,773	118	(96.3)%	(118)	-	0	(100.0)%
Profit before tax	27,206	(5,044)	22,162	43,681	60.6%	(3,681)	-	40,000	80.5%
Income tax expense	5,763	(993)	4,770	12,703	120.4%	(703)	-	12,000	151.6%
Tax rate	21.2%	-	21.5%	29.1%	-	-	-	30.0%	-
Profit attributable to owners of the parent	19,219	(2,582)	16,637	29,520	53.6%	(2,520)	-	27,000	62.3%
Business profit	24,725	871	25,596	41,545	68.0%	3,455	296.7%	45,000	75.8%

Investment profit (loss) based on equity method: There was a cumulative year on year decline of ¥3.1 billion in 1Q–3Q. Equity-based investment returns were substantially lower due to the worsening business performance of a North American beef processing company.

# 27 FY2023/3 Sales by Product Category and FY2024/3 Forecasts



(¥ million)

	FY2023/3 results			FY2024/3 forecasts								
	1Q–3Q	4Q	Full year	1Q–3Q results	Variance (%), YoY	Volume Growth (%), YoY	4Q forecasts	Variance (%), YoY	Volume Growth (%), YoY	Full year forecasts	Variance (%), YoY	Volume Growth (%), YoY
Hams and sausages	101,502	28,659	130,161	105,127	3.6%	(0.8)%	27,873	(2.7)%	0.1%	133,000	2.2%	(0.6)%
Processed foods	179,350	55,816	235,166	180,589	0.7%	(4.2)%	57,411	2.9%	(7.4)%	238,000	1.2%	(4.9)%
Fresh meats	600,915	191,057	791,972	629,711	4.8%	1.6%	193,289	1.2%	1.3%	823,000	3.9%	1.5%
Beef	240,816	71,556	312,372	250,353	4.0%	8.5%	72,647	1.5%	(6.9)%	323,000	3.4%	5.2%
Pork	189,863	61,138	251,001	200,821	5.8%	1.0%	58,179	(4.8)%	(5.8)%	259,000	3.2%	(0.6)%
Chicken	155,282	54,288	209,570	163,827	5.5%	(1.7)%	58,173	7.2%	12.8%	222,000	5.9%	1.7%
Other fresh meats	14,954	4,075	19,029	14,710	(1.6)%	7.8%	4,290	5.3%	-	19,000	(0.2)%	(10.9)%
Dairy products	27,533	8,661	36,194	29,605	7.5%	(1.9)%	8,395	(3.1)%	11.3%	38,000	5.0%	1.2%
Others	53,309	12,990	66,299	52,925	(0.7)%	-	15,075	16.1%	-	68,000	2.6%	-
Total	962,609	297,183	1,259,792	997,957	3.7%	-	302,043	1.6%	-	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)

## 28 Balance Sheets

	(¥ million)				
	End of FY2022/3	End of FY2023/3	FY2024/3 1Q-3Q	Variance (%)	Variance
Cash and cash equivalents	85,374	64,986	69,348	6.7	4,362
Trade and other receivables	136,017	146,660	184,381	26.0	38,091
Inventories	119,980	141,930	132,149	(6.9)	(9,781)
Biological assets	32,755	27,984	26,555	(5.1)	(1,429)
Other current assets	40,180	46,458	26,714	(42.5)	(19,744)
<b>Total current assets</b>	<b>414,306</b>	<b>428,018</b>	<b>439,517</b>	<b>2.7</b>	<b>11,499</b>
Property, plant and equipment	345,022	364,381	367,745	0.9	3,364
Right-of-use assets	46,090	40,898	43,415	6.2	2,517
Biological assets	1,240	1,517	1,456	(4.0)	(61)
Others	102,555	102,341	105,086	2.7	2,745
<b>Total Non-current Assets</b>	<b>494,907</b>	<b>509,137</b>	<b>517,702</b>	<b>1.7</b>	<b>8,565</b>
<b>Total Assets</b>	<b>909,213</b>	<b>937,155</b>	<b>957,219</b>	<b>2.1</b>	<b>20,064</b>
Interest-bearing liabilities	90,056	102,199	89,193	(12.7)	(13,006)
Trade and other payables	103,719	106,027	124,824	17.7	18,797
Others	88,144	70,310	51,031	(27.4)	(19,279)
<b>Total Current liabilities</b>	<b>281,919</b>	<b>278,536</b>	<b>265,048</b>	<b>(4.8)</b>	<b>(13,488)</b>
Interest-bearing liabilities	121,351	139,856	145,051	3.7	5,195
Other	16,389	15,982	17,202	7.6	1,220
<b>Total non-current liabilities</b>	<b>137,740</b>	<b>155,838</b>	<b>162,253</b>	<b>4.1</b>	<b>6,415</b>
Total Equity Attributable to Owners of the Parent	479,069	492,913	518,123	5.1	25,210
Non-controlling Interests	10,485	9,868	11,795	19.5	1,927
<b>Total Equity</b>	<b>489,554</b>	<b>502,781</b>	<b>529,918</b>	<b>5.4</b>	<b>27,137</b>
<b>Total Liabilities and Equity</b>	<b>909,213</b>	<b>937,155</b>	<b>957,219</b>	<b>2.1</b>	<b>20,064</b>

### Major reasons for increase/decrease

#### 【Total current assets】

Current assets increased by 2.7% from the end of the previous fiscal year to ¥439.5 billion as cash and cash equivalents increased by 6.7% to ¥69.3 billion and trade and other receivables increased by 26.0% to ¥184.8 billion because the end of the third quarter was a holiday for financial institutions, while assets held for sale decreased by 99.6% to ¥0.04 billion due to the transfer of shares of BPU. Non-current assets increased by 1.7% from the end of the previous fiscal year to ¥517.7 billion mainly because intangible assets and goodwill increased by 21.1% to ¥24.4 billion, while deferred tax assets decreased by 10.8% to ¥27.7 billion.

#### 【Total non-current assets】

Total liabilities decreased by 1.6% from the end of the previous fiscal year to ¥427.3 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 17.7% to ¥124.8 billion due to higher market prices and increased purchasing of inventory in response to a demand recovery.

#### 【Total current liabilities & Total non-current liabilities】

Total liabilities decreased by 1.6% from the end of the previous fiscal year to ¥427.3 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 17.7% to ¥124.8 billion due to higher market prices and increased purchasing of inventory in response to a demand recovery.

## 29 Statements of Cash Flows / Capital Expenditures / Depreciation and Amortization



### Statements of cash flows

(¥ million)

	FY2022/3 1Q-3Q	FY2023/3 1Q-3Q	FY2024/3 1Q-3Q
Profit before tax	49,109*	27,206	43,681
Depreciation and amortization	27,122	28,352	29,567
Increase (decrease) in receivables	(62,610)	(60,835)	(37,536)
Increase (decrease) in inventories	(18,640)	(27,464)	11,179
Increase (decrease) in biological assets	(6,362)	856	2,434
Increase (decrease) in trade payables	30,809	24,231	18,244
Others	(24,721)	(22,100)	(7,026)
Cash flows from operating activities	(5,293)	(29,754)	60,543
Acquisition of fixed assets, proceeds from sales of fixed assets	(34,446)	(44,861)	(33,138)
Others	3,997	13,929	188
Cash flows from investing activities	(30,449)	(30,932)	(32,950)
Cash flows from financing activities	11,695	37,956	(27,818)

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

#### [Cash flows from operating activities]

With regard to operating activities, profit before tax amounted to ¥43.7 billion, depreciation and amortization expenses amounted to ¥29.6 billion and the increase in trade and other payables amounted to ¥18.2 billion, while the increase in trade and other receivables amounted to ¥37.5 billion. As a result, net cash provided by operating activities amounted to ¥60.5 billion.

#### [Cash flows from investing activities]

With regard to investing activities, acquisition of fixed assets amounted to ¥33.8 billion. As a result, net cash used in investing activities amounted to ¥33.0 billion.

#### [Cash flows from financing activities]

With regard to financing activities, the decrease in short-term bank loans amounted to ¥28.8 billion and the repayments of debt amounted to ¥29.3 billion, while proceeds from debt amounted to ¥41.2 billion. As a result, net cash used in financing activities amounted to ¥27.8 billion.

### Capital expenditures, depreciation and amortization

(¥ million)

	FY2023/3 1Q-3Q	FY2024/3			
		1Q-3Q results	Variance (%)	Variance	Full year forecasts
Capital expenditures	47,305	39,650	(16.2)	(7,655)	66,100
Processed Foods Business Division	5,376	5,118	(4.8)	(258)	11,100
Fresh Meats Business Division	12,409	14,607	17.7	2,198	27,000
Overseas Business Division	2,483	5,106	105.6	2,623	7,900
Ballpark and Other Business	18,109	683	(96.2)	(17,426)	1,100
Eliminations, adjustments and others	8,928	14,136	58.3	5,208	19,000
Depreciation and amortization	28,313	29,526	4.3	1,213	40,000

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# 31 Overseas Business Division: Breakdown of Net Sales by Region



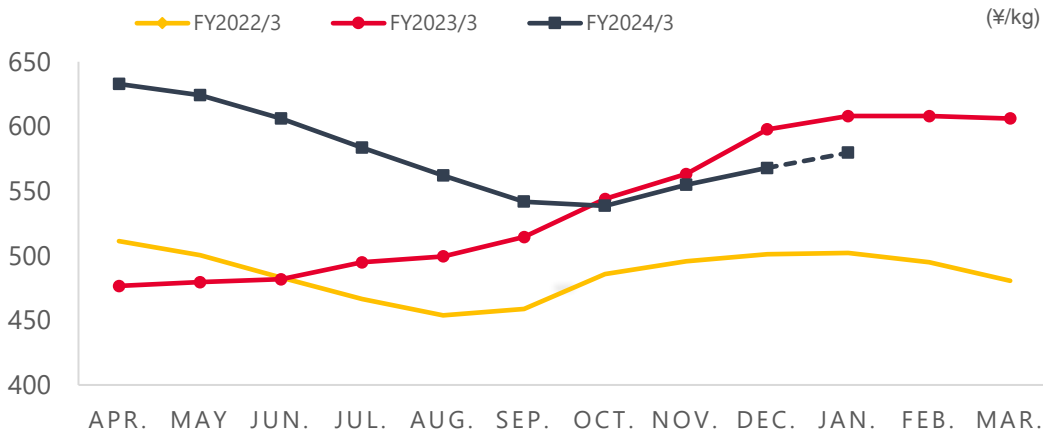
(¥ billion)

			FY2023/3 results		FY2024/3 forecasts				
			3Q results	1Q–3Q results	3Q results	1Q–3Q results	1Q–3Q share of total net sales	1Q–3Q YoY variance	1Q–3Q variance (%), YoY
Overseas total	Net sales		81.3	250.6	69.5	219.7	-	(30.9)	(12.3)%
		Sales to external customers	47.3	144.1	39.2	131.2	59.7%	(12.9)	(9.0)%
		Internal sales within segment	33.9	106.5	30.3	88.5	40.3%	(18.0)	(16.9)%
Australia	Net sales		34.7	105.0	23.9	87.1	-	(17.9)	(17.1)%
		Sales to external customers	31.5	93.3	21.6	80.2	92.0%	(13.1)	(14.1)%
		Internal sales within segment	3.2	11.7	2.4	6.9	8.0%	(4.8)	(40.7)%
Americas	Net sales		32.0	95.1	33.0	93.7	-	(1.4)	(1.5)%
		Sales to external customers	8.5	25.9	10.4	27.8	29.7%	1.9	7.2%
		Internal sales within segment	23.5	69.1	22.6	65.9	70.3%	(3.3)	(4.7)%
Asia & Europe	Net sales		14.9	52.7	12.9	39.7	-	(13.0)	(24.7)%
		Sales to external customers	7.3	24.9	7.2	23.2	58.5%	(1.6)	(6.6)%
		Internal sales within segment	7.6	27.9	5.6	16.5	41.5%	(11.4)	(40.9)%



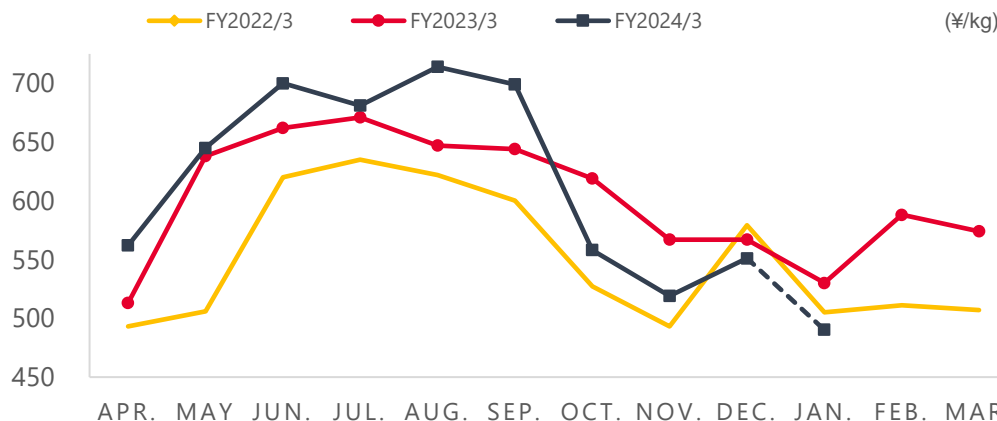
## Domestic chicken market price

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.



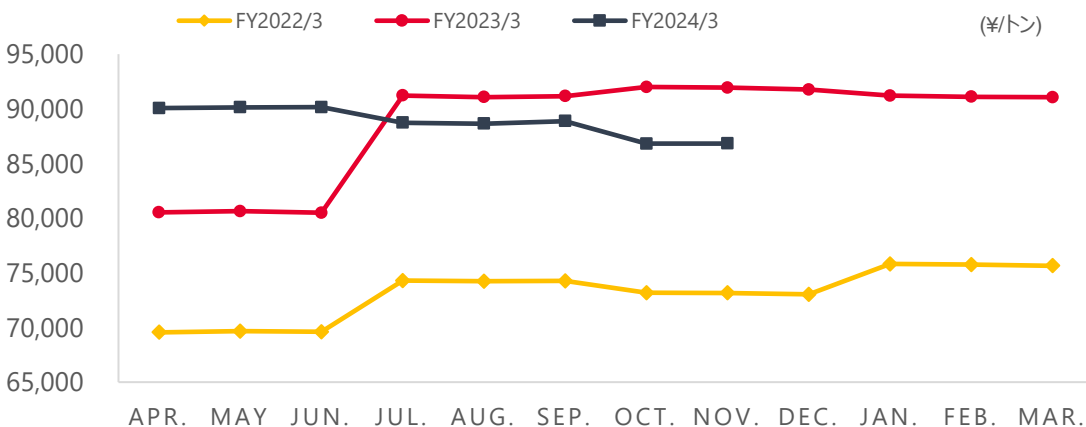
## Domestic pork market price

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



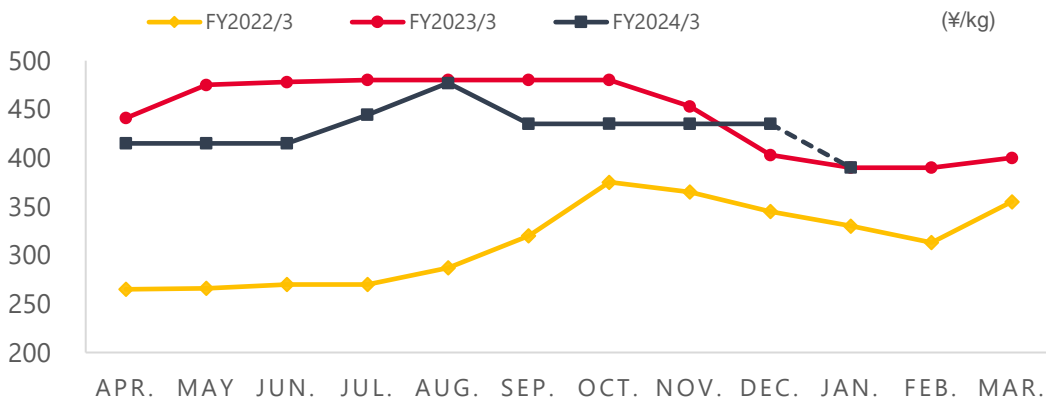
## Compound feed price

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]



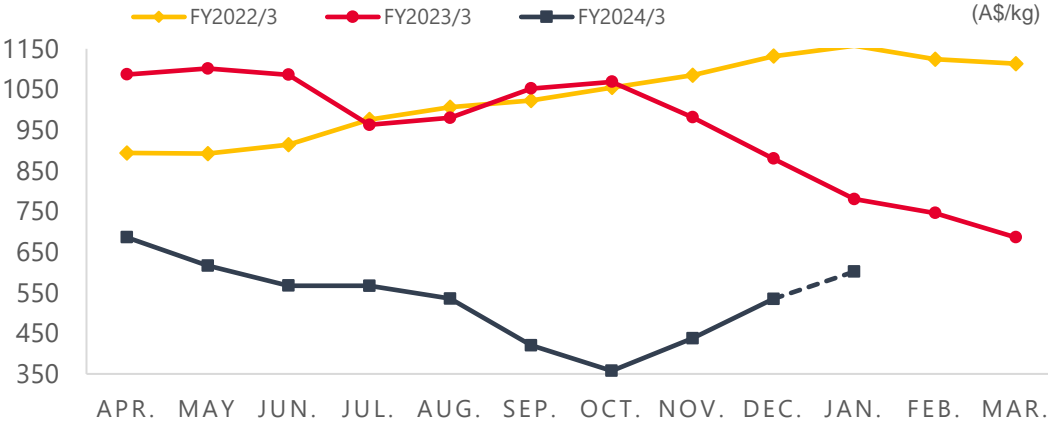


# 33 External Environment: Market (2)



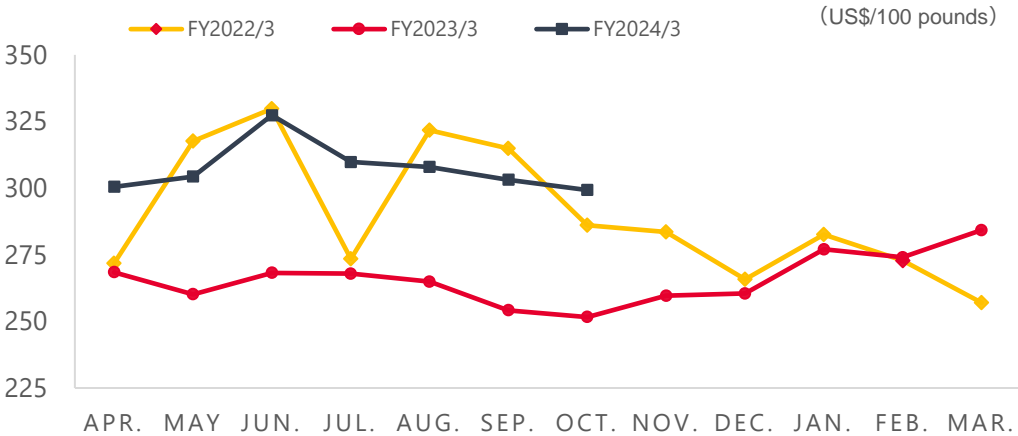
## Eastern Young Cattle Indicator (EYCI)

Source: Meat & Livestock Australia



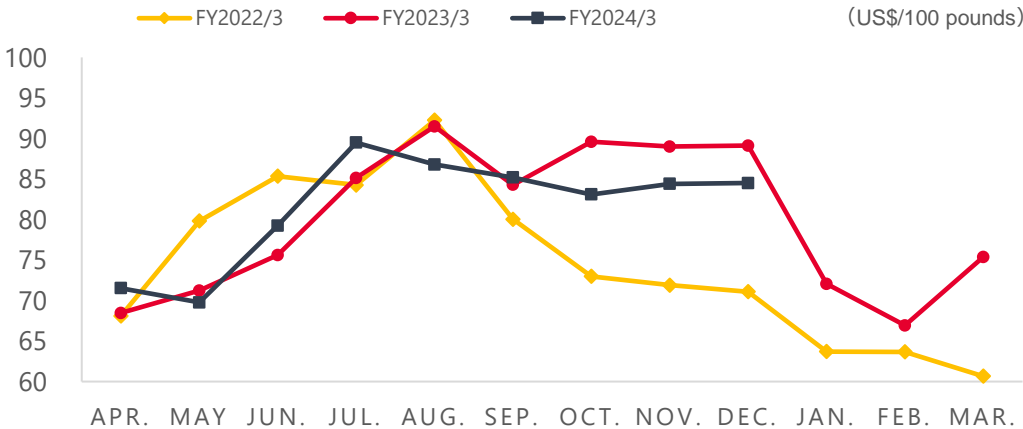
## Cut-out value of American beef (wholesale benchmark price) based on local prices

Source: U.S. Meat Export Federation



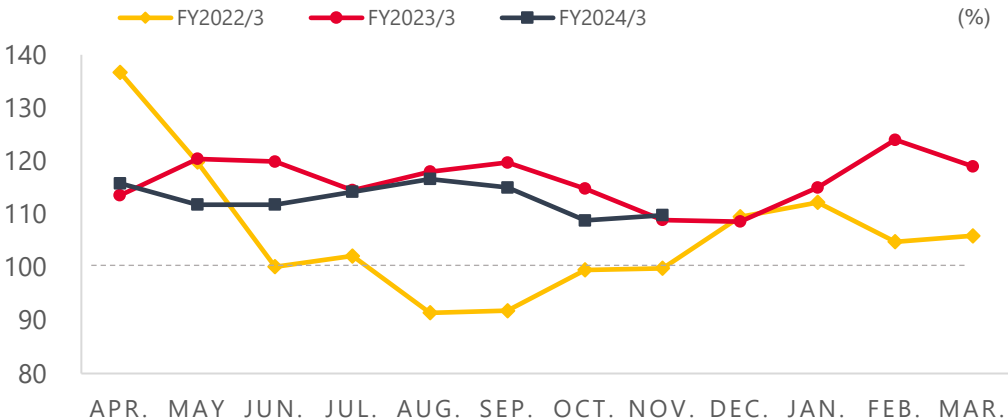
## U.S. Pork (Picnic) Prices

Source: Tokyo Meat Market Co. Ltd



## Year on year comparisons of monthly restaurant sales

Source: Japan Foodservice Association



## **Contact**

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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.