

FY 2024 4Q



Business Results

for the Fourth Quarter of FY2024/3

NH Foods Ltd. May 10, 2024



Unleash new potentials for protein

NH Foods Group Vision 2030

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- The Company has adopted International Financial Reporting Standards (“IFRS Accounting Standards”).
- “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 Accounting Standards 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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FY2024/3

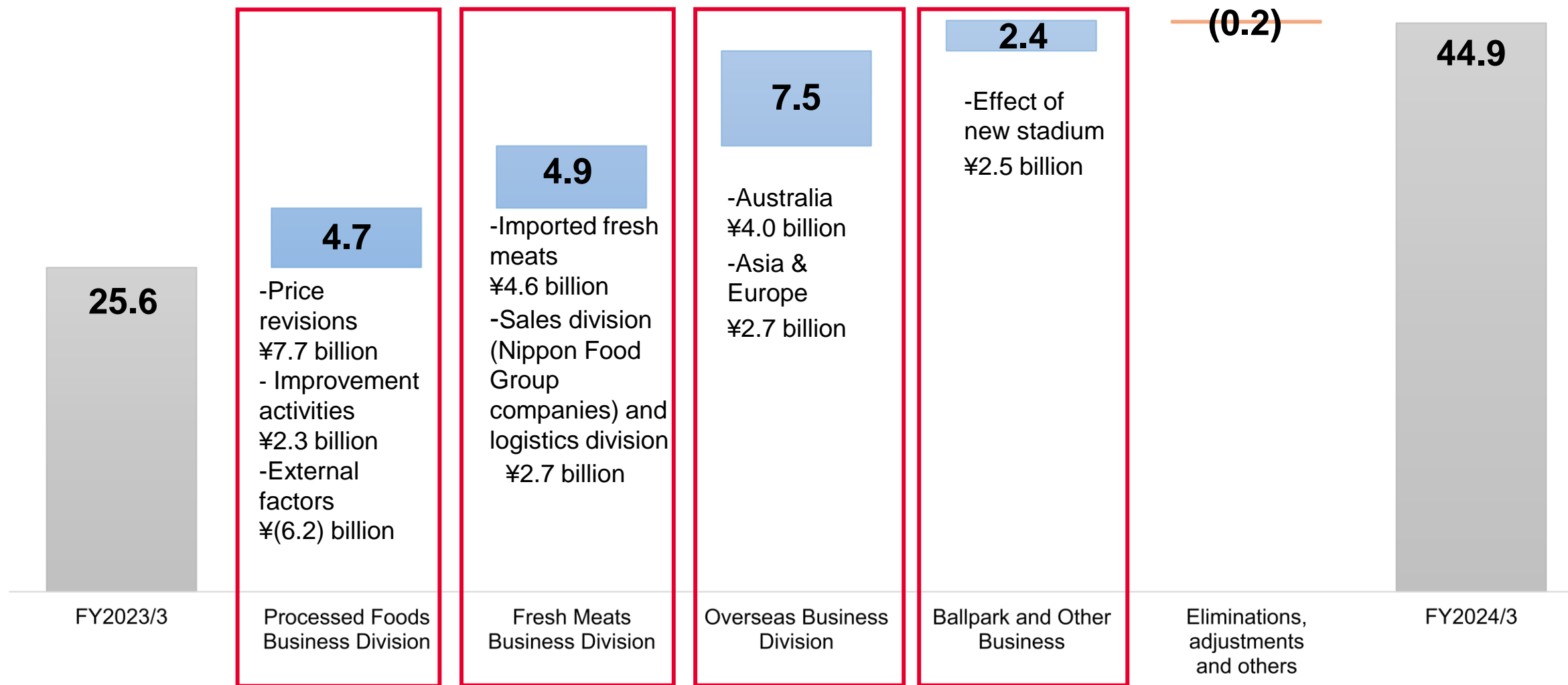
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04 Summary of FY2024/3 Financial Results (1)

Business Profit for FY2024/3 1Q–4Q

(¥ billion)



05 Summary of FY2024/3 Financial Results (2)

FY2024/3 1Q-4Q results

Net sales

¥1,303.4 billion

(+3.5% year-on-year)

Business Profit

¥44.9 billion

(+75.6% year-on-year)

- Net sales increased thanks to factors that included price adjustments for domestic chicken, the penetration of price revisions for the Processed Foods Business, and increased visitor numbers for the Ballpark Business.
- Business profit was higher in all segments. In addition to the impetus from the Fresh Meats Business, performance also benefited from better profitability in the Processed Foods Business, and an improvement of sales environment in the Overseas Business.

Business Profit Forecast for FY2025/3

Net sales

¥1,340.0 billion

(+2.8% year-on-year)

Business Profit

¥48.0 billion

(+6.8% year-on-year)

- In the Overseas Business, we are projecting growth in net sales thanks to the impetus from the Australian beef business and the North American processed food business.
- We also anticipate growth in business profit, reflecting the impetus of the Australian beef business in the Overseas Business, and sales of high-added-value products in the Fresh Meats Business.

06 Financial Highlights (1) Summary of FY2024/3 Financial Results



(¥ billion)

	FY2024/3 1st half	FY2024/3 2nd half	FY2024/3	YoY variance	Variance (%), YoY
Net sales	652.1	651.3	1,303.4	43.6	3.5%
Business profit	25.0	20.0	44.9	19.3	75.6%
(Business profit from continuing operations)	25.9	20.0	45.9	17.7	62.8%
Business profit ratio	4.0%	3.1%	3.5%	1.3%	-
Profit before tax	31.6	9.0	40.6	18.4	83.2%
Profit attributable to owners of the parent	20.0	8.1	28.1	11.4	68.8%
ROE	-	-	5.5%	2.1%	-
ROIC	-	-	4.1%	1.7%	-

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



Net sales

(¥ billion)

	FY2024/3 1st half	FY2024/3 2nd half	FY2024/3	YoY variance	Variance (%), YoY
Processed Foods Business Division	210.9	220.3	431.2	13.5	3.2%
Fresh Meats Business Division	386.1	394.5	780.6	30.5	4.1%
Overseas Business Division	150.2	139.8	290.0	(31.5)	(9.8)%
Ballpark and Other Business	18.5	5.4	23.9	6.8	40.0%
Eliminations, adjustments and others	(103.0)	(108.6)	(211.6)	4.7	-
Discontinued operations	(10.6)	-	(10.6)	19.6	-
Consolidated	652.1	651.3	1303.4	43.6	3.5%

Business profit

(¥ billion)

	FY2024/3 1st half	FY2024/3 2nd half	FY2024/3	YoY variance	Variance (%), YoY
Processed Foods Business Division	2.9	6.8	9.7	4.7	93.9%
Fresh Meats Business Division	17.0	17.0	34.0	4.9	17.0%
Overseas Business Division	0.2	2.3	2.5	7.5	--
Ballpark and Other Business	6.3	(4.4)	1.9	2.4	-
Eliminations, adjustments and others	(1.5)	(1.7)	(3.2)	(0.2)	-
Consolidated	25.0	20.0	44.9	19.3	75.6%

08 Segment Data: Processed Foods Business Division (1)



(¥ billion)

	FY2024/3 1st half	FY2024/3 2nd half	FY2024/3	YoY variance	Variance (%), YoY
Net sales	210.9	220.3	431.2	13.5	3.2%
Business profit	2.9	6.8	9.7	4.7	93.9%
Business profit ratio	1.4%	3.1%	2.3%	1.1%	-

Increase in net sales

- Penetration of price revisions for dairy products and extracts/primary processed items, increased sales of primary processed products, especially to convenience stores and delicatessens
- Growth in *Schau Essen* sales thanks to enhanced branding
- Increased sales of commercial delicatessen products, reflecting a recovery in restaurant demand

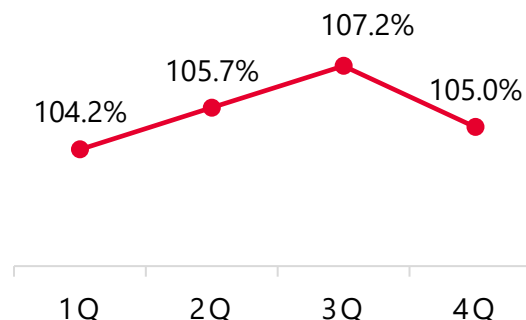
Increase in business profit

- Profit growth driven by a large improving product mix and increased sales of commercial products, dairy products, extracts, and primary processed items
- Profitability improving thanks to price revisions to cover higher raw materials prices, as well as internal improvements in factories

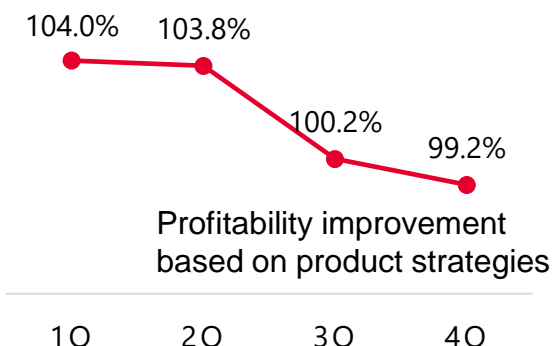
Yearly net sales by channel/consumer product category (year on year)

Hams and sausages	Volume	Amount	Deli and processed foods	Volume	Amount
Wieners	-	106.2%	Chilled bakery	-	101.8%
<i>Schau Essen</i>	-	105.6%	<i>Chuka Meisai</i>	-	83.0%
Other wieners	-	108.1%	Hamburg & meatball	-	99.9%
Loin hams, bacon	-	95.4%	Fried chicken	-	88.8%
Consumer	101.0%	104.6%	Consumer	90.0%	94.3%
Commercial-use	92.6%	100.5%	Commercial-use	105.1%	113.4%
Total	98.9%	103.2%	Total	96.1%	101.0%

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)

	Full-year forecast as of 3Q	Full year results	Change	Main reasons for year on year changes
Hams and sausages, deli and processed foods	1.8	3.2	1.4	
External factors	(6.3)	(6.2)	0.1	
Principal raw material prices	(4.2)	(4.3)	(0.1)	Mainly because of soaring prices for pork raw materials
Other materials	(3.2)	(3.0)	0.2	Soaring prices for materials, sheep intestines, and powdered albumin
Electric power	1.1	1.1	0.0	Reduction of electric power costs thanks to energy price subsidies, leveling of plant operations
Internal factors	8.1	9.4	1.3	
Effect of price revisions	8.0	7.7	(0.4)	Higher raw material costs covered by price revisions, emerging price benefits
Improvement activities	1.4	2.3	0.8	Product mix improving thanks to sales initiatives focusing on flagship brands
Others	(1.4)	(0.5)	0.9	Adjustment of financial results, effects of fire
Dairy/marine products and extract/primary processing	1.7	2.3	0.6	Profit margins improving thanks to penetration of price revisions and optimization of extract production
DX costs	(0.8)	(0.8)	0.0	
Total	2.7	4.7	2.0	

10 Segment Data: Fresh Meats Business Division (1)

(¥ billion)

	FY2024/3 1st half	FY2024/3 2nd half	FY2024/3	YoY variance	Variance (%), YoY
Net sales	386.1	394.5	780.6	30.5	4.1%
Business profit	17.0	17.0	34.0	4.9	17.0%
Business profit ratio	4.4%	4.3%	4.4%	0.5%	-

Increase in net sales

- Increased sales of domestic chicken and pork to volume retailers
- Growth in sales of beef to restaurants due to inbound tourist demand
- Penetration of price adjustments to reflect higher market prices for domestic chicken in the first half of the year

Increase in business profit

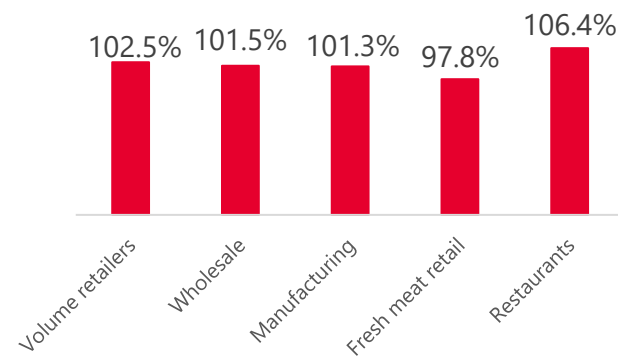
- Major improvement in profit thanks to the normalization of inventories of imported fresh meats, especially frozen products
- Profits secured thanks to strong sales of domestic chicken and pork
- Record profits for the four Nippon Food Group companies

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

Domestic	Volume	Amount	Imported	Volume	Amount
Beef	99.8%	100.3%	Beef	106.4%	105.9%
Pork	102.7%	106.0%	Pork	101.0%	105.7%
Chicken	102.2%	106.7%	Chicken	99.5%	98.0%
Domestic total	102.3%	104.8%	Imported total	102.0%	104.3%

Four Nippon Food Group companies: Yearly sales volumes by channel

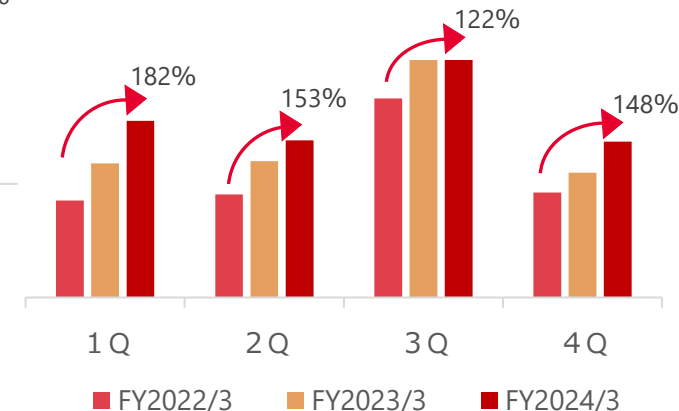
Overall volume growth of 102.2%
(104.6% in value terms)



Four Nippon Food Group companies: Yearly profit (compared with FY2022/3)

Profit growth, especially in the Kanto region, pursuit of area and channel strategies

Comparison of the COVID-19 pandemic and the post-COVID-19



* The four Nippon Food Group companies are sales companies for fresh meats. They are Higashi Nippon Food, Kanto Nippon Food, Naka Nippon Food, and Nishi Nippon Food.

3-year sales trends *Management basis

11 Segment Data: Fresh Meats Business Division (2)

Analysis of reasons for year on year changes in business profit

(¥ billion)

	Full-year forecast as of 3Q	Full year results	Change	Main reasons for year on year changes
Domestic beef/pork business	(1.6)	(0.8)	0.8	Production: Year on year decline in pork shipment volumes, persistently high feed prices, lower pork prices in the second half also a factor behind difficult conditions Consignment: Pork prices lower in 3Q, improvement in sales environment
Domestic chicken business	(0.9)	0	0.9	Production: Challenging conditions in the second half due to persistently high feed costs and falling prices Consignment: Price-consciousness reflected in firm demand for breast meat, profit secured thanks to higher sales volumes
Imported fresh meats business	7.0	4.6	(2.4)	Results below the forecasted level due to valuation losses on inventory assets valued at the lower of cost or market, lower customs clearance volumes, late ship arrivals, but profit substantially higher thanks to inventory normalization and the improvement of procurement methods
Sales (Nippon Food Group companies) and logistics section	2.2	2.7	0.5	Volume retailers: Strong sales led by domestic chicken and pork Restaurants: Increased demand from inbound tourists reflected in strong sales, especially of beef
DX costs	0.0	0.0	0.0	
Others	(1.3)	(1.5)	(0.2)	
Total	5.4	4.9	(0.5)	

12 Segment Data: Overseas Business Division

(¥ billion)

	FY2024/2 1st half	FY2024/3 2nd half	FY2024/3	YoY variance	Variance (%), YoY
Net sales	150.2	139.8	290.0	(31.5)	(9.8)%
Business profit	0.2	2.3	2.5	7.5	-
Business profit ratio	0.1%	1.6%	0.8%	2.4%	-

Decrease in net sales

- Lower sales due to the sale of shares in the Uruguay beef business company, the sale of the marine products business, and lower unit prices for Australian beef

Business profit secured

- Shift to positive earnings thanks to reduced costs for the Australian beef business, and the penetration of price adjustments for the Turkish chicken business

Analysis of reasons for year on year changes

	Full-year forecast as of 3Q	Full year results	Change	Main reasons for YoY changes
Australia	5.2	4.0	(1.3)	
Australia	3.8	2.6	(1.3)	Major decline in cattle prices, higher sales volumes
Uruguay	1.4	1.4	0.0	Sale of business completed at the end of August
Americas	0.9	0.7	(0.2)	Lower prices for chicken raw materials, increased sales volumes thanks to sales promotions
Asia & Europe	2.3	2.7	0.4	Improvement in the profitability of the Turkish chicken business, thanks to price adjustments in response to inflation
Others	0.2	0.2	0.0	
Total	8.6	7.5	(1.1)	

(¥ billion)

Business profit by region (¥ billion)

Full year
(0.5)
0.7
(1.2)
2.4
1.5
(0.9)
2.5

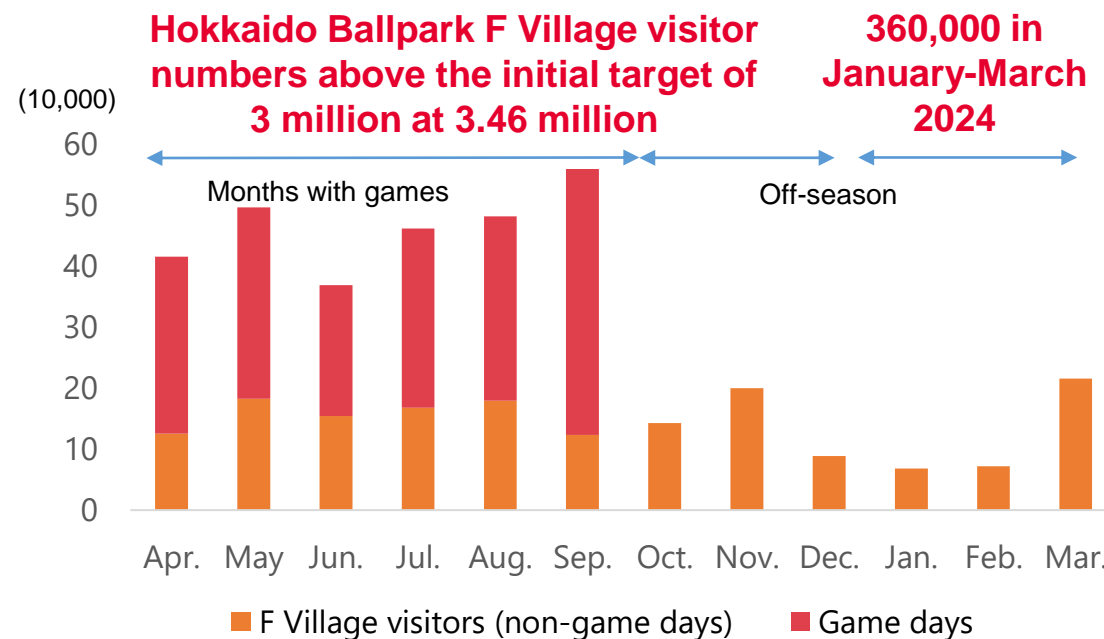
13 Segment Data: Ballpark Business and Other Business

	(¥ billion)				
	FY2024/3 1st half	FY2024/3 2nd half	FY2024/3	YoY, variance	Variance (%), YoY
Net sales	18.5	5.4	23.9	6.8	40.0%
Business profit	6.2	(4.4)	1.9	2.4	-
Business profit ratio	33.9%	-	8.0%	-	-

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

Net sales/business profit

- Promoted as a ballpark that is open every day, even when there are no games, target exceeded thanks to the use of various seasonal experiences to attract visitors from all over Japan
- Revenues from advertising, tickets, and food and beverage sales all higher year on year



14 Main Marketing Activities in the Second Half

Processed Foods Business Division

■ Schau Essen Branding

Expanding recognition among younger age groups

YouTube video clip (November)

Suggestion of new ways to enjoy Schau Essen
Total of 8,857,000 views of nine YouTube clips (November 5-December 14)



PR targeting loyal users

New branding TV ads (Oct.-March)

Screened continuously for six months
Effective investment of advertising budget



■ Development of new channels

Overseas expansion by Nippon Pure Food, Nippon Luna (July onwards)

Vegetable-derived ramen soup in the US/UK, sales of cup beverages to convenience stores and volume retailers in South Korea



Drinkable Pudding on sale in around 7,600 stores in South Korea

Ballpark Business

■ Off-season initiatives

Approximately 795,000 visitors in the off-season (November-March)

F Village Snow Park open (November-February)

Inbound demand from families with children and people from countries where snow is rare around one-half of visitors from overseas



■ ES CON FIELD Shrine open (December 29-January 8)

Approximately 11,000 visitors

Sales of souvenir votive pictures, sake cups, fortune-telling slips, and lucky bags



A souvenir sake cup

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16 Plan Highlights (1) Business Profit Forecast for FY2025/3



Net sales

Sales growth target based on the impetus from the Australian beef business and North American processed food business in the Overseas Business

Business profit

Target for profit growth driven by the impetus from the Overseas Business and profitability improvement

(¥ billion)

	FY2024/3	FY2025/3	YoY, variance	Variance (%), YoY
Net sales	1,303.4	1,340.0	36.6	2.8%
Business profit	44.9	48.0	3.1	6.8%
(Business profit from continuing operations)	45.9	48.0	2.1	4.6%
Business profit ratio	3.5%	3.6%	0.1%	-
Profit before tax	40.6	40.0	(0.6)	(1.5)%
Profit attributable to owners of the parent	28.1	27.0	(1.1)	(3.8)%
ROE	5.5%	5.2%	(0.3)%	-
ROIC	4.1%	4.4%	0.3%	-

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

17 Plan Highlights (2) Business Profit Forecast for FY2025/3

Business profit targets by segment

(¥ billion)

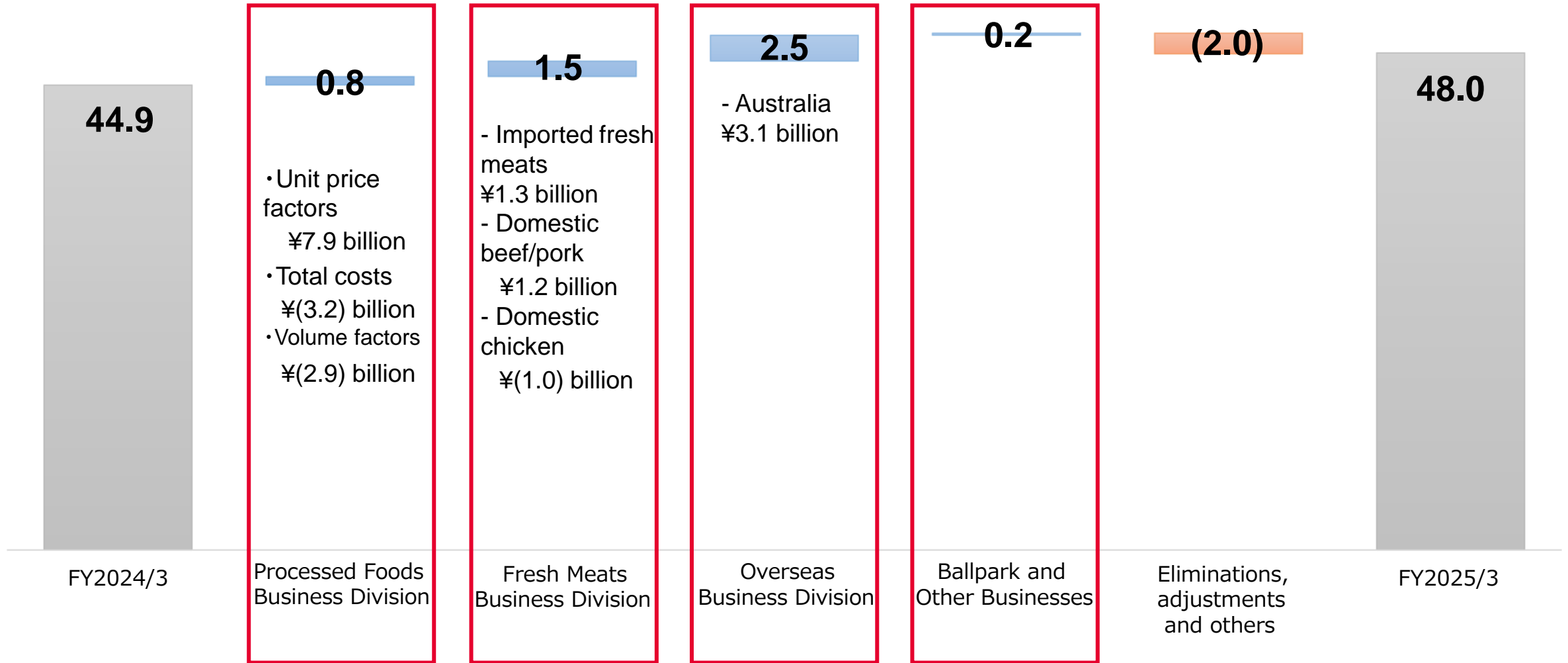
	1st half			2nd half			Full year		
	FY2024/3 results	FY2025/3 forecasts	YoY variance	FY2024/3 results	FY2025/3 forecasts	YoY variance	FY2024/3 results	FY2025/3 forecasts	YoY variance
Processed Foods Business Division	2.9	3.6	0.7	6.8	6.9	0.1	9.7	10.5	0.8
Fresh Meats Business Division	17.0	14.5	(2.5)	17.0	21.0	4.0	34.0	35.5	1.5
Overseas Business Division	0.2	2.5	2.3	2.3	2.5	0.3	2.5	5.0	2.5
Ballpark Business	6.5	6.5	0.0	(4.1)	(3.9)	0.2	2.4	2.6	0.2
Eliminations, adjustments and others	(1.6)	(3.1)	(1.4)	(2.0)	(2.5)	(0.5)	(3.6)	(5.6)	(2.0)
Total	25.0	24.0	(1.0)	20.0	24.0	4.0	44.9	48.0	3.1

*New businesses excluded from the results for the Ballpark Business in FY2024/3

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

Forecasts for the Whole of FY2025/3

(¥ billion)



19 Processed Foods Business Division: Outlook (1)



(¥ billion)

	FY2024/3 results	FY2025/3 forecasts	YoY Variance	Variance (%),YoY
Net sales	431.2	429.0	(2.2)	(0.5)%
Business profit	9.7	10.5	0.8	7.9%
Business profit ratio	2.3%	2.4%	0.1%	-

Decrease in net sales

- Revenue decline anticipated due to consolidation of strategic products
- Sales promotion for the mainstay brands to focus on the capture of new customers for *Schau Essen*, and the popular *Mini-Pizza* range
- Development of product categories on the level below the mainstay brands (hamburgers, fried chicken, etc.)

Increase in business profit

- Focus on high-margin products, especially for *Schau Essen*, achievement of profit through higher unit prices
- Ongoing review of low-profit products, reduction of fixed costs through the improvement of production efficiency

Yearly sales targets by channel/consumer product category (year on year)

Hams and sausages	Amount	Deli and processed foods	Amount
Wieners	102%	Chilled bakery	102%
<i>Schau Essen</i>	105%	<i>Chuka Meisai</i>	97%
Other wieners	100%	Hamburg and meatball	101%
Loin hams, bacon	80%	Fried chicken	100%
Consumer	98%	Consumer	100%
Commercial-use	95%	Commercial-use	100%
Total	98%	Total	100%

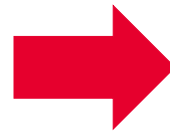
Expansion of mainstay brands, creation of new categories, development of new sales channels, improvement of product mix through measures targeting each product

- | | |
|---------------------|---|
| <i>Schau Essen</i> | <ul style="list-style-type: none"> • Continuing brand extensions to develop products tailored to lifestyles • Aiming to acquire new customers among young people, we will continue to conduct SNS linked advertising to strengthen the brand power and increase awareness • Implemented proposals for overseas exports and various food situations for further development |
| Chilled bakery | <ul style="list-style-type: none"> • Strengthening sales of <i>Ishigama Kobo</i> (mini-pizza), which specializes in breakfast situations and is performing well |
| <i>Chuka Meisai</i> | <ul style="list-style-type: none"> • Develop new products of existing Chinese Meisai and recover sales • Acquisition of new customers through the introduction of new forms of products, etc. for single individuals |
| Loin hams
Bacon | <ul style="list-style-type: none"> • Continue to improve profitability for the consumer PB • Cultivate new categories following Lowe Ham (<i>Schau Slice</i>, etc.) |

20 Processed Foods Business Division: Outlook (2) Changes to Business Profit Components

FY2024/3

Hams and sausages, deli and processed foods	
External factors	
Principal raw materials	
Other materials	
Energy costs	
Internal factors	
Price revisions	
Improvement activities	
Dairy/marine products & extract/primary Processing	
DX costs	
Total	



FY2025/3 forecasts

Hams and sausages, deli and processed foods	
Volume factors	
Unit price factors	
Product mix	
External environment total	
Principal raw materials	
Other materials	
Total gross profit	
Other costs	
Electric Power	
Others	
Dairy/marine products & extract/primary Processing	
Others (DX costs)	
Total	

Key changes

- (1) Volume factors
- (2) Unit price factors
External environment + Product mix
- (3) Others
Mainly manufacturing costs and selling, general, and administrative costs

We will work to improve manufacturing costs, etc., through structural reforms under Medium-Term Management Plan 2026.

21 Processed Foods Business Division: Outlook (3)

Analysis of reasons for year on year variations in full year business profit

(¥ billion)

	1st half	2nd half	Full year	Main reasons for year on year changes
Hams and sausages, deli and processed foods	1.1	0.6	1.7	
Volume factors	(0.9)	(2.0)	(2.9)	Volume decline due to reviews of low-profit products
Unit price factors	3.2	4.6	7.9	
Product mix	3.4	5.0	8.4	Improvement of unit prices through increased sales of mainstay brands and reviews of low-profit products
External environment total	(0.2)	(0.3)	(0.6)	
Principal raw materials	(0.6)	(0.4)	(1.0)	Persistently high prices for pork raw materials
Other materials	0.4	0.0	0.4	Improvement of sheep intestine prices
Total gross profit	2.3	2.7	5.0	
Other costs	(1.2)	(2.0)	(3.2)	
Electric Power	(0.7)	(0.5)	(1.2)	Subsidies to energy prices have been completed, and electricity and fuel costs have increased.
Others	(0.5)	(1.6)	(2.0)	Fixed costs reduced through production efficiency improvements, but cost increases such as labor and logistics costs.
Dairy/marine products & extract/primary Processing	0.6	(0.7)	(0.1)	Development of new sales network based on sales channels of food sales companies, etc.
Others (DX costs)	(1.0)	0.1	(0.9)	
Total	0.7	0.1	(0.8)	

22 Processed Foods Business Division: Outlook (4) Price Revisions Summary

We aim to improve earnings in the next fiscal year through various measures to address increases in raw and processed material costs and rising logistics costs.

		FY2022/3		FY2023/3				FY2024/3				FY2025/3	
Adjustment ratio:		5-12%		2-34%				2-26%				7-20%	1-28%
		4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q		
Consumer	Hams and sausages	● 40 items			● 78 items		● 184 items	● 18 items			● 55 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			

(1) FY2022/3 4Q

(2) FY2023/3 3Q

(3) FY2024/3 1Q

(4) FY2024/3 2Q

(5) FY2025/3 1Q

23 Fresh Meats Business Division: Outlook (1)

(¥ billion)

	FY2024/3 results	FY2025/3 forecasts	YoY Variance	Variance (%), YoY
Net sales	780.6	785.0	4.4	0.6%
Business profit	34.0	35.5	1.5	4.3%
Business profit ratio	4.4%	4.5%	0.1%	-

Increase in net sales

- Weakening trend in sales prices for domestic chicken and pork, but Higher sales volumes for domestic chicken
- Expansion of sales of imported beef, especially Australian beef, to restaurants

Increase in business profit

- Easing of the impact of feed prices through self-help efforts, in addition to the improvement of productivity of production operations and lower feed prices
- Profit secured thanks to enhanced marketing of high-added-value imported fresh meats, especially beef

Strengthening Marketing Strategies from a Customer Perspective

Strengthen domestic branded meat production

- Strengthen product development to solve problems for customers and consumers through collaboration between production and sales
- Progress in co-creation with other companies to expand in-house production capacity

Strengthen sales of processed foods and branded fresh meats across sales divisions

- Expand sales by offering a variety of food situations by strengthening sales of processed products, etc.
- Strengthen promotions and cultivate marketing human resources to raise brand awareness
- Strengthen sales of the rebranded *Omugi Beef ANGUS* in cooperation with the Overseas Business Division

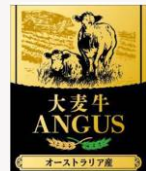
Full-year sales volume targets for core brands (YoY)



Sakurahime
chicken
105%



Mugikomachi
pork
109%



Omugi Beef
ANGUS

24 Fresh Meats Business Division: Outlook (2)

Analysis of reasons for year on year variations in full year business profit

(¥ billion)

	1st half	2nd half	Full year	Main reasons for year on year changes
Domestic beef/pork business	0.0	1.2	1.2	Production: Ensuring pork carcass weight by improving production ratio and improving pork productivity of <i>Mugikomachi</i> pork Consignment: Improvement of profitability through marketing method changes
Domestic chicken business	(2.6)	1.6	(1.0)	Production: Despite a reaction to price trends in the previous fiscal year, secure gross profit by expanding <i>Sakurahime's</i> production volume Consignment: Lower profit due to a reaction to price trends in the first half of the previous fiscal year
Imported fresh meats business	(0.1)	1.4	1.3	Enhanced marketing of <i>Omugi Beef ANGUS</i> and high-added-value products Expansion of procurement source options, enhancement of price competitiveness
Sales (Nippon Food Group companies) and logistics section	0.4	0.1	0.5	Improve profitability by selling branded meats such as <i>Sakurahime</i> chicken, <i>Mugikomachi</i> pork, and <i>Omugi Beef ANGUS</i> Generate new profits by expanding sales of processed products across business divisions
Others (DX costs)	(0.2)	(0.2)	(0.4)	
Total	(2.5)	4.0	1.5	

25 Overseas Business Division: Outlook

(¥ billion)

	FY2024/3	FY2025/3 forecasts	YoY variance	Variance (%), YoY
Net sales	290.0	320.0	30.0	10.3%
Business profit	2.5	5.0	2.5	103.3%
Business profit ratio	0.8%	1.6%	0.8%	-

Australia: Productivity improvement/marketing of branded fresh meats

- Expansion of sales of high-added-value branded products
- Continuing efforts to recruit workers, increase in number of cattle processed

Americas: Expansion of top line/stabilization of production

- Addition of more processed items, expansion of top line
- Improvement of productivity through production stabilization

Analysis of reasons for year on year variations in full year business profit

(¥ billion)

	1st half	2nd half	Full year	Main reasons	Business Profit by Region (¥ billion)
					FY2025/3
Australia	1.9	1.2	3.1	Improvement of profits through increases in the number of cattle processed and sales of high-added-value branded items Deducting a loss of ¥1.2 billion in the first half due to the transfer of BPU shares	2.6
Americas	0.1	0.5	0.6	Securing of gross profit through the promotion of processed products sales to existing customers and marketing of new products	3.0
Asia & Europe	0.6	(1.1)	(0.5)	Increased efforts to market new processed products and expand sales to ASEAN Reactionary downswing in the Turkish chicken business in the second half	1.1
Others	(0.3)	(0.4)	(0.7)		(1.7)
Total	2.3	0.3	2.5		5.0

26 Ballpark Business: Outlook

(¥ billion)

	*FY2024/3	FY2025/3 forecasts	YoY Variance	Variance (%), YoY
Net sales	23.8	25.0	1.2	5.2%
Business profit	2.4	2.6	0.2	9.9%
Business profit ratio	10.0%	10.4%	0.4%	-

*New businesses excluded from the results for FY2024/3

Net sales / Business profit

- In the second year of operation, we aim to attract over 3 million visitors, which is the same as the figure in the plan for the previous year.
- The professional baseball business is expected to incur increased team enhancement costs. However, we aim to achieve the same level of profit as in the previous year for the Ballpark Business as a whole.



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02

FY2025/3

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FY2024/3

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28 FY2024/3 Business Results at a Glance and FY2025/3 Forecasts



(¥ million)

	FY2024/3 results			FY2025/3 forecasts					
	1st half	2nd half	Full year	1st half	Variance (%)	2nd half	Variance (%)	Full year	Variance (%)
Net sales	652,122	651,310	1,303,432	670,000	2.7%	670,000	2.9%	1,340,000	2.8%
Cost of goods sold	544,253	555,548	1,099,801	560,000	2.9%	558,000	0.4%	1,118,000	1.7%
Gross profit	107,869	95,762	203,631	110,000	2.0%	112,000	17.0%	222,000	9.0%
Gross profit ratio	16.5%	14.7%	15.6%	16.4%	-	16.7%	-	16.6%	-
Selling, General and Administrative expenses	83,974	88,100	172,074	86,000	2.4%	92,000	4.4%	178,000	3.4%
Other income and expenses	6,760	1,915	8,675	(2,500)	-	(2,400)	-	(4,900)	-
Finance income and costs	584	(344)	240	500	-	400	-	900	-
Share of profit (loss) in investments accounted for using the equity method	366	(239)	127	-	-	-	-	-	-
Profit before tax	31,605	8,994	40,599	22,000	(30.4)%	18,000	100.1%	40,000	(1.5)%
Income tax expense	9,826	1,427	11,253	6,500	(33.8)%	5,500	285.4%	12,000	6.6%
Tax rate	31.1%	15.9%	27.7%	29.5%	-	30.6%	-	30.0%	-
Profit attributable to owners of the parent	19,984	8,094	28,078	13,000	(34.9)%	14,000	73.0%	27,000	(3.8)%
Business profit	24,963	19,976	44,939	24,000	(3.9)%	24,000	20.1%	48,000	6.8%

29 FY2024/3 Sales by Product Category and FY2025/3 Forecasts



(¥ million)

	FY2024/3 results			FY2025/3 forecasts								
	1st half	2nd half	Full year	1st half	Variance (%), YoY	Volume Growth (%), YoY	2nd half	Variance (%), YoY	Volume Growth (%), YoY	Full year	Variance (%), YoY	Volume Growth (%), YoY
Hams and sausages	64,980	70,170	135,150	66,000	1.6%	(0.9)%	70,000	(0.2)%	0.8%	136,000	0.6%	0.0%
Processed foods	118,384	119,486	237,870	122,000	3.1%	2.7%	124,000	3.8%	0.0%	246,000	3.4%	1.4%
Fresh meats	410,231	416,479	826,710	425,000	3.6%	7.2%	426,000	2.3%	(1.4)%	851,000	2.9%	2.7%
Beef	163,818	159,470	323,288	167,000	1.9%	9.2%	163,000	2.2%	(7.1)%	330,000	2.1%	0.7%
Pork	129,708	135,682	265,390	138,000	6.4%	8.9%	136,000	0.2%	0.6%	274,000	3.2%	4.6%
Chicken	106,982	111,939	218,921	112,000	4.7%	4.6%	120,000	7.2%	1.9%	232,000	6.0%	3.2%
Other fresh meats	9,723	9,388	19,111	8,000	(17.7)%	15.0%	7,000	(25.4)%	(30.2)%	15,000	(21.5)%	(14.2)%
Dairy products	19,657	19,306	38,963	20,000	1.7%	(3.6)%	20,000	3.6%	0.9%	40,000	2.7%	(1.4)%
Others (Including marine products)	38,870	25,869	64,739	37,000	(4.8)%	-	30,000	16.0%	-	67,000	3.5%	-
Total	652,122	651,310	1,303,432	670,000	2.7%	5.5%	670,000	2.9%	(0.9)%	1,340,000	2.8%	2.2%

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

* Excluding results from discontinued operations (BPU)

30 Balance Sheets

(¥ million)

	End of FY2022/3	End of FY2023/3	End of FY2024/3	Variance	Variance (%)
Cash and cash equivalents	85,374	64,986	65,465	479	0.7
Trade and other receivables	136,017	146,660	165,022	18,362	12.5
Inventories	119,980	141,930	141,429	(501)	(0.4)
Biological assets	32,755	27,984	25,420	(2,564)	(9.2)
Other current assets	40,180	46,458	26,094	(20,364)	(43.8)
Total current assets	414,306	428,018	423,430	(4,588)	(1.1)
Property, plant and equipment	345,022	364,381	375,211	10,830	3.0
Right-of-use assets	46,090	40,898	44,814	3,916	9.6
Biological assets	1,240	1,517	1,531	14	0.9
Others	102,555	102,341	113,251	10,910	10.7
Total Non-current Assets	494,907	509,137	534,807	25,670	5.0
Total Assets	909,213	937,155	958,237	21,082	2.2
Interest-bearing liabilities	90,056	102,199	59,247	(42,952)	(42.0)
Trade and other payables	103,719	106,027	116,773	10,746	10.1
Others	88,144	70,310	70,812	502	0.7
Total Current liabilities	281,919	278,536	246,832	(31,704)	(11.4)
Interest-bearing liabilities	121,351	139,856	155,605	15,749	11.3
Other	16,389	15,982	16,598	616	3.9
Total non-current liabilities	137,740	155,838	172,203	16,365	10.5
Total Equity Attributable to Owners of the Parent	479,069	492,913	527,503	34,590	7.0
Non-controlling Interests	10,485	9,868	11,699	1,831	18.6
Total Equity	489,554	502,781	539,202	36,421	7.2
Total Liabilities and Equity	909,213	937,155	958,237	21,082	2.2

Major reasons for increase/decrease

【Total current assets】

Current assets decreased by 1.1% from the end of the previous fiscal year to ¥423.4 billion as assets held for sale decreased by 99.5% to ¥0.1 billion due to the transfer of shares of BPU and other current assets decreased by 19.3% to ¥20.3 billion, while trade and other receivables increased by 12.5% to ¥165.0 billion because the end of the fiscal year was a holiday for financial institutions.

【Total non-current assets】

Non-current assets increased by 5.0% from the end of the previous fiscal year to ¥534.8 billion mainly because intangible assets and goodwill increased by 27.9% to ¥25.8 billion, while deferred tax assets decreased by 9.7% to ¥28.1 billion.

【Total current liabilities & Total non-current liabilities】

Total liabilities decreased by 3.5% from the end of the previous fiscal year to ¥419.0 billion mainly because interest-bearing liabilities decreased by 11.2% to ¥214.9 billion due to improved capital efficiency resulting from the deployment of the cash management system to overseas subsidiaries, although trade and other payables increased by 10.1% to ¥116.8 billion due to higher market prices and increased purchasing of inventory in response to a demand recovery.

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

Statements of cash flows

(¥ million)

	End of FY2023/3	End of FY2024/3	Target of FY2025/3
Profit before tax	22,162	40,599	40,000
Depreciation and amortization	38,433	39,719	41,100
Increase (decrease) in receivables	(12,879)	(17,559)	11,333
Increase (decrease) in inventories	(24,451)	2,551	(4,671)
Increase (decrease) in biological assets	2,651	1,206	0
Increase (decrease) in trade payables	5,913	9,953	(2,873)
Others	(20,498)	7,646	(800)
Cash flows from operating activities	11,331	84,115	84,089
Acquisition of fixed assets, proceeds from sales of fixed assets	(80,166)	(46,326)	(63,000)
Others	16,489	9,573	(100)
Cash flows from investing activities	(63,677)	(36,753)	(63,100)
Cash flows from financing activities	28,417	(53,189)	(36,446)

Capital expenditures, depreciation and amortization

(¥ million)

	End of FY2023/3	FY2024/3			Target of FY2025/3
		End of fiscal year	Variance	Variance (%)	
Capital expenditures	59,126	44,158	(14,958)	(25.3)	63,000
Processed Foods Business Division	10,467	9,450	(1,017)	(9.7)	12,700
Fresh Meats Business Division	18,732	25,370	6,638	35.4	20,700
Overseas Business Division	3,403	6,697	3,294	96.8	7,400
Ballpark and Other Business	20,558	770	(19,788)	(96.3)	2,100
Eliminations, adjustments and others	5,966	1,871	(4,095)	(68.6)	20,100
Depreciation and amortization	25,472	26,699	1,227	4.8	29,000

*Excluding capital expenditures and depreciation related to right-of-use assets

- Cash flows from operating activities

With regard to operating activities, profit before tax amounted to ¥40.6 billion, depreciation and amortization expenses amounted to ¥39.7 billion and the increase in trade and other payables amounted to ¥10.0 billion, while the increase in trade and other receivables amounted to ¥17.6 billion. As a result, net cash provided by operating activities amounted to ¥86.6 billion.

- Cash flows from investing activities

With regard to investing activities, acquisition of fixed assets amounted to ¥48.5 billion. As a result, net cash used in investing activities amounted to ¥39.2 billion.

- Cash flows from financing activities

With regard to financing activities, the decrease in short-term bank loans amounted to ¥30.8 billion and the repayments of debt amounted to ¥62.9 billion, while proceeds from debt amounted to ¥51.2 billion. As a result, net cash used in financing activities amounted to ¥53.2 billion.

32 Overseas Business Division: Breakdown of Net Sales by Region

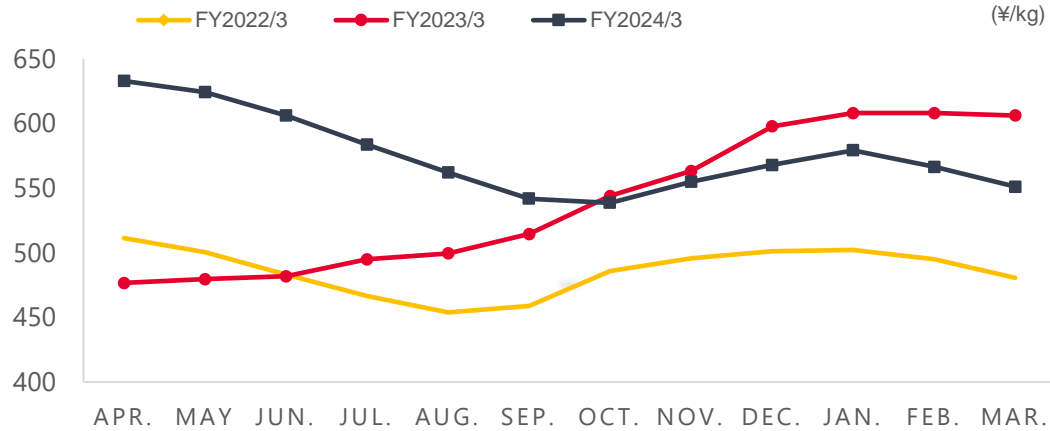
(¥ billion)

		FY2023/3 results	FY2024/3 results			
			Full year results	Share of total net sales	YoY variance	Variance (%), YoY
Over-seas total	Net sales	321.4	290.0	-	(31.5)	(9.8)%
	Sales to external customers	186.4	168.0	57.9%	(18.5)	(9.9)%
	Internal sales within segment	135.0	122.0	42.1%	(13.0)	(9.6)%
Australia	Net sales	133.7	108.6	-	(25.1)	(18.8)%
	Sales to external customers	119.6	99.5	91.6%	(20.2)	(16.9)%
	Internal sales within segment	14.0	9.1	8.4%	(4.9)	(35.2)%
Americas	Net sales	123.8	126.7	-	3.0	2.4%
	Sales to external customers	34.3	37.2	29.4%	2.9	8.5%
	Internal sales within segment	89.4	89.5	70.6%	0.1	0.1%
Asia & Europe	Net sales	66.4	55.8	-	(10.6)	(15.9)%
	Sales to external customers	32.5	31.3	56.0%	(1.2)	(3.7)%
	Internal sales within segment	33.9	24.6	44.0%	(9.3)	(27.6)%



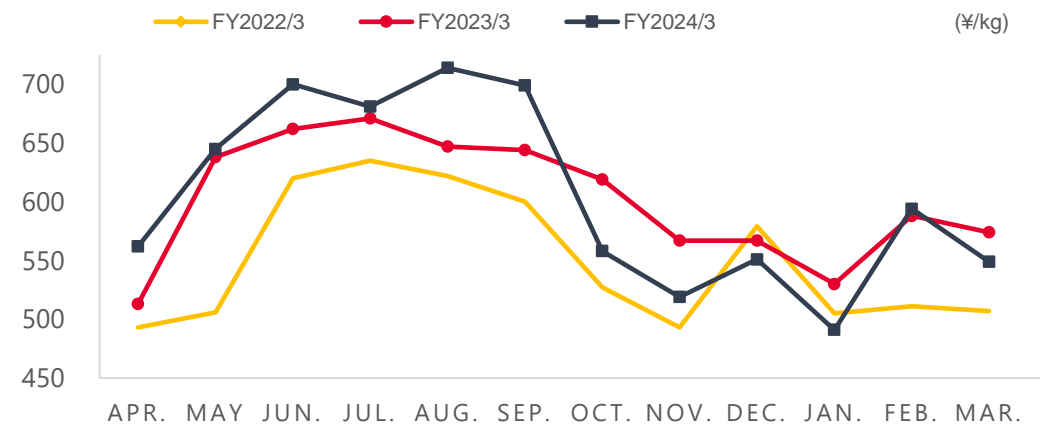
Domestic chicken market price

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.



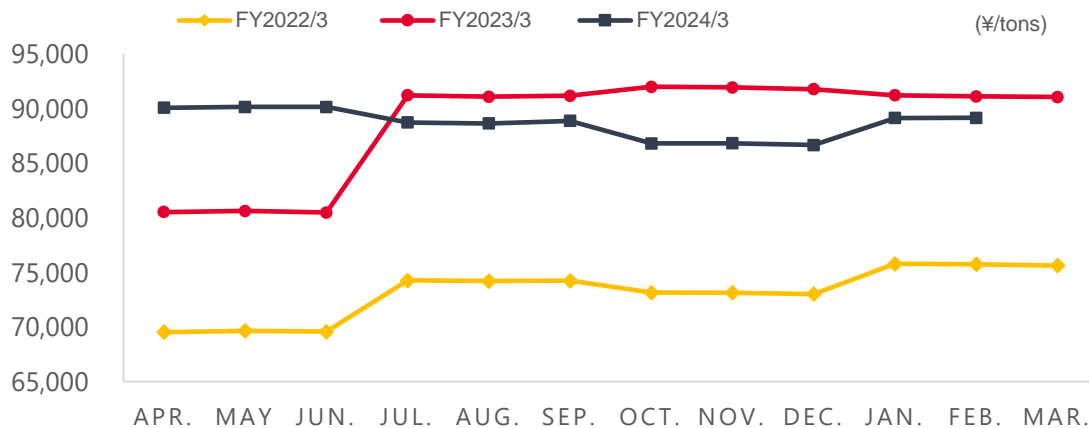
Domestic pork market price

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



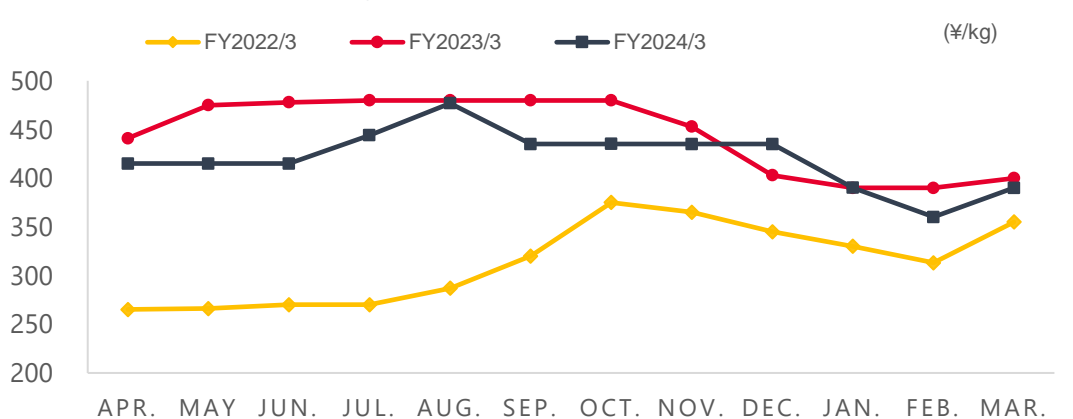
Compound feed price

Source: Agriculture & Livestock Industries Corporation



Domestic price of Brazilian Chicken thigh meat

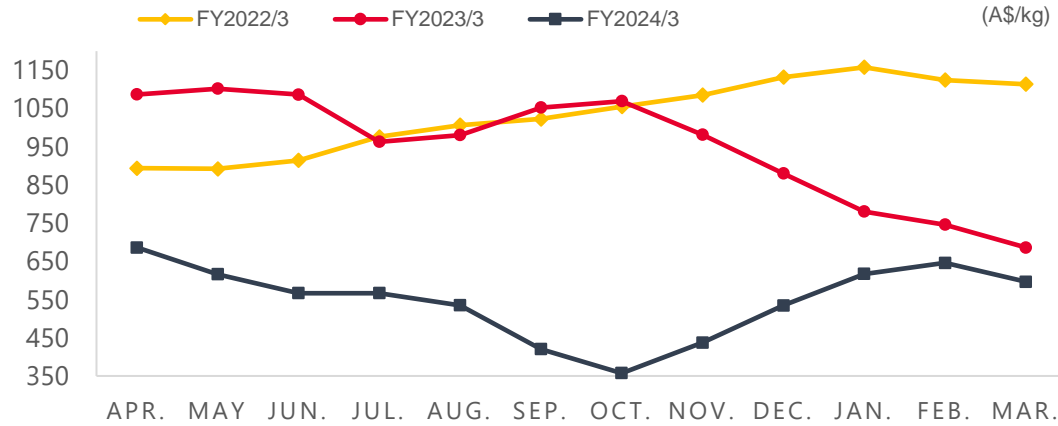
Source: Simple average prices based on data published in Chikusan Nippo [Daily Meat & Livestock] published by the Shokuhin Sangyo Shinbun [Food Industry News]



34 External Environment: Market (2)

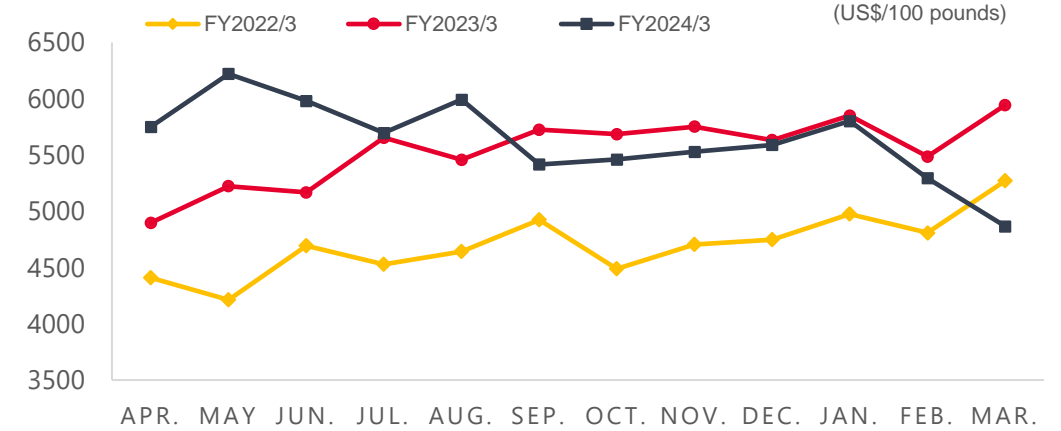
Eastern Young Cattle Indicator (EYCI)

Source: Meat & Livestock Australia



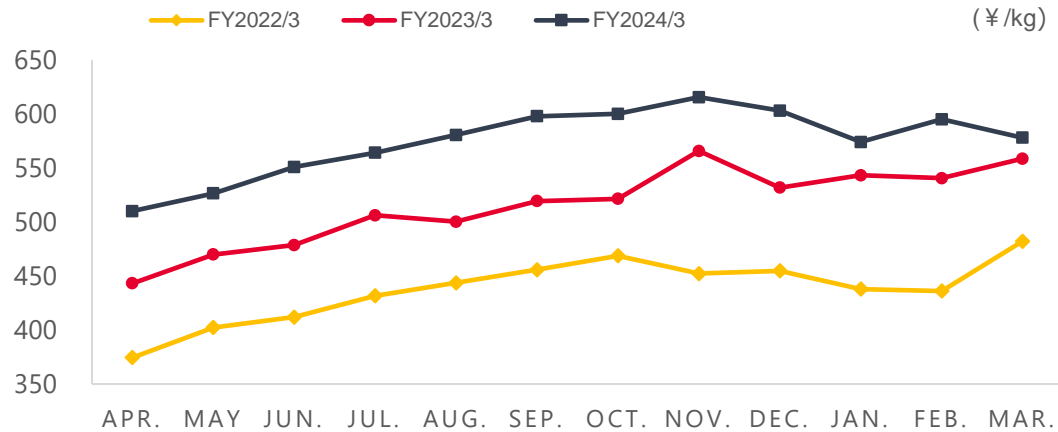
Import price for imported natural intestines (mainly sheep, but also some beef intestines, etc.)

Source: Trade Statistics of Japan (calculated as value ÷ volume)



Import price for seasoned pork (GSP)

Source: Trade Statistics of Japan (calculated as value ÷ volume)



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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.