

Business Results for the Third Quarter of FY2024/3(abridged 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 3Q Results and Full year Forecasts]

(¥ million)

	FY2023/3		FY2024/3							
	3Q Results	1Q-3Q Results	3Q Results	1Q-3Q Results	1Q-3Q Variance	1Q-3Q Variance(%)	Full year Forecasts as of 1Q	Full year Forecasts as of 2Q	Full year Forecasts as of 3Q	Variance between 2Q-3Q
Net Sales	343,921	962,609	345,835	997,957	35,348	3.7	1,260,000	1,300,000	1,300,000	0
Processed Foods Business Division	116,801	320,820	118,980	329,918	9,098	2.8	420,000	430,000	430,000	0
Fresh Meats Business Division	208,538	570,190	209,541	595,609	25,419	4.5	720,000	765,000	765,000	0
Overseas Business Division	81,266	250,614	69,496	219,696	(30,918)	(12.3)	295,000	275,000	275,000	0
Ballpark and other Business	2,529	13,067	3,001	21,506	8,439	64.6	25,000	27,000	27,000	0
Eliminations and adjustments	(57,055)	(168,588)	(55,183)	(158,149)	10,439	-	(200,000)	(197,000)	(197,000)	0
Non-countinuing Operations	(8,158)	(23,494)	-	(10,623)	12,871	-	-	-	-	-
Business Profits	9,521	24,725	16,582	41,545	16,820	68.0	38,000	44,000	45,000	1,000
Processed Foods Business Division	4,668	6,002	6,010	8,916	2,914	48.6	6,500	7,000	7,700	700
Fresh Meats Business Division	8,346	22,566	11,316	28,345	5,779	25.6	32,000	35,000	34,500	(500)
Overseas Business Division	(1,734)	(2,670)	1,950	2,155	4,825	-	1,700	3,500	3,500	0
Continuing operations	(1,082)	(633)	1,928	1,205	1,838	-	-	-	-	-
Ballpark and other Business	(697)	1,231	(1,890)	4,387	3,156	256.4	1,500	1,500	2,300	800
Eliminations and adjustments	(1,062)	(2,404)	(804)	(2,258)	146	-	(3,700)	(3,000)	(3,000)	0
Income before income tax	3,606	27,206	12,076	43,681	16,475	60.6	34,000	42,000	40,000	(2,000)
Income tax expense	(307)	5,763	2,877	12,703	6,940	120.4	10,500	13,000	12,000	(1,000)
Profit attributable to owners of parent	3,739	19,219	9,536	29,520	10,301	53.6	23,000	28,000	27,000	(1,000)

[Business profit by segments]

(¥ billion)

[Processed Foods Business Division]		1Q-3Q Results	4Q Forecasts	Full year Forecasts as of 2Q	Full year Forecasts as of 3Q	Variance between 2Q-3Q	
Business Profits		8.9	(1.2)	7.0	7.7	0.7	Main reasons for year on year changes in 1Q-3Q
Factor analysis	Hams and sausages, deli and processed foods	1.9	1.3	1.8	1.8	0.0	
	External factor(1) Principal raw material prices	(3.9)	(0.3)	(4.9)	(4.2)	0.7	Mainly because of soaring prices for pork raw materials
	External factor(2)Other materials	(2.8)	(0.4)	(3.5)	(3.2)	0.4	Mainly because of higher powdered albumin, sheep intestines, and packaging prices
	External factor(3) Energy costs	0.7	0.4	(0.1)	1.1	1.2	Because of reduced electric power costs, as well as self-help efforts, such as plant operation leveling
	Internal factor(1) Effect of price revisions	7.0	1.0	8.1	8.0	(0)	Volumes affected by a delayed recovery in Chuka Mesai sales, but price benefits emerging
	Internal factor(2) Improvement activities	0.9	(1.4)	2.2	1.4	(0.6)	Product mix improving thanks to sales initiatives focusing on flagship brands
	Others		0.5		(1.4)	(2)	
	Dairy/marine products and extract/primary processing	1.4	0.3	1.1	1.7	0.7	Strong sales to restaurants, progress on price revisions for dairy products and intensive production of extracts
DX costs	(0.4)	(0.4)	(0.9)	(0.8)	0.0		
Total	2.9	(0.2)	2.0	2.7	0.7		

[Fresh Meats Business Division]

(¥ billion)

[Fresh Meats Business Division]		1Q-3Q Results	4Q Forecasts	Full year Forecasts as of 2Q	Full year Forecasts as of 3Q	Variance between 2Q-3Q	
Business Profits		28.3	6.2	35.0	34.5	(0.5)	Main reasons for year on year changes in 1Q-3Q
Factor analysis	Domestic beef/pork business	(1.0)	(0.6)	(0.9)	(1.6)	(0.6)	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	1.3	(2.2)	(0.9)	(0.9)	0.0	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	4.2	2.8	6.4	7.0	0.6	Profit improvement thanks to procurement changes, major year on year improvement in sales of imported beef and chicken, especially in 3Q
	Food sales	1.9	0.2	2.2	2.2	0.0	Volume retailers: Strong sales in urban areas Restaurants: Increased demand from inbound tourists reflected in strong sales, especially of beef
	DX costs	0.2	(0.2)	(0.1)	0.0	0.0	
	Others	(0.9)	(0.4)	(0.7)	(1.3)	(0.6)	
Total	5.8	(0.4)	5.9	5.4	(0.5)		

[Overseas Business Division]

(¥ billion)

[Overseas Business Division]		1Q-3Q Results	4Q Forecasts	Full year Forecasts as of 2Q	Full year Forecasts as of 3Q	Variance between 2Q-3Q	
Business Profits		2.2	1.4	3.5	3.5	0.0	Main reasons for year on year changes in 1Q-3Q
Factor analysis	Australia	1.4	2.4	4.4	3.8	(0.6)	Decline in cattle prices, higher sales volumes
	Uruguay	0.9	0.5	1.4	1.4	0.0	Sale of business completed at the end of August
	Americas	0.7	0.2	0.9	0.9	0.0	Volume growth in sales of processed chicken products, thanks to sales promotion efforts in an environment characterized by stable raw material costs
	Asia & Europe	1.7	0.6	1.9	2.3	0.4	Volume growth in sales of processed chicken products, thanks to sales promotion efforts in an environment characterized by stable raw material costs
	Others	0.1	0.1	0.0	0.2	0.2	Improvement in the profitability of the Turkish chicken business, thanks to price revisions in response to inflation
Total	4.8	3.8	8.5	8.5	0.0		

*Due to rounding, numbers may not match totals

Business Results for the Third Quarter of FY2024/3(abbreviated version) (2)

* 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.

【Breakdown of overseas Business Division】

(¥ million)

		FY2023/3			FY2024/3				
		3Q Results	1Q-3Q Results	1Q-3Q share of total net sales	3Q Results	1Q-3Q Results	1Q-3Q share of total net sales	1Q-3Q Variance	1Q-3Q Variance(%)
Overseas Business Division	Net sales	81,266	250,614	-	69,496	219,696	-	(30,918)	(12)
	External Customer Net Sales	47,335	144,128	57.5	39,199	131,217	59.7	(12,911)	(9)
	Intersegment	33,931	106,486	42.5	30,297	88,479	40.3	(18,007)	(17)
	Business profit	(1,734)	(2,670)	-	1,950	2,155	-	4,825	-
Australia	Net sales	34,680	105,026	-	23,943	87,113	-	(17,913)	(17)
	External Customer Net Sales	31,500	93,326	88.9	21,566	80,180	92.0	(13,146)	(14)
	Intersegment	3,180	11,700	11.1	2,377	6,933	8.0	(4,767)	(41)
	Business profit	(1,768)	(2,286)	-	806	15	-	2,301	-
	Non-continuing operations	(652)	(2,037)	-	22	950	-	2,987	-
Americas	Net sales	32,031	95,076	-	33,029	93,678	-	(1,398)	(2)
	External Customer Net Sales	8,493	25,949	27.3	10,385	27,813	29.7	1,864	7.2
	Intersegment	23,538	69,127	72.7	22,644	65,865	70.3	(3,262)	(5)
	Business profit	717	1,131	-	791	1,838	-	707	62.5
Asia & Europe	Net sales	14,916	52,744	-	12,850	39,705	-	(13,039)	(25)
	External Customer Net Sales	7,342	24,853	47.1	7,248	23,224	58.5	(1,629)	(7)
	Intersegment	7,574	27,891	52.9	5,602	16,481	41.5	(11,410)	(41)
	Business profit	(383)	(678)	-	554	1,026	-	1,704	-

【Breakdown of Sales Results by products】

(¥ million)

	FY2023/3		FY2024/3									
	3Q Results	1Q-3Q Results	3Q Results	1Q-3Q Results	1Q-3Q Variance	1Q-3Q Variance(%)	1Q-3Q Volume Variance(%)	Full year Forecasts as of 1Q	Full year Forecasts as of 2Q	Full year Forecasts as of 3Q	Variance between 2Q-3Q	
Hams and sausages	38,819	101,502	40,147	105,127	3,625	3.6	(0.8)	132,000	133,000	133,000	-	
Processed foods	62,967	179,350	62,205	180,589	1,239	0.7	(4.2)	237,000	238,000	238,000	-	
Fresh meats	216,406	600,915	219,480	629,711	28,796	4.8	1.6	787,000	823,000	823,000	-	
Beef	86,933	240,816	86,535	250,353	9,537	4.0	8.5	307,000	323,000	323,000	-	
Pork	68,330	189,863	71,113	200,821	10,958	5.8	1.0	246,000	259,000	259,000	-	
Chicken	55,962	155,282	56,845	163,827	8,545	5.5	(1.7)	216,000	222,000	222,000	-	
Other fresh meats	5,181	14,954	4,987	14,710	(244)	(1.6)	7.8	18,000	19,000	19,000	-	
Dairy products	9,407	27,533	9,948	29,605	2,072	7.5	(1.9)	37,000	38,000	38,000	-	
Others	16,322	53,309	14,055	52,925	(384)	(0.7)	-	67,000	68,000	68,000	-	
Total	343,921	962,609	345,835	997,957	35,348	3.7	-	1,260,000	1,300,000	1,300,000	-	

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【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	37,721
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)
Total current assets	414,306	428,018	439,517	2.7	11,129
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
Total Non-current Assets	494,907	509,137	517,702	1.7	8,565
Total Assets	909,213	937,155	957,219	2.1	20,064
Interest-bearing liabilities	90,056	102,199	89,193	(13)	(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)
Total Current liabilities	281,919	278,536	265,048	(4.8)	(13,488)
Interest-bearing liabilities	121,351	139,856	145,051	3.7	5,195
Other	16,389	15,982	17,202	7.6	1,220
Non-current liabilities	137,740	155,838	162,253	4.1	6,415
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
Total Equity	489,554	502,781	529,918	5.4	27,137
Total Liabilities and Equity	909,213	937,155	957,219	2.1	20,064

【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)

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

【Capital expenditures, depreciation and amortization】

(¥ million)

	FY2023/3 1Q-3Q	FY2024/3			Full year forecasts	Medium-Term Management Plan 2023
		1Q-3Q results	Variance	Variance(%)		
Capital expenditures	47,305	39,650	(7,655)	(16)	66,100	248,000
Processed Foods Business Division	5,376	5,118	(258)	(5)	11,100	45,700
Fresh Meats Business Division	12,409	14,607	2,198	17.7	27,000	78,100
Overseas Business Division	2483	5,106	2,623	105.6	7,900	18,800
Ballpark and other Business	18,109	683	(17,426)	(96)	1,100	105,400
Eliminations and adjustments	8,928	14,136	5,208	58.3	19,000	
Depreciation and amortization	28,313	29,526	1,213	4.3	40,000	112,600