

# FY 2025

# 2Q

## Business Results

for the Second Quarter of FY2025/3

NH Foods Ltd. November 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 related to Breeders & Packers Uruguay S.A. (BPU) in the previous fiscal year is classified as discontinued operations.

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# 04 Summary of FY2025/3 1st half Financial Results (1)

## FY2025/3 1st half Results

Business profit in the first half increased, driven by increased production volume in the Australian Beef Business, the effects of the restructured Processed Foods Business materializing, and an increase in visitors in the Ballpark Business.

Profit attributable to owners of the parent decreased due to a reduction in foreign exchange gains, business profit increased, exceeding the plan

### Net sales

**¥683.9** billion

(+4.9% year-on-year)  
(+2.1% variance from forecast)

(Fresh meats business) Primarily driven by the increase in unit prices and the sales volume of domestic fresh meats  
(Overseas business) Increased sales volume of Australian beef  
(Ballpark business) Increase in visitor numbers

### Business profit

**¥27.1** billion

(+8.5% year-on-year)  
(+4.2% variance from forecast)

(Processed foods business) Improved product mix  
Optimal production system progress  
(Overseas business) Increase of Australian beef production volume  
(Ballpark business) Increase in visitor numbers

### Profit attributable to owners of the parent

**¥17.9** billion

(-10.6% year-on-year)  
(+27.6% variance from forecast)

Decrease in foreign exchange gains.

## FY2025/3 Full-year Outlook

Looking at business profit for the full year, we will revise our segment profit forecast due to a deteriorating sales environment for imported fresh meats and reduced volume in the Processed Foods Business, we will secure profit exceeding the plan due to the ongoing effects of processed foods restructuring and the Domestic Chicken Business, and expect profit to achieve the plan as a result.

### Net sales

**¥1,340.0** billion

(+2.8% year-on-year)

### Business profit

**¥48.0** billion

(+6.8% year-on-year)

### Profit attributable to owners of the parent

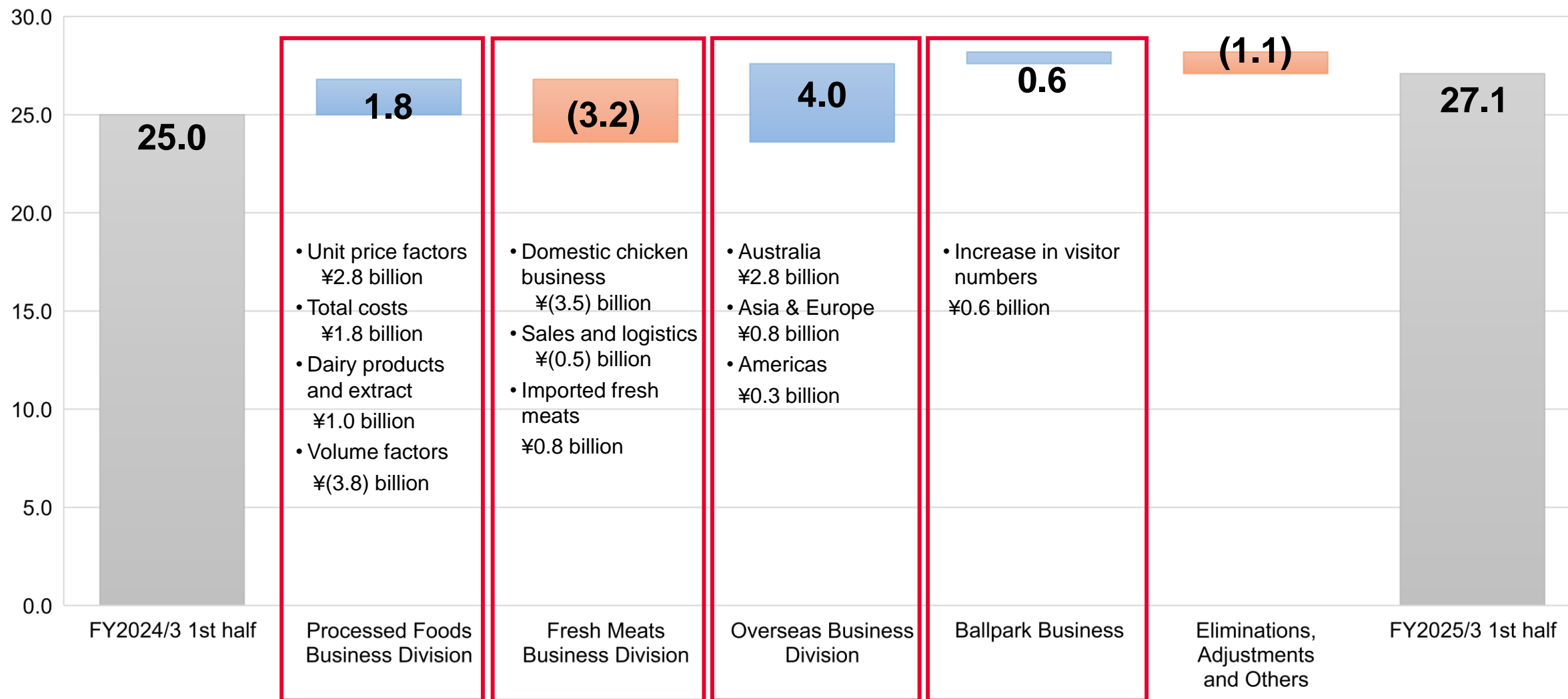
**¥27.0** billion

(-3.8% year-on-year)

# 05 Summary of FY2025/3 1st half Financial Results (2)

## Business Profit for FY2025/3 1st Half

(¥ billion)



## 06 Financial Highlights (1) FY2025/3 1st half Results

(¥ billion)

	FY2025/3 1Q	FY2025/3 2Q	FY2025/3 1st half	Variance	Variance (%)
Net sales	338.1	<b>345.8</b>	<b>683.9</b>	31.7	4.9%
Business profit	14.6	<b>12.5</b>	<b>27.1</b>	2.1	8.5%
(of which Continuing operations)				1.2	4.6%
Business profit ratio	4.3%	<b>3.6%</b>	<b>4.0%</b>	0.0%	—
Profit before tax	19.8	<b>9.1</b>	<b>28.9</b>	(2.7)	(8.6)%
Profit attributable to owners of the parent	13.0	<b>4.8</b>	<b>17.9</b>	(2.1)	(10.6)%

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

## Net sales

(¥ billion)

## Business profit

(¥ billion)

	FY2025/3 1Q	FY2025/3 2Q	FY2025/3 1st half	Variance	Variance (%)		FY2025/3 1Q	FY2025/3 2Q	FY2025/3 1st half	Variance	Variance (%)
Processed Foods Business Division	102.7	<b>105.9</b>	<b>208.6</b>	(2.3)	(1.1)%	Processed Foods Business Division	2.5	<b>2.2</b>	<b>4.7</b>	1.8	62.3%
Fresh Meats Business Division	205.4	<b>203.8</b>	<b>409.3</b>	23.2	6.0%	Fresh Meats Business Division	7.6	<b>6.3</b>	<b>13.9</b>	(3.2)	(18.5)%
Overseas Business Division	79.8	<b>81.8</b>	<b>161.6</b>	11.4	7.6%	Overseas Business Division	2.5	<b>1.7</b>	<b>4.2</b>	4.0	-
Ballpark Business	9.6	<b>10.0</b>	<b>19.6</b>	1.1	6.2%	Ballpark Business	3.2	<b>3.9</b>	<b>7.0</b>	0.6	8.7%
Eliminations, Adjustments and Others	(59.5)	<b>(55.7)</b>	<b>(115.2)</b>	(12.3)	-	Eliminations, Adjustments and Others	(1.2)	<b>(1.6)</b>	<b>(2.7)</b>	(1.1)	-
Discontinued operations	-	-	-	10.6	-						
<b>Consolidated</b>	<b>338.1</b>	<b>345.8</b>	<b>683.9</b>	<b>31.7</b>	<b>4.9%</b>	<b>Consolidated</b>	<b>14.6</b>	<b>12.5</b>	<b>27.1</b>	<b>2.1</b>	<b>8.5%</b>

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

(¥ billion)

	FY2025/3 1Q	FY2025/3 2Q	FY2025/3 1st half	Variance	Variance (%)
Net sales	102.7	<b>105.9</b>	<b>208.6</b>	(2.3)	(1.1)%
Business profit	2.5	<b>2.2</b>	<b>4.7</b>	1.8	62.3%
Business profit ratio	2.4%	<b>2.1%</b>	<b>2.3%</b>	0.9%	-

## Decrease in net sales

- Sales continued to decline due to strategic product consolidation and the review of low-profit products.
- The sales volume of deli products declined but sales of *Schau Essen*, extracts and primary processed products and dairy products remained strong.

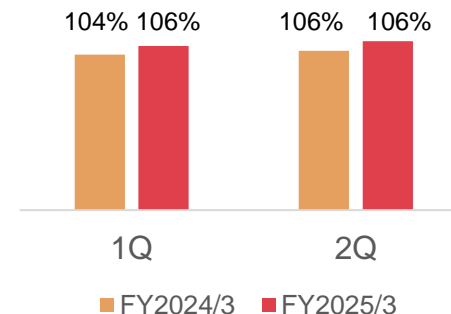
## Increase in business profit

- Profit increased due to increased sales of *Schau Essen*, extracts, primary processed products, and dairy products.
- Profitability improved as a result of the revision of prices, product mix improvements, and the progressed optimization of the production system.

## Sales Performance by consumer product/channel for the 1st half of FY2025/3 (YoY)

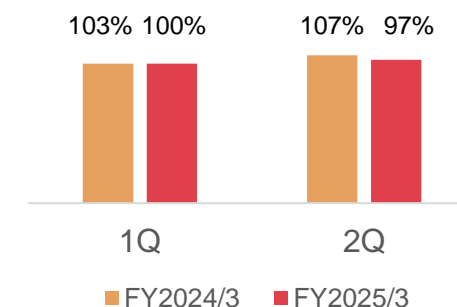
Ham and sausages	Volume	Amount	Deli products	Volume	Amount
Wieners	-	100.7%	Chilled bakery	-	98.5%
<i>Schau Essen</i> category	-	105.8%	<i>Chuka Meisai</i>	-	86.0%
Other wieners	-	91.4%	Hamburg and meatball	-	90.5%
Loin hams, bacon	-	72.2%	Fried chicken	-	89.8%
Consumer	89.3%	95.4%	Consumer	89.9%	91.8%
Commercial-use	96.4%	101.0%	Commercial-use	91.9%	93.5%
<b>Total</b>	<b>90.6%</b>	<b>96.0%</b>	<b>Total</b>	<b>91.3%</b>	<b>93.4%</b>

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



### Year on year trends in chilled bakery sales

Profitability improved based on the product strategy





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

## Factor analysis: year on year changes in business profit for the 1st half of FY2025/3

(¥ billion)

(¥ billion)

	1Q Change	2Q Change	1st half Change (1)	Main reasons for year on year changes	1st half forecasts as of 1Q (2)	Variance ((1) - (2))
Hams and sausages, deli products	1.1	(0.3)	0.8		0.8	0.0
Total gross profit	0.0	(1.0)	(1.0)		0.2	(1.2)
Volume factors	(1.7)	(2.1)	(3.8)	The review of low-profit products and the decline in the sales volume of deli products	(3.4)	(0.4)
Unit price factors	1.7	1.1	2.8		3.6	(0.8)
Product mix	1.1	1.3	2.4	Continued improvement of unit price due to the review of low-profit products and price revisions	3.4	(1.0)
External environment total	0.5	(0.1)	0.4		0.2	0.2
Principal raw materials	0.0	(0.6)	(0.6)	Rising pork prices	(0.7)	0.1
Other materials	0.5	0.5	1.0	Decline sheep intestine prices	0.8	0.1
Other costs	1.1	0.7	1.8		0.6	1.2
Electric Power	0.1	(0.2)	(0.1)	Rising fuel expenses	(0.3)	0.2
Other expenses (manufacturing expenses, SG&A expenses, etc.)	1.0	0.9	1.9	Reduced manufacturing and SG&A expenses, including sales commissions, through a review of the product mix.	0.9	1.0
Dairy/marine products & extract/primary Processing	0.7	0.3	1.0	Increased due to price revisions and the growth of sales of primary processed products and dairy products	0.9	0.1
Others (Adjustments etc.)	(0.1)	0.1	0.0		(0.4)	0.4
<b>Total</b>	<b>1.7</b>	<b>0.1</b>	<b>1.8</b>		<b>1.3</b>	<b>0.5</b>

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

(¥ billion)

	FY2025/3 1Q	FY2025/3 2Q	FY2025/3 1st half	Variance	Variance (%)
Net sales	205.4	<b>203.8</b>	<b>409.3</b>	23.2	6.0%
Business profit	7.6	<b>6.3</b>	<b>13.9</b>	(3.2)	(18.5)%
Business profit ratio	3.7%	<b>3.1%</b>	<b>3.4%</b>	(1.0)%	-

## Increase in net sales

- Sales to volume retailers increased mainly due to higher volumes and unit sales prices for domestic pork
- Sales to restaurants increased as volumes and unit sales prices rose for domestic beef, pork, and chicken.

## Decrease in business profit

- Profit declined for domestic chicken due to low market prices and persistently high costs in the production division.
- The sales division was late in passing on sharply rising prices for imported fresh meats, leading to a decline in profit

## 1st half results for mainstay brands (YoY)



102%



113%



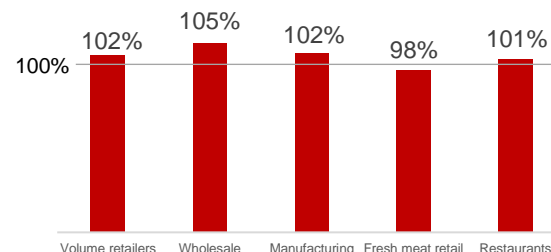
181%

## Nippon Food Sales Group: 1st half results in terms of sales volume and revenue by meat type (YoY)

Domestic	Volume	Amount	Imported	Volume	Amount
Beef	103%	106%	Beef	101%	107%
Pork	104%	111%	Pork	94%	106%
Chicken	106%	99%	Chicken	106%	103%
Domestic total	105%	106%	Imported total	99%	106%

## Nippon Food Sales Group: 1st half results by channel

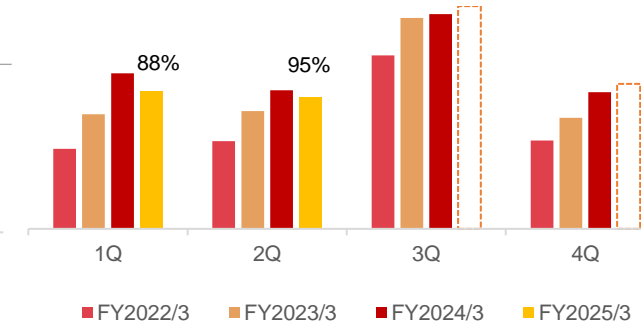
Overall volume growth of 102.2%  
(105.1% in value terms)



## Nippon Food Sales Group: Quarterly profit

Post-COVID profit levels remain high despite delayed price pass-through amid soaring market prices.

\* Change in profit on a four-year managed basis



\* Nippon Food Group sales refers to fresh meat sales companies.  
Higashi Nippon Food, Kanto Nippon Food, Naka Nippon Food, Nishi Nippon Food, NH Japan Food

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

## Factor analysis: year on year changes in business profit for the 1st half of FY2025/3

	(¥ billion)				(¥ billion)	
	1Q Change	2Q Change	1st half Change (1)	Main reasons for year on year changes	1st half change forecasts as of 1Q (2)	Variance (1) - (2)
Domestic beef/pork business	(0.3)	0.2	0.0	Production: Profit increased due to rising pork market prices and heavier carcass weights. Processing: Profit fell due to difficulties in sourcing pigs during the summer and higher electricity and fuel costs.	(0.7)	0.7
Domestic chicken business	(2.2)	(1.3)	(3.5)	Profit declined due to lower market prices and persistently high production costs.	(3.3)	(0.2)
Imported fresh meats business	0.1	0.7	0.8	Beef: Market prices have remained high, leading to a deteriorating sales environment and decline in profit Pork: Profit was secured by sourcing from South America, where prices were more competitive. Import trading company: The sales volume of imported chicken in particular has increased, leading to an increase in profit	1.1	(0.3)
Sales (Nippon Food Group companies) and logistics section	(0.5)	(0.1)	(0.5)	Sales volume and revenue have remained strong The prices of imported fresh meats remained high, and price pass-through failed to keep up with rising expenses, leading to a decline in profit	(0.1)	(0.4)
Others (Adjustments etc.)	0.2	0.0	0.2		0.1	0.1
<b>Total</b>	<b>(2.6)</b>	<b>(0.5)</b>	<b>(3.2)</b>		<b>(3.0)</b>	<b>(0.1)</b>

# 12 Segment Data: Overseas Business Division

(¥ billion)

	FY2025/3 1Q	FY2025/3 2Q	FY2025/3 1st half	Variance	Variance (%)
Net sales	79.8	<b>81.8</b>	<b>161.6</b>	11.4	7.6%
Business profit	2.5	<b>1.7</b>	<b>4.2</b>	4.0	-
Business profit ratio	3.1%	<b>2.1%</b>	<b>2.6%</b>	2.5%	-

## Increase in net sales

- Australia: Beef sales volume for the US, Japanese and domestic Australian markets increased.
- North America: Steady progress in the sales volume of processed foods.

## Increase in business profit

- Australia: Profit increased due to increased volume in the beef business.

## Business profit by region

(¥ billion)

(¥ billion)

1st half Forecasts as of 1Q (2)	Variance ((1) - (2))	1st half	Variance
2.7	0.1	2.0	2.8
0.5	(0.2)	1.4	0.3
0.9	(0.1)	1.3	0.8
0.1	0	(0.5)	0.1
<b>4.2</b>	<b>(0.2)</b>	<b>4.2</b>	<b>4.0</b>

## Factor analysis: year on year changes in business profit for the 1st half of FY2025/3

(¥ billion)

	1Q Change	2Q Change	1st half Change (1)	Main reasons for year on year changes
Australia	2.0	0.7	2.8	Profit increased as higher production volume offset cost increases due to rising cattle prices. Sales were driven by premium grass-fed and <i>Omugi-gyu</i> Angus beef.
Americas	(0.1)	0.5	0.3	Sales volume of Brazilian pork for the Japanese market expanded, leading to an increase in profit.
Asia & Europe	0.8	0.0	0.8	Chicken sales in Turkey were strong, but price pass-through failed to keep up with increased expenses, and as a result 2Q profit was on par with the previous year.
Others	0.1	0.0	0.1	
<b>Total</b>	<b>2.7</b>	<b>1.3</b>	<b>4.0</b>	

# 13 Segment Data: Ballpark Business

(¥ billion)

	FY2025/3 1Q	FY2025/3 2Q	FY2025/3 1st half	Variance	Variance (%)
Net sales	9.6	<b>10.0</b>	<b>19.6</b>	1.1	6.2%
Business profit	3.2	<b>3.9</b>	<b>7.0</b>	0.6	8.7%
Business profit ratio	33.1%	<b>38.5%</b>	<b>35.9%</b>	0.8%	-

## Net sales/business profit

- Continuous efforts to expand recognition and enhance the brand since the opening period have contributed to the growth of advertising revenue and other income.
- Strengthening investments aimed at improving team performance has led to better team results, as a results, the increase in visitors on match days has resulted in higher ticket and food and beverage revenues.

Hokkaido Ballpark F Village visitors in the 1st half (3.16 million visitors in total)



The average number of visitors per match has increased by around 2,400 compared with the previous year

\*Events match visitors (JAPAN KOREA Dream Players Game ) are not included in Official match spectator visitors.



# 14 Main Marketing Activities in the 1st Half

## Processed Foods Business Division Acquire new customers

### ■ Schau Essen Branding

Continued investment in web commercials to attract younger customers.



5.65 million views through collaboration with other companies

1.67 million views (Shau Essen Slice)

### ■ Chuka Meisai GOLD test sales (July-September)

Test sales of high-end Chuka Meisai products conducted in select chains to acquire customers for future sales.



### ■ New category launch

Ramen designed for optimal time performance that can be eaten with one hand.

Test sales conducted on e-commerce platforms and in stores.

## Ball Park Business Increase visitors

### ■ Hosting food and experiential events regardless of match days or non-match days.

Hokkaido Meat Festival 2024  
July 2 to August 12  
Selling *Shau Essen* and *Sakurahime chicken*



F VILLAGE WATER PARK  
July 26 to August 25  
A 12-meter-high giant water slide has also been installed



Approximately 230,000 visitors during the events.

### ■ Held a baseball event

JAPAN KOREA Dream Players Game July 22

Hokkaido Baseball Week August 30 to September 1(3days)



Approximately 50,000 visitors during the 4 days games

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## Net sales / Business profit

(¥ billion)

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

\* The ratio of business profit to net sales is calculated using business profit after adjusting for non-continuing operations



# 17 Plan Highlights (2) Full-year Plan for FY2025/3

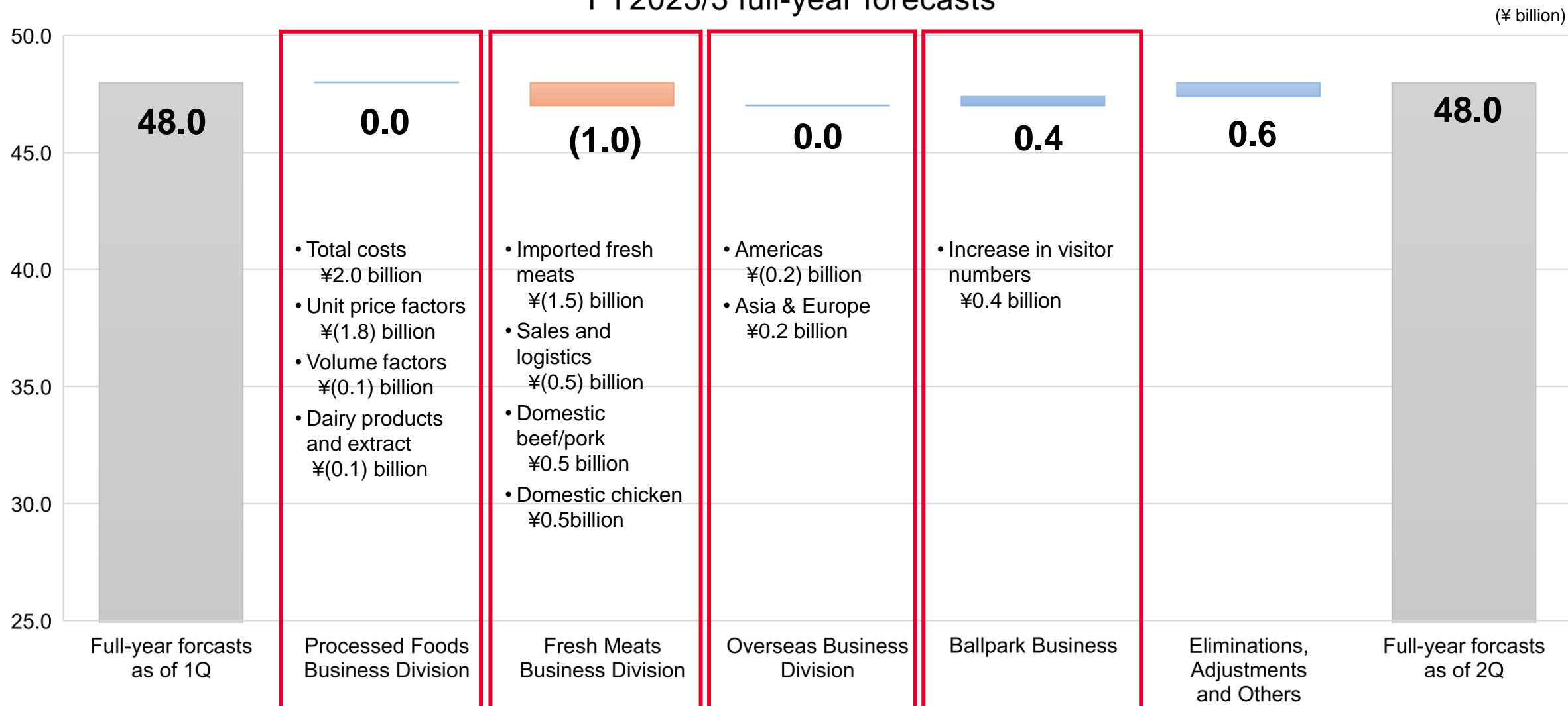
## Business profit targets by segment

(¥ billion)

	1st half				2nd half				Full year			
	FY2024/3	FY2025/3			FY2024/3	FY2025/3			FY2024/3	FY2025/3		
	Results	Forecasts as of 1Q	Results	Variance	Results	Forecasts as of 1Q	Forecasts as of 2Q	Variance	Results	Forecasts as of 1Q	Forecasts as of 2Q	Variance
Processed Foods Business Division	2.9	4.2	4.7	0.5	6.8	6.3	5.8	(0.5)	9.7	10.5	10.5	0.0
Fresh Meats Business Division	17.0	14.0	13.9	(0.1)	17.0	20.0	19.1	(0.9)	34.0	34.0	33.0	(1.0)
Overseas Business Division	0.2	4.4	4.2	(0.2)	2.3	2.6	2.8	0.2	2.5	7.0	7.0	0.0
Ballpark Business	6.5	6.7	7.0	0.3	(4.1)	(4.1)	(4.0)	0.1	2.4	2.6	3.0	0.4
Eliminations, Adjustments and Others	(1.6)	(3.3)	(2.7)	0.5	(2.0)	(2.8)	(2.8)	0.0	(3.6)	(6.1)	(5.5)	0.6
<b>Total</b>	<b>25.0</b>	<b>26.0</b>	<b>27.1</b>	<b>1.1</b>	<b>20.0</b>	<b>22.0</b>	<b>20.9</b>	<b>(1.1)</b>	<b>44.9</b>	<b>48.0</b>	<b>48.0</b>	<b>0.0</b>

# 18 Plan Highlights (3) Full-year Business Profit Plan and Analysis of Main Reasons for Differences(YoY)

FY2025/3 full-year forecasts



# 19 Outlook: Processed Foods Business Division (1)

(¥ billion)

	FY2024/3 results	FY2025/3 Forecasts as of 1Q	FY2025/3 Forecasts as of 2Q	Variance	YoY Variance (%)
Net sales	431.2	<b>419.0</b>	<b>419.0</b>	(12.2)	(2.8)%
Business profit	9.7	<b>10.5</b>	<b>10.5</b>	0.8	7.9%
Business profit ratio	2.3%	<b>2.5%</b>	<b>2.5%</b>	0.2%	-

## Decrease in net sales

- Maintain sales by expanding mainstay brands while the product lineup review is expected to continue to reduce sales volume.
- Sales volume of deli products will recover due to the release of new products, sales promotions and other measures

## Increase in business profit

- Reduce manufacturing and SG&A expenses by reviewing low-profit products.
- Improve profitability by improving the product mix and increasing unit prices, driven by increased sales volumes at *Schau Essen*.

## Full-year sales Plan by channel/consumer product (YoY)

Ham and sausages	Amount	Deli products	Amount
Wieners	101%	Chilled bakery	102%
<i>Schau Essen</i> category	105%	<i>Chuka Meisai</i>	87%
Other wieners	90%	Hamburg and meatball	93%
Loin hams, bacon	70%	Fried chicken	94%
Consumer	98%	Consumer	95%
Commercial-use	98%	Commercial-use	92%
<b>Total</b>	<b>98%</b>	<b>Total</b>	<b>95%</b>

**In addition to improvements to the product mix, in the second half we will strengthen marketing aimed at further expanding or recovering performance in key categories**

- Schau Essen*
  - Expand consumption occasions with *Schau Essen* new flavor and *Schau Essen Slice*
  - Acquire new younger customers through social media promotions
- Ham/bacon
  - Continue to improve profitability of consumer and private brand products.
  - Develop OEM products for specific areas through co-creation.
- Chilled bakery
  - Improve sales of mini pizzas, which are performing well due to the increasing diversity of dining occasions.
  - Launch new round pizza products for fall and winter to maintain and expand shelf space
- Chuka Meisai*
  - Release high value-added products as limited-time offerings, which were well received in test sales.
  - Carry out rebranding from the next fiscal year onwards to achieve a recovery in sales
- HB/Pre-fried
  - Revitalize shelf space and achieve a recovery in sales volume with the launch of new products

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

### Business profit: Full-year analysis of reasons for variations from the profit plan

(¥ billion)

	2nd half			Full year			Main factors behind variance from forecast
	Forecasts as of 1Q	Forecasts as of 2Q	Variance	Forecasts as of 1Q	Forecasts as of 2Q	Variance	
Hams and sausages, deli products	(0.1)	0.0	0.1	0.7	0.8	0.1	
Total gross profit	0.3	(0.5)	(0.8)	0.5	(1.4)	(1.9)	
Volume factors	(4.0)	(3.8)	0.3	(7.5)	(7.5)	(0.1)	Profits are expected to be maintained through increased promotional activity aimed at a recovery, despite the review of low-profit products and the expected decline in the sales of deli products for both consumer and commercial use.
Unit price factors	4.4	3.3	(1.0)	7.9	6.1	(1.8)	
Product mix	6.0	5.6	(0.4)	9.4	8.0	(1.4)	A decline in core deli products
External environment total	(1.6)	(2.3)	(0.7)	(1.4)	(1.9)	(0.5)	
Principal raw materials	(2.1)	(2.4)	(0.3)	(2.7)	(2.9)	(0.2)	A sharp rise in pork raw material costs
Other materials	0.5	0.2	(0.3)	1.3	1.1	(0.2)	Decline sheep intestine prices
Other costs	(0.5)	0.4	0.9	0.2	2.2	2.0	
Electric Power	(0.6)	(0.5)	0.1	(0.9)	(0.6)	0.3	Further improvements are expected through the optimization of manufacturing including labor expense and SG&A expenses driven by product policy revisions.
Others	0.1	0.9	0.7	1.0	2.8	1.8	
Dairy/marine products & extract/primary Processing	(0.9)	(1.1)	(0.2)	0.0	(0.1)	(0.1)	New profits are likely to be secured through exports of primary processed products and extracts, as well as dairy products for medical and nursing care facilities, despite rising raw material prices.
Others (Adjustments etc.)	0.5	0.0	(0.4)	0.1	0.1	0.0	
<b>Total</b>	<b>(0.5)</b>	<b>(1.0)</b>	<b>(0.5)</b>	<b>0.8</b>	<b>0.8</b>	<b>0.0</b>	

# 21 Outlook: Processed Foods Business Division (3) Price Revisions

		FY2022.3				FY2023.3				FY2024.3				FY2025.3			
Adjustment ratio:		5-12%				2-34%				2-26%		7-20%		1-28%			2-22%
		4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q				
Consumer	Ham 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							



# 22 Outlook: Fresh Meats Business Division (1)

(¥ billion)

	FY2024/3 full-year results	FY2025/3 Forecasts as of 1Q	FY2025/3 Forecasts as of 2Q	Variance	YoY Variance (%)
Net sales	780.6	<b>800.0</b>	<b>800.0</b>	19.4	2.5%
Business profit	34.0	<b>34.0</b>	<b>33.0</b>	(1.0)	(2.9)%
Business profit ratio	4.4%	<b>4.3%</b>	<b>4.1%</b>	(0.3)%	-

## Increase in net sales

- Continue the domestic shift due to the rising prices of imported fresh meats. Expand procurement and sales of domestic fresh meats.
- Increase sales of competitively priced Australian beef and South American pork.

## Decrease in business profit

- While feed prices are expected to improve in the second half, low domestic chicken market prices and high costs from the first half are expected to reduce profit.

## Enhance marketing strategy from the customer's perspective

- Propose livestock products tailored to customer needs for each channel amid rising prices.

## Strengthen sales of processed through cross-segment sales

- Sell commercial products targeting the restaurant industry and wholesalers.
- In addition to processed product sales, exclusive products for food sales

## Strengthen sales branded fresh meats

- Launch annual seasonal campaigns and a new fan website for *Sakurahime*. Conduct a closed campaign for *Mugikomachi*.

## Full year target sales volumes for mainstay brands (vs. previous year)



105%



109%



130%

## Strengthen procurement efforts

- In the face of rising procurement costs and unstable supply volumes, the NH Foods Group will leverage its extensive procurement network to expand its sourcing options to South America and others.
- Reduce volatility by improving the accuracy of AI-based supply and demand forecasts.

## 23 Outlook: Fresh Meats Business Division (2)

### Factor analysis: Variance from full-year business profit plan

(¥ billion)

	2nd half			Full year			Main factors behind variance from forecast
	Forecasts as of 1Q	Forecasts as of 2Q	Variance	Forecasts as of 1Q	Forecasts as of 2Q	Variance	
Domestic beef/pork business	1.3	1.0	(0.2)	0.5	1.0	0.5	Secured profit with improved feed prices and increased carcass weights
Domestic chicken business	1.5	2.2	0.7	(1.9)	(1.4)	0.5	Improved feed prices in particular
Imported fresh meats business	(0.2)	(1.5)	(1.2)	0.9	(0.7)	(1.5)	We expect the sales environment to turnaround from 4Q onward, but project a decline in profit in 3Q due to a deteriorating demand-supply balance
Sales (Nippon Food Group companies) and logistics section	0.6	0.5	(0.1)	0.5	0.0	(0.5)	In the first half we were impacted by delays in passing on sharply rising imported fresh meat purchase costs to prices as well as rising expenses, but in the second half we will make progress in passing on to prices and expect to secure profit on par with the record levels achieved in the previous year
Others (Adjustments etc.)	(0.1)	(0.2)	0.0	(0.1)	0.0	0.1	
<b>Total</b>	<b>3.0</b>	<b>2.1</b>	<b>(0.9)</b>	<b>0.0</b>	<b>(1.0)</b>	<b>(1.0)</b>	



## 24 Outlook: Overseas Business Division

(¥ billion)

	FY2024/3 full-year results	FY2025/3 Forecasts as of 1Q	FY2025/3 Forecasts as of 2Q	Variance	YoY Variance (%)
Net sales	290.0	<b>340.0</b>	<b>340.0</b>	50.0	17.3%
Business profit	2.5	<b>7.0</b>	<b>7.0</b>	4.5	184.6%
Business profit ratio	0.8%	<b>2.1%</b>	<b>2.1%</b>	1.3%	—

### Step up efforts to expand external sales overseas

- Australia**
- The expansion of the feedlot has been completed. Strengthen the sales of premium grain-fed beef to Asia including Japan.
  - Expand the sale of beef (premium grass-fed) to the US
- Americas**
- Strengthen coordination with retailers in an effort to further expand sales
  - Build a manufacturing structure to expand volume

### Factor analysis: Variance from full-year business profit plan

(¥ billion)

	2nd half			Full year			Main factors behind variance from forecast
	Forecasts as of 1Q	Forecasts as of 2Q	Variance	Forecasts as of 1Q	Forecasts as of 2Q	Variance	
Australia	1.9	1.9	0.0	4.6	4.7	0.0	In line with the plan
Americas	(0.5)	(0.5)	(0.1)	0.0	(0.2)	(0.2)	Increased expenses from promotional activities aimed at expanding volume
Asia & Europe	(1.1)	(0.8)	0.3	(0.2)	0.0	0.2	Rising expenses in the sale of chicken in Turkey are expected in the second half, but we will ensure profit by passing on the higher expenses through sales prices
Others	0.0	0.0	0.0	0.1	0.0	0.0	
<b>Total</b>	<b>0.3</b>	<b>0.5</b>	<b>0.2</b>	<b>4.5</b>	<b>4.5</b>	<b>0.0</b>	

### Business profit by region

(¥ billion)

FY2025/3 full year
4.1
2.2
1.6
(0.9)
<b>7.0</b>

\* Year-on-year different for Australia is the difference from the previous year's results including BPU



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FY2025/3

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## 26 FY2024/3 Business Results at a Glance and FY2025/3 Forecasts

(¥ million)

	FY2024/3			FY2025/3					
	1st half results	2nd half results	Full year results	1st half results	Variance (%)	2nd half plan	Variance (%)	Full-year plan	Variance (%)
Net sales	652,122	651,310	1,303,432	683,864	4.9%	656,136	0.7%	1,340,000	2.8%
Cost of goods sold	544,253	555,548	1,099,801	568,100	4.4%	549,900	(1.0)%	1,118,000	1.7%
Gross profit	107,869	95,762	203,631	115,764	7.3%	106,236	10.9%	222,000	9.0%
Gross profit ratio	16.5%	14.7%	15.6%	16.9%	-	16.2%	-	16.6%	-
Selling, general and administrative expenses	83,974	88,100	172,074	89,837	7.0%	88,163	0.1%	178,000	3.4%
Other income and expenses	6,760	1,915	8,675	2,952	(56.3)%	(7,352)	-	(4,400)	-
Finance income and costs	584	(344)	240	508	(13.0)%	392	-	900	275.0%
Share of profit (loss) in investments accounted for using the equity method	366	(239)	127	(515)	(240.7)%	15	-	(500)	(493.7)%
Profit before tax	31,605	8,994	40,599	28,872	(8.6)%	11,128	23.7%	40,000	(1.5)%
Income tax expense	9,826	1,427	11,253	9,141	(7.0)%	2,859	100.4%	12,000	6.6%
Tax rate	31.1%	15.9%	27.7%	31.7%	-	25.7%	-	30.0%	-
Profit attributable to owners of the parent	19,984	8,094	28,078	17,864	(10.6)%	9,136	12.9%	27,000	(3.8)%
Business profit	24,963	19,976	44,939	27,092	8.5%	20,908	4.7%	48,000	6.8%

# 27 FY2024/3 Sales by Product Category and FY2025/3 Forecasts

(¥ million)

	FY2024/3			FY2025/3								
	1st half results	2nd half results	Full year results	1st half			2nd half			Full-year		
				results	Variance (%)	Volume Growth rate	forecasts as of 2Q	Variance (%)	Forecast growth rate in volume as of 2Q	forecasts as of 2Q	Forecast variance (%) as of 2Q	Forecast growth rate in volume as of 2Q
Ham and sausages	64,980	70,170	135,150	62,940	(3.1)%	(8.8)%	63,560	(9.4)%	(6.6)%	126,500	(6.4)%	(7.7)%
Processed foods	118,384	119,486	237,870	120,237	1.6%	(3.4)%	121,763	1.9%	(6.0)%	242,000	1.7%	(4.7)%
Fresh meats	410,231	416,479	826,710	440,311	7.3%	4.6%	427,189	2.6%	(4.4)%	867,500	4.9%	(0.1)%
Beef	163,818	159,470	323,288	180,118	10.0%	3.0%	169,882	6.5%	(15.8)%	350,000	8.3%	(6.9)%
Pork	129,708	135,682	265,390	142,572	9.9%	1.3%	140,928	3.9%	0.9%	283,500	6.8%	1.1%
Chicken	106,982	111,939	218,921	112,033	4.7%	9.3%	111,967	0.0%	(0.1)%	224,000	2.3%	4.4%
Other fresh meats	9,723	9,388	19,111	5,588	(42.5)%	(34.2)%	4,412	(53.0)%	(38.7)%	10,000	(47.7)%	(37.1)%
Dairy products	19,657	19,306	38,963	21,272	8.2%	0.9%	18,728	(3.0)%	3.1%	40,000	2.7%	2.0%
Others (including marine products)	38,870	25,869	64,739	39,104	0.6%	-	24,896	(3.8)%	-	64,000	(1.1)%	-
<b>Total</b>	<b>652,122</b>	<b>651,310</b>	<b>1,303,432</b>	<b>683,864</b>	<b>4.9%</b>	<b>-</b>	<b>656,136</b>	<b>0.7%</b>	<b>-</b>	<b>1,340,000</b>	<b>2.8%</b>	<b>-</b>

Note 1: From the 1st half of this fiscal year we have revised product categories in the breakdown of revenue. The revenue breakdown for the previous fiscal year has not been re-arranged to match the categories shown in the 1st half of this fiscal year .

Note 2: Sales by product category are calculated based on segment totals and may not equal segment sales.

Note 3: Results for the previous fiscal year reflect adjustments for discontinued operations.

# 28 Balance Sheets

(¥ million)

	End of FY2023/3	End of FY2024/3	1st half of FY2025/3	Variance	YoY change rate (%)
Cash and cash equivalents	64,986	65,465	71,213	5,748	8.8
Trade and other receivables	146,660	165,022	141,931	(23,091)	(14.0)
Inventories	141,930	141,429	162,744	21,315	15.1
Biological assets	27,984	25,420	30,539	5,119	20.1
Others	46,458	26,094	22,309	(3,785)	(14.5)
<b>Total current assets</b>	<b>428,018</b>	<b>423,430</b>	<b>428,736</b>	<b>5,306</b>	<b>1.3</b>
Property, plant and equipment	364,381	375,211	371,479	(3,732)	(1.0)
Right-of-use assets	40,898	44,814	42,578	(2,236)	(5.0)
Biological assets	1,517	1,531	1,720	189	12.3
Others	102,341	113,251	112,598	(653)	(0.6)
<b>Total non-current assets</b>	<b>509,137</b>	<b>534,807</b>	<b>528,375</b>	<b>(6,432)</b>	<b>(1.2)</b>
<b>Total assets</b>	<b>937,155</b>	<b>958,237</b>	<b>957,111</b>	<b>(1,126)</b>	<b>(0.1)</b>
Interest-bearing liabilities	102,199	59,247	108,073	48,826	82.4
Trade and other payables	106,027	116,773	108,973	(7,800)	(6.7)
Others	70,310	70,812	57,264	(13,548)	(19.1)
<b>Total current liabilities</b>	<b>278,536</b>	<b>246,832</b>	<b>274,310</b>	<b>27,478</b>	<b>11.1</b>
Interest-bearing liabilities	139,856	155,605	128,026	(27,579)	(17.7)
Others	15,982	16,598	16,731	133	0.8
<b>Total non-current liabilities</b>	<b>155,838</b>	<b>172,203</b>	<b>144,757</b>	<b>(27,446)</b>	<b>(15.9)</b>
Equity attributable to owners of parent	492,913	527,503	524,587	(2,916)	(0.6)
Non-controlling interests	9,868	11,699	13,457	1,758	15.0
<b>Total equity</b>	<b>502,781</b>	<b>539,202</b>	<b>538,044</b>	<b>(1,158)</b>	<b>(0.2)</b>
<b>Total liabilities and equity</b>	<b>937,155</b>	<b>958,237</b>	<b>957,111</b>	<b>(1,126)</b>	<b>(0.1)</b>

## Major reasons for increase/decrease

### [Total current assets]

Current assets increased by 1.3% from the end of the previous fiscal year to ¥428.7 billion as cash and cash equivalents increased by 8.8% to ¥71.2 billion and inventories increased by 15.1% to ¥162.7 billion because of an increase in stocks of fresh meats, especially imported beef and pork, while trade and other receivables decreased by 14.0% to ¥141.9 billion because the last day of the previous fiscal year was a holiday for financial institutions.

### [Total non-current assets]

Non-current assets decreased by 1.2% from the end of the previous fiscal year ¥528.4 billion because property, plant and equipment decreased by 1.0% to ¥371.5 billion, while intangible assets and goodwill increased by 12.4% to ¥29.0 billion.

### [Total current liability & total non-current liabilities]

Total liabilities increased by ¥32 million from the end of the previous fiscal year to ¥419.1 billion mainly because interest-bearing liabilities increased by 9.9% to ¥236.1 billion due to an increase in borrowings prepared for current capital needs, although other current liabilities decreased by 20.9% to ¥38.5 billion due to reducing unearned revenue related to season tickets of “ES CON FIELD HOKKAIDO”.

## Statements of cash flows

(¥ million)

	FY2025/3 1st half	FY2024/3 1st half	FY2025/3 1st half
Profit before tax	23,600	31,605	28,872
Depreciation and amortization	18,846	19,684	20,392
Increase (decrease) in receivables	(11,153)	(12,231)	22,750
Increase (decrease) in inventories	(37,644)	(155)	(21,841)
Increase (decrease) in biological assets	817	3,140	(2,216)
Increase (decrease) in trade payables	11,839	10,548	(7,342)
Others	(19,659)	(6,279)	(18,241)
Cash flows from operating activities	(13,354)	46,312	22,734
Acquisition of fixed assets, proceeds from sales of fixed assets	(35,795)	(20,647)	(19,538)
Others	9,250	(299)	3,794
Cash flows from investing activities	(26,545)	(20,946)	(15,744)
Cash flows from financing activities	11,938	(19,518)	64

### • Cash flows from operating activities

With regard to operating activities, profit before tax amounted to ¥28.9 billion, depreciation and amortization expenses amounted to ¥20.4 billion and the decrease in trade and other receivables amounted to ¥22.8 billion, while the increase in inventories amounted to ¥21.8 billion. As a result, net cash provided by operating activities amounted to ¥22.4 billion.

### • Cash flows from investing activities

With regard to investing activities, acquisition of fixed assets amounted to ¥20.3 billion. As a result, net cash used in investing activities amounted to ¥15.7 billion.

### • Cash flows from financing activities

With regard to financing activities, the increase in short-term bank loans amounted to ¥9.1 billion and proceeds from debt amounted to ¥20 billion, while cash dividends amounted to ¥12.3 billion. As a result, net cash provided by financing activities amounted to ¥0.1 billion.

## Capital expenditures, depreciation and amortization

(¥ million)

	FY2024/3	FY2025/3			
	1st half results	1st half results	Variance (%)	Variance	Full-year plan
Capital expenditures	15,406	15,849	2.9	443	58,000
Processed Foods Business Division	3,631	2,378	(34.5)	(1,253)	12,800
Fresh Meats Business Division	6,693	5,841	(12.7)	(852)	16,100
Overseas Business Division	2,954	2,570	(13.0)	(384)	7,500
Ballpark Business	566	1,358	139.9	792	2,900
Eliminations, Adjustments and Others	1,562	3,702	137.0	2,140	18,700
Depreciation and amortization	13,258	13,782	4.0	524	29,000

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

(¥ billion)

		FY2024/3 1st half results	FY2025/3 results			
			1st half results	Sales composition	Variance	Variance (%)
International total	Net sales	150.2	161.6	-	11.4	7.6%
	Sales to external customers	92.0	94.2	58.3%	2.1	2.3%
	Intersegment sales	58.2	67.4	41.7%	9.3	15.9%
Australia	Net sales	63.2	63.8	-	0.6	0.9%
	Sales to external customers	58.6	55.8	87.5%	(2.9)	(4.9)%
	Intersegment sales	4.6	8.0	12.5%	3.4	75.6%
Americas	Net sales	60.6	66.7	-	6.1	10.0%
	Sales to external customers	17.4	20.0	29.9%	2.5	14.5%
	Intersegment sales	43.2	46.8	70.1%	3.5	8.2%
Asia & Europe	Net sales	26.9	32.1	-	5.2	19.5%
	Sales to external customers	16.0	18.4	57.4%	2.5	15.4%
	Intersegment sales	10.9	13.7	42.6%	2.8	25.5%

\* Nets sales includes BPUs subject to business transfer

# 31 External Environment: Market Conditions (1)

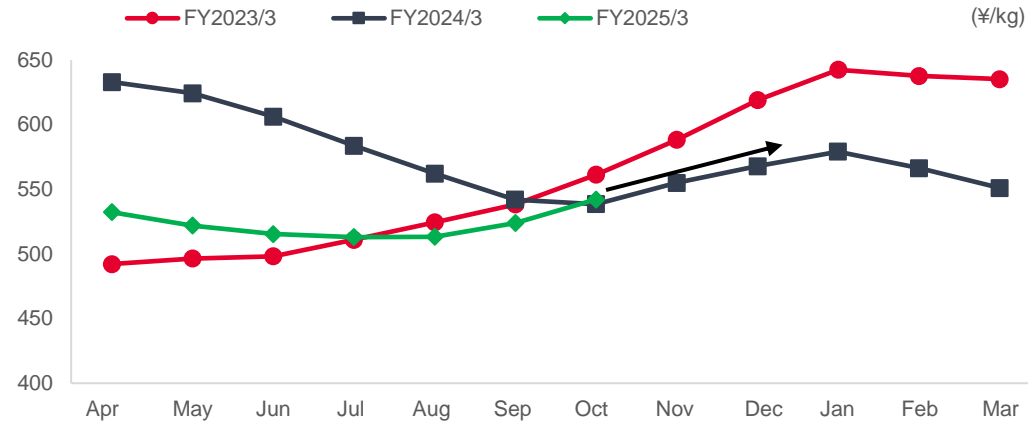


Scan the QR code for other data  
(collection of materials on market trends)



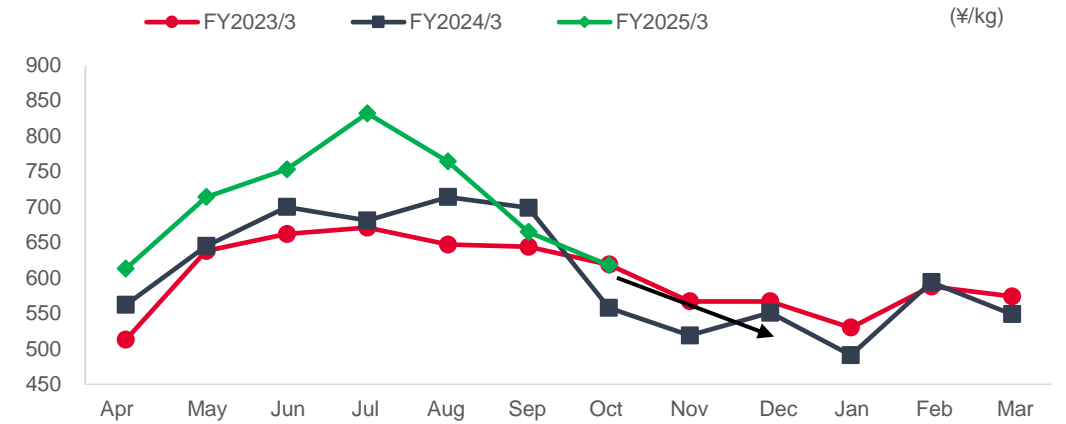
## Domestic chicken market price

Source: Weighted average price for chicken meat \*simple average unit price cited in "Daily Meat & Livestock" published by Shokuhin Sangyo Shimbussha Co., Ltd.



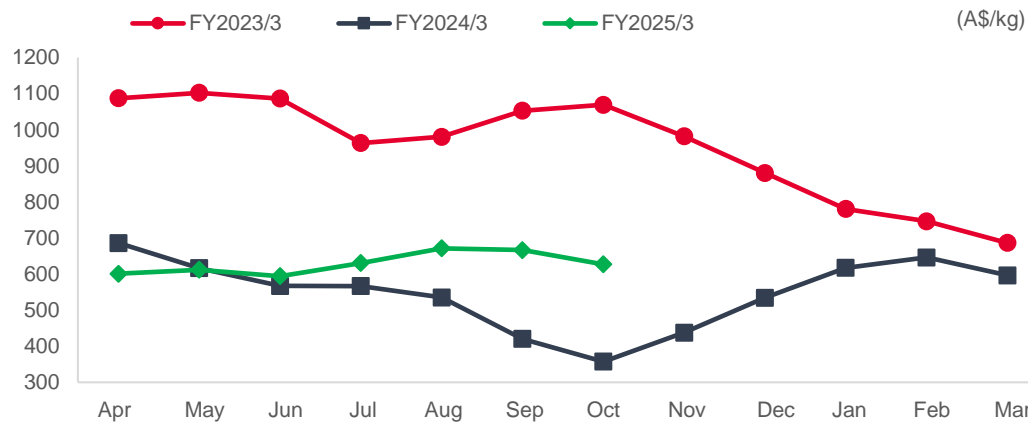
## Domestic pork carcass wholesale price

Source: Average price for top grade on the Tokyo Meat Market



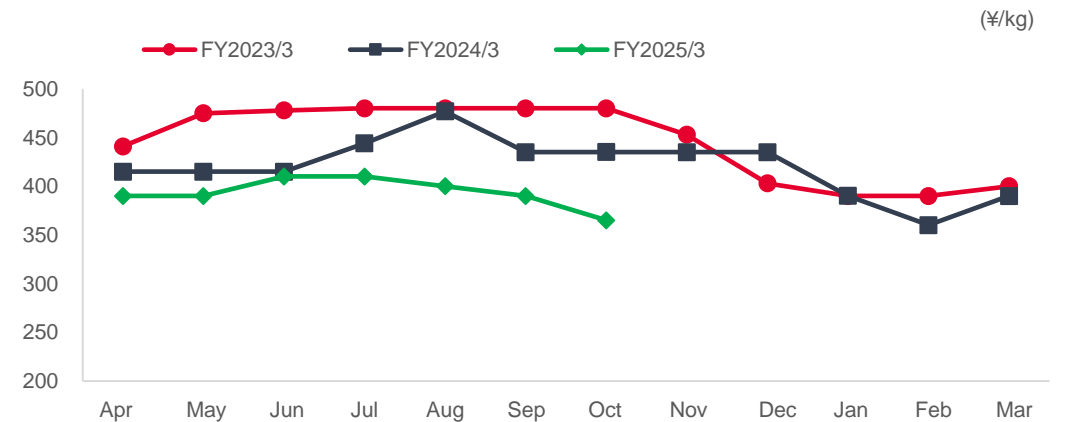
## Price of young Australian beef (producer sales price)

Source: MLA



## Domestic price of Brazilian chicken thigh meat

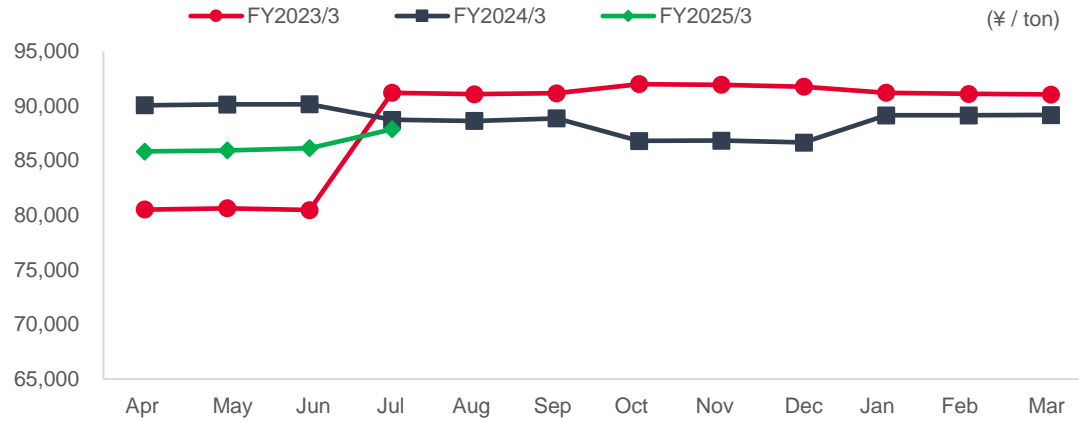
Source: Agriculture & Livestock Industries Corporation (ALIC), Ministry of Agriculture, Forestry and Fisheries "Poultry Market Information," simple average unit price cited in "Daily Meat & Livestock" published by Shokuhin Sangyo Shimbussha Co., Ltd.



# 32 External Environment: Market Conditions (2)

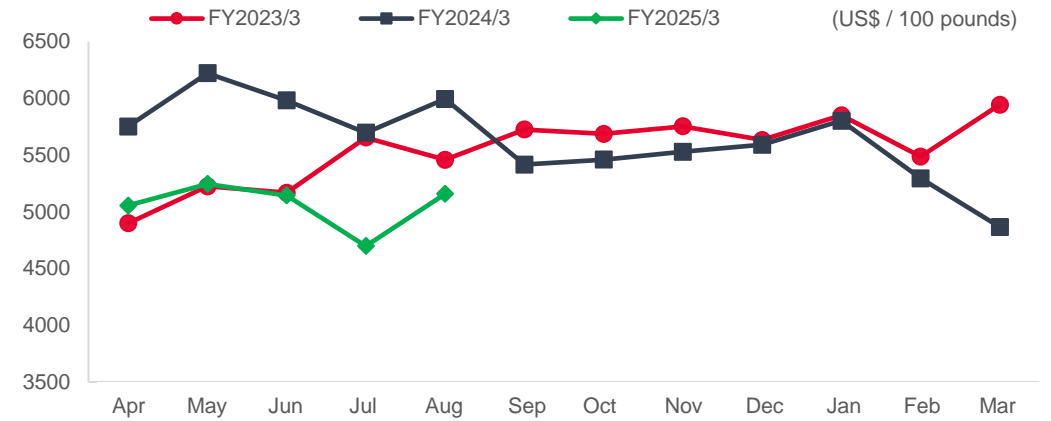
## Compound feed price

Source: ALIC



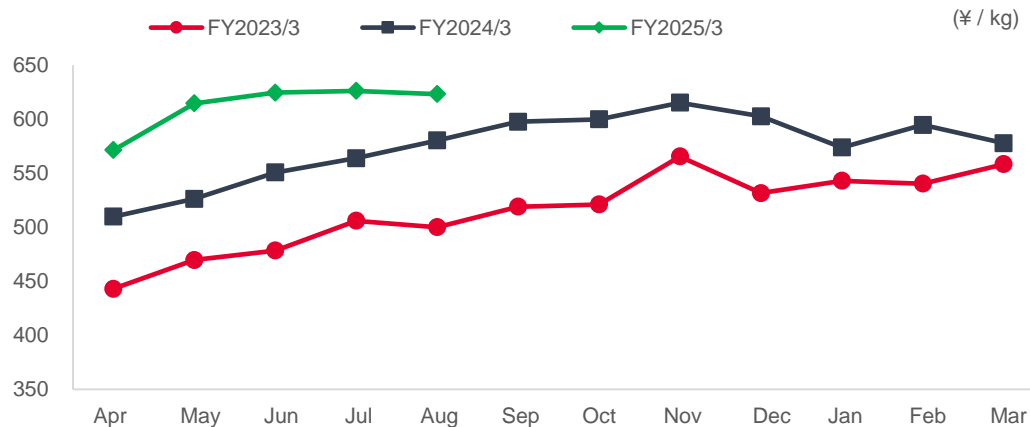
## Price for imported natural intestines \*mainly sheep casing (also including pork and beef intestines, etc.)

Source: Ministry of Finance's "Trade Statistics" (calculated as value ÷ volume)



## Import price for seasoned pork (GSP)

Source: Ministry of Finance's "Trade Statistics" (calculated as value ÷ volume)





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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.