

IR DAY 2nd part: Hokkaido Nippon-Ham Fighters, Ballpark Project

February 28, 2024, 15:00-15:50

Presenter: Fighters Sports & Entertainment Co., Ltd.

Executive Director and Business Operation General Manager Ken Maezawa

Executive Director and Business Operation Vice General Manager Hitoshi Mitani

Q.1 What is your forecast for sales and profits for the next fiscal year?

A.1 We aim to maintain sales of ¥25 billion and operating profit of ¥2.6 billion for the next fiscal year. BtoB consists primarily of advertising revenue, and the multi-year contracts have already been signed. BtoC aims to attract more than 3 million visitors in the next fiscal year. Sales of seasonal seats are robust, and by drawing on the knowledge gained in this fiscal year to attract customers at events on non-game days, we think it is fully possible to achieve the targets. In the ballpark business, we would like to expand profits, but it will incur certain expenses in order to invest in strengthening teams and enhancing convenience and entertainment.

Q2. What is our perception of future issues?

A2. In the future, it is considered that the improvement of the service in the software side is important. In order to achieve this, it is necessary to improve the motivation of employees through investments in people, such as improvements in the working environment, and initiatives to improve the motivation of partner companies.

Q3. What is the cost of capital?

A3. The Ballpark business is still developing, and we are not satisfied with the current operating profit of ¥2.6 billion. We would like to aim for profits commensurate with the capital invested. We also would like to secure a ROIC spread that exceeds WACC, but we will proceed with discussions on how to WACC as the Ballpark business in the future.

Q4. What is the business model of the Ballpark business?

A 4. In Japan, there is no business model in which the baseball club business, the stadium business and the ballpark business are integrated, but there are multiple baseball teams in the United States. In terms of the attractiveness of the Ballpark business as a tourist destination for Hokkaido itself and the utilization of 32 hectares of land, there is significant potential for business growth.

Q5. What is the position of the Ballpark business within the NH Foods Group?

A5. First, we will put it on a growth trajectory and support it so that it can grow over the long term and strengthen its stable earnings base.