

(English translation and a part of summary of the Annual Securities Report for the twelve-month period ended March 31, 2025,
pursuant to the Financial Instruments and Exchange act of Japan.)

Annual Financial Report

For the fiscal year ended March 31, 2025

NH Foods Ltd.

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Basic Views about and Approach to Sustainability

Forward-looking statements included in this section were made by NH Foods Ltd. and its subsidiaries (the "Group") based on certain assumptions as of the end of the fiscal year ended March 31, 2025 and may differ significantly from actual results due to a number of factors.

(1) The Group's basic views about sustainability

The Group has "the joy of eating" as its basic theme, and one of its corporate philosophies is to create a culture that marks an epoch and contributes to society. Vision 2030, formulated in March 2021, represents our desire to continue to work on stable supply that takes the environment and society into consideration, to expand the possibilities of protein by thinking outside the box to create a variety of food scenes and to continue to support happy daily eating.

The Group has formulated a sustainability strategy that aims to contribute to enjoyable and healthy lives and achieve harmony with the global environment that nurtures the bounty of nature by solving social issues through its business activities. This strategy is centered on the four pillars of sustainability: "Protect the global environment;" "Strengthen the resilience of the business base;" "Provide the joy of eating;" and "Create new value." Furthermore, in light of changes in the business environment and evolving stakeholder expectations regarding sustainability, we have reviewed our materiality. By advancing our business strategy and sustainability strategy in parallel, we aim to contribute to the realization of a sustainable society.

For the latest information on Materialities, please refer to the sustainability section of our website.

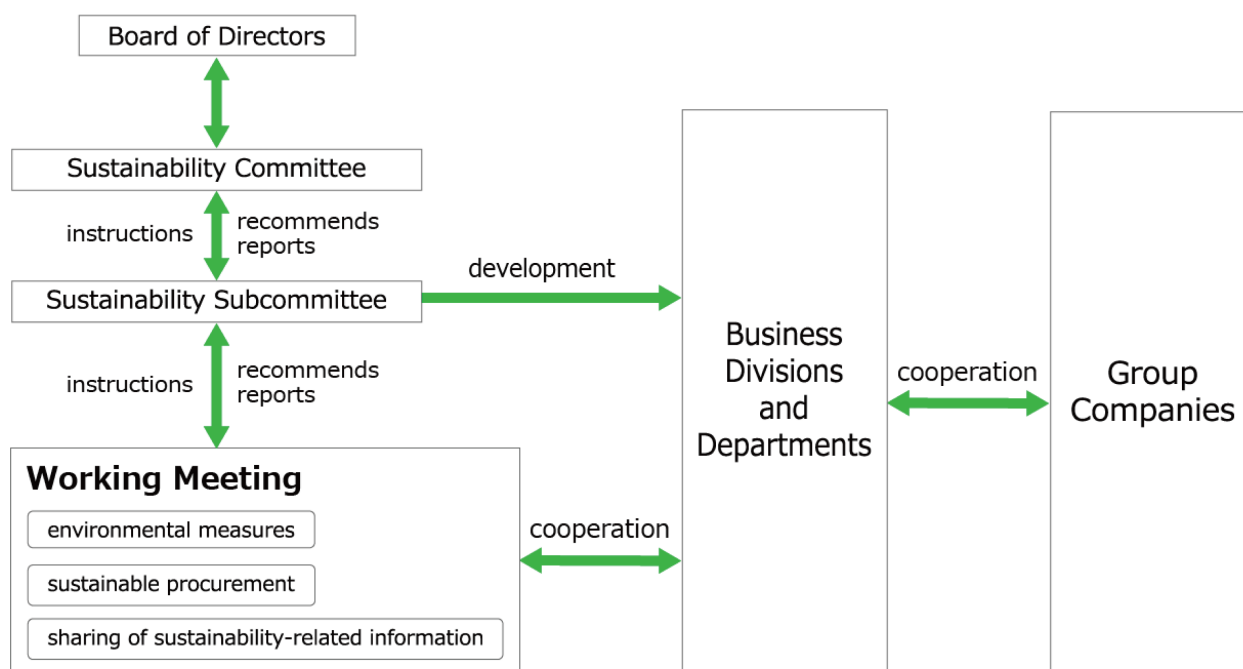
(<https://www.nipponham.co.jp/eng/csr/index.html>)

1) Governance

The Group has established a Sustainability Committee, chaired by Chairperson and Director of NH Foods Ltd. (the "Company"). In principle, the committee meets at least once every quarter in order to hear the opinions of outside experts and Outside Directors who have expertise in ESG matters and to carry out activities such as formulating sustainability policies and strategies, and checking the progress being made by each Group company. Details of these discussions are reported to the Board of Directors, which makes decisions if necessary.

The Sustainability Subcommittee operates under the Sustainability Committee and has been tasked with formulating specific strategies that correspond to discussions by the Sustainability Committee and developing measures to be carried out by business divisions. We have also established a Working Meeting to manage environmental measures, sustainable procurement, and the sharing of sustainability-related information, primarily among corporate back-office departments.

Sustainability promotion framework



Activities by organization

Organization entity		Role	Organization	Frequency of meetings
Sustainability Committee		<ul style="list-style-type: none"> Review and formulate the Group's sustainability policies and strategies Oversee ESG-related initiatives, including key themes (*) based on environmental policy 	<ul style="list-style-type: none"> Director Outside director General manager of business divisions Audit & Supervisory Board member/outside experts 	4 times/year
Sustainability Subcommittee		<ul style="list-style-type: none"> Applies strategies decided by upper-level management meetings to business units and Group companies 	<ul style="list-style-type: none"> Director in charge of sustainability Business division general managers Heads of departments and sections 	4 times/year
Working Meetings	Environmental Measures	<ul style="list-style-type: none"> Discussions, recommendations, and target management regarding key themes (*) based on environmental policy Compliance with environmental information-related disclosure regulations (TCFD, TNFD, etc.) 	<ul style="list-style-type: none"> Director and personnel in charge of related departments 	9 times/year
	Sustainable Procurement	<ul style="list-style-type: none"> Enhances the sustainability of procurement activities and the effectiveness of sustainable procurement 	<ul style="list-style-type: none"> Managers and personnel in charge of related departments 	5 times/year
	Sharing of sustainability-related information	<ul style="list-style-type: none"> Shares information among corporate related departments to prevent business risk and to build resilient systems Addresses human rights due diligence 	<ul style="list-style-type: none"> Corporate related departments 	3 times/year

(Note) * Key themes based on environmental policy: climate change, plastic reduction, water, food loss, waste reduction, and biodiversity

Discussion topics on climate change in FY2024

Timing	Name of meeting body	Main points of discussion
November 2024	Sustainability Committee	Environmental strategy meeting
February 2025	Sustainability Committee	Environmental strategy report
May 2025	Sustainability Committee	TCFD disclosure report
June 2025	Board of Directors	Final report

2) Strategies

The Group has identified the Materialities for realizing Vision 2030 and we are working to continuously enhance corporate value by combining sustainability strategy with business strategy. We will strive to solve social issues through our business and contribute to the formation of a sustainable society by implementing a range of measures in line with the Materialities through a series of dialogues with various stakeholders.

3) Risk management

The overall risk management for the Group is as outlined in "Business Risks, (1) Risk management system." We basically manage risks relating to sustainability under the same risk management framework. However, more specifically, the Sustainability Committee is responsible for identifying climate change related risks and opportunities and discussing strategies and concrete measures, while the Board of Directors receives the report following discussions at the Sustainability Committee.

4) Indicators and targets

The Group has developed measures and indicators for each of the material issues in line with the Materialities, while the divisions executing business operations periodically report the progress of such measures and indicators to the Board of Directors.

The Group is promoting initiatives under two KPIs to realize our materiality of contributing to a sustainable environment. The first KPI focuses on reducing the amount of plastic used. The second involves setting the goal of reducing fossil fuel-derived CO2 emissions with a view to fiscal 2030. In addition, we are promoting daily activities to achieve carbon neutrality toward 2050 (medium- to long-term environmental target).

(2) Responses to TCFD recommendations

Fiscal year	Key updates
FY2022	Initial disclosure
FY2023	Response to risks and opportunities based on the results of scenario analyses
FY2024	Assessment of financial impacts from climate change
FY2025	Disclosure of transition plan

1) Governance

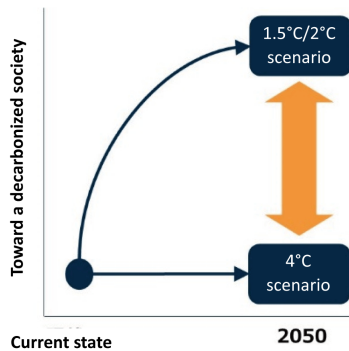
For information on governance of sustainability, including climate change response, please refer to Basic Views about and Approach to Sustainability, (1) The Group's basic views about sustainability.

2) Strategy

Scenario analyses and response

We set and contrasted two climate change scenario patterns with the key concept of a decarbonized society.

Scenario outline.



Pattern	Reference scenario	Assumed worldview
1.5/2°C	SSP1-1.9/2.6 IEA-NetZero	<ul style="list-style-type: none"> Decarbonization trend. Higher regulatory costs, such as carbon taxes Increased interest in climate change, stimulating the new protein market and increasing opportunities to select environmentally friendly products
4°C	SSP3-7.0	<ul style="list-style-type: none"> Increases in feed and meat procurement prices due to rising temperatures, floods, droughts, etc. Effect of rising temperatures on livestock Concerns of water risks at company sites

Important risks and opportunities			Occurrence timeframe	Degree of impact 1.5/2°C to 4°C	Impact on business	Status of response
Physical risks	a. Rising breeding costs due to increase and instability in feed costs	Hogs and chickens bred in-house	Medium to long term	Large (0 to 5.3 billion yen)	<ul style="list-style-type: none"> Instability in the procurement of raw materials Rising costs for meat production 	<ul style="list-style-type: none"> Efforts to improve feed conversion ratio (*1) Securing domestically produced feed ingredient
		Processed food ingredients (pork)	Medium to long term	Large (0 to 2.2 billion yen)	<ul style="list-style-type: none"> Rising costs for processed food production 	<ul style="list-style-type: none"> Expanding the procurement network Improving manufacturing costs and revising product prices
	b. Effect of rising temperatures on livestock growth		Medium to long term	Medium	<ul style="list-style-type: none"> Decrease in meat production Rising costs for meat production 	<ul style="list-style-type: none"> Implementation of heat control measures
	c. Higher risk of water-related disasters at sites		Short to long term	Small	<ul style="list-style-type: none"> Damage to owned facilities Decline in manufacturing activity, delayed shipments 	<ul style="list-style-type: none"> Strengthening equipment against flood risks Establishing a business continuity plan (BCP)
	d. Greater water stress at sites		Short to long term	Small	<ul style="list-style-type: none"> Decline in manufacturing activity 	<ul style="list-style-type: none"> Effective use of water resources
Transition risks	e. Rising energy costs from the introduction of a carbon tax		Medium to long term	Large (14.2 to 20.2 billion yen) (*2)	<ul style="list-style-type: none"> Rising production costs 	<ul style="list-style-type: none"> Efficient energy use and fuel conversion Expanding use of renewable energy Improving logistics efficiency
Opportunities	f. Increase in environmentally conscious consumption trends		Short to long term	Medium	<ul style="list-style-type: none"> Reduction of packaging costs Future market acquisition 	<ul style="list-style-type: none"> Developing environmentally friendly products Reducing the use of packaging material
	g. Growth of the market for new proteins		Short to long term	Large	<ul style="list-style-type: none"> Future market acquisition 	<ul style="list-style-type: none"> Research and development of new proteins

(Notes) 1. Occurrence timeframe: Short term: Less than 3 years, Medium term: 3-10 years, Long term: Over 10 years

2. *1 indicates that adjusting the composition of grains, etc., in a compound feed to be suitable for growth and promote efficient weight gain.

3. The figures for *2 represent the calculated impacts under the 1.5° C/2° C scenarios, comparing the continuation of current emission levels with the case where the FY2030 targets are achieved.

Response to identified risks and opportunities

a. Rising breeding costs due to increase and instability in feed costs

[Reason for identification]

The Group is engaged in the livestock production business and recognizes livestock feed as one of its key procurement items. The primary ingredients of compound feed are grains, and we have identified the potential for feed price increases in the

future due to factors such as growing demand for food caused by population growth, reduced yields and quality deterioration caused by rising temperatures and droughts, and potential competition with demand for biomass fuels. The scenario analysis found that while some grains may experience increased yields depending on the degree of temperature rise, under the 4° C scenario, grain yields may decline and procurement costs may increase.

[Status of response]

As a response to increased costs resulting from rising feed prices, we are working to reduce feed costs by improving feed conversion ratios, in addition to revising product sales prices.

Furthermore, in order to maintain a stable supply under the influence of rising costs and shortages in meat procurement from outside the Group, we are expanding our procurement sources by developing new suppliers, building a more stable meat procurement network.

b. Effect of rising temperature on livestock growth

[Reason for identification]

The environment, including factors such as temperature and humidity, has a significant impact on livestock growth. Analyses conducted in Japan, Australia, and Turkey, where the Group's production and breeding sites are located, indicate that daily weight gain may deteriorate as temperatures rise. We believe this could result not only in higher in-house production costs, but also pose a long-term risk to meat procurement costs from outside the Group.

[Status of response]

Livestock	Country	Main measures
Chickens	Japan	Cooling pads, misting equipment
	Turkey	Cooling pads
Hogs	Japan	(All areas) Shading nets
		(Some areas) Spot coolers, cooling pads, roof sprinklers, additional airflow and exhaust fans
Cattle	Australia	Installation of sunshades per section

[Case]

Heat management in poultry farms

Cooling pads and misting equipment are being installed to prevent heat buildup in poultry farms.

We will further improve breeding management and study the development of technology to improve production performance under hot conditions.

Country	Geographic area	Installation rate	
		FY2023	FY2024
Japan	Hokkaido	84%	91%
	Aomori, Yamagata, Niigata	80%	90%
	Miyazaki, Kagoshima Oita, Kumamoto	100%	100%
Turkey	Izmir	100%	100%

c.d. Higher risk of water-related disasters and water stress at sites

[Reason for identification]

As extreme weather events increase due to climate change, the risks of severe disasters and water stress are expected to rise.

The Group has conducted risk assessments for each of these factors. We will continue to monitor these risks annually and advance appropriate countermeasures at each of our sites.

Item	Scope of assessment	Assessment tool
Flood and storm surge risk	Farms, plants, and logistics sites	Japan: Hazard maps Overseas: Aqueduct by World Resources Institute (WRI)
Water stress	Farms and plants	Aqueduct by WRI

[Status of response]

Geographic area		Number of sites (*1)	Number of sites at high risk of water-related disasters (*1)		Main response	Risk assessment
			Flood	Storm surge		
Asia		238	12	4	-	-
Breakdown	Japan	229	7	2	· Review of BCP, including the supply structure of major products · Insurance against flood damage	Minimal
	China/Taiwan	2	0	0	· On-site checks confirmed a low likelihood of occurrence	Minimal
	Southeast Asia	7	5	2	· Measures such as raising the floor level of equipment have been implemented · Joint measures have been implemented in industrial parks	Minimal
Oceania		7	0	1	· Sites are dispersed, so even in the unlikely event of a natural disaster, the impact on business would be minimal	Minimal
North America		3	0	0	-	-
Middle East (*2)		1	1	1	· On-site checks confirmed a low likelihood of occurrence	Minimal

Country/region		Number of sites (*1)	Number of sites in water-stressed areas (*1)		Main response	Risk assessment
			1.5/2°C	4°C		
Asia		205	3	4	-	-
Breakdown	Japan	198	0	0	-	-
	China/Taiwan	2	1	1	Based on the business impact of past water stress and on-site interviews, the risk was judged to be minimal	Minimal
	Southeast Asia	5	2	3	Based on the business impact of past water stress and on-site interviews, the risk was judged to be minimal	Minimal
Oceania		7	0	0	-	-
North America		2	1	1	Based on the business impact of past water stress and on-site interviews, the risk was judged to be minimal	Minimal
Middle East (*2)		1	1	1	Based on the business impact of past water stress and on-site interviews, the risk was judged to be minimal	Minimal

"Water withdrawals in high water stress areas (FY2023)"

	Group overall	(Of those) High water stress region at 4°C
Number of production/manufacturing facilities (*1)	215	6 (2.8%) (*3)
Water withdrawal amount (1,000 m³)	19,572	1,047 (5.4%) (*4)

(Notes) 1. For *1, we have changed the management method from the previous fiscal year. The number of sites is based on the number of sites as of April 2024.

2. For *2, multiple sites are counted as one site for administrative purposes.

3. Figures for *3 and *4 show the number of sites and the percentage of water withdrawals in high water stress region out of the total.

e. Higher energy costs due to the cost of implementing a carbon tax

[Reason for identification and status of response]

In the 1.5° C/2° C scenario, a carbon tax on fossil fuel-derived CO₂ emissions has been considered. The financial impact assessment identified the potential for a significant impact on business. The Group is working toward carbon neutrality by advancing various decarbonization initiatives.

(hundreds of millions of yen)

Scenario	2030	2050
Assuming 2023 emissions Carbon tax impact	113	202
Assuming achievement of reduction targets (Horizontal drop from 2030) Carbon tax impact	80	142

(Notes) 1. Financial impact is calculated using FY2023 emissions vs. if FY2030 reduction targets are achieved.

2. Carbon tax pricing reference: Net Zero by 2050 scenario from the IEA World Energy Outlook 2024

Set price: FY2030: 140 USD/t-CO₂, FY2050: 250 USD/t-CO₂, \$1 USD = 140 yen

f. Increase in environmentally conscious consumption trends

[Reason for identification]

In a decarbonized society, concern over climate change and sustainability is expected to increase, making it easier to select companies and products that are more environmentally friendly. It is becoming increasingly important for the Group to realize sustainability value through its business activities and clearly communicate that value to consumers. Aiming to contribute to a sustainable society, we will continue to promote the provision of sustainable products and services throughout the Group.

[Status of response]

Reduction of CO₂ emissions by reducing the amount of plastic used

The Group uses a significant amount of plastic in its packaging materials and has therefore been working for over 20 years to reduce the amount of plastic used and adopt environmentally friendly packaging. We are reducing the amount of plastic used through measures such as minimizing packaging materials at the product design stage, utilizing eco-friendly packaging materials, and promoting the recycling of packaging materials.

By changing the packaging form for major wiener products to eco-friendly pillow-type packaging, we have reduced the weight of packaging materials by 28% compared to 2022. (*1) In addition, by implementing non-tray packaging for "Chuka Meisai®", we have reduced the amount of plastic used by approximately 21% compared to 2022. (*2)

We are also taking measures such as using plastic made from biomass as part of their raw materials for chicken products "Sakurahime®".

(*1) Compared with the two-127-g drawstring pouch bundle pack of *SCHAU ESSEN* (film weight ratio)

(*2) Calculated based on the number of shipments of 10 out of 15 *Chuka Meisai* products in 2021



Expansion of the Mealin'Good brand

Mealin'Good is a brand that combines "Feeling Good" with "Meal" to convey our commitment to "a comfortable and better everyday life for both people and the planet." This brand reflects the Group's sustainability initiatives through our products.

We develop and offer products based on three key actions: properly caring for the environment and natural resources, contributing to good health, and providing options aligned with new values.



g. Growth of the market for new proteins

[Reason for identification]

In the future, the market is expected to expand, including new proteins in addition to the meat market, against the backdrop of increasing demand for protein due to global population growth. The Group, as a protein supplier, is working to meet diverse protein demands while also advancing research and development of new protein sources.

[Status of response]

The *NatuMeat* range of plant-based products are being developed for consumers, restaurants, and distribution companies. We are also conducting joint research with external research institutions and startups regarding cell-based food (cultivated meat). In addition, we are developing more cost-effective method to grow cells using food-based culture media instead of costly animal serum. We are also conducting research and development of new food products using malt, and have developed "*FiTeiN*," a proprietary ingredient produced through our unique fiberization technology that allows for easy intake of both protein and dietary fiber.



NatuMeat range made with soy protein



Prototype of cell-based food developed using our proprietary technology



Malt-cultured material under development as a processed food ingredient



"*FiTeiN*," a fibrous ingredient designed to replicate meat-like texture

3) Risk management

The Group centrally manages company-wide risks through the Risk Management Committee, which is established by the President and Representative Director. Among these, risks related to climate change and biodiversity – both of which may significantly impact business activities – have been identified as priority risks. Initiatives to address these risks are discussed in the Environmental Measures Meeting, where risks and opportunities are identified, and related strategies and specific actions are considered. These discussions are then reviewed by the Sustainability Committee, an upper-level body, before being deliberated and approved by the Board of Directors.

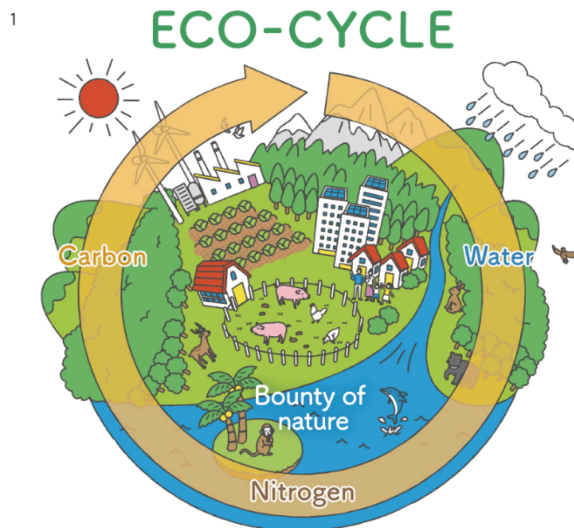
4) Indicators and targets

The Group has defined its vision for environmental conservation and has established medium- to long-term environmental targets, along with a roadmap toward achieving carbon neutrality.

"Eco-Cycle": A harmonious relationship between people and the planet

Carbon, water, nitrogen, and other substances that form all life on Earth – including humans and livestock – are regenerated and circulate through natural processes. However, population growth and corporate activities have led to the excessive use of fossil fuels and resources, surpassing the limits of the Earth's natural cycles and causing environmental issues such as climate change and pollution of air and water.

At the Group, we envision a future in which resource use and emissions from our business activities are integrated into a natural material cycle in harmony with nature, supported by coexistence with local communities and business partners (ecosystem). We call this vision the "Eco-Cycle," and are actively advancing related initiatives.



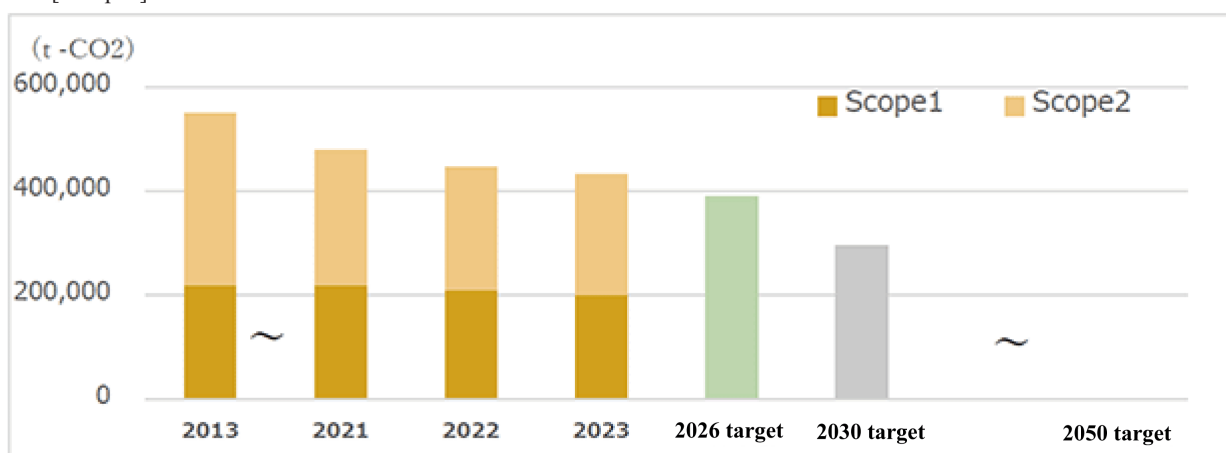
Excerpt from the Group's medium- to long-term environmental target

Priority Items	Policy	Vision (Goal)			Year Achieved	Progress	
						FY 2022	FY 2023
Green-house gas emissions	<ul style="list-style-type: none">Promote decarbonization of energyReducing livestock-derived greenhouse gas emissionsCreation of decarbonization reduction measures through co-creation	Reduction of fossil fuel-derived CO2	domestic	29% reduction compared to FY2013	FY2026	(18.7)%	(21.3)%
				46% reduction compared to FY2013	FY2030		
			overseas	17% reduction compared to FY2021	FY2026	(2.0)%	(8.4)%
				24% reduction compared to FY2021	FY2030		
		Reducing livestock-derived greenhouse gas emissions Implementation of measures at our own farms			FY2030	Newly established in FY2025	
		Reduction of supply chain emissions (Scope 3) Domestic targets set			FY2026	Newly established in FY2025	
		Going carbon neutral			FY2050	Newly established in FY2025	
Plastic	<ul style="list-style-type: none">Promote 3R (Reduce, Reuse, Recycle) + Renewable (use of sustainable resources) initiativesReduce waste plastics through co-creation	Reduce use of petroleum-based containers and packaging plastics (Products subject to the Containers and Packaging Recycling Law)	domestic	Reduction of 17% or more compared to FY2013	FY2026	Newly established in FY2024	
				Reduction of 20% or more compared to FY2013	FY2030		
		Petroleum-based plastics minimization through the supply chain			FY2050	Newly established in FY2025	
Water	<ul style="list-style-type: none">Minimize water consumptionRisk reduction in water-stressed areas	Water consumption intensity	domestic	5% reduction compared to FY2019	FY2030	1.3% increase	(0.7)%
			overseas	5% reduction compared to FY2021	FY2030	3.7% increase	(2.4)%
		Implementation of water risk reduction measures in water stressed areas			FY2030	Newly established in FY2025	
		Minimize water use and reduce risk in water-stressed areas			FY2050	Newly established in FY2025	
		Addressing Water Risks in Key Supply Chains			FY2050	Newly established in FY2025	

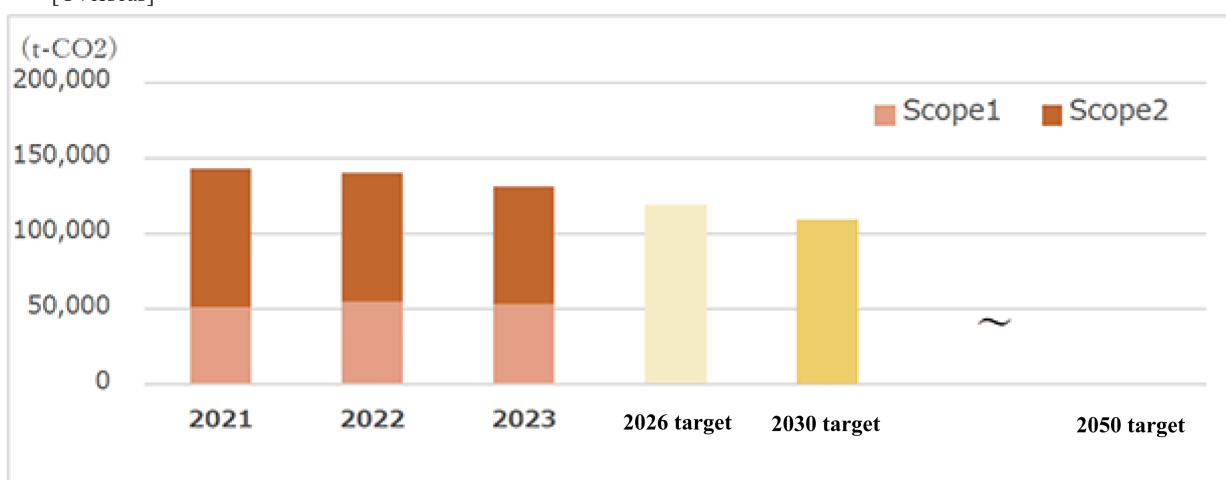
Roadmap toward carbon neutrality

Focus area	Priority item	2025	2026	...	2029	2030	...	2040	...	2050
Response to climate change	Greenhouse gas	Scope 1 & 2	Promoting decarbonization of energy at our facilities (Introducing energy-efficient equipment, streamlining production processes and manufacturing methods, and advancing electrification and transition to renewable energy)							★ Aim for carbon neutrality
			Promoting the reduction of livestock-derived greenhouse gas emissions (Conducting research and implementation of livestock management technologies, and collaborating with government agencies, universities, and other research institutions and businesses)							
			Local production and consumption of energy from unused resources generated in the production process (e.g., manure)							
		Scope 3	Scope 3 reduction through supplier communication (Surveying suppliers' decarbonization targets and utilizing primary data)							

[In Japan]



[Overseas]



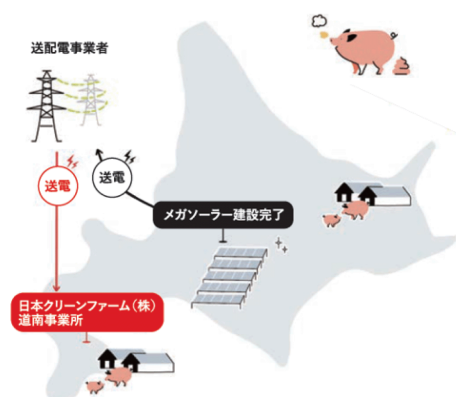
To reduce fossil fuel-derived CO2 emissions, the Group allocated an environmental investment budget under its Medium-Term Management Plan 2023 and invested approximately 1.4 billion yen. This investment is expected to reduce CO2 emissions by around 11,000 tons annually. Under the Medium-Term Management Plan 2026, we plan to allocate approximately 1.5 billion yen to environmental investments as part of a total 50.0 billion yen growth investment. We have also introduced Internal Carbon Pricing (ICP) as one of the criteria for investment decisions. Environmental investment plans are evaluated by factoring in a cost reduction benefit of 5,500 yen per ton of expected CO2 emissions reductions.

In addition, we are actively promoting energy conservation activities and fuel conversion, along with the expanded use of renewable energy. These efforts include utilizing waste cooking oil generated at food production plants as biomass fuel and introducing electricity derived from renewable energy sources.

	Item	FY2021	FY2022	FY2023
Status of solar panel installation	Number of sites	8	24	32
	CO2 emissions reduction (t-CO2)	538	1,686	3,583
	Electricity generated (MWh)	1,435	3,688	7,895

Pursuing a carbon neutral farm in Hokkaido

While promoting power supply from solar panel facilities and improving energy efficiency, the Group is aiming to operate a carbon neutral farm. To address greenhouse gas emissions from livestock, we are considering the use of carbon credits and other mechanisms related to livestock farming and agriculture in Japan.



Solar power generation in Nanporo Town, Hokkaido

Initiatives to address livestock-derived greenhouse gas emissions

In addition to sourcing meat externally, the Group is engaged in the entire value chain from livestock production and breeding to sales within the Group. Reducing greenhouse gas emissions from livestock remains a major challenge. At present, there are no cost-effective and practical reduction methods available, which is why we are advancing collaborative initiatives with universities and multiple companies. These efforts focus on research and technological development aimed at reducing greenhouse gas emissions from livestock.

• Status of research on reducing livestock-derived methane emissions

Partner	Research theme
Hokkaido University	Development of methane emission suppression method in bovine lumen
Tokushima University	Research on greenhouse gas emissions in pigs

Initiatives addressing Scope 3 emissions

A significant portion of the Group's indirect emissions (Scope 3) within the supply chain originates from procured goods. We are working to understand upstream emissions through communication with our suppliers, share identified issues with them, and collaborate to jointly advance efforts to reduce emissions.

Breakdown of Scope 3 emissions for FY2023

Category	CO ₂ (thousand t-CO ₂)	Composition ratio (%)
1 Purchased goods and services※1	8,953	85.5
2 Capital goods	115	1.1
3 Fuel and energy related activities (not included in scope 1 or scope 2)	78	0.7
4 Upstream transportation and distribution※2	782	7.5
5 Waste generated in operations	44	0.4
6 Business travel	3	0.0
7 Employee commuting	10	0.1
8 Upstream leased assets	-	-
9 Downstream transportation and distribution	-	-

※1 Raw materials and supplies related to the product

※2 Transportation of raw materials and supplies related to the product and transportation of products for which costs are borne

※3 Product for businesses heating and cooking

※4 Cooking commercial products

Category	CO ₂ (thousand t-CO ₂)	Composition ratio (%)
10 Processing of sold products※3	207	2.0
11 Use of sold products※4	146	1.4
12 End-of-Life treatment of sold products※5	138	1.3
13 Downstream leased assets	-	-
14 Franchises	-	-
15 Investments	-	-
Total	10,475	100

※5 Disposal of food waste and product packaging

(Note) For details, please refer to the following URL:

Data Book (https://www.nipponham.co.jp/eng/ir/library/data_book/pdf/2024/all.pdf)

(3) Human capital

(i) Human Resources Strategy

In order to realize our corporate philosophy that our Company is a place where employees can feel truly happy and fulfilled, we are working to improve social value and enterprise value, and aim to maximize our corporate value.

In addition, we have defined "human capital" as our human resources that are an important driving force for maximizing our corporate value, and have formulated our Human Resource Strategy to maximize the value of the human capital.

We believe three pillars essential to achieving these goals are: personal growth; organizational growth; and diversity, equity, and inclusion (DE&I). In fact, we have pushed forward with initiatives linked to the target outcomes of each of the pillars by way of making investments in human capital.

Overall Human Capital Strategy



a. Personal growth

We believe that employees' job satisfaction comes not only from contributing to society, but also from a sense of personal challenge and growth. The Group provides various forms of support to help each employee envision their own growth story, have the determination and career plan to grow into the person they want to be, and take on challenges, put them into practice, and study to achieve self-realization.

b. Organizational Growth

With a focus on strengthening value creation capabilities, we foster the ability to create even greater value by integrating diverse strengths. We provide leadership development support in line with business strategies, create and expand value creation opportunities, and realize a learning organization.

c. Diversity, Equity & Inclusion (DE&I)

We provide an environment where diverse values are respected and each individual can thrive under a sense of psychological safety. In addition, we are promoting work style reform, learning style reform, and work-life balance support initiatives so that diverse careers and work styles can be selected, while also working to create a place where diverse individuals, experiences, and skills can be utilized and everyone can grow together.

(Note) For details of the initiatives taken so far, please refer to the URL below.

Integrated Report/Annual Report (<https://www.nipponham.co.jp/eng/ir/library/annual/>)

Data Book (https://www.nipponham.co.jp/eng/ir/library/data_book/)

Sustainability Report (<https://www.nipponham.co.jp/eng/csr/report/>)

(ii) Linkage with business strategies

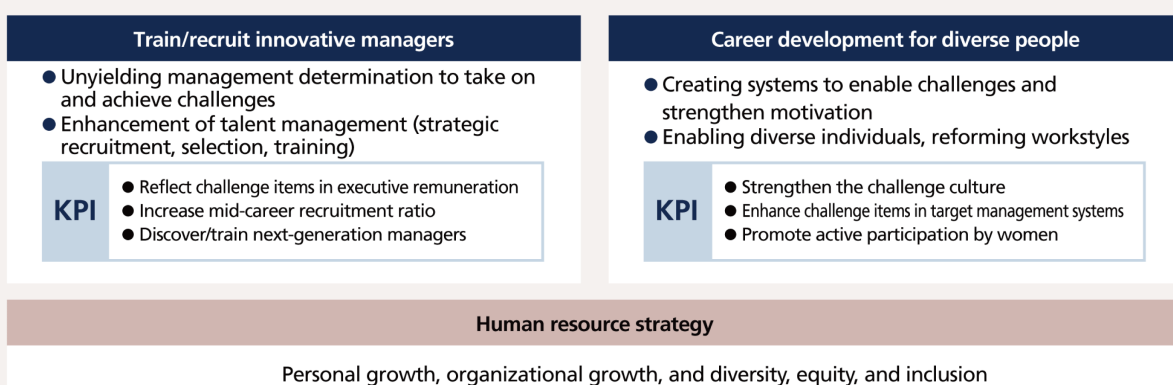
The Group has designated the three-year period from April 1, 2024 to March 31, 2027 (from the 80th fiscal year to the 82nd fiscal year) as "Medium-Term Management Plan 2026", with the theme of "Working together to create value through protein." In order to reach the new stage indicated in Vision 2030, we have positioned the three years of the plan as a period to address the challenges to business model transformation identified by backcasting from this vision. This will be accomplished by pursuing three integral approaches, structural reforms, growth strategies and a transformation of our organizational culture, facilitating our evolution into a company that creates value.

The key foundation for promoting structural reforms and growth strategies to maximize corporate value is the challenge of each and every employee and the organization to change. In "Medium-Term Management Plan 2026", we have set the fostering an organizational culture focused on new challenges as a priority issue, and we aim to achieve this goal through the implementation of our human resource strategy.

As priority measures, we will promote various efforts to train and recruit innovative leaders, and to champion the success of a diverse range of human resources.

Priority Issues in Human Capital Strategies under Medium-Term Management Plan 2026

Fostering an organizational culture focused on new challenges



(iii) Indicators and Targets

In order to maximize human capital, the Group has established indicators for each measure to promote the success of its diverse human resources and visualize them to enhance their effectiveness.

Each company sets its own initiatives in accordance with its business characteristics and management policies, and the entire group promotes these initiatives.

As we do not set consolidated group-wide targets that include overseas group companies with different laws and systems, the company's indicators and targets are listed here.

	Measures	Indicators	FY2024 results	FY2030 targets
Personal Growth	Creating a framework that encourages challenge	Employee survey favorable response rate	68.8%	At least 80%
	Creating a framework to enhance job satisfaction	Employee survey favorable response rate	66.9%	At least 80%
Organizational Growth	Strategic Recruitment	Ratio of mid-career recruitment	26.5%	At least 25%
DE&I	Promoting women's participation in the workplace	Percentage of female managers	12.0%	At least 20%
		Percentage of female supervisor and above	25.2%	At least 35%
	Promote employment of people with disabilities	Employment rate of people with disabilities	2.6%	At least 2.7%
	Reduction in total working hours	Total working hours	1,948 hours	1,870 hours
		Overtime hours	204 hours	200 hours
	Mental and physical health	Rate of follow-up action after physical examinations	80.1%	100%
		Ratio of smokers	22.6%	12%

(Note) The targets may change from time to time.

Business Risks

Of the matters related to Financial Information stated in this Annual Financial Report, the management has recognized that the items listed below constitute major risk factors that may have a material impact on the financial position, operating results, and cash flows of its consolidated companies.

Forward-looking statements included in this section were made by the Group as of the end of the fiscal year ended March 31, 2025, unless otherwise noted.

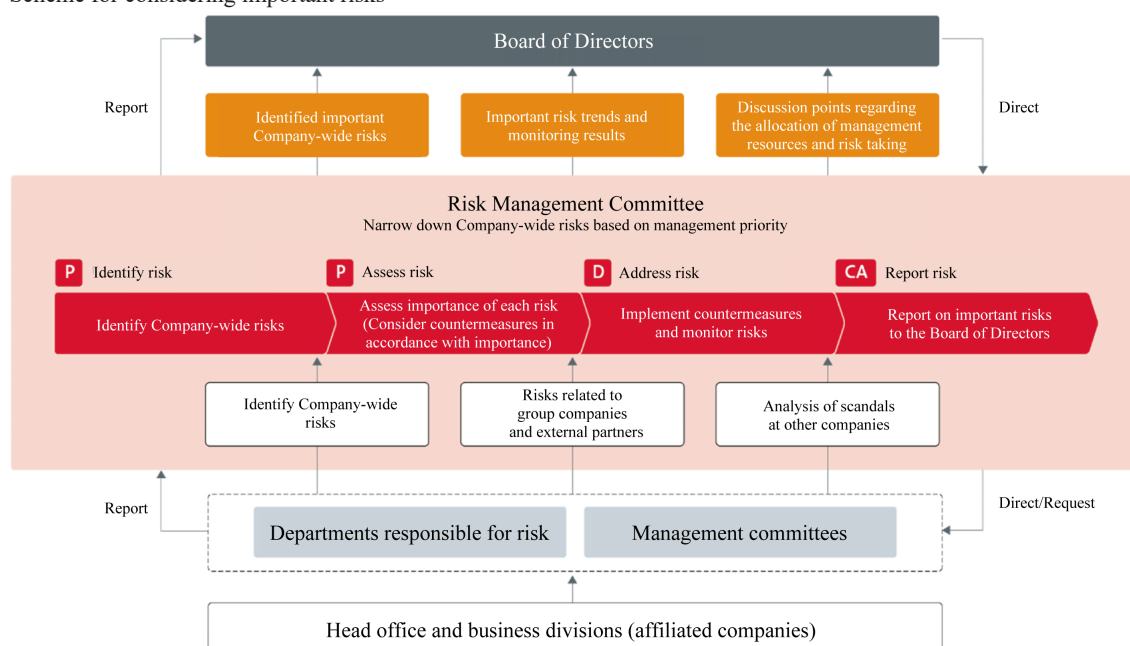
(1) Risk management system

The risk management systems adopted by the Company are based on the Risk Management Rules outlining basic policies and management systems concerning risk management, with the President and Representative Director as the highest management executive.

The Risk Management Committee established by the President and Representative Director is the central organization for Group-wide risk management. It works to identify and assess various risks, as well as specify priority risks, and consider countermeasures. Based on the policies of the Committee, individual business divisions and departments coordinate risks relating to their own particular business domains and functions. Results are reported to the Board of Directors through the Committee. The Board of Directors considers responses to important risks that the Committee thinks may have a significant impact on the Group's business activities. When an important risk is recognized to be manifesting, the Crisis Management Committee is established as an emergency response to the risk. Units for taking countermeasures tailored to the crisis details and expected severity are organized, and prompt and appropriate action is undertaken.

In addition to the above, product market risks arising from daily business activities are handled by individual business divisions, and financial risks by the Accounting & Finance Department and related business divisions.

Scheme for considering important risks

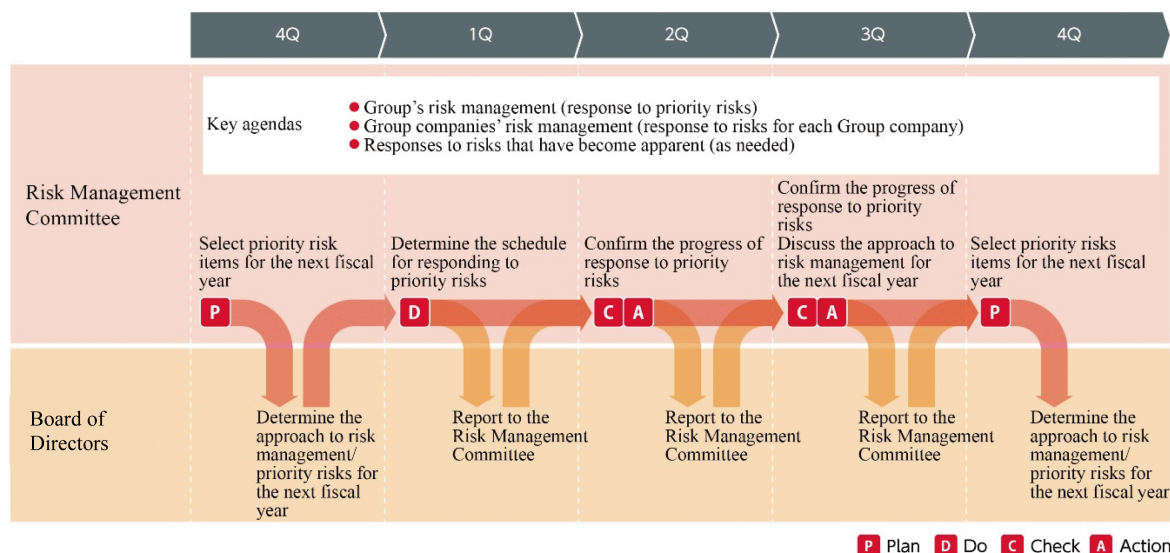


(2) Risks affecting business operations

Annual risk management schedule

At the Company, the Risk Management Committee identifies priority risks that the Group should address, and deals with these risks in the order of priority throughout a year.

In the fiscal year ended March 31, 2025, we strengthened our business continuity plan (BCP) against cyberattacks throughout the Company to address information security risks.

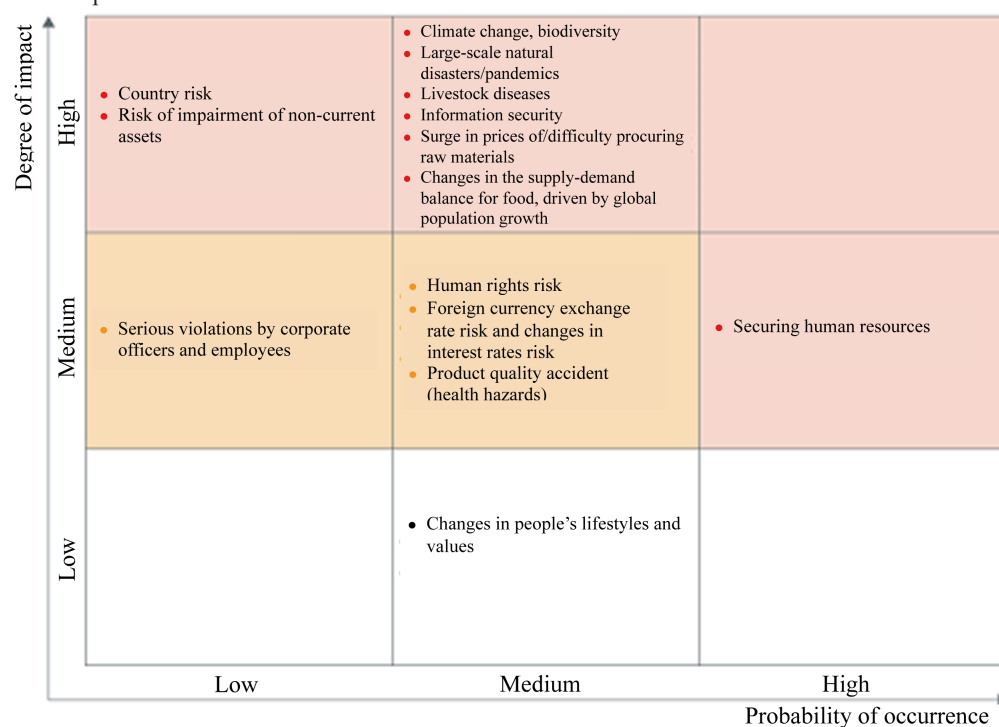


Out of all risks surrounding the Group, we have extracted those that could materially affect our operations and plotted them onto a risk map (see the chart below).

When we identify priority risks that the Group should address, we take into consideration this risk map, social circumstances, and the status of the Group. We also supervise risk management by each Group company, with the Risk Management Committee discussing risks that have become apparent as needed, to address these risks across the Group.

Details of risk items on the risk map are as provided below. The Group has determined these risk items based on its status as of the end of the fiscal year ended March 31, 2025.

Risk Map



Risk item	Changes in people's lifestyles and values
Probability of occurrence: Medium	Degree of impact: Low
Description of the risk	
<p>Changes in people's lifestyles and values have created the need for diverse food solutions. In fact, we are now prompted to meet more diversified and fragmented needs, such as the need for addressing food allergy, providing gluten-free products, providing low-salt or low-carb products amid health-conscious trends; responding to emerging values that have taken root by providing vegan, halal, or organic products; and catering to new food lifestyles for people working from home. Our continued efforts to meet such diversifying needs could result in increased product lines and, consequently declined productivity, but we are working to thoroughly manage the number of product lines. There is also the risk of inability to adapt to a dizzying pace of change in consumer needs. Any of these situations could affect the Group's operating results and financial position.</p>	
Responses to the risk	
<p>Factors that affect people's lifestyles and values are wide-ranging, from economic fluctuations, the global situation to global warming. Also, values are expected to keep on diversifying in the future. The Company has established a structure in which various divisions and departments collaborate each other to understand and satisfy customer needs. Such divisions and departments include those responsible for communication with customers, those responsible for analyzing a variety of eating habits and subsequently proposing new products, those responsible for research and development of new protein alternatives, and those responsible for marketing in each business division. In the years ahead, the Company seeks to make a profit with the delivery of value-added products and services, such as food allergy-related services, plant-derived protein products, and cellular foods (cultured meat). The Company will also deliver products catering to the needs overseas, as well as in Japan.</p>	

Risk item	Changes in the supply-demand balance for food, driven by global population growth
Probability of occurrence: Medium	Degree of impact: High
Description of the risk	
<p>The global population is projected to grow especially in developing countries going forward. In line with population growth, diversified diet, and economic growth, the world's demand for grains and other agricultural crops for human consumption is expected to increase. The demand for meat, which uses a lot of feed crops, mainly grains, for production, is also expected to surge in tandem with the above trends. Such increasing demand for grains, etc. is posing a risk of food shortage for the future. This risk could have a material impact in the future on the stable procurement and supply of the Group which plays an important role in food infrastructure.</p>	
Responses to the risk	
<p>As this risk comprises many uncontrollable factors for the Group, such as changes in the world demographics and demand for food, we surveyed the demographics and demand for fresh meat in the future as part of the environmental analysis used in formulating our Medium-term Management Plan. We also used the results of the survey as underlying data for developing business strategies.</p> <p>How we respond to the growing demand for fresh meat and other food is one of the social issues the Group should address through its business activities. Specifically, we have strived to build a stable procurement & supply structure by improving the efficiency of fresh meat production, diversifying the regions/routes of procuring products/raw materials, and developing new suppliers. In addition, as a measure to realize a stable procurement/supply of proteins, we have worked on development of plant-based protein products and research and development of new proteins. However, we cannot guarantee that the Group can completely avoid this risk.</p>	

Risk item	Surge in prices of/difficulty procuring raw materials
Probability of occurrence: Medium	Degree of impact: High
Description of the risk	
<p>The Group is exposed to a risk of fluctuations in livestock prices as it mainly deals in fresh meats and fresh meat-related processed products and fresh meats are used as raw materials for our products including hams, sausages, and processed foods, not to mention fresh meats for sale. Our domestic and overseas production and breeding businesses, which supply fresh meats, are also affected by fluctuations of feed and crude oil prices, as well as the conditions of product markets. Our dairy products and auxiliary raw materials for processed products (e.g. flour and marine products) are also exposed to a risk of fluctuations in product markets and prices of raw materials. Further, the outbreak of livestock diseases (such as BSE, avian influenza, foot-and-mouth disease, porcine epidemic diarrhea, swine fever, and African swine fever) and the invocation of safeguards against such livestock diseases (emergency import restriction) could affect the entire livestock industry and ultimately the Group's operating results and financial position.</p>	
Responses to the risk	
<p>These risks comprise many uncontrollable factors for the Group, such as the global supply-demand trends and economic fluctuations, and constantly manifest themselves in both positive and negative contexts. To mitigate negative impacts beyond our expectations to the extent possible, we have diversified the procurement routes of products, raw materials, and feed, developed high value-added products, and moved forward with the branding of these products, for instance. We have also strived to ensure stable procurement of raw materials in anticipation of fluctuations in product demand; strengthen disease prevention systems and improve productivity of the production and breeding business; and maintain appropriate meat inventory levels. However, we cannot guarantee that the Group can avoid these risks.</p>	

Risk item	Securing human resources
Probability of occurrence: High	Degree of impact: Medium
Description of the risk	
<p>With a decline in the working age population, diversification of work ethics and lifestyles, and increasing mobility of human resources, it has become increasingly difficult for companies to secure human resources. The acquisition, development and retention of diverse human resources in response to the business needs are essential to new value creation and innovation creation. The failure to secure such human resources as expected could affect the Group's operating results and financial position.</p>	
Responses to the risk	
<p>The Group has been carrying out human resources measures with personal growth, organizational growth, diversity equity and inclusion as the pillars, based on the human resources strategies. We strive to acquire diverse human resources through the recruitment of new graduates and mid-career talent, make onboarding efforts, develop them through systematic education programs and succession plans, and retain them by providing structures to support individual new challenges, career self-direction support, etc. We have also worked to promote flexible workstyles catering to the needs of the time and creation of a pleasant workplace environment for our employees. However, we cannot guarantee that the Group can completely avoid this risk.</p>	

Risk item	Product quality accident (health hazards)
Probability of occurrence: Medium	Degree of impact: Medium
Description of the risk	
<p>The Group deals in a wide array of products ranging from fresh meats, fresh meat-related processed products, dairy and marine products. As such, quality or safety problems caused by contamination or incorrect labeling, for instance, or its non-compliance with the Food Sanitation Act or other related laws and regulations could ultimately incur product recall costs, claims for damages, or suspension of business operations. Any of these situations could affect the Group's operating results and financial position.</p>	
Responses to the risk	
<p>For the purpose of preventing and mitigating the risk to the extent possible, we have established a group-wide quality assurance system that assesses whether the Group complies with laws and regulations on labeling and specifications, audits production plants in Japan and overseas, inspects for harmful microorganisms and veterinary drug residues, and continues to provide education on quality assurance. We have obtained third-party certifications at our production plants to drive our food safety initiatives. In addition, starting in the fiscal year ended March 31, 2025, we have been adapting to various legal revisions including food-related laws and regulations, while appropriately managing new risks based on assessments.</p> <p>In the event any of our offerings, including products, are discovered to have problems, the Group will promptly disclose the information and implement thorough-going measures to prevent the spread of such problems, with the utmost emphasis on our customers, and mitigate reputational risk. However, when an event that is too severe to be resolved by these measures or a problem that impacts society as a whole (e.g. a problem that threatens food safety) takes place, it is difficult to predict the probability and timing of such event or problem occurring and the magnitude of its impact. In such cases, we cannot guarantee that the Group can completely avoid this risk.</p>	

Risk item	Large-scale natural disasters/pandemics
Probability of occurrence: Medium	Degree of impact: High
Description of the risk	
<p>The Group has production, manufacturing, logistics, sales, R&D, and other business locations in Japan and overseas to operate business globally. In the event of an earthquake, fire, a large-scale natural disaster resulting from climate change, or an outbreak of infectious disease such as COVID-19, our facilities may be damaged or we may have difficulty securing necessary personnel, which could cause a shutdown of our business activities, a delay in production and shipment, or restriction of sales activities. Any of these situations could affect the Group's operating results and financial position.</p>	
Responses to the risk	
<p>The Group periodically enhances and revises its disaster prevention and BCP manuals, and establishes measures to enable key operations to continue even in the event of a crisis, with employee safety as the highest priority.</p> <p>Current BCP primarily anticipates the occurrence of large-scale natural disasters, cyber attacks, pandemics, and emergency situations overseas. We are building a framework that will facilitate steady recovery measures, including formulating scenarios that could have a big impact on our business, and preparing an initial response through the selection of priority business operations. However, in cases where emergencies that are too severe to be coped with by these measures take place, it is difficult to predict the probability and timing of such emergencies occurring and the magnitude of their impact. In such cases, we cannot guarantee that the Group can completely avoid this risk.</p>	

Risk item	Country risk
Probability of occurrence: Low	Degree of impact: High
Description of the risk	
<p>In countries overseas where the Group operates business, natural disasters from extreme weather, the outbreak of infectious diseases, heightened geopolitical tensions, and drastic changes in the economic environment could put its business continuity at risk. Also, sudden changes in the legal systems of the countries where the Group operates business or which it imports from or exports to could affect its operating results and financial position.</p>	
Responses to the risk	
<p>To prepare against emergency situations overseas, we have determined how we initially respond to such situations, including our decisions as to our business continuity, while placing a priority on the safety of our employees. Also, in the event of sudden changes in the legal framework of countries in which the Group operates business or which it imports from or exports to, the Company or the Group companies in these countries will promptly gather information, and consider and implement countermeasures. However, we cannot guarantee that the Group can completely avoid this risk.</p>	

Risk item	Livestock diseases
Probability of occurrence: Medium	Degree of impact: High
Description of the risk	
<p>The Group produces or procures livestock both in Japan and overseas. The outbreak of livestock diseases (such as BSE, avian influenza, foot-and-mouth disease, porcine epidemic diarrhea, swine fever, and African swine fever) could affect the results of the Group's fresh meats and processed foods businesses and its financial position.</p>	
Responses to the risk	
<p>While the Group has strived to strengthen its disease prevention systems in the production and breeding business, the livestock disease risk comprises many uncontrollable factors, and thus, we cannot guarantee that the Group can completely avoid this risk. In addition, to mitigate the negative impact of this risk on our procurement beyond our expectations, both in Japan and overseas, we have sought to diversify our procurement routes by decentralizing regions of its suppliers. In the event of an outbreak of livestock diseases in Japan or overseas, we will make every effort to supplement the shortage with domestically produced raw materials when it is difficult to import them, or supplement the shortage with imported raw materials when it is difficult to procure them domestically.</p>	

Risk item	Foreign currency exchange rate risk and changes in interest rates risk
Probability of occurrence: Medium	Degree of impact: Medium
Description of the risk	
<p>Expenses and revenues arising from our foreign currency-denominated transactions and foreign currency-denominated receivables and payables, translated into the Japanese yen, are exposed to the impact of foreign exchange rate fluctuations. The risk constantly becomes apparent in both positive and negative contexts. In addition, there is a risk that the total equity attributable to owners of the parent on the consolidated financial statements varies depending on the translation differences when the financial statements of overseas consolidated subsidiaries prepared in foreign currencies are translated into the Japanese yen. As a consequence, this may affect the Group's operating results and financial position through other comprehensive income.</p> <p>In addition, the Group has raised the majority of its necessary funds with interest-bearing liabilities, including borrowings from outside lenders. As of March 31, 2025, the majority of our interest-bearing liabilities totaling ¥223.9 billion are borrowings at fixed interest rates. Although we believe that the direct impact of rises in interest rates on the Group is minimal at the moment, a sustained rally in interest rates in the future could incur a higher interest cost in funding, and as a result, could affect the Group's operating results and financial position.</p>	
Responses to the risk	
<p>The Group has established the "currency risk management policies" to hedge risks associated with such foreign currency-denominated transactions, to continually monitor foreign exchange rates, and to periodically assess risks associated with foreign exchange rate fluctuations. All hedge transactions using derivatives, such as foreign currency forward exchange contracts, are conducted based on currency risk management policies and internal regulations that specify transaction authority and transaction amount limits.</p> <p>To reduce the risk of fluctuations in future cash flows from foreign currency-denominated transactions due to fluctuations in foreign exchange rates, the Group has hedged the risk using derivatives, such as foreign currency forward exchange contracts. However, we cannot guarantee that the Group can completely avoid this risk. In the event of exchange rate fluctuations beyond our expectations, such hedge transactions aimed at reducing the risk could pose other risks such as a loss of opportunity.</p> <p>With a view to diversifying funding costs and the risk, the Group has sought to secure stable funding at low cost by combining direct and indirect funding, while taking into account the balance between long-term and short-term borrowings. In addition, the Group has established committed lines of credit so that it can secure working capital in the near term in case of a sudden change in the funding environment. At the same time, the Group has introduced a cash management system (CMS) in Japan and overseas with the aim of improving its funding efficiency and reducing financing costs.</p> <p>However, in the event that the funding environment deteriorates beyond our expectations in the wake of a financial crisis or other events, we cannot guarantee that the Group can completely avoid this risk.</p>	

Risk item	Risk of impairment of non-current assets
Probability of occurrence: Low	Degree of impact: High
Description of the risk	
<p>In the event that the value of the non-current assets owned by the Group declines due to deteriorated profitability or changes in economic and other conditions, it will apply impairment accounting as necessary. As of March 31, 2025, the total carrying amount of property, plant and equipment, right-of-use assets, intangible assets and goodwill, and investment property included in other non-current assets amounted to ¥458.7 billion. In the event of impairment of non-current assets, the impairment losses are recognized in other expenses, which could affect the Group's operating results and financial position.</p>	
Responses to the risk	
<p>For investments above a certain amount, the Group makes efforts to raise the accuracy of the estimated return on investments by analyzing assumptions and anticipated risks, and discussing the appropriateness of its income and expenditure plan and the collectability of its investments at management committees based on the set amount and the importance of investments.</p> <p>After investments are made, in cases where the returns on investments are expected to significantly fall short of the forecasts, the Group seeks to mitigate the risk by discussing improvement measures and implementing such measures, given that the status of investments must be reported periodically to bodies responsible for approval.</p> <p>However, in the event that business conditions deteriorate or economic conditions change beyond our expectations, we cannot guarantee that the Group can completely avoid this risk.</p>	

Risk item	Information security
Probability of occurrence: Medium	Degree of impact: High
Description of the risk	
<p>In operating business, the Group uses information systems for production, sales, accounting, and other operations. These information systems may become unavailable in the wake of an earthquake or other natural disaster, equipment failure, advanced cyberattacks, and other security issues that may result in the leakage of personal or confidential information, or its shutdown for a certain period of time. Any of such situations could affect the Group's operating results and financial position.</p>	
Responses to the risk	
<p>Recognizing that information security is a major challenge for us in operating our business, we assess the risk across the Group and systematically implement appropriate information security measures. We have introduced technical measures such as firewalls, intrusion prevention systems, and anti-virus measures, and have implemented security education and training for employees. In addition, we are continuously strengthening security by establishing a system for early detection and early response in the event of unauthorized access and reviewing backup methods that enable restoration even in the event of malware infection. However, in emergencies that are too severe to be coped with by these measures or problems that affect society as a whole, it is difficult to prevent 100% of threats, including cyberattacks. In such cases, we cannot guarantee that the Group can completely avoid this risk.</p>	

Risk item	Human rights risk
Probability of occurrence: Medium	Degree of impact: Medium
Description of the risk	
<p>The Group recognizes that human rights issues in its business and supply chain could pose a significant risk. In the event that human rights issues arise in its business or supply chain and the Group fails to adequately cope with these issues, the Group may lose its social credibility. This, as a result, could affect its operating results and financial position.</p>	
Responses to the risk	
<p>The Group implements human rights due diligence and has designated occupational accidents (occupational safety and health), harassment, and long working hours as priority risks. Each Group company has selected and worked to prevent at least one risk out of these priority risks. In the event that any of these risks manifest themselves, we will make every effort to prevent their recurrence as a priority issue - not to mention promptly address them. In addition, we are strengthening our engagement with suppliers through sustainable procurement initiatives.</p> <p>Although we strive to prevent and alleviate infringement of human rights through such activities, we cannot guarantee that the Group can completely avoid the risk in the event that issues beyond our expectations occur.</p>	

Risk item	Serious violations by corporate officers and employees
Probability of occurrence: Low	Degree of impact: Medium
Description of the risk	
<p>Aiming to be a corporate group with a high level of transparency and integrity, the Group has continuously strived to ensure and entrench the awareness of compliance. However, in the event of compliance issues, such as violations of laws and regulations by individual corporate officers or employees, punishment under laws and regulations or social sanctions could undermine the Group's brand value, and as a result, could affect its operating results and financial position.</p>	
Responses to the risk	
<p>For compliance issues, the Compliance Committee, consisting of Directors and Executive Officers appointed by President and Representative Director, supervises the entire Group. Also, the Compliance Department of the Company has continued to implement measures that help raise awareness of compliance among all our corporate officers and employees at all Group companies. In addition, we have set up whistleblowing channels both in Japan and overseas, and have set forth matters regarding the framework for dealing with and protecting whistleblowers properly, to ensure early detection and correction of misconduct.</p> <p>To prevent bribery, the Group prohibits the provision of entertainment and gifts to public officials under the NH Foods Group Action Standards (Japan version) in Japan and the NH Foods Group Overseas Governance Policy for Group companies overseas.</p>	

Risk item	Climate change and biodiversity
Probability of occurrence: Medium	Degree of impact: High
Description of the risk	
<p>Production/manufacturing activities may stagnate due to extreme weather conditions, such as drought, torrential rains, and rising temperatures. Additionally, there may be a surge in environmental investments due to revisions of related laws and regulations. Furthermore, deterioration or shortage of natural capital such as the ecosystem and water resources may impact on the assets held and raise concerns about rising production costs. Any of these situations could affect the Group's operating results and financial position.</p>	
Responses to the risk	
<p>The Group recognizes that a rise in feed prices caused by climate change is an important risk, and thus, has sought to mitigate its impact by improving the feed conversion ratio (the amount of feed consumed per unit weight of livestock), strengthening collaboration with feed companies, and utilizing domestically produced feeds, etc. To limit the impacts on the assets held and the rising production costs, we regularly revise the BCP and preserve natural capital with consideration for circulation of resources.</p>	

Shareholdings

1) Criteria and approach to classification of investment shares

Shares held by the Company are classified into two categories: those held for "pure investment purposes" and those held for "other than pure investment purposes." Shares held for "pure investment purposes" are held exclusively to gain profit from changes in the value of the shares or receipt of dividends. In contrast, other shares are classified as those held for "other than pure investment purposes." Shares held for "other than pure investment purposes" include shares for which the Company has the "authority to exercise voting rights" in accordance with trust agreements, other contracts, or legal provisions. As of the submission date, there are no shares held for "pure investment purposes."

2) Investment shares held for other than pure investment purposes

- a. Methods for verifying holding policies and rationality of holdings, and details of verification by the Board of Directors, etc., regarding the appropriateness of holding individual issues

Although the Company's principle is not to hold shares in cross-shareholdings, in cases where it is recognized that cross-shareholding is essential for sustainable growth of the Group or improvement of the corporate value, such as for reinforcement of alliances in order to maintain business transactions and to expand our business, and for smooth fund raising, the Company may hold shares in cross-shareholdings. The Company reviews all of our invested shares once a year and closely examines whether the benefit of holding shares, risk of stock price fluctuation, and credit risk, etc. of the issuing companies are worth the capital cost, and comprehensively determines whether holding such shares is appropriate or not. If the Company determines that the necessity of holding certain shares has become lower, the Company implements disposal of such shares as appropriate having regard to the stock price and market trends, etc. However, there are cases where even if the significance of holding certain shares is recognized, disposal of such shares may be implemented upon agreement with an issuing company. The total market value of the Company's shares in cross-shareholdings as of March 31, 2025 was approximately 22.6 billion yen, or 2.4% of the Company's total consolidated assets, which is not a large ratio. However, the Company will continue to periodically review all of its invested shares to reduce the number of shares held.

- b. Number of issues and carrying amount on the balance sheet

	Number of issues	Total carrying amount on the balance sheet (millions of yen)
Unlisted shares	25	1,538
Shares other than unlisted shares	38	17,164

(Issues for which the number of shares increased during the fiscal year)

	Number of issues	Total acquisition cost related to the increase in the number of shares (millions of yen)	Reasons for the increase in the number of shares
Unlisted shares	2	440	Investment in venture capital funds for strengthening existing businesses and creating new businesses, etc
Shares other than unlisted shares	7	40	Regular market purchases through the partner shareholding association

(Notes) 1. The above figures do not include changes due to change in the classification of existing shareholdings.

2. Share splits are not included in the issues for which the number of shares increased during the fiscal year.

(Issues for which the number of shares decreased during the fiscal year)

	Number of issues	Total acquisition cost related to the decrease in the number of shares (millions of yen)
Unlisted shares	2	1,858
Shares other than unlisted shares	6	2,669

(Note) The above figures do not include decreases due to change in the classification of existing shareholdings.

(Changes in the number of issues and carrying amount on the balance sheet)

Year	76th	77th	78th	79th	80th
Fiscal year-end	March 2021	March 2022	March 2023	March 2024	March 2025
Number of issues	97	93	82	69	63
Total carrying amount on the balance sheet (millions of yen)	21,430	19,803	18,684	19,260	18,700

c. Information on the number of shares and carrying amount on the balance sheet for each issue of specified investment shares and shares deemed to be held

Specified investment shares

Name of issue	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding the shares, overview of the business alliance, etc., quantitative holding effect, and reason for the increase in the number of shares	Shareholding in the Company
	Number of shares (stock)	Number of shares (stock)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
FOOD & LIFE COMPANIES LTD.	555,200	555,200	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship.	No
	2,471	1,598		
AEON CO., LTD.	633,183	632,605	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship. The increase in the number of shares held is due to market purchases through the shareholding association.	No
	2,374	2,274		
AXYZ Co., Ltd.	500,000	500,000	We have entered into a capital and business alliance agreement with the company to maintain and strengthen the relationship in the fresh meats business, especially in the field of fresh meats production.	Yes
	1,462	1,563		
Chubu Shiryō Co., Ltd.	945,000	945,000	We have entered into a capital and business alliance agreement with the company to maintain and strengthen the relationship in the fresh meats business, especially in the field of feed production and sales.	Yes
	1,272	1,122		
TOMONY Holdings, Inc.	2,045,896	2,045,896	The Kagawa Bank, Ltd., the company's subsidiary, is our main partner financial institution. The purpose of holding the company's shares is to maintain and strengthen financial transactions and gather regional information.	No (Note 5)
	1,101	855		
H2O RETAILING CORPORATION	462,330	138,776	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship. The increase in the number of shares held is due to market purchases through the shareholding association and share exchange with KANSAI FOOD MARKET LTD. during the fiscal year under review.	No
	1,045	270		
Sompo Holdings, Inc.	204,459	68,153	Sompo Japan Insurance Inc., the company's subsidiary, is a major business partner of the Group in the non-life insurance field. The purpose of holding the company's shares is to gather information on insurance services and maintain and strengthen the relationship. The number of shares held increased by 136,306 due to the company's stock split effective on April 1, 2024.	No (Note 6)
	924	652		
Seven & i Holdings Co., Ltd.	358,641	358,641	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship.	No
	776	791		
Mitsubishi UFJ Financial Group, Inc.	292,970	292,970	MUFG Bank, Ltd., the company's subsidiary, is our main partner financial institution. The purpose of holding the company's shares is to maintain and strengthen global financial transactions, including those in Japan, and gather information. In addition, the purpose of holding the shares of Mitsubishi UFJ Trust and Banking Corporation is to maintain and strengthen financial transactions through stock transfer agency services and trust business.	No (Note 7)
	589	456		

Name of issue	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding the shares, overview of the business alliance, etc., quantitative holding effect, and reason for the increase in the number of shares	Shareholding in the Company
	Number of shares (stock)	Number of shares (stock)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
The Hyakujushi Bank, Ltd.	132,673	132,673	The purpose of holding the company's shares is to maintain and strengthen financial transactions and gather regional information as our main partner financial institution.	Yes
	461	395		
Takashimaya Company, Limited	360,000	180,000	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship. The number of shares held increased by 180,000 due to the company's stock split effective on September 1, 2024.	Yes
	436	439		
ARCS COMPANY, LIMITED	146,856	146,856	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship.	No
	427	460		
OHSO FOOD SERVICE CORP.	130,952	43,525	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship. The increase in the number of shares held is due to market purchases through the shareholding association. The number of shares held increased by 87,181 due to the company's stock split effective on October 1, 2024.	No
	421	341		
Axial Retailing Inc.	385,116	96,279	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship. The number of shares held increased by 288,837 due to the company's stock split effective on April 1, 2024.	No
	372	400		
Trial Holdings Inc.	150,000	150,000	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship.	No
	327	434		
United Super Markets Holdings Inc.	356,532	-	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship. The shares were acquired by share exchange with Inageya Co., Ltd. during the fiscal year under review, and the number of shares has not increased in real terms.	No
	294	-		
Isetan Mitsukoshi Holdings Ltd.	128,457	125,285	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship. The increase in the number of shares held is due to market purchases through the shareholding association.	No
	275	313		
VALOR HOLDINGS CO., LTD.	110,880	110,880	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship.	No
	265	278		
North Pacific Bank, Ltd.	500,000	500,000	The purpose of holding the company's shares is to maintain and strengthen financial transactions and gather regional information as our main partner financial institution.	Yes
	259	223		
ALBIS Co., Ltd.	88,000	88,000	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship.	Yes
	245	241		
YAKO CO., LTD.	22,000	22,000	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship.	No
	202	201		

Name of issue	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding the shares, overview of the business alliance, etc., quantitative holding effect, and reason for the increase in the number of shares	Shareholding in the Company
	Number of shares (stock)	Number of shares (stock)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
Mebuki Financial Group, Inc.	276,120	276,120	JOYO BANK, Ltd., the company's subsidiary, is our main partner financial institution. The purpose of holding the company's shares is to maintain and strengthen financial transactions and gather regional information.	No (Note 8)
	200	141		
Aeon Hokkaido Corporation	183,600	183,600	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship.	No
	156	174		
Sumitomo Mitsui Trust Group, Inc.	40,760	40,760	Sumitomo Mitsui Trust Bank, Limited, the company's subsidiary, is our partner financial institution. The purpose of holding the company's shares is to maintain and strengthen financial transactions and gather comprehensive financial information, including trust business.	No (Note 9)
	152	135		
OOTOYA Holdings Co., Ltd.	27,000	27,000	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship.	No
	137	141		
OM2 Network Co., Ltd.	89,700	89,700	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship.	No
	131	144		
Olympic Group Corporation	178,886	178,886	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship.	No
	77	94		
RETAIL PARTNERS CO., LTD.	50,000	50,000	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship.	No
	67	92		
Dai-ichi Life Holdings, Inc.	10,300	10,300	The Dai-ichi Life Insurance Company, Limited, the company's subsidiary, is our partner financial institution. The purpose of holding the company's shares is to maintain and strengthen financial transactions.	No (Note 10)
	47	40		
SRS HOLDINGS CO., LTD.	30,000	30,000	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship.	No
	35	35		
IZUMI CO., LTD.	9,384	9,384	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship.	No
	30	33		
East Japan Railway Company	9,000	3,000	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship. The number of shares held increased by 6,000 due to the company's stock split effective on April 1, 2024.	No
	27	26		
YAMANAKA CO., LTD.	46,300	46,300	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship.	No
	26	31		
DAIICHI CO., LTD.	16,800	16,800	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship.	No
	23	22		

Name of issue	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding the shares, overview of the business alliance, etc., quantitative holding effect, and reason for the increase in the number of shares	Shareholding in the Company
	Number of shares (stock)	Number of shares (stock)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
AEON KYUSHU CO., LTD.	8,548	8,204	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship. The increase in the number of shares held is due to market purchases through the shareholding association.	No
	21	25		
Sumitomo Mitsui Financial Group, Inc.	4,659	1,553	Sumitomo Mitsui Banking Corporation, the company's subsidiary, is our main partner financial institution. The purpose of holding the company's shares is to maintain and strengthen global financial transactions, including those in Japan, and gather information. The number of shares held increased by 3,106 due to the company's stock split effective on October 1, 2024.	No (Note 11)
	18	14		
Nichiryo Baking Co., LTD.	5,700	5,700	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship.	No
	13	16		
Maruyoshi Center Inc.	2,000	2,000	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship.	No
	8	8		
KANSAI FOOD MARKET LTD.	-	316,729	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship. Stock exchange with H2O RETAILING CORPORATION was carried out on July 31, 2024, and 1 common share of H2O RETAILING CORPORATION is allocated for 1 common share of KANSAI FOOD MARKET LTD.	No
	-	562		
MOS FOOD SERVICES, INC.	-	121,282	The company is a major business partner of the Group. The Group had held the company's shares for the purpose of maintaining and strengthening the relationship but sold all its shareholdings during the fiscal year under review.	No
	-	415		
HEIWADO CO., LTD.	-	181,847	The company is a major business partner of the Group. The Group had held the company's shares for the purpose of maintaining and strengthening the relationship but sold all its shareholdings during the fiscal year under review.	No
	-	370		
Inageya Co., Ltd.	-	244,200	The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship. Stock exchange with United Super Markets Holdings Inc. was carried out on November 30, 2024, and 1.46 common share of United Super Markets Holdings Inc. is allocated to 1 common share of Inageya Co., Ltd.	No
	-	344		
HURXLEY CORPORATION	-	218,400	The company is a major business partner of the Group. The Group had held the company's shares for the purpose of maintaining and strengthening the relationship but sold all its shareholdings during the fiscal year under review.	Yes
	-	206		
Imperial Hotel, Ltd.	-	40,000	The company is a major business partner of the Group. The Group had held the company's shares for the purpose of maintaining and strengthening the relationship but sold all its shareholdings during the fiscal year under review.	No
	-	39		
NittoBest Corporation	-	25,000	The company is a major business partner of the Group. The Group had held the company's shares for the purpose of maintaining and strengthening the relationship but sold all its shareholdings during the fiscal year under review.	No
	-	21		

Shares deemed to be held

Name of issue	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding the shares, overview of the business alliance, etc., quantitative holding effect, and reason for the increase in the number of shares	Shareholding in the Company
	Number of shares (stock)	Number of shares (stock)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
Seven & i Holdings Co., Ltd.	3,870,000	3,870,000	The Company has the authority to give instructions on exercising voting rights about these shares. The company is a major business partner of the Group. The purpose of holding the company's shares is to maintain and strengthen the relationship.	No
	8,371	8,537		
Mitsubishi UFJ Financial Group, Inc.	1,357,000	1,357,000	The Company has the authority to give instructions on exercising voting rights about these shares. MUFG Bank, Ltd., the company's subsidiary, is our main partner financial institution. The purpose of holding the company's shares is to maintain and strengthen global financial transactions, including those in Japan, and gather information. In addition, the purpose of holding the shares of Mitsubishi UFJ Trust and Banking Corporation is to maintain and strengthen financial transactions through stock transfer agency services and trust business.	No (Note 7)
	2,729	2,113		
The Hyakujushi Bank, Ltd.	373,000	373,000	The Company has the authority to give instructions on exercising voting rights about these shares. The purpose of holding the company's shares is to maintain and strengthen financial transactions and gather regional information as our main partner financial institution.	Yes
	1,296	1,110		
Sumitomo Mitsui Financial Group, Inc.	366,000	122,000	The Company has the authority to give instructions on exercising voting rights about these shares. Sumitomo Mitsui Banking Corporation, the company's subsidiary, is our main partner financial institution. The purpose of holding the company's shares is to maintain and strengthen global financial transactions, including those in Japan, and gather information. The number of shares held increased by 244,000 due to the company's stock split effective on October 1, 2024.	No (Note 11)
	1,389	1,087		

(Notes) 1. At the stage of selecting the top issues in the carrying amount on the balance sheet, specified investment shares and shares deemed to be held are not combined.

2. Regarding 23 issues of specified investment shares, including Trial Holdings Inc., in the fiscal year and 28 issues, including H2O RETAILING CORPORATION, OHSHO FOOD SERVICE CORP., and Isetan Mitsukoshi Holdings Ltd., in the previous fiscal year, the carrying amount on the balance sheet is 1/100 or less of the Company's capital stock. The table lists the top 50 issues, including specified investment shares and shares deemed to be held.

3. "-" indicates that the Company does not hold such shares.

4. The Company reviews all of our invested shares once a year and closely examines whether the benefit of holding shares, risk of stock price fluctuation, and credit risk, etc. of the issuing companies are worth the capital cost, and comprehensively determines whether holding such shares is appropriate or not.

5. TOMONY Holdings, Inc. does not hold the Company's shares, while The Kagawa Bank, the company's subsidiary, does.

6. Sampo Holdings, Inc. does not hold the Company's shares, while Sampo Japan Insurance Inc., the company's subsidiary, does.

7. Mitsubishi UFJ Financial Group, Inc. does not hold the Company's shares, while MUFG Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., subsidiaries of the company, do.

8. Mebuki Financial Group, Inc. does not hold the Company's shares, while JOYO BANK, Ltd., the company's subsidiary, does.

9. Sumitomo Mitsui Trust Group, Inc. does not hold the Company's shares, while Sumitomo Mitsui Trust Bank, Limited, the company's subsidiary, does.
10. Dai-ichi Life Holdings, Inc. does not hold the Company's shares, while The Dai-ichi Life Insurance Company, Limited, the company's subsidiary, does.
11. Sumitomo Mitsui Financial Group, Inc. does not hold the Company's shares, while Sumitomo Mitsui Banking Corporation and SMBC Nikko Securities Inc., subsidiaries of the company, do.

3) Investment shares held for pure investment purposes

Not applicable.

*All shares for pure investment purposes held during the fiscal year have been sold.

4) Investment shares of which the holding purpose has been changed from pure investment to other than pure investment during the fiscal year

Not applicable.

5) Investment shares of which the holding purpose has been changed from other than pure investment to pure investment during the four fiscal years preceding the fiscal year and the current fiscal year

Not applicable.

Financial Information

1. Preparation of consolidated financial statements and non-consolidated financial statements

(1) The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (the "IFRS Accounting Standards"), pursuant to the provisions of Article 312 of the "Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ministry of Finance Order No. 28 of 1976, the "Regulation on Consolidated Financial Statements").

(2) The non-consolidated financial statements of the Company have been prepared based on the "Regulation on Terminology, Forms, and Preparation Methods of Financial Statements" (Ministry of Finance Order No. 59 of 1963, the "Regulation on Financial Statements").

The Company falls under the category of special companies submitting financial statements and has prepared the non-consolidated financial statements pursuant to the provisions of Article 127 of the Regulation on Financial Statements.

2. Audit certification

Pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, the consolidated and non-consolidated financial statements for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025) have been audited by Deloitte Touche Tohmatsu LLC.

3. Special measures to ensure fair presentation of the consolidated financial statements and other public filings as well as internal system to appropriately prepare the consolidated financial statements and other public filings in accordance with the IFRS Accounting Standards

The Company has taken special measures to ensure the fair presentation of the consolidated financial statements and other public filings and has developed an internal system to appropriately prepare the consolidated financial statements and other public filings in accordance with the IFRS Accounting Standards as follows:

(1) In order to have an appropriate understanding of the contents of the accounting standards and other principles and to develop a system so that the Company can properly respond to the changes in the accounting standards and other principles, the Company has become a member of the Financial Accounting Standards Foundation and participates in seminars held by organizations and bodies with expertise.

(2) In order to appropriately apply the IFRS Accounting Standards, the Company keeps itself updated about the latest set of standards by obtaining press releases and standards disclosed by the International Accounting Standards Board.

1 Consolidated Financial Statements

(1) Consolidated Financial Statements

1) Consolidated Statement of Financial Position

(millions of yen)

	Notes	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
(Assets)			
Current Assets			
Cash and cash equivalents	7, 30	65,465	71,557
Trade and other receivables	8, 30	165,022	142,107
Inventories	9	141,429	142,548
Biological assets	10	25,420	32,063
Other financial assets	30	5,711	3,127
Other current assets		20,318	14,500
Assets held for sale		65	406
Total Current Assets		423,430	406,308
Non-current Assets			
Property, plant and equipment	11	375,211	375,048
Right-of-use assets	16	44,814	43,728
Biological assets	10	1,531	1,627
Intangible assets and goodwill	12	25,822	37,716
Investments accounted for using the equity method	13	9,835	8,797
Other financial assets	30	30,019	27,514
Deferred tax assets	14	28,072	28,105
Other non-current assets	19	19,503	20,429
Total Non-current Assets		534,807	542,964
Total Assets		958,237	949,272

(millions of yen)

	Notes	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
(Liabilities and Equity)			
Current Liabilities			
Interest-bearing liabilities	15, 30	59,247	85,473
Trade and other payables	17, 30	116,773	106,269
Income taxes payable	14	7,143	5,422
Other financial liabilities	30	14,964	12,853
Other current liabilities	18	48,705	47,726
Total Current Liabilities		246,832	257,743
Non-current Liabilities			
Interest-bearing liabilities	15, 30	155,605	138,429
Retirement benefit liabilities	19	12,491	12,191
Other financial liabilities	30	1,184	1,223
Deferred tax liabilities	14	874	712
Other non-current liabilities		2,049	1,902
Total Non-current Liabilities		172,203	154,457
Total Liabilities		419,035	412,200
Equity			
Common stock	20	36,294	36,294
Capital surplus	20	71,110	71,026
Retained earnings	20, 21, 30	390,305	387,789
Treasury stock, at cost	20	(1,403)	(776)
Accumulated other comprehensive income	20, 27, 30	31,197	29,960
Total Equity Attributable to Owners of the Parent		527,503	524,293
Non-controlling Interests		11,699	12,779
Total Equity		539,202	537,072
Total Liabilities and Equity		958,237	949,272

2) Consolidated Statement of Income

(millions of yen)

	Notes	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Net Sales	23	1,303,432	1,370,553
Cost of Goods Sold	9, 10, 11, 12, 16	1,099,801	1,150,170
Selling, General and Administrative Expenses	11, 12, 16, 22 24	172,074	184,449
Other Income	25	20,685	10,029
Other Expenses	11, 12, 25	12,010	8,985
Financial Income	26, 30, 33	3,219	3,684
Financial Costs	16, 26, 30, 33	2,979	2,723
Share of Profit (Loss) in Investments Accounted for Using the Equity Method	13	127	(741)
Profit before Tax		40,599	37,198
Income Tax Expense	14	11,253	9,395
Profit from Continuing Operations		29,346	27,803
Profit from Discontinued Operations	32	102	-
Profit		29,448	27,803
Profit Attributable to:			
Owners of the Parent			
Continuing Operations		27,976	26,585
Discontinued Operations		102	-
Total		28,078	26,585
Non-controlling Interests			
Continuing Operations		1,370	1,218
Discontinued Operations		-	-
Total		1,370	1,218
Profit		29,448	27,803

Earnings per Share	28		
Earnings per share (basic)		273.70 yen	263.05 yen
Continuing Operations		272.70 yen	263.05 yen
Discontinued Operations		1.00 yen	- yen

(Note) Diluted earnings per share is not presented as no potential shares with dilutive effect existed.

3) Consolidated Statement of Comprehensive Income

(millions of yen)

	Notes	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Profit		29,448	27,803
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plans	19, 20, 27	2,979	1,036
Financial assets measured at fair value through other comprehensive income	20, 27, 30	3,525	1,954
Share of other comprehensive income of investments accounted for using the equity method	13, 20, 27	(38)	10
Total		6,466	3,000
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	20, 27	9,663	(994)
Share of other comprehensive income of investments accounted for using the equity method	13, 20, 27	1,177	(173)
Total		10,840	(1,167)
Total Other Comprehensive Income		17,306	1,833
Comprehensive Income		46,754	29,636
Comprehensive Income Attributable to:			
Owners of the Parent		45,196	28,455
Non-controlling Interests		1,558	1,181
Comprehensive Income		46,754	29,636

4) Consolidated Statement of Changes in Equity

Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)

(millions of yen)

	Notes	Equity attributable to owners of the parent										Non-controlling interests	Total equity
		Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income				Accumulated other comprehensive income of disposal groups classified as held for sale	Total		
						Remeasurement of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Subtotal				
Balance as of April 1, 2023		36,294	71,095	369,389	(2,057)	-	6,469	10,724	17,193	999	492,913	9,868	502,781
Profit	27			28,078					-		28,078	1,370	29,448
Other comprehensive income						2,979	3,482	11,656	18,117	(999)	17,118	188	17,306
Comprehensive income		-	-	28,078	-	2,979	3,482	11,656	18,117	(999)	45,196	1,558	46,754
Dividends	21			(11,275)					-		(11,275)	(50)	(11,325)
Acquisition of treasury stock	20				(6)				-		(6)		(6)
Disposal of treasury stock	20		(19)		660				-		641		641
Share-based payment transactions	22		34						-		34		34
Sale of subsidiaries									-		-	323	323
Transfer of accumulated other comprehensive income to retained earnings	30			4,113		(2,979)	(1,134)		(4,113)		-		-
Total transactions with owners		-	15	(7,162)	654	(2,979)	(1,134)	-	(4,113)	-	(10,606)	273	(10,333)
Balance as of March 31, 2024		36,294	71,110	390,305	(1,403)	-	8,817	22,380	31,197	-	527,503	11,699	539,202

Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

(millions of yen)

(millions of yen)												
	Notes	Equity attributable to owners of the parent									Non-controlling interests	Total equity
		Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income				Total		
						Remeasurement of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Subtotal			
Balance as of April 1, 2024		36,294	71,110	390,305	(1,403)	-	8,817	22,380	31,197	527,503	11,699	539,202
Profit	27			26,585					-	26,585	1,218	27,803
Other comprehensive income						1,036	1,963	(1,129)	1,870	1,870	(37)	1,833
Comprehensive income		-	-	26,585	-	1,036	1,963	(1,129)	1,870	28,455	1,181	29,636
Dividends	21			(12,217)					-	(12,217)	(101)	(12,318)
Acquisition of treasury stock	20		(52)		(20,119)				-	(20,171)		(20,171)
Disposal of treasury stock	20		42		755				-	797		797
Cancellation of treasury stock	20		(0)	(19,991)	19,991				-	-		-
Share-based payment transactions	22		(74)						-	(74)		(74)
Transfer of accumulated other comprehensive income to retained earnings	30			3,107		(1,036)	(2,071)		(3,107)	-		-
Total transactions with owners		-	(84)	(29,101)	627	(1,036)	(2,071)	-	(3,107)	(31,665)	(101)	(31,766)
Balance as of March 31, 2025		36,294	71,026	387,789	(776)	-	8,709	21,251	29,960	524,293	12,779	537,072

5) Consolidated Statement of Cash Flows

(millions of yen)

	Notes	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Cash Flows from Operating Activities			
Profit before tax		40,599	37,198
Profit before tax from discontinued operations	32	223	-
Depreciation and amortization expense		39,719	41,728
Impairment losses (reversal of impairment losses)		1,481	3,354
Decrease (increase) in fair value of biological assets		3,121	(2,858)
Financial income and costs		(109)	(962)
Loss (gain) on sales of business	32	(1,132)	-
Decrease (increase) in trade and other receivables		(17,559)	23,053
Decrease (increase) in inventories		2,551	(675)
Decrease (increase) in biological assets		190	(5,254)
Decrease (increase) in other assets		(1,930)	2,282
Increase (decrease) in trade and other payables		9,953	(9,864)
Increase (decrease) in other liabilities		8,261	(1,171)
Others-net		3,230	(1,224)
Interest received		2,818	2,339
Dividends received		1,305	796
Interest paid		(2,107)	(1,882)
Income tax paid		(4,028)	(9,419)
Cash Flows from Operating Activities		86,586	77,441
Cash Flows from Investing Activities			
Acquisition of fixed assets		(48,479)	(35,967)
Proceeds from sales of fixed assets		1,697	1,080
Decrease (increase) in time deposits		5,126	(297)
Acquisition of other financial assets		(61)	(517)
Sale and redemption of other financial assets		2,665	6,125
Proceeds from government grants	11	2,525	2,527
Payments for sales of business	29	(1,345)	-
Payments for purchase of business	6	-	(14,361)
Others-net		(1,352)	(1,307)
Cash Flows from Investing Activities		(39,224)	(42,717)
Cash Flows from Financing Activities	29		
Cash dividends		(11,325)	(12,318)
Increase (decrease) in short-term bank loans		(30,798)	(5,668)
Proceeds from debt		51,230	41,895
Repayments of debt		(62,898)	(34,203)
Payments for acquisition of treasury stock		(6)	(20,195)
Proceeds from sales of treasury stock		608	638
Cash Flows from Financing Activities		(53,189)	(29,851)
Effect of Exchange Rate Changes on Cash and Cash Equivalents		3,996	(361)
Hyperinflation Adjustment	33	1,501	1,580
Net Increase (Decrease) in Cash and Cash Equivalents Included in Assets Held for Sale		809	-
Net Increase (Decrease) in Cash and Cash Equivalents		479	6,092
Cash and Cash Equivalents at the Beginning of the Year	7	64,986	65,465
Cash and Cash Equivalents at the End of the Year	7	65,465	71,557

1. Reporting company

The Company is a stock company incorporated in Japan. The address of its registered office is Kita-ku, Osaka-shi, Osaka-fu. The main businesses of the Group, the associates and joint ventures for the Group are processing and packaging ham, sausage, and other processed food products; production and distribution of fresh meat; and production and distribution of dairy products, etc.

2. Basis of preparation of consolidated financial statements

(1) Matters on compliance with the IFRS Accounting Standards

The consolidated financial statements of the Group meet the requirements of "Specified Company Complying with Designated International Accounting Standards" set forth in Article 1-2, Item 1 of the Regulation on Consolidated Financial Statements (the "Regulation") and thus have been prepared in compliance with the IFRS Accounting Standards as stipulated in Article 312 of the Regulation.

(2) Basis of measurement

Unless indicated in "Note 3. Material accounting policies" and "33. Hyperinflation adjustment," the consolidated financial statements of the Group are prepared at cost.

(3) Functional currency and presentation currency

The consolidated financial statements are presented in Japanese yen, which is the Company's functional currency. Amounts are rounded to the nearest million yen.

(4) New standards and interpretations issued but not yet adopted

Of the standards and interpretations whose new establishment or revision has been announced at the date of authorization of the consolidated financial statements, the Group has not yet early adopted the following standards. The potential impact of adoption on the Group cannot be reasonably estimated at the moment as it is currently under review.

Standards	Name of Standards	Mandatory effective date (to be applied for the fiscal year on or after)	To be applied by the Group from the fiscal year ending	Outline of new establishment or revision
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	March 31, 2028	Introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies

3. Material accounting policies

The following accounting policies shall be considered the same as the accounting policies applied throughout the period indicated in the consolidated financial statements, unless stated otherwise.

(1) Basis of consolidation

1) Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved where the Company has power over the investee, is subject to the fluctuation of the return derived from the involvement with the investee, and has the ability to influence the return through the power which the Company has over the investee.

Financial statements of the subsidiaries are a part of the consolidation from the date the Group achieves control to the date the Group loses control. If the accounting policies adopted by the subsidiaries differ from those adopted by the Group, financial statements of these subsidiaries are adjusted as necessary. Significant intergroup transactions and balances are eliminated in preparing the consolidated financial statements.

Changes in interest of subsidiaries which do not result in loss of control are accounted for as equity transactions. Carrying amounts of total equity attributable to owners of the parent and non-controlling interests are revised to reflect the relative fluctuation of the interests in the subsidiary. The difference in the amount of non-controlling interests and the paid amount or received amount is directly recognized in equity and is allocated as total equity attributable to owners of the parent. If control over subsidiaries is lost, the difference between (1) the total of fair value of compensation received and fair value of the remaining interest and (2) assets (including goodwill) and liabilities of the subsidiary and the original carrying amount of the non-controlling interests is recognized as profit or loss. As of the date when control is lost, the fair value of the remaining investment is deemed to be the fair value at the first recognition as accounted for pursuant to IFRS 9 "Financial Instruments" ("IFRS 9") or as the cost initially recognized for investment in associates.

If it is not acceptable for a subsidiary to settle on the consolidated closing date under the local laws where the subsidiary is located, financial statements based on provisional settlement of accounts carried out on the consolidated closing date are used for the financial statements of subsidiaries with different closing dates.

2) Associates and joint ventures

Associates are entities on whose finance and management policies the Group has significant influence, but has no control or joint control. If the Group possesses 20% to 50% of voting rights of another entity, the Group is presumed to hold significant influence over such entity.

Joint ventures are investee entities established under a joint arrangement, which is an arrangement of two or more parties including the Group have joint control, whereby each of the parties has rights to the net assets of the investee. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Associates and joint ventures are accounted for using the equity method from the date the investees were determined to fall under associates or joint ventures until the date they were determined not to fall under associates or joint ventures. If the accounting policies adopted by the associates or joint ventures differ from those adopted by the Group, the financial statements of such associates or joint ventures are adjusted as necessary. Under the equity method, the invested amount is first measured at cost, and thereafter, the invested amount is adjusted according to the change in the Group's interest after the acquisition in net assets of the associate or joint venture.

The consolidated financial statements include the financial statements of associates with different closing dates since unification of the closing date is impracticable due to relationships with other shareholders. With regard to the financial statements of such associates, significant transactions or events which occur during the period between the different closing dates are adjusted.

(2) Business combinations

Business combinations are accounted for by applying the acquisition method. The purchase price is measured by adding up the fair values of the assets transferred in exchange of control of the acquired company, the assumed liabilities and the equity instruments issued by the Company at the acquisition date.

Assets and liabilities that can be identified as of the acquisition date are recognized at their fair values as of the acquisition date, excluding the following items:

- Deferred tax assets (or deferred tax liabilities) and liabilities (or assets) related to employee benefit arrangements are each recognized and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits."
- Assets or disposal groups classified as for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" ("IFRS 5") are recognized and measured under such standard.

If the purchase price exceeds the fair value of the identifiable assets and liabilities, it is accounted for as goodwill in the consolidated statement of financial position. In contrast, if the compensation is less than the fair value, it is promptly recognized as profit or loss in the consolidated statement of income.

For each transaction, the Group chooses to measure the non-controlling interests either at fair value or at the proportionate share of the recognized amount of the identifiable net assets.

Acquisition-related costs which are generated in relation to the business combination are accounted for as expenses at the time of incurrence.

If the initial accounting of the business combination is not completed by the consolidated closing date when the business combination occurred, incomplete items are measured at a provisional amount based on the best estimate. Thereafter, if the new information obtained during the measurement period within one year from the acquisition date influences the measurement of the amount recognized as of the acquisition date, the provisional amount recognized as of the acquisition date is retrospectively revised.

(3) Foreign currency translation

The consolidated financial statements of the Group are presented in Japanese yen, which is the Company's functional currency. Also, each entity within the Group has designated its functional currency and transactions of each entity are measured based on such functional currency.

Transactions denominated in foreign currencies are converted into the Company's functional currency at the exchange rate as of the date of transaction or an approximate rate thereof. Monetary assets and liabilities in foreign currency are converted into the Company's functional currency based on the exchange rate as of the closing date. Translation differences which arise due to such conversion or settlement are recognized as profit or loss.

Assets and liabilities of foreign operations are converted into yen, based on the exchange rate as of the closing date and income and expenses are converted at the average exchange rate of a period unless the exchange rate during such period significantly fluctuates. Such translation differences are recognized as other comprehensive income. When the foreign operations are subject to disposal, the cumulative translation difference related to such foreign operations is recognized as profit or loss in the period of disposal. However, income and expenses of a subsidiary in the Republic of Turkey, which is in a hyperinflationary economy, are converted into yen based on the exchange rate as of the closing date due to the application of hyperinflationary accounting.

(4) Financial instruments

1) Non-derivative financial assets

(i) Initial recognition and measurement

The Group initially recognizes trade and other receivables as of the occurrence date. All the other financial assets are initially recognized as of the transaction date on which the Group becomes a contracting party of such financial instrument.

When the Group initially recognizes the non-derivative financial assets, they are classified into financial assets measured at amortized cost or financial assets measured at fair value through other comprehensive income or profit or loss. A summary of each classification and measurement model is as follows:

Financial assets measured at amortized cost

If the financial asset meets both of the following conditions, it is classified as financial assets at amortized cost.

- The financial asset is held within the Group's business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are initially measured by adding the transaction cost to the fair value.

Financial assets measured at fair value through other comprehensive income

(a) Debt instruments measured at fair value through other comprehensive income

If the financial asset meets both of the following conditions, it is classified as a debt instrument measured at fair value through other comprehensive income.

- The financial asset is held within the Group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

(b) Equity instruments measured at fair value through other comprehensive income

Among financial assets other than financial assets at amortized cost and debt instruments measured at fair value through other comprehensive income, those equity instruments which made an irrevocable option at initial recognition to display subsequent fluctuation of fair value as other comprehensive income are classified as financial assets measured at fair value through other comprehensive income.

Financial assets measured at fair value through other comprehensive income are initially measured by adding the transaction cost to the fair value.

Financial assets measured at fair value through profit or loss

Financial assets other than financial assets at amortized cost and financial assets measured at fair value through other comprehensive income are classified as financial assets measured at fair value through profit or loss.

Financial assets measured at fair value through profit or loss are initially measured at fair value, and transaction costs are recognized as profit or loss at the time of occurrence.

(ii) Subsequent measurement

After the initial recognition, financial assets are measured as follows, according to classification:

Financial assets measured at amortized cost

Measured at amortized cost based on the effective interest method.

Financial assets measured at fair value through other comprehensive income

Measured at fair value, and changes in their fair values are recognized as other comprehensive income.

However, dividends from financial assets measured at fair value through other comprehensive income are recognized as profit or loss.

Financial assets measured at fair value through profit or loss

Measured at fair value, and changes in their fair values are recognized as profit or loss.

(iii) Derecognition

The Group derecognizes the financial assets if the contractual rights of cash flow generated from the financial assets expire, or if the said financial assets are assigned and all the risks and rewards of ownership are transferred. With regard to the transferred financial asset, the interests created by the Group or retained continuingly by the Group are recognized as separate assets or liabilities.

Financial assets measured at fair value through other comprehensive income

(a) Debt instrument measured at fair value through other comprehensive income

If such financial asset is derecognized, the cumulative amount of gain or loss recognized through other comprehensive income is reclassified to profit or loss.

(b) Equity instrument measured at fair value through other comprehensive income

If such financial asset is derecognized, the cumulative amount of gain or loss recognized through other comprehensive income is reclassified to retained earnings and is not recognized as profit or loss.

(iv) Impairment of financial assets

Financial assets measured at amortized cost and debt financial instruments measured at fair value through other comprehensive income are presented after deducting credit losses likely to occur in the future. The Group evaluates whether the credit risk of such financial assets has significantly increased or not since the initial recognition.

If such credit risk has not substantially increased since the initial recognition, allowance for credit losses of such financial assets is measured at the amount equivalent to 12-month expected credit losses. In contrast, if the credit risk has substantially increased since the initial recognition, allowance for credit losses of such financial asset is measured at an amount equivalent to lifetime expected credit losses.

However, with respect to trade and other receivables, allowance for credit losses is measured at an amount equivalent to lifetime expected credit losses and such measured amount is recognized as profit or loss.

2) Non-derivative financial liabilities

(i) Initial recognition and measurement

The Group initially recognizes debt securities issued by the Group as of such issuance date. All the other financial liabilities are recognized as of the transaction date in which the Group becomes a contracting party of such financial instruments.

The Group holds interest-bearing liabilities and trade and other payables as non-derivative financial liabilities. At initial recognition, those are measured by subtracting from the fair value the transaction costs which are directly attributable to the relevant issuance.

(ii) Subsequent measurement

After the initial recognition, financial liabilities are measured at amortized cost based on the effective interest method.

(iii) Derecognition

The Group derecognizes the financial liabilities if they are extinguished, i.e., when contractual obligations are performed, discharged, cancelled or expire.

3) Derivative and hedge accounting

The Group uses derivatives such as foreign currency forward exchange contracts to hedge currency risks. These derivatives are initially measured at fair value at the time the agreement is concluded, and continue to be measured at fair value thereafter.

Changes in fair value of derivatives is recognized as profit or loss in the consolidated statement of income.

Further, the Group has not adopted hedge accounting.

4) Fair value of financial instruments

The fair value of financial instruments traded in active financial markets as of each closing date refers to prices such as a published price of the market. The fair value of financial instruments which do not have an active financial market is measured using an appropriate evaluation method.

5) Offsetting of financial assets and financial liabilities

If an enforceable legal right to offset the recognized amount of financial assets and financial liabilities currently exists, and there are intentions to settle based on net amount or to settle the liabilities simultaneously to the assets being realized, they are offset and presented at net amount in the consolidated statement of financial position.

(5) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and highly liquid short-term investments with original maturities of three months or less that are readily convertible to cash and are subject to insignificant risk of changes in value.

(6) Inventories

Inventories are measured at the lower of cost or net realizable value. For calculation of the cost, the average cost method is used. The cost of the inventories includes all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present locations and conditions.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(7) Agricultural accounting

Biological assets are measured at fair value less costs to sell on initial recognition and at the end of each reporting period, if the fair value can be reliably measured. Changes in fair value according to such accounting are recognized as profit or loss. In contrast, if the fair value measurements cannot be reliably measured, they are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Harvested agricultural produce is reclassified from biological assets to inventories at the amount of fair value less costs to sell at the point of harvest.

(8) Property, plant and equipment

For measurement of property, plant and equipment, the cost model is adopted and they are carried at cost less any accumulated depreciation and any accumulated impairment losses. Property, plant and equipment are depreciated using the straight-line method over the estimated useful life of each asset.

Estimated useful lives of main property, plant and equipment are outlined as below:

Buildings: 20 - 40 years

Machinery and equipment: 5 - 15 years

Acquisition costs include any costs directly attributable to acquisition of such asset, initial estimated amount of costs for demolition, removal and restoration of the installation site, and borrowing cost which satisfies the conditions of asset capitalization.

Gains or losses incurred from derecognition of property, plant and equipment are included in profit or loss at the time of derecognition of such asset.

The depreciation method, the estimated useful life and the residual value are reviewed at the end of each fiscal year. If there are any changes, they are applied prospectively as changes in accounting estimates.

(9) Intangible assets and goodwill

1) Intangible assets

Intangible assets acquired separately are measured at cost on initial recognition. Intangible assets acquired in a business combination and recognized separately from goodwill are measured at the fair value at the acquisition date.

For measurement of intangible assets, the cost model is adopted and they are carried at cost less any accumulated depreciation and any accumulated impairment losses.

For amortization of intangible assets with finite useful lives, the straight-line method is used over each estimated useful life.

Except for intangible assets with indefinite useful lives, the estimated useful lives of main intangible assets are outlined as below:

Software: 5 - 10 years

Amortization method, estimated useful life and residual value are reviewed at the end of each fiscal year. If there are any changes, they are applied prospectively as changes in accounting estimates.

2) Goodwill

Goodwill is measured as the excess of the total of the consideration transferred, the amount of any non-controlling interest, and the fair value of any equity interest in the acquiree previously held by the acquirer measured at the acquisition date over the net recognized amount of identifiable assets acquired and liabilities assumed, generally measured at fair value, at the acquisition date. Goodwill is not amortized, but tested for impairment annually or whenever there is an indication of impairment.

Goodwill is carried at cost less accumulated impairment losses.

(10) Leases

At the inception of a contract, the Group assesses whether the contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For such lease contracts, the Group recognizes right-of-use assets and lease liabilities at the commencement date of the lease.

Lease liabilities are initially measured and recognized at the discounted present value of the total lease payments that are not paid at the commencement date. The interest rates implicit in the lease are used to measure the present value of the lease payments that are not paid if those rates can be readily determined. If those cannot be readily determined, the lessee's incremental borrowing rates are used. Lease liabilities are included in "Interest-bearing liabilities" in Current Liabilities and Non-current Liabilities in the consolidated statement of financial position. Lease payments are allocated to interest expenses and repayments of lease liabilities under the interest method. Interest expenses on the lease liabilities are separately presented from the depreciation charges for the right-of-use assets in the consolidated statement of income. The Group initially measures the right-of-use assets by adding any initial direct costs, any lease payments made before the commencement date and any costs of obligations to restore the assets to the conditions required by the contracts to the amount of the initial measurement of the lease liabilities. The right-of-use assets are depreciated under the straight-line basis or another systematic basis over the lease terms.

However, the Group elects not to recognize right-of-use assets and lease liabilities for either short-term leases with a lease term of 12 months or less, or leases for which the underlying assets are of low value. The total lease payments of these leases are recognized as expenses under the straight-line basis or another systematic basis over the lease terms.

(11) Impairment of non-financial assets

For impairment of non-financial assets excluding inventories, biological assets, deferred tax assets and assets related to retirement benefits, the Group determines whether there is any indication of impairment at the end of the reporting period. If there is an indication of impairment, the recoverable amount of the asset is estimated. For goodwill and intangible assets with indefinite useful lives, the recoverable amount of the asset is estimated every year at the same time and at any time there is an indication of impairment.

Cash-generating units are considered as minimum asset groups which generate cash inflow independently of other assets or asset groups.

The recoverable amount of assets or cash-generating units is the higher of the fair value less costs of disposal or value in use. For calculation of value in use, estimated future cash flow is discounted to the present value by using the discount rate which reflects the time value of money and specific risk of such asset.

For the purpose of goodwill impairment testing, cash-generating units to which goodwill is allocated are aggregated so that the impairment test reflects the smallest unit to which the goodwill relates. Goodwill acquired in a business combination is allocated to the cash-generating units that are expected to benefit from the synergies.

If the recoverable amount of assets or cash-generating units is lower than the carrying amount, the carrying amount is reduced to the recoverable amount and impairment losses are recognized. Impairment losses recognized in relation to a cash-generating unit are first allocated to reduce the carrying amount of any goodwill allocated to the unit, and then the carrying amounts of the other assets within the cash-generating unit are reduced on a pro rata basis according to the carrying amount of each asset.

For impairment losses recognized in the past on assets other than goodwill, the Group determines whether there is an indication of possible decrease or extinguishment of loss at the end of the fiscal year.

If there is an indication of reversal of impairment losses, recoverable amount of the asset is estimated. Further, if such recoverable amount is more than the carrying amount, impairment losses are reversed.

The maximum amount reversed is an amount which is not higher than the carrying amount less the depreciation cost or amortization cost if impairment losses are not recognized.

(12) Post-employment benefits

The Group adopted the defined benefit plan comprised of defined benefit corporate pension plan and retirement lump-sum severance plan, and defined contribution pension plan, as post-employment benefit plans.

1) Defined benefit plan

The liabilities or assets of the defined benefit plan are recognized at an amount representing the present value of the defined benefit obligations less the fair value of the plan assets (the effect of the asset ceiling may be taken into account if necessary).

The present value of the defined benefit obligations is calculated by using the projected unit credit method. The discount rate used in this calculation is determined by reference to market yields at the end of the reporting period on high-quality corporate bonds for the period until the expected date of future benefit payment.

Remeasurement of the net defined benefit liabilities or assets is recognized as other comprehensive income at the time of occurrence and is immediately reclassified as retained earnings. Past service cost and any gain or loss on settlement are recognized as profit or loss.

2) Defined contribution pension plan

Expenses related to post-employment benefits of the defined contribution pension plan are recognized as expenses at the time an employee provides the relevant service.

(13) Share-based payment

1) Performance-Based Stock Compensation Plan

The Group has introduced the Performance-Based Stock Compensation Plan as an equity-settled share-based payment plan for officers. Under the plan, services received are measured at the fair value of the Company's shares as of the grant date, and recognized as expenses in the consolidated statement of income throughout the vesting period. A corresponding amount is recognized as an increase of equity in the consolidated statement of financial position. The fair value of the Company's shares as of the grant date is measured based on observable market prices, and the expected dividends are incorporated in the measurement

of the fair value.

2) Trust-type Employee Shareholding Incentive Plan

The Group has introduced the Trust-type Employee Shareholding Incentive Plan as a cash-settled share-based payment plan. Under the plan, services received are measured at the fair value of the liabilities incurred, and recognized as expenses in the consolidated statement of income from the grant date to the trust expiration date. A corresponding amount is recognized as an increase of liabilities in the consolidated statement of financial position. The fair value of the liabilities is remeasured as of the end of each period until settlement, and the changes in the fair value are recognized as profit or loss.

(14) Revenue

Pursuant to IFRS 15 "Revenue from Contracts with Customers," the Group recognizes revenue based on the following five-step approach:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Group mainly engages in the sales of hams and sausages, processed food products, fresh meats and dairy products.

With respect to the sales contracts of products with customers, since control over the products transfers to the customer and the performance obligations are satisfied as of when the products are delivered to the customer, revenue is recognized at such time.

Revenue is determined as the amount of the consideration in the sales contract less the rebates and discounts based on the net sales or the sales amount, and the consideration expected to be refunded to the customer is reasonably estimated and is recognized as refund liabilities.

In addition, if the Group is involved in the sales of products as an agent, revenue is recognized as a net amount.

The consideration in a sales contract for products is primarily recovered within one year from when the products are delivered to the customer. Furthermore, significant financing components are not included.

(15) Government grants

Regarding government grants, if the conditions for government grants are met and there is a reasonable guarantee for receiving government grants, government grant income is recognized at fair value. Government grants for incurred expenses are recognized as a profit or loss in the same consolidated fiscal year. Regarding government grants for acquiring assets, the amount of such grants is deducted from the acquisition cost of the assets.

(16) Income tax

Income tax is composed of current tax and deferred tax. Excluding items relating to business combinations and direct equity or items recognized as other comprehensive income, they are recognized as a profit or loss.

1) Current tax

Current tax is determined with the amount expected to be paid to or refunded from the tax authorities. The determination of the tax amount is based on the tax rate and tax laws that are enacted, or are substantively enacted, by the closing date of the reporting period in the country where the Group conducts its business activities and the profit or loss subject to taxation is earned.

2) Deferred tax

Deferred tax assets and liabilities are recognized for temporary differences between the accounting carrying amount and the tax amount of assets and liabilities, unused tax losses and unused tax credits as of the closing date of the reporting period.

Deferred tax assets are recognized for deductible temporary differences, unused tax losses and unused tax credits, to the extent that it is probable that future taxable income will be available against such deferred tax assets. Deferred tax liabilities are, in principle, recognized for taxable temporary differences.

The carrying amount of deferred tax assets is reviewed every year, and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Unrecognized deferred tax assets are re-evaluated every year, and the Group recognizes deferred tax assets that were unrecognized in the past to the extent that future taxable income is highly likely to make the recovery of deferred tax assets possible.

Furthermore, deferred tax assets and liabilities are not recognized for the following temporary differences:

- Taxable temporary differences arising from the initial recognition of goodwill
- Temporary differences that arise from the initial recognition of assets and liabilities incurred due to transactions that have no effect on accounting profits or taxable income for tax purposes, except for business combination transactions and transactions that give rise to taxable temporary differences and deductible temporary differences of the same amount when the transaction is entered into
- Taxable temporary differences on investment in subsidiaries, associates and joint ventures when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future
- Deductible temporary differences on investment in subsidiaries, associates and joint ventures when it is probable that the temporary difference will not reverse in the foreseeable future

Deferred tax assets and liabilities are determined according to the tax rate that is expected to be applied to the year the asset is realized or the liability is settled, based on the tax rate and tax laws that are enacted, or are substantively enacted, by the closing date of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax liabilities and current tax assets and such deferred tax assets and liabilities are imposed on the same taxable entity by the same tax authorities.

If an uncertain tax position of income tax being incurred is highly possible, a reasonable estimated amount is recognized as an asset or liability.

In addition, the Group applies the temporary exception to the "International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)" and does not recognize or disclose deferred tax assets and deferred tax liabilities for income taxes arising from tax systems related to the Pillar Two Model Rules issued by the Organisation for Economic Co-operation and Development (OECD).

(17) Earnings per share

Basic earnings per share are calculated by dividing profit attributable to ordinary equity holders of the parent by the weighted-average number of shares of common stock outstanding during the period, adjusted for shares of treasury stock held.

Diluted earnings per share are calculated by adjusting for the effects of all dilutive potential common stocks.

(18) Equity

1) Common stock

Regarding shares of common stock issued by the Company, issue price is recorded in common stock and capital surplus, and

direct issuance costs are excluded from the capital surplus.

2) Treasury stock

If shares of treasury stock are acquired, the consideration paid including direct transaction costs is recognized as an excludable item from equity. If shares of treasury stock are disposed of, the difference between the carrying value and consideration received is recognized as an increase in equity.

(19) Assets held for sale and discontinued operations

Non-current assets or disposal groups whose carrying amounts are recovered primarily through sale transactions rather than through continuing use are classified as held for sale. To be classified as held for sale, the assets must be available for immediate sale in the present condition and the sale must be highly probable. It is only if the Group's management is committed to the sale plan and the sale is expected to be completed, in principle, within one year. Once classified as held for sale, the non-current assets or disposal groups are measured at the lower of carrying amounts and fair value less costs to sell and are not depreciated or amortized.

Discontinued operations include components of an entity that either has been disposed of or is classified as held for sale. The Group recognizes them if they represent a separate major line of Group's business or a geographical area of operations and there is a plan to dispose of one of the businesses or geographical areas.

(20) Financial reporting in hyperinflation economies

The Group has consolidated the financial statements of its subsidiary in the Republic of Turkey after making adjustments for hyperinflationary accounting in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies." The Group restated the financial statements of the subsidiary in terms of the measuring unit at the end of the reporting period and included them in the consolidated statements so as to reflect the effect of inflation in the Republic of Turkey. As required by IAS 21 "The Effects of Changes in Foreign Exchange Rates," the Group uses the exchange rate as of the closing date when consolidating cash flows and comprehensive income of the subsidiary.

4. Significant accounting estimates and judgments

The Group's consolidated financial statements include measurements of income and expenses and of assets and liabilities, and estimates and assumptions of management regarding disclosures of contingencies as of the closing date of the consolidated fiscal year. These estimates and assumptions are based on the best judgments of management considering past performance and various factors that can be thought to be reasonable as of the closing date of the consolidated fiscal year. Based on the nature of said assumptions, there is the possibility that the actual results will differ from these estimates and assumptions.

The estimates and assumptions are continuously reviewed by management. The effects of the review of these estimates and assumptions are recognized during the accounting period in which such estimates and assumptions are reviewed and future accounting periods thereafter.

The judgments and estimates performed by management that have significant effects on the amounts of the consolidated financial statements are as follows:

- Range of consolidated subsidiaries, associates, and joint ventures (Note 3. Material accounting policies (1) Basis of consolidation)
- Fair value of financial instruments (Note 3. Material accounting policies (4) Financial instruments, Note 30. Financial instruments)
- Fair value of biological assets (Note 3. Material accounting policies (7) Agricultural accounting, Note 10. Biological assets)
- Impairment of non-financial assets (Note 3. Material accounting policies (11) Impairment of non-financial assets, Note 11. Property, plant and equipment, Note 12. Intangible assets and goodwill, Note 13. Investments accounted for using the equity method)
- Post-employment benefits (Note 3. Material accounting policies (12) Post-employment benefits, Note 19. Post-employment benefit plans)
- Recoverability of deferred tax assets (Note 3. Material accounting policies (16) Income tax, Note 14. Income taxes)
- Fair value of disposal groups constituting discontinued operations (Note 3. Material accounting policies (19) Assets held for sale and discontinued operations, Note 32. Discontinued operations)

5. Segment information

(1) Overview of reportable segments

The Group's reportable segments are parts of its organizational units whose financial information is individually available, and are subject to regular review by the chief operating decision maker for the purpose of deciding the allocation of its operating resources and evaluating its business performance.

The Group categorizes the business into the following four reportable segments according to the nature of products and providing services, and the geographical areas where it sells products or provides services. The Group manages its operations by the business segment.

The Group has independently disclosed the Ballpark Business, which was previously included in the "Others," from the year ended March 31, 2025 in consideration of its increased importance. Accordingly, reportable segments have been changed to the following four business groups, and figures for the year ended March 31, 2024 have been reclassified based on the new reportable segment information.

Processed Foods Business Division	-	Mainly domestic production and sales of hams and sausages, processed foods, and dairy products
Fresh Meats Business Division	-	Mainly domestic production and sales of fresh meats
Overseas Business Division	-	Mainly production and sales of hams and sausages, processed foods and fresh meats at overseas subsidiaries
Ballpark Business	-	Mainly professional baseball-related entertainment, stadium operations, and overall ballpark management

Intersegment transaction prices are determined with reference to transaction prices with external customers.

From the year ended March 31, 2025, the Group has reviewed the method of adjusting foreign exchange gains and losses, etc., to reflect the performance of its reportable segments more appropriately, and has changed the method of calculating profit or loss by operating segment. If the operating segment information for the year ended March 31, 2024 had been prepared using the calculation method after the change, segment profit of the Fresh Meats Business Division would have increased by ¥1,026 million and segment profit of the Processed Foods Business Division would have decreased by ¥78 million.

In addition, the Company has classified the beef business relating to Breeders & Packers Uruguay S.A. ("BPU") as discontinued operations from the year ended March 31, 2023. However, the Overseas Business Division in the reportable segments includes discontinued operations related to BPU.

(2) Information regarding the reportable segments

The reportable segment information for the years ended March 31, 2024 and 2025 is as follows:

Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)

(millions of yen)

	Processed Foods Business Division	Fresh Meats Business Division	Overseas Business Division	Ballpark Business	Total	Eliminations, adjustments and others	Consolidated (before adjustment for discontinued operations)	Transfer to discontinued operations	Consolidated (after adjustment for discontinued operations)
Net sales									
Sales to external customers	402,029	719,861	167,985	20,571	1,310,446	3,609	1,314,055	(10,623)	1,303,432
Intersegment sales	29,204	60,735	121,979	3,193	215,111	(215,111)	-	-	-
Total	431,233	780,596	289,964	23,764	1,525,557	(211,502)	1,314,055	(10,623)	1,303,432
Segment profit	9,730	34,026	2,460	2,363	48,579	(3,640)	44,939	958	45,897
Segment assets	281,634	422,583	168,887	83,627	956,731	1,506	958,237	-	958,237
Other items									
Depreciation and amortization	12,389	9,013	3,720	2,326	27,448	12,213	39,661	-	39,661
Capital expenditures	9,793	25,896	7,199	770	43,658	17,281	60,939	(90)	60,849
Investments accounted for using the equity method	281	96	9,121	337	9,835	-	9,835	-	9,835

Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

(millions of yen)

	Processed Foods Business Division	Fresh Meats Business Division	Overseas Business Division	Ballpark Business	Total	Eliminations, adjustments and others	Consolidated (before adjustment for discontinued operations)	Transfer to discontinued operations	Consolidated (after adjustment for discontinued operations)
Net sales									
Sales to external customers	392,235	758,429	192,436	23,781	1,366,881	3,672	1,370,553	-	1,370,553
Intersegment sales	29,517	60,917	125,120	3,195	218,749	(218,749)	-	-	-
Total	421,752	819,346	317,556	26,976	1,585,630	(215,077)	1,370,553	-	1,370,553
Segment profit	10,748	28,868	4,477	3,347	47,440	(4,900)	42,540	-	42,540
Segment assets	270,181	409,788	177,278	78,128	935,375	13,897	949,272	-	949,272
Other items									
Depreciation and amortization	12,242	9,523	4,235	2,369	28,369	13,191	41,560	-	41,560
Capital expenditures	6,944	14,757	5,282	2,362	29,345	17,811	47,156	-	47,156
Investments accounted for using the equity method	285	1	8,170	341	8,797	-	8,797	-	8,797

(Notes) 1. "Eliminations, adjustments and others" includes unallocated items, intersegment eliminations, and others.

2. Except for a few unallocated items, corporate overhead expenses and profit or loss of certain subsidiaries are allocated to each reportable operating segment. These subsidiaries provide indirect services and operational support for the Group included in each reportable operating segment.

3. "Segment 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.

4. Segment assets included in "Eliminations, adjustments and others" mainly consist of adjustments to right-of-use assets and others in accordance with IFRS Accounting Standards, cash and cash equivalents of the Company, and investment securities.

5. "Depreciation and amortization" represents depreciation and amortization expenses for property, plant and equipment, right-of-use assets, and intangible assets. "Depreciation and amortization" in each reportable segment does not include depreciation and amortization expenses included in corporate overhead expenses and profit or loss of certain subsidiaries stated in Note 2.

6. "Capital expenditures" represents increases in property, plant and equipment, right-of-use assets, and intangible assets.

7. In the year ended March 31, 2024, the amounts of net sales, profits and losses, and capital expenditures of BPU included in the Overseas Business Division have been reclassified to "Transfer to discontinued operations."

Reconciliations of the aggregate segment profit and profit before tax for the years ended March 31, 2024 and 2025 are as follows:
(millions of yen)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Aggregate segment profit	44,939	42,540
IFRS Accounting Standards adjustments (Note 1)	(7,867)	(478)
Foreign exchange gains and losses (Note 2)	(6,694)	(6,128)
Adjustments for discontinued operations (Note 3)	1,179	-
Other income	20,685	10,029
Other expenses	12,010	8,985
Financial income	3,219	3,684
Financial costs	2,979	2,723
Share of profit (loss) in investments accounted for using the equity method	127	(741)
Profit before tax	40,599	37,198

(Notes) 1. Major items of IFRS Accounting Standards adjustments are the changes in fair value of biological assets under IAS 41 "Agriculture" and the restatement in terms of the measuring unit at the end of the reporting period under IAS 29 "Financial Reporting in Hyperinflationary Economies."

2. Foreign exchange gains and losses arising from the settlement of business transactions are included in the reconciliations of "Segment profit."

3. Adjustments for discontinued operations are to deduct amounts related to discontinued operations from aggregate segment profit, IFRS Accounting Standards adjustments in Note 1, and foreign exchange gains and losses in Note 2. However, corporate overhead expenses and profit or loss of certain subsidiaries are allocated to segment profit, so they are not included in the items for adjustments.

(3) Information about geographical areas

Sales information about geographical areas for the years ended March 31, 2024 and 2025 is as follows:

(millions of yen)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Japan	1,144,565	1,176,594
Other areas	158,867	193,959
Total	1,303,432	1,370,553

(Note) Sales are broken down by geographical area of the distributor's domicile.

Non-current assets (excluding financial assets, deferred tax assets and assets related to retirement benefits) by geographical area as of March 31, 2024 and 2025 are as follows:

(millions of yen)

	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
Japan	417,467	415,457
Other areas	34,114	46,066
Total	451,581	461,523

(4) Information about major customers

Information is omitted because there were no sales to a single external customer exceeding 10% of net sales in the consolidated statement of income.

6. Business combinations

Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)

There were no applicable items.

Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

On January 4, 2025, the Company acquired 100% equity interests in LJD Holdings, Inc., Mountain View Packaging, LLC, and Tamarack Foods, LLC (the "LJD Holdings Group") through the Company's consolidated subsidiary in the United States, Day-Lee Foods, Inc. ("Day-Lee Foods"), making these three companies subsidiaries of the Company.

(1) Main reason for the business combinations

In recent years, the demand for frozen foods in the United States has been expanding, and it is expected to continue growing at a high rate. By bringing the LJD Holdings Group, which has production bases in both the western and eastern United States, under the Company's umbrella, the Company believes it will be better positioned to meet the demands of this high-growth market. Furthermore, by combining the production capabilities of the LJD Holdings Group with the manufacturing, sales, and management functions of Day-Lee Foods, the Group aims to expand its processed food business in the North American market.

(2) Overview of the acquiree

Name	LJD Holdings, Inc.
Location	Idaho, United States of America
Nature of business	Manufacturing and sales of frozen protein and meal kits

Name	Mountain View Packaging, LLC
Location	Idaho, United States of America
Nature of business	Assembly of frozen meal kits

Name	Tamarack Foods, LLC
Location	Georgia, United States of America
Nature of business	Manufacturing and sales of frozen protein and meal kits

(3) Fair value of the consideration paid, assets acquired, and liabilities assumed as of the acquisition date

	(millions of yen)
	Amount
Fair value of the consideration paid	
Cash and cash equivalents	9,190
Accounts payable-other	71
Total	9,261
Fair value of the assets acquired and liabilities assumed	
Cash and cash equivalents	71
Trade and other receivables	1,023
Inventories	1,231
Property, plant and equipment	5,721
Right-of-use assets	284
Intangible assets	2,415
Other assets	23
Interest-bearing liabilities	(5,470)
Trade and other payables	(370)
Other liabilities	(155)
Equity	4,773
Goodwill	4,488
Total	9,261

(Notes) 1. The amount of the consideration paid was calculated using the exchange rate on the remittance date.

2. The intangible assets of ¥2,413 million are all intangible assets subject to amortization. They include items such as trademark rights with a useful life of 6 years totaling ¥599 million, customer-related intangible assets with a useful life of 15 years totaling ¥915 million, and technology-related intangible assets with a useful life of 5 years totaling ¥868 million.

3. The goodwill is attributable to the synergies expected to arise from future business expansion, as well as excess earning power. It is included in the Overseas Business Division in the segment information, and is expected to be deductible for tax purposes.

(4) Payments for purchase of business

	(millions of yen)
	Amount
Consideration paid	9,190
Cash and cash equivalents of acquired subsidiaries	(71)
Repayments of interest-bearing liabilities	5,242
Payments for purchase of business	14,361

(5) Acquisition-related costs

Acquisition-related costs associated with the business combinations totaled ¥659 million and were recorded as "Selling, General and Administrative Expenses" on the consolidated statement of income.

(6) Impact on financial results

Net sales and loss of the acquired companies since the acquisition date totaling ¥3,163 million and ¥53 million, respectively, are recognized in the Company's consolidated statement of income.

If the business combinations had been executed at the beginning of the fiscal year, the net sales and profit recorded on the Group's

consolidated statement of income for the year ended March 31, 2025 would have been ¥1,380,009 million and ¥28,100 million, respectively. (This information is not subject to audit.)

7. Cash and cash equivalents

Cash and cash equivalents consist of the following:

(millions of yen)

	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
Cash and deposits	68,011	74,272
Time deposits with maturities over three months	(2,546)	(2,715)
Total	65,465	71,557

(Note) The balance of "Cash and cash equivalents" in the consolidated statement of financial position matches the balance of "Cash and cash equivalents" in the consolidated statement of cash flows.

8. Trade and other receivables

Trade and other receivables consist of the following:

(millions of yen)

	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
Trade notes receivable	332	182
Accounts receivable-trade	158,294	139,575
Accounts receivable-other	6,658	2,539
Less: Allowance for doubtful receivables	(262)	(189)
Total	165,022	142,107

(Note) Trade and other receivables are classified into financial assets measured at amortized cost.

9. Inventories

Inventories consist of the following:

(millions of yen)

	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
Finished goods and merchandise	113,821	110,532
Raw materials and work-in-process	22,259	26,877
Supplies	5,349	5,139
Total	141,429	142,548

The amount of inventories recognized as expenses in the fiscal years ended March 31, 2024 and 2025 was ¥1,082,887 million and ¥1,130,072 million, respectively.

The Group measured inventories at the net realizable value, resulting in the write-down of ¥1,127 million and ¥1,245 million as of March 31, 2024 and 2025, respectively.

There was no significant reversal of write-down of inventories for the fiscal years ended March 31, 2024 and 2025.

10. Biological assets

The Group produces and raises cattle, hogs and chickens mainly in Japan. Overseas, the Group raises cattle in Australia, and produces and raises chickens in Turkey.

Biological assets recorded in current assets mainly consist of three livestock species – cattle, hogs, and chickens – reared for fresh meat production. Biological assets recorded in non-current assets mainly consist of cattle and hogs raised for breeding.

Biological assets held by the Group consist of the following:

	Year ended March 31, 2024 (as of March 31, 2024)		Year ended March 31, 2025 (as of March 31, 2025)	
	Amount (millions of yen)	Volume	Amount (millions of yen)	Volume
Cattle	14,624	66,505	20,087	84,120
Hogs	6,587	313,946	7,611	309,498
Chickens	5,740	15,419	5,992	14,926
Biological assets measured at fair value	26,951		33,690	
Current	25,420		32,063	
Non-current	1,531		1,627	

The production volume of biological assets for the years ended March 31, 2024 and 2025 is as follows:

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)		Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)	
	Amount (millions of yen)	Volume	Amount (millions of yen)	Volume
Cattle	30,681	89,866	41,312	127,769
Hogs	24,785	585,954	25,085	534,124
Chickens	78,157	272,585	79,280	263,973

Volume units are as follows:

Cattle: heads

Hogs: heads

Chickens: tons

Changes in biological assets for the years ended March 31, 2024 and 2025 are as follows:

(millions of yen)	
Beginning of the year ended March 31, 2024 (as of April 1, 2023)	29,501
Increase due to birth, purchase and breeding	109,880
Decrease due to sale	(2,691)
Decrease due to slaughter	(107,436)
Gain or loss on changes in fair value	(3,121)
Exchange differences on translation	818
Total	26,951
Current	25,420
Non-current	1,531
End of the year ended March 31, 2024 (as of March 31, 2024)	26,951
Increase due to birth, purchase and breeding	114,520
Decrease due to sale	(1,565)
Decrease due to slaughter	(108,024)
Gain or loss on changes in fair value	2,858
Exchange differences on translation	(1,050)
Total	33,690
Current	32,063
Non-current	1,627
End of the year ended March 31, 2025 (as of March 31, 2025)	33,690

Gain (loss) on changes in the fair value of biological assets is included in "Cost of Goods Sold" of the consolidated statement of income.

With respect to cattle and hogs, which are the Group's biological assets, the fair value is measured according to the valuation model based on the market approach, wherein the input is the sales price of similar types of assets, and since unobservable inputs are included, it is classified as Level 3. In addition, with respect to chickens, the fair value is measured according to the valuation model based on the cost approach, wherein the acquisition costs are inputs, and since unobservable inputs are included, it is classified as Level 3.

In the Group's activities to produce biological assets, there is a time gap between cash-out for the costs of production/feeding and cash-in from sales to third parties. In order to manage such financial risk, the Group strives to maintain working capital at an appropriate level.

11. Property, plant and equipment

(1) Changes

Changes in carrying amount, acquisition cost, accumulated depreciation and accumulated impairment losses of property, plant and equipment are as follows:

(millions of yen)					
Carrying amount	Land	Buildings	Machinery and equipment	Construction in progress	Total
Beginning of the year ended March 31, 2024 (as of April 1, 2023)	50,923	196,075	106,954	10,429	364,381
Acquisition	791	4,815	8,311	22,384	36,301
Disposal	(253)	(385)	(1,309)	-	(1,947)
Reclassification	26	9,492	8,472	(18,033)	(43)
Transfer to assets held for sale	(40)	(15)	(10)	-	(65)
Hyperinflation adjustment	282	851	532	118	1,783
Depreciation	-	(11,237)	(13,698)	-	(24,935)
Impairment losses	(71)	(183)	(1,099)	(2)	(1,355)
Foreign exchange translation differences	37	235	444	311	1,027
Others	(37)	157	20	(76)	64
End of the year ended March 31, 2024 (as of March 31, 2024)	51,658	199,805	108,617	15,131	375,211
Acquisition	339	4,376	6,534	15,295	26,544
Acquisition through business combinations	77	3,449	2,189	6	5,721
Disposal	(30)	(186)	(785)	(71)	(1,072)
Reclassification	(403)	15,450	10,127	(25,569)	(395)
Transfer to assets held for sale	(117)	(288)	(1)	-	(406)
Hyperinflation adjustment	12	565	358	4	939
Depreciation	-	(11,811)	(14,579)	-	(26,390)
Impairment losses	(88)	(1,514)	(1,746)	(2)	(3,350)
Foreign exchange translation differences	(222)	(878)	(525)	(81)	(1,706)
Others	40	345	10	(443)	(48)
End of the year ended March 31, 2025 (as of March 31, 2025)	51,266	209,313	110,199	4,270	375,048

(millions of yen)					
Acquisition cost	Land	Buildings	Machinery and equipment	Construction in progress	Total
Beginning of the year ended March 31, 2024 (as of April 1, 2023)	51,141	395,850	278,366	10,440	735,797
End of the year ended March 31, 2024 (as of March 31, 2024)	51,848	406,067	286,801	15,131	759,847
End of the year ended March 31, 2025 (as of March 31, 2025)	51,294	418,708	295,142	4,272	769,416

(millions of yen)

Accumulated depreciation and accumulated impairment losses	Land	Buildings	Machinery and equipment	Construction in progress	Total
Beginning of the year ended March 31, 2024 (as of April 1, 2023)	218	199,775	171,412	11	371,416
End of the year ended March 31, 2024 (as of March 31, 2024)	190	206,262	178,184	-	384,636
End of the year ended March 31, 2025 (as of March 31, 2025)	28	209,395	184,943	2	394,368

(Note) Depreciation of property, plant and equipment is included in "Cost of Goods Sold" and "Selling, General and Administrative Expenses" in the consolidated statement of income. The amount of expenditures for property, plant and equipment under construction is included in "Construction in progress" in the table above.

Government subsidies, etc. granted to companies, which are qualified for subsidies from the national and municipal governments to sophisticate the meat distribution structure and expand exports, totaled during the years ended March 31, 2024 and 2025 amounted to ¥4,957 million and ¥54 million, respectively, which are presented as deductions from the amount of property, plant and equipment acquired. There were no conditions unfulfilled or other contingencies in relation to the government grants recognized.

(2) Commitments

The amount of commitments for the acquisition of property, plant and equipment as of March 31, 2024 and 2025 was ¥1,281 million and ¥4,346 million, respectively. The amount represents an expected maximum contract amount and does not mean the actual payment amount.

(3) Impairment losses

Impairment losses were included in "Other Expenses" in the consolidated statement of income.

For the fiscal year ended March 31, 2024, the Group recognized impairment losses on property, plant and equipment of ¥1,355 million. The impairment losses were principally associated with business assets and idle assets related to the Processed Foods Business Division. The impairment losses of the business assets resulted mainly from expected decreases in profitability of some subsidiaries.

For the fiscal year ended March 31, 2025, the Group recognized impairment losses on property, plant and equipment of ¥3,350 million. The impairment losses were principally associated with business assets and idle assets related to the Processed Foods Business Division. The impairment losses of the business assets resulted mainly from expected decreases in profitability of some subsidiaries.

The fair value less costs of disposal, which formed the basis of calculation, was determined based on the appraisal value or market value of the assets, or by other means considered appropriate by management. The determined fair value falls under the Level 3 category of the fair value hierarchy.

12. Intangible assets and goodwill

(1) Changes

Changes in carrying amount, acquisition cost, and accumulated amortization and accumulated impairment losses of goodwill and intangible assets are as follows:

(millions of yen)					
Carrying amount	Goodwill	Software	Software in progress	Other	Total
Beginning of the year ended March 31, 2024 (as of April 1, 2023)	201	8,997	10,116	879	20,193
Acquisition	-	541	7,006	54	7,601
Disposal	-	(35)	-	(0)	(35)
Reclassification	-	1,355	(1,361)	0	(6)
Transfer to assets held for sale	-	-	-	-	-
Hyperinflation adjustment	-	3	-	74	77
Amortization	-	(1,965)	-	(52)	(2,017)
Impairment losses	-	(0)	-	(14)	(14)
Exchange differences on translation	5	18	1	(7)	17
Others	-	17	(11)	(0)	6
End of the year ended March 31, 2024 (as of March 31, 2024)	206	8,931	15,751	934	25,822
Acquisition	-	296	7,278	106	7,680
Acquisition through business combinations	4,488	2	-	2,413	6,903
Disposal	-	(33)	-	(1)	(34)
Reclassification	-	22,031	(22,078)	-	(47)
Transfer to assets held for sale	-	-	-	(0)	(0)
Hyperinflation adjustment	-	2	-	78	80
Amortization	-	(1,883)	-	(138)	(2,021)
Impairment losses	-	(1)	-	(0)	(1)
Exchange differences on translation	(234)	(4)	-	(138)	(376)
Others	-	(144)	(146)	-	(290)
End of the year ended March 31, 2025 (as of March 31, 2025)	4,460	29,197	805	3,254	37,716

(millions of yen)					
Acquisition cost	Goodwill	Software	Software in progress	Other	Total
Beginning of the year ended March 31, 2024 (as of April 1, 2023)	1,257	35,225	10,116	2,714	49,312
End of the year ended March 31, 2024 (as of March 31, 2024)	1,040	36,824	15,751	2,777	56,392
End of the year ended March 31, 2025 (as of March 31, 2025)	5,202	55,123	805	5,104	66,234

(millions of yen)

Accumulated amortization and accumulated impairment losses	Goodwill	Software	Software in progress	Other	Total
Beginning of the year ended March 31, 2024 (as of April 1, 2023)	1,056	26,228	-	1,835	29,119
End of the year ended March 31, 2024 (as of March 31, 2024)	834	27,893	-	1,843	30,570
End of the year ended March 31, 2025 (as of March 31, 2025)	742	25,926	-	1,850	28,518

(Note) Amortization of intangible assets is included in "Cost of Goods Sold" and "Selling, General and Administrative Expenses" in the consolidated statement of income.

(2) R&D expenditures

The expenditures for the research and development activities expensed during the years ended March 31, 2024 and 2025 were ¥3,155 million and ¥3,147 million, respectively, which are included in "Cost of Goods Sold" and "Selling, General and Administrative Expenses" in the consolidated statement of income.

(3) Impairment test for cash-generating units including goodwill

1) Cash-generating units

The Group tests goodwill for impairment at least once by the end of each fiscal year, or whenever there is an indication that the goodwill may be impaired. The carrying amount of goodwill is as follows:

(millions of yen)

	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
U.S. Processed Foods Business group	-	4,254
Other	206	206
Carrying amount of goodwill	206	4,460

2) Calculation basis on which the recoverable amount has been determined

The Group's major goodwill is relating to the U.S. Processed Foods Business group.

For the year ended March 31, 2024, information is omitted because the carrying amount of goodwill is insignificant.

For the impairment test, the recoverable amount of cash-generating units to which goodwill of the U.S. Processed Foods Business group is allocated was measured based on its value in use for the year ended March 31, 2025. The value in use was calculated by discounting the estimated future cash flows to the present value using the discount rate of 9.9% calculated based on the post-tax weighted average cost of capital (WACC) of the cash-generating unit. The future cash flows were measured based on the business plan over the next four years approved by the management, and based on the terminal value calculated using the growth rate of 3.0% for the period beyond. The business plan reflects the management's assessment of the industry's future trends and past data and was prepared based on external and internal information. The growth rate is consistent with the growth rate forecasts, etc. of the market to which the cash-generating unit belongs. The key assumptions used to measure the value in use were sale forecasts included in the business plan and the growth rate and discount rate for the period beyond the period covered by the forecasts in the business plan.

While the recoverable amount exceeded its carrying amount by ¥6,661 million for the year ended March 31, 2025, the recoverable amount will be equal to the carrying amount if the discount rate increases by 2.1%.

(4) Impairment losses

Impairment losses are included in "Other Expenses" in the consolidated statement of income.

The Group recorded impairment losses of ¥14 million and ¥1 million for intangible assets and goodwill for the fiscal years

ended March 31, 2024 and 2025, respectively. Descriptions on the factors behind such impairment losses are omitted because the amount of losses is insignificant.

The recoverable amount of the intangible assets used as the basis for calculation was measured at value in use. The value in use was estimated based on future cash flows in the business plan over the next five years reflecting the past results. When the estimated value in use is negative, the recoverable amount is assessed to be zero.

13. Investments accounted for using the equity method

Investments in associates and joint ventures were accounted for using the equity method. There were no individually significant associates and joint ventures.

The carrying amounts of the Group's interests in associates and joint ventures which were individually immaterial are as follows:

(millions of yen)

	Associates		Joint ventures	
	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
Carrying amount of investments accounted for using the equity method	9,498	8,456	337	341

The Group's interests in profit, other comprehensive income and comprehensive income of associates and joint ventures which were individually immaterial are as follows:

(millions of yen)

	Associates		Joint ventures	
	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Profit	130	(745)	(3)	4
Other comprehensive income	1,139	(163)	-	-
Comprehensive income	1,269	(908)	(3)	4

14. Income taxes

(1) Deferred tax assets and deferred tax liabilities

The breakdown of deferred tax assets and deferred tax liabilities by major cause and changes thereof are as follows:

For the year ended March 31, 2024 (April 1, 2023 through March 31, 2024)

(millions of yen)

	Balance at beginning of the year (April 1, 2023)	Amount recognized in profit or loss	Amount recognized in other comprehensive income	Changes due to changes in scope of consolidation	Balance at end of the year (March 31, 2024)
Deferred tax assets:					
Inventories	1,209	90	-	-	1,299
Accrued enterprise taxes	360	407	-	-	767
Accrued bonuses	3,163	130	-	-	3,293
Property, plant and equipment and intangible assets	13,605	(27)	-	(4)	13,574
Lease liabilities	11,713	1,410	-	-	13,123
Retirement benefit liabilities	3,838	(753)	(1,343)	-	1,742
Unused tax losses and unused tax credits	1,428	3,032	-	(6)	4,454
Investments in subsidiaries	3,856	(4,135)	279	-	-
Other temporary differences	5,495	2,568	-	(21)	8,042
Total	44,667	2,722	(1,064)	(31)	46,294
Deferred tax liabilities:					
Inventories	(766)	192	-	-	(574)
Property, plant and equipment and intangible assets	(16)	(1,499)	-	-	(1,515)
Right-of-use assets	(11,730)	(1,323)	-	-	(13,053)
Financial assets	(1,939)	(50)	(1,067)	-	(3,056)
Investments in subsidiaries	(23)	9	-	-	(14)
Other temporary differences	-	(877)	(7)	-	(884)
Total	(14,474)	(3,548)	(1,074)	-	(19,096)
Net deferred tax assets (liabilities)	30,193	(826)	(2,138)	(31)	27,198

(Note) The difference between deferred income tax charges and the amount recognized in profit or loss is exchange difference on translation of foreign operations and the impact of transfer to profit from discontinued operations.

For the year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

(millions of yen)

	Balance at beginning of the year (April 1, 2024)	Amount recognized in profit or loss	Amount recognized in other comprehensive income	Balance at end of the year (March 31, 2025)
Deferred tax assets:				
Inventories	1,299	67	-	1,366
Accrued enterprise taxes	767	(190)	-	577
Accrued bonuses	3,293	163	-	3,456
Property, plant and equipment and intangible assets	13,574	901	-	14,475
Lease liabilities	13,123	(200)	-	12,923
Retirement benefit liabilities	1,742	(63)	(504)	1,175
Unused tax losses and unused tax credits	4,454	(312)	-	4,142
Other temporary differences	8,042	986	8	9,036
Total	46,294	1,352	(496)	47,150
Deferred tax liabilities:				
Inventories	(574)	282	-	(292)
Property, plant and equipment and intangible assets	(1,515)	492	-	(1,023)
Right-of-use assets	(13,053)	151	-	(12,902)
Financial assets	(3,056)	(291)	(23)	(3,370)
Investments in subsidiaries	(14)	(2)	-	(16)
Other temporary differences	(884)	(1,277)	7	(2,154)
Total	(19,096)	(645)	(16)	(19,757)
Net deferred tax assets (liabilities)	27,198	707	(512)	27,393

(Note) The difference between deferred income tax charges and the amount recognized in profit or loss is exchange difference on translation of foreign operations.

Unused tax losses, unused tax credits and deductible temporary differences (other than those related to investments) for which deferred tax assets were not recognized are as follows:

(millions of yen)

	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
Unused tax losses and unused tax credits	13,550	13,849
Deductible temporary differences	6,366	5,815

The amount of deductible temporary differences related to investments in the Group's subsidiaries for which deferred tax assets were not recognized was ¥26,121 million and ¥25,648 million as of March 31, 2024 and 2025, respectively.

The amount and expiration of unused tax losses and unused tax credits for which deferred tax assets were not recognized are as follows:

	(millions of yen)	
	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
1 year	1,274	962
2 years	962	1,753
3 years	1,728	587
4 years	577	2,164
5 years	2,137	1,359
Over 5 years	6,872	7,024
Total	13,550	13,849

The amount of taxable temporary differences related to investments in the Group's subsidiaries for which deferred tax liabilities were not recognized was ¥89,841 million and ¥94,864 million as of March 31, 2024 and 2025, respectively. This is because the Group is able to control the timing of reversing the temporary differences, and it is probable that temporary differences will not reverse in the foreseeable future.

(2) Income tax expense

Income tax expense consists of the following:

	(millions of yen)	
	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Current tax expense	12,492	9,962
Deferred tax expense	(1,239)	(567)
Total	11,253	9,395

Current tax expense includes the amount of the benefit arising from previously unrecognized tax losses, tax credits, or temporary differences of a prior period. Current tax expense decreased by ¥2,266 million due to these factors in the fiscal year ended March 31, 2024. The amount of such current tax expense for the fiscal year ended March 31, 2025 is immaterial.

Deferred tax expense includes the amount of benefit arising from tax losses, tax credits, or temporary differences of a prior period for which tax effect was previously unrecognized. Deferred tax expense decreased by ¥1,147 million and ¥196 million due to these factors in the fiscal years ended March 31, 2024 and 2025, respectively.

Deferred tax expense includes the amount of expenses arising from the write-down and the reversal of the previous write-down of deferred tax assets. Deferred tax expense increased by ¥481 million due to these factors in the fiscal year ended March 31, 2024. The amount of such deferred tax expense for the year ended March 31, 2025 is immaterial.

The Group is subject to income taxes, inhabitants taxes, and enterprise taxes. The effective statutory tax rate for income tax expense calculated based on these taxes was approximately 31.0% for the fiscal years ended March 31, 2024 and 2025. Foreign subsidiaries are subject to the tax rates of the countries in which they operate.

The Act for Partial Revision of the Income Tax Act, etc. (Act No. 13 of 2025) was promulgated on March 31, 2025, and the Defense Special Corporation Tax will be imposed from the year beginning on or after April 1, 2026. As a result, the statutory effective tax rate for deferred tax assets and deferred tax liabilities in the year ended March 31, 2025 related to temporary differences that are expected to be reversed in and after the year beginning April 1, 2026, has been changed from approximately 31.0% to 31.5% in the Company and its domestic subsidiaries. Deferred tax expense decreased by ¥221 million due to this change in the tax rate.

On March 28, 2023, the Act for Partial Revision of the Income Tax Act, etc. (Act No. 3 of 2023) was enacted in Japan, where the Company is domiciled, to introduce the Global Minimum Taxation based on the Pillar Two Model Rules. The act was effective for the Company from the year beginning April 1, 2024. The amount of income tax expense affected by the act is immaterial.

Factors that caused differences between the effective statutory tax rate and the average effective tax rate are as follows:

(%)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Effective statutory tax rate	31.0	31.0
(Adjustments)		
Difference in tax rates of foreign subsidiaries	(2.0)	(0.6)
Change in recoverability of deferred tax assets	(3.5)	0.2
Permanently non-deductible expenses	1.2	(0.1)
Tax credit	(2.3)	(2.9)
Sale of equity method investments	-	-
Hyperinflation adjustment	2.5	(1.1)
Change in tax rate	-	(0.6)
Other	0.8	(0.6)
Average effective tax rate	27.7	25.3

15. Interest-bearing liabilities

Interest-bearing liabilities consist of the following:

(millions of yen)

Category	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
Without collateral:		
Loans mainly from banks and insurance companies		
Maturing through 2032		
Interest rates: 0.06% to 7.34% (Year ended March 31, 2024)	105,108	
Interest rates: 0.22% to 6.35% (Year ended March 31, 2025)		95,474
Bonds with 0.25% coupon due February 2026	9,987	9,994
Bonds with 0.37% coupon due October 2027	19,915	19,939
Bonds with 0.36% coupon due February 2029	9,974	9,980
Bonds with 1.06% coupon due January 2030	-	9,958
Bonds with 0.30% coupon due February 2031	9,961	9,967
Bonds with 1.56% coupon due January 2035	-	9,951
Bonds with 0.60% coupon due August 2039	14,929	14,933
Lease liabilities:		
Maturing through 2047		
Interest rates: 0.0% to 26.95% (Year ended March 31, 2024)	44,978	
Maturing through 2073		
Interest rates: 0.0% to 26.95% (Year ended March 31, 2025)		43,706
Total	214,852	223,902
Current	59,247	85,473
Non-current	155,605	138,429

16. Leases

The Group leases assets including land, buildings, machinery and equipment as a lessee. Certain lease contracts have renewal or termination options, which are exercised as necessary. There are no important incidental matters such as restrictions or covenants imposed by lease contracts.

(1) Gains and losses related to leases

Gains and losses related to leases are as follows:

	(millions of yen)	
	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Depreciation charges for the right-of-use assets		
Land	432	401
Buildings	9,356	9,841
Machinery and equipment	3,174	3,236
Other	13	14
Total	12,975	13,492
Interest expense on lease liabilities	276	317
Lease expense applying the recognition exemption for short-term leases	1,747	1,998
Lease expense applying the recognition exemption for low-value assets	929	666
Variable lease payments not included in the measurement of lease liabilities	88	131

(Note) Depreciation charges for the right-of-use assets is included in "Cost of Goods Sold" and "Selling, General and Administrative Expenses" in the consolidated statement of income.

(2) Breakdown of carrying amount of right-of-use assets

The carrying amount of right-of-use assets consists of the following:

	(millions of yen)	
	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
Land	1,879	2,137
Buildings	33,953	34,089
Machinery and equipment	8,801	7,336
Other	181	166
Total	44,814	43,728

The increase in right-of-use assets is described in "Note 29. Cash flow information (1) Significant non-cash transactions."

The maturity analysis of lease liabilities is provided in "Note 30. Financial instruments (2) Financial risk management 3) Liquidity risk."

(3) Cash outflow for leases

Total cash outflow for leases is as follows:

	(millions of yen)	
	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Total cash outflow for leases	15,944	16,659

17. Trade and other payables

Trade and other payables consist of the following:

(millions of yen)

	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
Trade notes payable	8,334	5,646
Accounts payable-trade	73,664	68,918
Accounts payable-other	26,971	24,730
Refund liabilities	7,804	6,975
Total	116,773	106,269

(Note) Trade and other payables are classified into financial liabilities measured at amortized cost.

18. Other current liabilities

Other current liabilities consist of the following:

(millions of yen)

	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
Accrued expenses	28,919	29,154
Accrued consumption taxes	11,192	6,997
Contract liabilities	7,377	11,093
Other	1,217	482
Total	48,705	47,726

19. Post-employment benefit plans

(1) Overview of post-employment benefit plans

The Company has a retirement lump-sum severance plan and a defined benefit corporate pension plan based on a formula for determining benefits, including a "point-based benefits system" under which benefits are calculated based on accumulated points allocated to employees each year according to their job classification, performance and years of service. Market-related interest is added to the benefit of the defined benefit corporate pension plan. The defined benefit corporate pension plan provides annuity payments for the periods of 10 to 20 years commencing with mandatory retirement. The Company also has a defined contribution pension plan.

The Company has a contract-type corporate pension plan based on pension rules. The Company has established rules on the defined benefit corporate pension plan stipulating the details of the pension plan, such as eligibility requirements, contents and method for determining benefit payments and burden of contributions, by agreement with its employees and has had these rules approved by the Minister of Health, Labour and Welfare. The Company maintains the plans by signing contracts such as with trust banks and insurance companies for the payment of contributions and the management of accumulated funds. The trust banks administer and manage the plan assets while they perform actuarial calculations and payments of annual and lump-sum benefits.

The Company is responsible for executing its duties faithfully for the participants in compliance with laws and regulations and any orders issued by the Minister of Health, Labour and Welfare. Furthermore, the Company is prohibited from entering into any contracts or giving any directions on the administration and management of the pension reserves for the purpose of looking after its own interests or the interests of third parties other than the participants.

Plan assets are legally separate from the Company. Asset management trustees are responsible for plan assets and have a duty of loyalty to pension plan participants, such management responsibilities as a dispersed investment obligation, and a duty to prevent conflicts of interest.

Plan assets are invested on the basis of soundness. However, financial instruments have inherent investment risks. Defined benefit obligations are measured based on various pension actuarial assumptions, such as discount rates. Accordingly, there exists a risk that these assumptions may change.

Certain subsidiaries have defined benefit corporate pension plans, retirement lump-sum severance plans and defined contribution pension plans. Assumptions used for those plans are generally the same as those used for the Company's plans.

(2) Defined benefit plans

The amounts related to the defined benefit plans on the consolidated statement of financial position are as follows:

(millions of yen)

	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
Present value of defined benefit obligations	48,426	45,470
Fair value of plan assets	58,809	59,034
Funding position	(10,383)	(13,564)
Effect of the asset ceiling	7,574	8,731
Net defined benefit liabilities (assets)	(2,809)	(4,833)
Amounts on the consolidated statement of financial position		
Retirement benefit liabilities	12,491	12,191
Other non-current assets	15,300	17,024

1) Changes in the present value of defined benefit obligations

Changes in the present value of defined benefit obligations are as follows:

(millions of yen)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Balance of defined benefit obligations at beginning of the year	49,881	48,426
Service cost	2,806	2,673
Interest cost	525	622
Remeasurement	(1,324)	(2,386)
Actuarial losses (gains) arising from changes in demographic assumptions	(27)	24
Actuarial losses (gains) arising from changes in financial assumptions	(1,297)	(2,410)
Past service cost and settlement	(58)	-
Benefits paid from the plan	(3,404)	(3,865)
Balance of defined benefit obligations at end of the year	48,426	45,470

The weighted-average duration of defined benefit obligations as of March 31, 2024 and 2025 was 10.0 years and 9.5 years, respectively.

2) Changes in the fair value of plan assets

Changes in the fair value of plan assets are as follows:

(millions of yen)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Fair value of plan assets at beginning of the year	52,282	58,809
Interest income (Note)	612	852
Remeasurement	6,660	197
Return on plan assets (excluding the amount included in net interest cost)	6,660	197
Employer contribution	866	854
Benefits paid from the plan	(1,611)	(1,678)
Fair value of plan assets at end of the year	58,809	59,034

(Note) Interest income is measured as the fair value of plan assets multiplied by the discount rate.

The Group plans to contribute ¥850 million to the defined benefit corporate pension plan during the fiscal year ending March 31, 2026.

3) Changes in the effect of the asset ceiling

Changes in the effect of the asset ceiling are as follows:

(millions of yen)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Balance at beginning of the year	3,907	7,574
Remeasurement	3,667	1,043
Effect of limiting the net amount of plan assets to the asset ceiling	3,667	1,043
Interest income	-	114
Balance at end of the year	7,574	8,731

(Note) When the defined benefit plan is overfunded, defined benefit assets (other non-current assets) recognized in the consolidated statement of financial position are limited to the present value of future economic benefits available in the form of refunds from the defined benefit plan and reductions in future contributions to the defined benefit plan.

4) Components of plan assets

The Group's plan assets as of March 31, 2024 and 2025 consist of the following:

Year ended March 31, 2024 (as of March 31, 2024)

(millions of yen)

	Assets with quoted market prices in an active market	Assets without quoted market prices in an active market
Equity instruments:		
Domestic stocks	17,791	-
Foreign stocks	5,348	-
Debt instruments:		
Domestic public and corporate bonds	5,285	-
Foreign public and corporate bonds	2,063	-
Life insurance company general accounts	-	9,168
Others	8,283	10,871
Total	38,770	20,039

Year ended March 31, 2025 (as of March 31, 2025)

(millions of yen)

	Assets with quoted market prices in an active market	Assets without quoted market prices in an active market
Equity instruments:		
Domestic stocks	15,408	-
Foreign stocks	7,452	-
Debt instruments:		
Domestic public and corporate bonds	4,028	-
Foreign public and corporate bonds	1,318	-
Life insurance company general accounts	-	8,280
Others	7,657	14,891
Total	35,863	23,171

The Group's fundamental policy for the investment of plan assets is to secure the necessary profit on a long-term basis to enable the Group to fund the payments for future pension benefits to eligible participants. Plan assets are allocated in accordance with the plan assets allocation policy, which is established for the purpose of achieving a stable rate of return on a medium- to long-term basis, by taking into account the expected rate of return on each plan asset, a standard deviation and a correlation coefficient. The variance between expected long-term return and actual return on invested plan assets is evaluated on an annual basis. The plan assets allocation policy is revised, when considered necessary, to achieve the expected long-term rate of return.

The Group's portfolio consists of four major components. Equity instruments consist primarily of stocks that are listed on the stock exchanges. The Group investigates the business condition of the investee companies and appropriately diversifies investments by industry type and other relevant factors. The debt instruments consist primarily of government bonds, public bonds and corporate bonds. The Group investigates the quality of the bonds, including credit rating, interest rate and repayment dates, and appropriately diversifies the investments. Mutual funds are invested using the strategy consistent with equity instruments and debt instruments described above. As for the life insurance company general accounts, life insurance companies guarantee certain interest rates and repayment of principal.

5) Actuarial assumptions

Assumptions (weighted-average) used to measure the defined benefit obligations of the plans above are as follows:

	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
Discount rate	1.4%	2.0%

The Company has adopted the "point-based benefits system." Accordingly, rate of increase in future compensation levels was not used to determine retirement benefit expenses for the fiscal years ended March 31, 2024 and 2025.

Assumptions used for the plans of subsidiaries were generally the same as those used for the Company's plans.

6) Sensitivity analysis for significant actuarial assumptions

The effects of a change in discount rate on defined benefit obligations as of March 31, 2024 and 2025 are shown below. The sensitivity analysis is based on the assumption that there are no changes in other assumptions, however, changes in other assumptions may affect the sensitivity analysis.

		(millions of yen)	
		Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
Discount rate	0.5% increase	(2,127)	(1,875)
	0.5% decrease	2,294	1,999

The method and assumptions used in the sensitivity analysis as of March 31, 2025 are the same as those used as of March 31, 2024.

(3) Defined contribution pension plans

The Group recognized that the expenses related to the defined contribution plan are ¥10,728 million and ¥11,298 million for the fiscal years ended March 31, 2024 and 2025, respectively.

20. Common stock and other equity items

(1) Number of shares authorized and shares issued

Changes in number of shares authorized and shares issued are as follows:

	(shares)	
	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Number of shares authorized		
Common stock	285,000,000	285,000,000
Number of shares issued		
Balance at beginning of the year	102,958,904	102,958,904
Increase during the year	-	-
Decrease during the year (Note 2)	-	(3,863,900)
Balance at end of the year	102,958,904	99,095,004

(Notes) 1. All shares issued by the Company are common stock with no par value that has no limitation set on the rights of holders.

The shares issued have been fully paid in.

2. Decrease is due to cancellation of treasury stock.

(2) Treasury stock

Changes in number of shares of treasury stock are as follows:

	(shares)	
	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Balance at beginning of the year	454,459	308,314
Increase during the year (Notes 1 and 2)	1,240	3,886,443
Decrease during the year (Notes 3 and 4)	(147,385)	(4,031,253)
Balance at end of the year (Notes 5 and 6)	308,314	163,504

(Notes) 1. Increase during the fiscal year ended March 31, 2024 is due to purchase of shares less than one unit.

2. Increase during the fiscal year ended March 31, 2025 is due to purchase of shares less than one unit and to market purchase (including purchase by the Board Incentive Plan Trust (the "BIP Trust")).

3. Decrease during the fiscal year ended March 31, 2024 is due to delivery and payment to the Directors, etc. by the BIP Trust, sale to the Shareholding Association by the NH Foods Group Employee Shareholding Association Trust (the "Shareholding Trust"), and sale of shares in response to requests for additional purchase of shares less than one unit.

4. Decrease during the fiscal year ended March 31, 2025 is due to delivery and payment to the Directors, etc. by the BIP Trust, sale to the Shareholding Association by the Shareholding Trust, and cancellation of treasury stock.

5. The balance as of March 31, 2024 includes 123,968 shares of the Company held by the BIP Trust and 173,500 shares of the Company held by the Shareholding Trust.

6. The balance as of March 31, 2025 includes 107,955 shares of the Company held by the BIP Trust and 43,600 shares of the Company held by the Shareholding Trust.

(3) Common stock and capital surplus

Under the Companies Act of Japan (the "Companies Act"), at least 50% of the payment or delivery upon issuance of shares shall be credited to common stock, and the remainder shall be credited to legal capital surplus included under capital surplus. The Companies Act permits, upon approval at the General Meeting of Shareholders, the transfer of legal capital surplus to common stock.

(4) Retained earnings

The Companies Act provides that 10% of the dividend of retained earnings paid shall be appropriated as legal capital surplus or as legal retained earnings until their aggregate amount equals 25% of common stock. The legal retained earnings may be appropriated

for deficit disposition and also may be reversed upon approval at the General Meeting of Shareholders.

(5) Accumulated other comprehensive income

1) Remeasurement of defined benefit plans

A reassessment of defined benefit obligations that identifies the difference between actuarial assumptions at the beginning of the fiscal year and actual results, a return on plan assets at fair value (excluding the amount included in net interest cost), and the impact of the asset ceiling which is adjusted when the defined benefit plan is overfunded (the defined benefit assets are recognized with the present value of future economic benefits available as the upper limit), etc.

2) Financial assets measured at fair value through other comprehensive income

Differences between the fair value and the acquisition price of financial assets measured at fair value through other comprehensive income, accumulated until derecognition.

3) Exchange differences on translation of foreign operations

Exchange differences attributable to the consolidation of the financial results of foreign operations whose financial statements are prepared in foreign currencies.

4) Share of other comprehensive income of investments accounted for using the equity method

The Company's share of financial assets measured at fair value through other comprehensive income of equity-method companies, and exchange differences on translation of foreign operations accounted for using the equity method.

21. Dividends

Dividends paid for the fiscal years ended March 31, 2024 and 2025 are as follows:

Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)

Resolution	Class of shares	Total amount of dividends (millions of yen)	Amount of dividend per share (yen)	Record date	Effective date
Meeting of the Board of Directors held on May 10, 2023	Common stock	11,324	110.00	March 31, 2023	June 2, 2023

(Note) The total amount of dividends includes dividends on the Company's shares held by the BIP Trust of ¥14 million and dividends on the Company's shares held by the Shareholding Trust of ¥34 million.

Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

Resolution	Class of shares	Total amount of dividends (millions of yen)	Amount of dividend per share (yen)	Record date	Effective date
Meeting of the Board of Directors held on May 10, 2024	Common stock	12,251	119.00	March 31, 2024	June 4, 2024

(Note) The total amount of dividends includes dividends on the Company's shares held by the BIP Trust of ¥15 million and dividends on the Company's shares held by the Shareholding Trust of ¥21 million.

Dividends for which the effective date is in the next fiscal year are as follows:

Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)

Resolution	Class of shares	Source of dividends	Total amount of dividends (millions of yen)	Amount of dividend per share (yen)	Record date	Effective date
Meeting of the Board of Directors held on May 10, 2024	Common stock	Retained earnings	12,251	119.00	March 31, 2024	June 4, 2024

(Note) The total amount of dividends includes dividends on the Company's shares held by the BIP Trust of ¥15 million and dividends on the Company's shares held by the Shareholding Trust of ¥21 million.

Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

Resolution	Class of shares	Source of dividends	Total amount of dividends (millions of yen)	Amount of dividend per share (yen)	Record date	Effective date
Meeting of the Board of Directors held on May 9, 2025	Common stock	Retained earnings	13,376	135.00	March 31, 2025	June 4, 2025

(Note) The total amount of dividends includes dividends on the Company's shares held by the BIP Trust of ¥15 million and dividends on the Company's shares held by the Shareholding Trust of ¥6 million.

22. Share-based payment

(1) Performance-Based Stock Compensation Plan

1) Details of the Performance-Based Stock Compensation Plan

The Company has introduced the Performance-Based Stock Compensation Plan for Directors (excluding Outside Directors and non-residents of Japan; hereinafter the same) and Executive Officers (excluding non-residents of Japan; hereinafter together with Directors, the "Directors, etc.") to further clarify the linkage between the compensations of the Directors, etc. and the business performance and shareholder value of the Company, and to provide incentives to encourage enhancement of the corporate value over the medium- to long-term in order to realize the Company's corporate philosophy. The Performance-Based Stock Compensation Plan is accounted for as an equity-settled share-based payment transaction.

The Performance-Based Stock Compensation Plan has adopted a scheme called the Board Incentive Plan (BIP) Trust, which grants a certain number of points (1 point = 1 share) to the Directors, etc. depending on their position, achievement level of the performance goal, etc. for the fiscal years corresponding to the period of the Company's medium-term management plan (the "Target Period"), on the condition they satisfy the prescribed beneficiary requirements, such as being the Directors, etc. during the Target Period. Thereafter, the Directors, etc. who satisfy each beneficiary requirement are entitled to receive delivery and payment of the shares of the Company and the amount of money equivalent to the proceeds from the disposal of the shares of the Company corresponding to the number of points granted by completing the prescribed procedures for determining beneficiaries.

2) Number of points granted during the year and weighted average fair value of points

The fair value of the Company's shares as of the grant date of points is measured based on observable market prices, and the expected dividends are incorporated into the measurement of the fair value. The number of points granted during the year and the weighted average fair value of points are as follows:

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Number of points granted during the year (points)	15,752	18,860
Weighted average fair value (yen)	4,190	4,558

(2) Trust-type Employee Shareholding Incentive Plan

The Company has introduced the plan as an incentive plan for the Group's employees to enhance the corporate value over the medium- to long-term, and accounts for the plan as a cash-settled share-based payment transaction.

Under the plan, the Company has established the Shareholding Trust at a trust bank, and the Shareholding Trust has acquired the Company's shares in advance for an amount expected to be acquired by the Shareholding Association over a certain period of time after the establishment. Thereafter, the Shareholding Trust makes sales of the Company's shares to the Shareholding Association on a continuous basis. Upon the conclusion of the trust, if there are any accumulated gains on sales of shares within the Shareholding Trust, such gains on sales of shares will be allocated as residual assets to employees who meet eligibility requirements as beneficiaries. Such allocation is accounted for as a cash-settled transaction, and the fair value of the liability is measured at the discounted present value of the estimated cash flows as of the trust expiration date, taking into account the terms and conditions of the trust agreement, at the end of each fiscal year.

The fair value of the liability for the plan is estimated using the Monte Carlo method, and the main underlying figures are as follows. The carrying amount of the liability for the plan was ¥82 million and ¥96 million as of March 31, 2024 and 2025, respectively.

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
The Company's stock price (yen)	5,088	5,012
Remaining shares (shares)	173,500	43,600
Expected volatility (%)	16.5	14.3
Expected remaining period (years)	1.6	0.6
Risk-free interest rate (%)	0.1	0.4

(3) Share-based payment expense

The amounts recognized as share-based payment expenses are as follows and are included in "Selling, General and Administrative Expenses" in the consolidated statement of income.

(millions of yen)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Expenses for the Performance-Based Stock Compensation Plan	66	86
Expenses for the Trust-type Employee Shareholding Incentive Plan	71	14
Total	137	100

23. Net sales

(1) Disaggregation of revenue

The Group disaggregates revenue from each of the four reportable segments, the "Processed Foods Business Division," the "Fresh Meats Business Division," the "Overseas Business Division," and the "Ballpark Business" into the categories of "Hams and sausages," "Processed foods," "Fresh meats," "Dairy products," and "Others," depending on the type of goods and services.

The Group has changed its reportable segments from the fiscal year ended March 31, 2025. Accordingly, the information on the disaggregation of revenue for the fiscal year ended March 31, 2024 has been prepared based on the reportable segments after the change. The information on the change to the reportable segments is provided in "5. Segment information (1) Overview of reportable segments."

The Group has classified the beef business relating to BPU as discontinued operations in the fiscal year ended March 31, 2023. However, the results of the Overseas Business Division, one of the reportable segments, include the discontinued operations related to BPU. From the fiscal year ended March 31, 2025, the Group has also reviewed product categories for revenue disaggregation due to changes in its management categories. If net sales information by product type for the fiscal year ended March 31, 2024 had been prepared using the classification method after the change, the results would have changed mainly as follows: net sales from Processed foods would have increased by ¥6,020 million and net sales from Fresh meats would have decreased by ¥6,760 million in the Fresh Meats Business Division.

Net sales by product type for the fiscal years ended March 31, 2024 and 2025 are as follows:

Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)

(millions of yen)

	Processed Foods Business Division	Fresh Meats Business Division	Overseas Business Division	Ballpark Business	Total	Eliminations, adjustments and others	Consolidated (before adjustment for discontinued operations)	Transfer to discontinued operations	Consolidated (after adjustment for discontinued operations)
Hams and sausages	129,697	884	4,552	-	135,133	17	135,150	-	135,150
Processed foods	190,220	18,984	28,657	-	237,861	9	237,870	-	237,870
Fresh meats	31,470	685,626	117,318	-	834,414	2,245	836,659	(9,949)	826,710
Dairy products	38,841	69	52	-	38,962	1	38,963	-	38,963
Others	11,801	14,298	17,406	20,571	64,076	1,337	65,413	(674)	64,739
Total	402,029	719,861	167,985	20,571	1,310,446	3,609	1,314,055	(10,623)	1,303,432

(Note) The amounts of net sales of BPU included in the Overseas Business Division have been reclassified to "Transfer to discontinued operations."

Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

(millions of yen)

	Processed Foods Business Division	Fresh Meats Business Division	Overseas Business Division	Ballpark Business	Total	Eliminations, adjustments and others	Consolidated (before adjustment for discontinued operations)	Transfer to discontinued operations	Consolidated (after adjustment for discontinued operations)
Hams and sausages	124,623	964	4,964	-	130,551	11	130,562	-	130,562
Processed foods	180,463	28,167	35,409	-	244,039	11	244,050	-	244,050
Fresh meats	35,231	713,464	137,533	-	886,228	1,676	887,904	-	887,904
Dairy products	39,724	236	22	-	39,982	2	39,984	-	39,984
Others	12,194	15,598	14,508	23,781	66,081	1,972	68,053	-	68,053
Total	392,235	758,429	192,436	23,781	1,366,881	3,672	1,370,553	-	1,370,553

(2) Balances from contracts with customers

Balances from contracts with customers are as follows:

(millions of yen)

	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
Contract liabilities	7,848	11,448
Refund liabilities	7,804	6,975

Of the contract liability balances above, the amount of those recognized as revenue for the fiscal years ended March 31, 2024 and 2025 is as follows:

(millions of yen)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Amount included in the opening balance of contract liabilities	5,795	6,708

The Group receives payments from customers according to the contractual billing schedule.

Contract liabilities represent payments received prior to the performance under the contract. Accordingly, their balances vary depending on the Group's status of performance obligation in the contract.

The amount of income recognized from performance obligations satisfied in the fiscal years ended March 31, 2024 and 2025 is not material.

24. Selling, general and administrative expenses

Selling, general and administrative expenses consist of the following:

(millions of yen)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Labor costs	71,490	74,954
Distribution costs	44,151	47,379
Advertising expenses	5,028	5,200
Depreciation and amortization	15,384	15,670
Others	36,021	41,246
Total	172,074	184,449

25. Other income and other expenses

(1) Other income

Other income consists of the following:

(millions of yen)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Gain on sale of fixed assets	493	874
Foreign exchange gains	15,329	4,839
Subsidy income (Note)	2,469	953
Others	2,394	3,363
Total	20,685	10,029

(Note) The main source of subsidy income in the fiscal year ended March 31, 2024 and 2025 was subsidies provided by the national and local governments for measures to combat rising feed prices. There were no unfulfilled conditions and other contingencies attaching to government assistance that has been recognized.

(2) Other expenses

Other expenses consists of the following:

(millions of yen)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Impairment losses	1,369	3,354
Loss on sale and retirement of fixed assets	2,258	2,206
Foreign exchange losses	6,109	700
Others	2,274	2,725
Total	12,010	8,985

26. Financial income and financial costs

(1) Financial income

Financial income consists of the following:

(millions of yen)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Dividend income		
Financial assets measured at fair value through other comprehensive income	493	565
Interest income		
Financial assets measured at amortized cost	2,696	2,343
Gain on valuation of derivatives		
Financial assets and financial liabilities measured at fair value through profit or loss	-	436
Foreign exchange gains	-	336
Hyperinflation adjustment - gain on net monetary position (Note)	18	-
Others	12	4
Total	3,219	3,684

(2) Financial costs

Financial costs consists of the following:

(millions of yen)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Interest expenses		
Financial liabilities measured at amortized cost	1,899	1,859
Commission expenses		
Financial liabilities measured at amortized cost	107	112
Loss on valuation of derivatives		
Financial assets and financial liabilities measured at fair value through profit or loss	337	-
Foreign exchange losses	552	-
Hyperinflation adjustment - loss on net monetary position (Note)	-	708
Others	84	44
Total	2,979	2,723

(Note) From the fiscal year ended March 31, 2023, the Group has consolidated the financial statements of its subsidiary in the Republic of Turkey after making adjustments for hyperinflationary accounting in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies." The Group restated the financial statements of the subsidiary in terms of the measuring unit at the end of the reporting period and included them in the consolidated statements so as to reflect the effect

of inflation in the Republic of Turkey. The effect of inflation on net monetary position is included in "Financial Income" and "Financial Costs."

27. Other comprehensive income

Changes in each item of other comprehensive income (loss) during the year are as follows:

(millions of yen)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans		
Amount recognized during the year	4,322	1,540
Before tax effects	4,322	1,540
Tax effects	(1,343)	(504)
After tax effects	2,979	1,036
Financial assets measured at fair value through other comprehensive income		
Amount recognized during the year	5,108	1,977
Before tax effects	5,108	1,977
Tax effects	(1,583)	(23)
After tax effects	3,525	1,954
Share of other comprehensive income of investments accounted for using the equity method		
Amount recognized during the year	(31)	(6)
Before tax effects	(31)	(6)
Tax effects	(7)	16
After tax effects	(38)	10
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations		
Amount recognized during the year	10,699	(1,027)
Reclassification adjustments	(1,315)	33
Before tax effects	9,384	(994)
Tax effects	279	-
After tax effects	9,663	(994)
Share of other comprehensive income of investments accounted for using the equity method		
Amount recognized during the year	1,177	(115)
Reclassification adjustments	-	(58)
Before tax effects	1,177	(173)
Tax effects	-	-
After tax effects	1,177	(173)
Total	17,306	1,833

28. Earnings per share

(1) Earnings per share

Basic earnings per share is calculated by dividing profit attributable to ordinary shareholders of parent by the weighted-average number of shares of common stock outstanding during the fiscal years ended March 31, 2024 and 2025. The weighted-average number of shares of common stock outstanding does not include shares of common stock repurchased as shares of treasury stock. The Company's shares held by the BIP Trust and the Shareholding Trust are accounted for as treasury stock and accordingly are not also included in the weighted-average number of shares of common stock outstanding.

(2) Amount of basic earnings per share and basis of calculation

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Basic earnings per share (yen)	273.70	263.05
Continuing operations	272.70	263.05
Discontinued operations	1.00	-
Basis for calculation:		
Profit attributable to owners of the parent (millions of yen)	28,078	26,585
Amount not attributable to ordinary shareholders of the parent (millions of yen)	-	-
Profit used in the calculation of basic earnings per share (millions of yen)	28,078	26,585
Continuing operations	27,976	26,585
Discontinued operations	102	-
Weighted-average number of shares of common stock (thousands of shares)	102,588	101,062

(Note) Diluted earnings per share is not presented as no potential shares with dilutive effect existed.

29. Cash flow information

(1) Significant non-cash transactions

Non-cash transactions (investing and financing transactions that do not require the use of cash or cash equivalents) are as follows:
(millions of yen)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Acquisition of right-of-use assets under lease transactions	16,691	12,783

(2) Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities are as follows:

Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)

	Balance at beginning of the year (April 1, 2023)	Changes associated with cash flows from financing activities	Changes not associated with cash flows from financing activities			Balance at end of the year (March 31, 2024)
			Exchange differences on translation	Changes arising from obtaining or losing control of subsidiaries or other businesses	Others (Note 2)	
Short-term bank loans (Note 1)	77,661	(30,798)	(857)	(1,040)	1,860	46,826
Long-term bank loans	48,921	11,221	-	-	(1,860)	58,282
Bonds	74,712	(10,000)	-	-	54	64,766
Lease liabilities	40,761	(12,889)	96	-	17,010	44,978
Total	242,055	(42,466)	(761)	(1,040)	17,064	214,852

Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

	Balance at beginning of the year (April 1, 2024)	Changes associated with cash flows from financing activities	Changes not associated with cash flows from financing activities			Balance at end of the year (March 31, 2025)
			Exchange differences on translation	Changes arising from obtaining or losing control of subsidiaries or other businesses	Others	
Short-term bank loans (Note 1)	46,826	(5,668)	(5,298)	-	1,988	37,848
Long-term bank loans	58,282	1,332	-	5,242	(7,230)	57,626
Bonds	64,766	19,907	-	-	49	84,722
Lease liabilities	44,978	(13,547)	(25)	228	12,072	43,706
Total	214,852	2,024	(5,323)	5,470	6,879	223,902

(Notes) 1. "Increase (decrease) in short-term bank loans" in the consolidated statement of cash flows includes only short-term bank loans with a maturity of three months or less. Therefore, the balance of short-term bank loans with a maturity of more than three months is reclassified from long-term bank loans in "Others" under "Changes not associated with cash flows from financing activities."

2. These include the amount of adjustment for liabilities arising from financing activities that were transferred to liabilities directly associated with assets held for sale in the year ended March 31, 2023.

(3) Payments for sales of business

The major breakdown of assets and liabilities at the time of losing control of the companies that ceased to be subsidiaries, etc. due to the sales of shares, and the relationship between consideration received and paid, and payments for the sales are as follows.

(millions of yen)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Breakdown of assets at the time of losing control		
Current assets	5,823	-
Non-current assets	9,428	-
Breakdown of liabilities at the time of losing control		
Current liabilities	11,920	-
Non-current liabilities	621	-

(millions of yen)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Consideration received by cash	630	-
Consideration paid by cash	(892)	-
Cash and cash equivalents in assets at the time of losing control	1,083	-
Payments for sales of business	(1,345)	-

30. Financial instruments

(1) Capital management

Aiming for stable and sustainable growth of corporate value, the Group prioritizes the distribution of profit to shareholders as a key management issue. Therefore, the Group maintains an optimal capital structure that ensures capital efficiency improvement as well as financial soundness as its basic policy for capital management, ensuring a balance among cash and cash equivalents, interest-bearing liabilities, and capital. The Group is not subject to particular significant capital requirements (other than general rules such as the Companies Act of Japan).

The balances of cash and cash equivalents, interest-bearing liabilities, and capital (equity attributable to owners of the parent) as of March 31, 2024 and 2025 are as follows:

	(millions of yen)	
	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
Cash and cash equivalents	65,465	71,557
Interest-bearing liabilities	214,852	223,902
Capital (equity attributable to owners of the parent)	527,503	524,293

(2) Financial risk management

In the normal course of business, the Group is exposed to financial risks, including market risk, credit risk, and liquidity risk. In order to mitigate these risks, the Group conducts risk management in accordance with certain policies. The Group uses derivative transactions in order to mitigate risks described hereafter, and not for speculative purposes.

1) Market risk

(i) Currency risk

The Group also operates businesses overseas, and thus is exposed to foreign currency exchange rate risk in relation to its transactions conducted in currencies other than the functional currency as well as its net investments in foreign operations. In order to mitigate this risk, the Group uses derivatives, such as foreign currency forward exchange contracts. In addition, the Group continually monitors the foreign exchange markets and periodically assesses foreign currency exchange rate risk in accordance with its currency risk management policies. All derivative transactions are conducted in accordance with the currency risk management policies and the internal regulations that specify transaction authority and transaction amount limits.

The major net exposures to currency risk of the Group (excluding exposures hedged by such means as forward exchange contracts) as of March 31, 2024 and 2025 are as follows:

	(millions of yen)	
	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
U.S. dollar	59,712	58,407
Chilean peso	9,193	565
Chinese yuan	(5,701)	(11,983)

Sensitivity analysis of currency risk

For the fiscal years ended March 31, 2024 and 2025, if the U.S. dollar, the Chilean peso, and the Chinese yuan each appreciated against the functional currency by 1%, the effects on profit before tax in the consolidated statement of income would be as follows. This analysis assumes that all other variables remain unchanged and does not include the effects of translation into the presentation currency of financial instruments denominated in the functional currency, income and expenses as well assets and liabilities of foreign operations.

	(millions of yen)	
	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Profit before tax		
U.S. dollar	597	584
Chilean peso	92	6
Chinese yuan	(57)	(120)

(ii) Share price risk

The Group holds shares in companies, such as business partners, to promote smooth business operations in relation to maintaining and developing business relationships. As such, the Group is exposed to share price risk. In order to mitigate the risk, the Group reviews all holdings of shares annually. Only when the Group determines that a holding of shares contributes to closer cooperation for stable transactions and business expansion and is thus indispensable for its sustainable growth, the Group continues the holding of shares. If there is less need for a holding of shares, the holding of shares is disposed of appropriately in light of share prices and market conditions.

Sensitivity analysis of share price risk

If the prices of shares in companies, such as business partners, held by the Group as of March 31, 2024 and 2025 increased by 1%, the effects on other comprehensive income (before tax effects) in the consolidated statement of comprehensive income would be as follows. This analysis assumes that all other variables remain unchanged.

	(millions of yen)	
	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Effects on other comprehensive income	219	198

(iii) Interest rate risk

The Group holds interest-bearing liabilities with floating interest rates. As such, the Group is exposed to interest rate risk. In order to control the risk, the Group continuously monitors the trends of market interest rates. In addition, the Group mitigates the risk by adjusting the balance between liabilities with fixed interest rates and liabilities with floating interest rates in line with financing environments.

The Group's exposure to interest rate risk at the end of the fiscal year ended March 31, 2024 and 2025 was as follows.

	(millions of yen)	
	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
Bank loans with floating interest rates	27,782	27,126

Sensitivity analysis of interest rate fluctuation risk

The impact of 1% rise in interest rates of the Group's bank loans with floating interest rates on profit before tax in the consolidated statement of income for the fiscal year ended March 31, 2024 and 2025 is as follows. This analysis assumes that all other variables remain unchanged.

	(millions of yen)	
	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Profit before tax	(278)	(271)

2) Credit risk

The Group holds trade and other receivables. As such, the Group is exposed to credit risk. In order to mitigate the risk, the Group controls due dates and balances in accordance with sales management policies and other regulations and also ensures regular monitoring of the credit standing of business partners. The Group is not exposed to credit risk that is excessively concentrated in a particular counterparty. Derivative transactions entered into to mitigate currency risk are exposed to the credit risk of the counterparty financial institutions. Those financial institutions are creditworthy, and therefore the credit risk is considered to be extremely limited. The carrying amount of financial assets less impairment losses in the consolidated statement of financial position represents the maximum credit risk exposure. The amount of receivables that are past due but not impaired is immaterial.

3) Liquidity risk

The Group raises funds necessary for its business operations through bank loans and issuance of bonds, and accordingly is exposed to liquidity risk, which is the risk of failure to meet payment obligations at due dates. The Company manages financial plans by continually monitoring and updating them through the cash management system and reports from the subsidiaries. The Group strives to reduce the liquidity risk by maintaining the level of necessary working capital under this framework as well as by entering into commitment line agreements with financial institutions.

The balance of financial liabilities by settlement date is as follows:

(millions of yen)

	Year ended March 31, 2024 (as of March 31, 2024)				
	Carrying amount	Contractual amount	Within 1 year	1 to 5 years	Over 5 years
Non-derivative financial liabilities					
Short-term bank loans	46,826	46,826	46,826	-	-
Trade and other payables	116,773	116,773	116,773	-	-
Bonds	64,766	67,131	255	40,871	26,005
Long-term bank loans	58,282	59,080	858	43,041	15,181
Lease liabilities	44,978	45,792	12,053	22,397	11,342
Derivative financial liabilities					
Derivatives	798	798	798	-	-
Total	332,423	336,400	177,563	106,309	52,528

(millions of yen)

	Year ended March 31, 2025 (as of March 31, 2025)				
	Carrying amount	Contractual amount	Within 1 year	1 to 5 years	Over 5 years
Non-derivative financial liabilities					
Short-term bank loans	37,848	37,848	37,848	-	-
Trade and other payables	106,269	106,269	106,269	-	-
Bonds	84,722	88,968	10,517	41,785	36,666
Long-term bank loans	57,626	58,581	25,254	18,132	15,195
Lease liabilities	43,706	44,677	12,775	22,612	9,290
Derivative financial liabilities					
Derivatives	1,595	1,595	1,595	-	-
Total	331,766	337,938	194,258	82,529	61,151

(Note) The Group entered into commitment line agreements with financial institutions totaling ¥75,000 million as of March 31, 2024 and 2025, of which ¥75,000 million and ¥75,000 million are unused and readily available.

(3) Derivatives and hedging activities

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed by using derivatives are foreign currency exchange rate risk (principally in U.S. dollars, Chilean pesos, and Chinese yuan). The Group uses foreign currency forward exchange contracts to mitigate foreign currency exchange rate risk.

The Group documents its risk management policies including strategies for the purpose of undertaking hedge transactions. All derivatives are entered into under the purpose, strategies and related rules which regulate transactions.

Derivatives which do not qualify for hedge accounting

These derivatives are used to mitigate foreign currency exchange rate risk. Changes in fair value of derivatives which do not qualify for hedge accounting are recognized in profit or loss immediately.

As of March 31, 2024 and 2025, the contract amounts or notional principal amounts of derivatives held by the Group that did not qualify for hedge accounting are as follows:

	(millions of yen)	
	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
Foreign currency forward exchange contracts	112,280	113,025

The Group also has a policy that derivatives are not to be used for purposes other than for hedging. The Group's derivatives contain no provisions that require such derivatives to maintain an investment grade credit rating from each of the major credit rating agencies.

(4) Fair value of financial instruments

1) Measurement of fair value

The Group measures the fair value of financial assets and financial liabilities as follows:

(Cash and cash equivalents, trade and other receivables, trade and other payables, short-term bank loans)

The carrying amounts of these items approximate the fair values because of their short maturities.

(Investment securities)

The fair values of marketable investment securities are based on quoted prices. The fair values of unlisted investment securities and investments in capital of investment partnerships are measured by using appropriate valuation techniques, such as the market approach and the income approach.

(Other financial assets)

The fair values of foreign currency forward exchange contracts are determined by the discounted cash flow model for the contract term using observable market data such as forward exchange rates.

(Bonds and long-term bank loans)

The fair values of bonds and long-term bank loans are measured by discounting the future cash flows to present value at a rate that would be applied to a similar new contract.

(Other financial liabilities)

The fair values of foreign currency forward exchange contracts are determined by the discounted cash flow model for the contract term using observable market data such as forward exchange rates.

2) Financial instruments measured at amortized cost

The carrying amounts and fair values of financial instruments measured at amortized cost are as follows.

The table below does not include financial instruments measured at fair value or financial instruments whose carrying amounts approximate the fair value.

(millions of yen)

	Year ended March 31, 2024 (as of March 31, 2024)		Year ended March 31, 2025 (as of March 31, 2025)	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Financial liabilities measured at amortized cost				
Bank loans	58,282	58,254	57,626	57,314
Bonds	64,766	61,953	84,722	79,841

Financial liabilities measured at amortized cost are classified as Level 2.

3) Financial instruments measured at fair value

The table below shows analytical results on financial instruments measured at fair value. Each level is defined as follows.

There are no financial instruments measured at fair value on a non-recurring basis.

Level 1: Fair value measured at quoted prices in active markets

Level 2: Fair value determined, either directly or indirectly, by using observable inputs other than Level 1

Level 3: Fair value determined using valuation techniques based on unobservable inputs

The Group recognizes transfers between the levels of the fair value hierarchy at the date when the event or the change in circumstances resulting in the transfer occurred.

During the fiscal year ended March 31, 2024, the Group made a transfer from Level 3 to Level 1 following the listing of an issue held by the Company. There were no other transfers.

(millions of yen)

Year ended March 31, 2024 (as of March 31, 2024)	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Derivative assets	-	3,163	-	3,163
Debt financial assets	-	207	764	971
Financial assets measured at fair value through other comprehensive income				
Equity financial assets	21,891	190	2,823	24,904
Total financial assets	21,891	3,560	3,587	29,038
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	-	798	-	798
Total financial liabilities	-	798	-	798

(millions of yen)				
Year ended March 31, 2025 (as of March 31, 2025)	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Derivative assets	-	405	-	405
Debt financial assets	-	208	1,149	1,357
Financial assets measured at fair value through other comprehensive income				
Equity financial assets	19,810	193	1,733	21,736
Total financial assets	19,810	806	2,882	23,498
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	-	1,595	-	1,595
Total financial liabilities	-	1,595	-	1,595

Reconciliation for financial instruments classified as Level 3

The reconciliation from the opening balances to the closing balances of financial instruments classified as Level 3 in fair value measurements is as follows:

(millions of yen)		
	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Balance at beginning of the year	3,137	3,587
Gain or loss		
Recognized in profit or loss	-	(17)
Recognized in other comprehensive income	802	147
Acquisition	0	400
Disposal	(51)	(1,238)
Changes due to changes in scope of consolidation	(10)	3
Transfer from Level 3 to Level 1	(100)	-
Other	(191)	0
Balance at end of the year	3,587	2,882

Financial assets classified as Level 3 mainly consist of unlisted shares and investments in capital of investment partnerships, whose fair values are measured using valuation techniques based on market prices of peer companies and other methods.

Fair value measurements of unlisted shares and investments in capital of investment partnerships use unobservable inputs, such as a valuation multiple. The fair value increases (decreases) as an operating income multiple rises (declines).

(5) Financial assets measured at fair value through other comprehensive income

The Group designates investments in equity financial assets held for maintaining and enhancing business relationships as financial assets measured at fair value through other comprehensive income, in light of the purpose of holding the assets.

1) Fair value by issuer of shares

The fair value of investments in equity financial assets designated as financial assets measured at fair value through other comprehensive income is as follows:

Year ended March 31, 2024 (as of March 31, 2024)

(millions of yen)	
Issuer of shares	Amount
Chubu Shiryō Co., Ltd.	2,506
AEON CO., LTD.	2,432
Luohe Shuanghui Wanzhong Poultry Development Co., Ltd.	1,793
MOS FOOD SERVICES, INC.	1,649
FOOD & LIFE COMPANIES LTD.	1,598

Year ended March 31, 2025 (as of March 31, 2025)

(millions of yen)	
Issuer of shares	Amount
Chubu Shiryō Co., Ltd.	2,842
AEON CO., LTD.	2,542
FOOD & LIFE COMPANIES LTD.	2,471
AXYZ. Co., Ltd.	1,462
H2O RETAILING CORPORATION	1,158

2) Dividend income

(millions of yen)		
	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Investments derecognized during the year	26	126
Investments held at end of the year	467	439
Total	493	565

3) Equity financial assets measured at fair value through other comprehensive income derecognized during the year

(millions of yen)		
	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Fair value upon derecognition	2,664	6,124
Accumulated gain upon derecognition	1,643	2,974

These were sold primarily as a result of reviewing business relationships.

4) Transfer to retained earnings

The Group transfers an accumulated gain or loss arising from changes in fair value of financial assets measured at fair value through other comprehensive income to retained earnings when the investment is disposed of or when its fair value declines significantly.

Accumulated income (after tax) in other comprehensive income that were transferred to retained earnings for the fiscal years ended March 31, 2024 and 2025 were ¥1,134 million and ¥2,071 million, respectively.

(6) Transfer of financial instruments that do not qualify for derecognition

The Group transferred some of its trade receivables to a third party. If these transferred receivables become uncollectible, the Group will be obliged to make payments to the third party. Therefore, the transferred receivables continued to be included and presented in "Trade and other receivables" and the amount received for the transfer was included and recorded in "Other financial liabilities" as the transferred receivables do not qualify for derecognition. The carrying amounts of the transferred receivables that do not qualify for derecognition and the associated liabilities are as follows:

	(millions of yen)	
	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
Trade and other receivables	-	67
Other financial liabilities	-	67

31. Related parties

Compensation for major management executives is as follows:

(millions of yen)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Basic compensation	186	206
Performance-based compensation	29	67
Performance-based stock compensation	23	35
Total	238	308

32. Discontinued operations

(1) Overview of discontinued operations

The Company, at the meeting of its Board of Directors held on January 31, 2023, determined to transfer all of its shares of its consolidated subsidiary, BPU, to Minerva S.A., and the share transfer was completed August 31, 2023.

As a result, the beef business relating to BPU has been classified as discontinued operations from the year ended March 31, 2023.

(2) Name and nature of business of the subsidiary and the segment that included the divested business

Name of the subsidiary	Breeders & Packers Uruguay S.A.
Nature of business	Meat processing and sales (beef)
Applicable segment	Overseas Business Division

(3) Number of shares sold and percentage of ownership after the sale

Number of shares owned before the sale	1,797,343,133 shares (Number of voting rights: 1,797,343,133) (Percentage of voting rights held: 100.0%)
Number of shares sold	1,797,343,133 shares (Number of voting rights: 1,797,343,133)
Percentage of ownership after the sale	- share (Number of voting rights: -) (Percentage of voting rights held: -%)

(4) Profit (loss) from discontinued operations

Details of profit (loss) from discontinued operations are as follows.

(millions of yen)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Net sales	10,623	-
Gain (loss) recognized on the measurement to fair value less costs to sell of a disposal group constituting the discontinued operation	1,251	-
Other profit (loss)	(11,651)	-
Profit (loss) before tax from discontinued operations	223	-
Income tax expense	(121)	-
Profit (loss) from discontinued operations	102	-

(5) Cash flows from discontinued operations

Cash flows from discontinued operations are as follows.

(millions of yen)

	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Cash flows from operating activities	(856)	-
Cash flows from investing activities	(323)	-
Cash flows from financing activities	994	-
Total	(185)	-

33. Hyperinflation adjustment

During the fiscal year ended March 31, 2023, the national wholesale price index of the Republic of Turkey indicated that the country's three-year cumulative inflation rate exceeded 100%, and the Group determined that its subsidiary in the Republic of Turkey, whose functional currency is the Turkish lira, is operating in a hyperinflationary economy.

The Group has, therefore, made accounting adjustments to the financial statements of its subsidiary in the Republic of Turkey in accordance with the requirements set forth in IAS 29 "Financial Reporting in Hyperinflationary Economies."

IAS 29 requires that the financial statements of the subsidiary in the Republic of Turkey be restated in terms of the measuring unit at the end of the reporting period before being included in the consolidated financial statements of the Group.

The Group uses conversion factors calculated from the Consumer Price Index (CPI) of the Republic of Turkey published by the Turkish Statistical Institute (TUIK) to adjust the financial statements of its subsidiary in the Republic of Turkey.

The CPI and corresponding conversion factors since March 2003 are as follows.

Balance sheet date	National Consumer Price Index (CPI) (Based at 100 as of June 2003)	Conversion factor
March 31, 2003	98.12	30.11
March 31, 2004	106.36	27.78
March 31, 2005	114.81	25.74
March 31, 2006	124.18	23.79
March 31, 2007	137.67	21.46
March 31, 2008	150.27	19.66
March 31, 2009	162.12	18.23
March 31, 2010	177.62	16.63
March 31, 2011	184.70	16.00
March 31, 2012	203.96	14.49
March 31, 2013	218.83	13.50
March 31, 2014	237.18	12.46
March 31, 2015	255.23	11.58
March 31, 2016	274.27	10.77
March 31, 2017	305.24	9.68
March 31, 2018	336.48	8.78
March 31, 2019	402.81	7.34
March 31, 2020	450.58	6.56
March 31, 2021	523.53	5.64
March 31, 2022	843.64	3.50
March 31, 2023	1,269.75	2.33
March 31, 2024	2,139.47	1.38
March 31, 2025	2,954.69	1.00

For the subsidiary in the Republic of Turkey, non-monetary items such as property, plant and equipment presented at cost are restated using conversion factors based on the acquisition date.

Monetary and non-monetary items stated at current cost are not restated as they are considered to be already expressed in terms of the measuring unit current as of the end of the reporting period.

The effect of inflation on net monetary position is included in "Financial Income" or "Financial Costs" in the consolidated statement of income.

The statement of income and statement of cash flows of the subsidiary in the Republic of Turkey for the fiscal year ended March 31, 2025 have been restated by applying the conversion factors shown in the table above.

The financial statements of the subsidiary in the Republic of Turkey are converted at the exchange rate as of the closing date and reflected in the consolidated financial statements of the Group.

In accordance with paragraph 42 (b) of IAS 21 "The Effects of Changes in Foreign Exchange Rates," the comparative amounts in the consolidated financial statements are not restated.

34. Significant subsidiaries

Significant subsidiaries of the Group are as described in "I Overview of the Company, 4 Overview of affiliated entities." However, "I Overview of the Company, 4 Overview of affiliated entities" is not included in the English translation.

There were no subsidiaries that had individually significant non-controlling interests as of March 31, 2024 and 2025.

35. Contingent liabilities

There were no significant contingent liabilities.

36. Significant subsequent events

There were no applicable items.

37. Approval of consolidated financial statements

These consolidated financial statements were approved by Nobuhisa Ikawa, President and Representative Director, and Fumio Maeda, CFO, as of June 24, 2025.

(2) Other

Quarterly information for the fiscal year ended March 31, 2025

(Cumulative period)	Three months ended June 30, 2024 (April 1, 2024 through June 30, 2024)	Six months ended September 30, 2024 (April 1, 2024 through September 30, 2024)	Nine months ended December 31, 2024 (April 1, 2024 through December 31, 2024)	Fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)
Net sales (millions of yen)	338,050	683,864	1,055,018	1,370,553
Profit before tax (millions of yen)	19,805	28,872	43,297	37,198
Profit attributable to owners of the parent (millions of yen)	13,048	17,864	29,152	26,585
Basic earnings per share (yen)	127.09	174.19	286.43	263.05

(Accounting period)	First quarter (April 1, 2024 through June 30, 2024)	Second quarter (July 1, 2024 through September 30, 2024)	Third quarter (October 1, 2024 through December 31, 2024)	Fourth quarter (January 1, 2025 through March 31, 2025)
Basic earnings (loss) per share (yen)	127.09	47.10	112.24	(23.38)

(Note) Review of financial information for the three months ended June 30, 2024 and nine months ended December 31, 2024:

Applicable

NOTE TO READERS:

Following is an English translation of management's report on internal control over financial reporting filed under the Financial Instruments and Exchange Act of Japan. Readers should be aware that this report is presented merely as supplemental information.

Management's Report on Internal Control

1. Matters relating to the basic framework for internal control over financial reporting

Nobuhisa Ikawa, President and Representative Director, and Fumio Maeda, Director and Vice President in charge of Accounting & Finance Department, are responsible for designing and operating effective internal control over financial reporting of our company (the "Company") and have designed and operated internal control over financial reporting of the consolidated financial statements in accordance with the basic framework for internal control set forth in "The Standards and Practice Standards for Management Assessment and Audit of Internal Control Over Financial Reporting" published by the Business Accounting Council.

The internal control is designed to achieve its objectives to the extent reasonable through the effective function and combination of its basic elements. Therefore, there is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

2. Matters relating to the scope of assessment, the basis date of assessment and the assessment procedures

The assessment of internal control over financial reporting was performed as of March 31, 2025, which is the end of this fiscal year. The assessment was performed in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

In conducting this assessment, we evaluated internal controls which may have a material effect on our entire financial reporting on a consolidation basis ("entity-level controls"). The scope of assessment of entity-level controls included the Company and all of its consolidated subsidiaries. Associates and joint ventures (which are accounted for using the equity method) were not included in the scope of assessment for this fiscal year after considering their quantitative and qualitative impacts on the reliability of the consolidated financial reporting and the likelihood of their occurrence, as their impact on profit before tax in the consolidated financial statements was insignificant. Based on the results of the assessment of entity-level controls, we determine the scope of assessment of internal control over business processes.

Among business processes relating to financial closing and reporting primarily performed by the accounting department, those deemed appropriate to be assessed from an entity-level perspective are assessed for the Company and all of its consolidated subsidiaries, except for its associates and joint ventures (which are accounted for using the equity method), similarly to the assessment of entity-level controls. Regarding the scope of assessment of internal control over business processes other than those mentioned above, we used the previous year's net sales or cost of goods sold (after elimination of inter-company transactions) of each location and business unit, which are accounts that may have a significant impact on profit before tax in the consolidated financial statements. In light of the fact that the Company's entity-level controls have been assessed to be operating effectively since the introduction of the internal control report system, we selected locations and business units whose net sales or cost of goods sold reach roughly two-thirds of the consolidated net sales and cost of goods sold for the previous year. We also selected locations and business units that play an important role in the Group's value chain as qualitatively significant locations and business units. In total, 15 locations and business units were selected as "significant locations and business units."

We included in the scope of assessment, at the selected significant locations and business units, business processes leading to "Net Sales," "Purchases" and "Inventories," which are major accounts that constitute net sales and cost of goods sold, which are the selected assessment indicators. "Net Sales," "Purchases" and "Inventories" are also significant accounts that may have a material impact on the business objectives of the Group. Further, in addition to selected significant locations and business units, we also considered including significant business processes of other locations and business units in the scope of assessment, such as

business processes relating to (i) greater likelihood of material misstatements and/or (ii) significant accounts involving estimates and the management's judgment and/or (iii) a business or operation dealing with high-risk transactions including fraud risk in the course of business, taking into account their impact on the financial reporting.

As to significant accounts involving estimates and the management's judgment, business processes relating to financial closing and reporting primarily performed by the accounting department (e.g., processes relating to impairment of non-current assets) were added to the scope of assessment.

We identified the business processes relating to a business or operation dealing with high-risk transactions, but these business processes were included in the business processes leading to "Net Sales," "Purchases" and "Inventories" of 15 locations and business units selected as "significant locations and business units." Therefore, we added no business process to the scope of assessment.

We analyzed these selected business processes, identified key controls that may have a material impact on the reliability of the Company's financial reporting, and assessed the design and operation of these key controls. These procedures have allowed us to evaluate the effectiveness of the internal controls of the Company.

3. Matters relating to the results of the assessment

As a result of the assessment described above, as of the end of this fiscal year, we concluded that the Company's internal control over financial reporting of the consolidated financial statements was effectively maintained.

4. Supplementary information

-

5. Other matters warranting special mention

-

Nobuhisa Ikawa

President and Representative Director

Fumio Maeda

Director and Vice President in charge of Accounting & Finance Department

NH Foods Ltd.

NOTE TO READERS:

Following is an English translation of the Independent Auditor's Report filed under the Financial Instruments and Exchange Act of Japan. Readers should be aware that this report is presented merely as supplemental information.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

June 24, 2025

To the Board of Directors of
NH Foods Ltd.:

Deloitte Touche Tohmatsu LLC
Osaka office

Designated Engagement Partner,
Certified Public Accountant:

Takashige Ikeda

Designated Engagement Partner,
Certified Public Accountant:

Naoki Kawai

Designated Engagement Partner,
Certified Public Accountant:

Yuya Minobe

Audit of Consolidated Financial Statements

Opinion

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of NH Foods Ltd. and its consolidated subsidiaries (the "Group") included in the Financial Section, namely, the consolidated statement of financial position as of March 31, 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the fiscal year from April 1, 2024 to March 31, 2025, and material accounting policy information and other explanatory information to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") pursuant to the provisions of Article 312 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Determination of impairment indicators in fixed assets
<p>Key Audit Matter Description</p> <p>As described in the consolidated financial statements and Notes 11 and 12 to the consolidated financial statements, Property, plant and equipment is recorded at 375,048 million yen and Intangible assets and goodwill except for goodwill (referred to as Intangible assets) is recorded at 33,256 million yen which accounts for approximately 43% of consolidated total assets. These assets include processing and sales facilities for processed food products, production and breeding facilities for livestock, processing and sales facilities for fresh meat, facilities related to Ballpark Business, and in-house software within the country and overseas.</p> <p>As described in Note 3. (11) to the consolidated financial statements, the Group determines whether there is any indication of impairment at the end of the reporting period in each asset or cash-generating unit for non-financial assets, including the assets referred to above. If there is an indication of impairment, an impairment loss is recognized by estimating the recoverable amount of the asset or cash-generating unit when it is less than the carrying amount. As a result, for the fiscal year ended March 31, 2025, impairment losses on the assets referred to above in the amount of 3,351 million yen (3,350 million yen for Property, plant and equipment and 1 million yen for Intangible assets) are recognized.</p> <p>The Group engages in production and sales of processed food products, such as hams and sausages, and cooked food products, production, processing and sales of fresh meats, and operation of Baseball Club and Ballpark. The strength of the Group is especially production of highly valued processed food products which are made from meat, and the integrated system for meat production, breeding, processing, and sales within the country and overseas. To maintain and expand this strength over the long term, the Group has a large investment.</p> <p>On the other hand, business operations are constantly affected by market fluctuations in meat and feed. Such fluctuations are related to various factors within the country and overseas including changes in the supply and demand of meat, the occurrence of extreme weather events such as droughts, torrential rains, and rising temperatures, the occurrence of livestock diseases, and foreign exchange rate fluctuations, all of which differ in impact and time horizon. These factors pose risks to business operations.</p> <p>In order to address these risk factors, the Group undertakes to foster an organizational culture focused on new challenges, to enhance existing value through structural reforms such as product mix enhancement and building an optimal production structures, and to create new value through growth strategies such as brand enhancement and promoting global expansion.</p> <p>If risks materialize as a result of such business operations, asset or cash-generating unit may fail to meet the business plan, deteriorate business performance, or change the way of the usage. Management needs to analyze whether the situation is an indication of impairment that indicates a decline in the recoverable amount of the asset or cash-generating unit, taking into account the various factors above. This process involves a high level of management judgment.</p> <p>Based on the above, we identified the determination of impairment indications in Property, plant and equipment and Intangible assets as a key audit matter because they are quantitatively material and considering determination of impairment involves a high level of management judgment.</p>
<p>How the Key Audit Matter Was Addressed in the Audit</p> <p>Our audit procedures related to the determination of impairment indications in Property, plant and equipment and Intangible assets included the following, among others:</p> <ul style="list-style-type: none">· We understood and tested the design and operating effectiveness of internal controls over management's determination of impairment indications in Property, plant and equipment and Intangible assets.· We reviewed the analysis of changes in operating income and loss related to each asset or cash-generating unit that management uses to evaluate the presence of impairment indications. Additionally, we analyzed the trends in financial performance using supporting documents for the preparation of the consolidated financial statements and segment information to assess whether there were any changes in the financial performance of each asset or cash-generating unit that could be indication of impairment. Furthermore, we conducted inquiries with management and those responsible in the relevant departments and accounting department, and we reviewed the financial performance analysis and commodity market data. Through these procedures, we evaluated the following:· The completeness of management's process for selecting the scope of evaluation for the presence of impairment indications,· The reasonableness and the consistency with the internal and external business environment of the analysis of changes in the financial performance used by management in identifying impairment indications,· The consistency of management's conclusion on the identification of impairment indications with the results of the analysis of changes in the financial performance and the business plan.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Annual Securities Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with IFRS Accounting Standards as issued by the IASB.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern..

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with IFRS Accounting Standards as issued by the IASB, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Audit of Internal Control

Opinion

Pursuant to the second paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited management's report on internal control over financial reporting of NH Foods Ltd. as of March 31, 2025.

In our opinion, management's report on internal control over financial reporting referred to above, which represents that the internal control over financial reporting of NH Foods Ltd. as of March 31, 2025, is effectively maintained, presents fairly, in all material respects, the results of the assessment of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Internal Control Audit section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for Report on Internal Control

Management is responsible for designing and operating effective internal control over financial reporting and for the preparation and fair presentation of its report on internal control in accordance with assessment standards for internal control over financial reporting generally accepted in Japan. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing and verifying the design and operating effectiveness of internal control over financial reporting. There is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

Auditor's Responsibilities for the Internal Control Audit

Our objectives are to obtain reasonable assurance about whether management's report on internal control over financial reporting is free from material misstatement and to issue an auditor's report that includes our opinion.

As part of an audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence regarding the results of the assessment of internal control over financial reporting in management's report on internal control. The procedures selected depend on the auditor's judgment, including the significance of effects on reliability of financial reporting.
- Examine representations on the scope, procedures and results of the assessment of internal control over financial reporting made by management, as well as evaluating the overall presentation of management's report on internal control.
- Plan and perform the internal control audit to obtain sufficient appropriate audit evidence regarding the results of the assessment of internal control over financial reporting. We are responsible for the direction, supervision and review of the internal control audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the internal control audit, result of the internal control audit, including any identified material weakness which should be disclosed and the result of remediation.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Fee-Related Information

Fees for audit and other services for the year ended March 31, 2025, which were charged by us and our network firms to the Company and its subsidiaries were 589 million yen and 27 million yen, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader. The other information in the Annual Securities Report referred to in the "Other Information" section of this English translation is not translated.