NH Foods

FY2027/3 2Q

Business Results

for the Second Quarter of FY2027/3

NH Foods Ltd.

November 2, 2026

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* The Company has adopted International Financial Reporting Standards (“IFRS”).
* “Business profit” is calculated by deducting the cost of goods sold and selling, general and administrative expenses from net sales, and accounting for foreign exchange gains and losses determined by the Group, while deducting adjustments in accordance with IFRS and non-recurring items.
* Due to rounding, numbers may not match totals.
* In FY2027/3, the Group established the Sports & Entertainment Business Division and reorganized our structure to place the former Ballpark Business under its umbrella. Consequently, beginning with the current interim consolidated accounting period, we have changed the classification of the reportable segment to the Sports & Entertainment Business Division. In addition, due to changes in the scope of business divisions included in corporate overhead expenses, we have also adjusted the amounts of corporate overhead expenses allocated to each reportable segment. Reportable segment information for the previous interim consolidated accounting period has been restated to reflect the new reportable segments.
* On October 1, 2026, the Company conducted a three-for-one share split of its common stock. "Earnings per share (basic)" is calculated as if the share split had occurred at the beginning of the year ended March 31, 2026.

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FY2027/3 First Half Results Summary

FY2027/3 First Half Results

Net sales	¥769.4 billion	+6.5% year-on-year
Business profit	¥28.8 billion	(20.7%) year-on-year
Profit attributable to owners of the parent	¥17.4 billion	(25.0%) year-on-year
Management indicators	ROE 3.3%	(1.1%) year-on-year
	ROIC 2.5%	(0.7%) year-on-year
	EPS ¥62.3	¥(16.1) year-on-year

Topics

[Net sales]
- Growth was driven by strong domestic sales volume and appropriate pricing in response to soaring procurement costs in the Fresh Meats Business, as well as the recovery of overseas processed foods and domestic mainstay brands and dairy products and extract in the Processed Foods Business

[Business profit]

Although the revenue base in the Fresh Meats and SE* Business was strengthened and the mainstay brands in the Processed Foods Business grew, profits declined due to failure to secure the gross profit expected from the projected increase in sales volume, due to the deteriorating business environment in Australia and sharp cost increases in the Processed Foods Business

* SE: Sports & Entertainment Business

Internal factors
- Fresh Meats: Improved productivity in domestic chicken production and an increase in the number of domestic pigs raised, and the implementation of appropriate price pass-through and sales initiatives
- SE: Profitability improved through the provision of new experiential value and attractive products
- Processed Foods: Progress was made in improving unit prices for mainstay brands and the product mix, but the increase in sales volume needed to absorb sharp cost increases fell short of plan

External factors
- Soaring cattle prices and sluggish selling prices in the Australia business
- Rising costs of key raw materials, packaging materials, and electric power, as well as higher feed prices, put pressure on profits

[Profit attributable to owners of the parent]
- Profit declined due to a significant decrease in operating profit

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FY2027/3 Full-Year Plan Summary

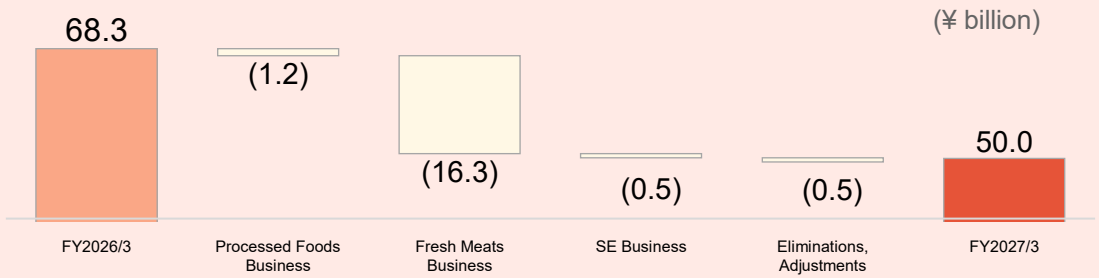
FY2027/3 Full-Year Plan

Net sales	¥1,500.0 billion	+2.9% year-on-year
Business profit	¥50.0 billion	(26.8%) year-on-year
Profit attributable to owners of the parent	¥35.0 billion	(0.2%) year-on-year
Management indicators	ROE 6.7%	+0.1% year-on-year
	ROIC 4.4%	(1.7%) year-on-year
	EPS ¥128.7	+¥8.3 year-on-year

Topics

[Net sales]
- Processed Foods: Net sales are expected to increase due to strengthened sales promotions for domestic mainstay brands, the introduction of new products, and the growth of sales in North America
- Fresh Meats: Timely price pass-through to sales will contribute to securing an increase in net sales amid unstable production and procurement conditions

[Business profit]
- Processed Foods: Although overseas volume expansion and streamlining efforts will progress, gross profit from ham, sausage, and processed foods is insufficient, and the Company will be unable to fully absorb the surge in manufacturing costs, resulting in a decline in profit
- Fresh Meats: Profit will decline due to soaring cattle prices in Australia and rising feed and fuel costs both domestically and internationally



[Profit attributable to owners of the parent]
- While fire insurance proceeds have been posted, net profit is also expected to decline due to a decrease in operating profit

[Management indicators]
- ROE: Improved by 0.1% due to a reduction in equity resulting from share repurchases and other measures

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Financial Highlights (1)
FY2027/3 First Half Results

(¥ billion)

	FY2026/3 First half	FY2027/3 First half	Variance	Variance (%)
Net sales	722.6	769.4	46.8	6.5%
Business profit	36.3	28.8	(7.5)	(20.7%)
Business profit ratio	5.0%	3.7%	(1.3%)	-
Profit before tax	38.3	30.8	(7.4)	(19.4%)
Profit attributable to owners of the parent	23.2	17.4	(5.8)	(25.0%)

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Financial Highlights (2)
FY2027/3 First Half Results

(¥ billion)

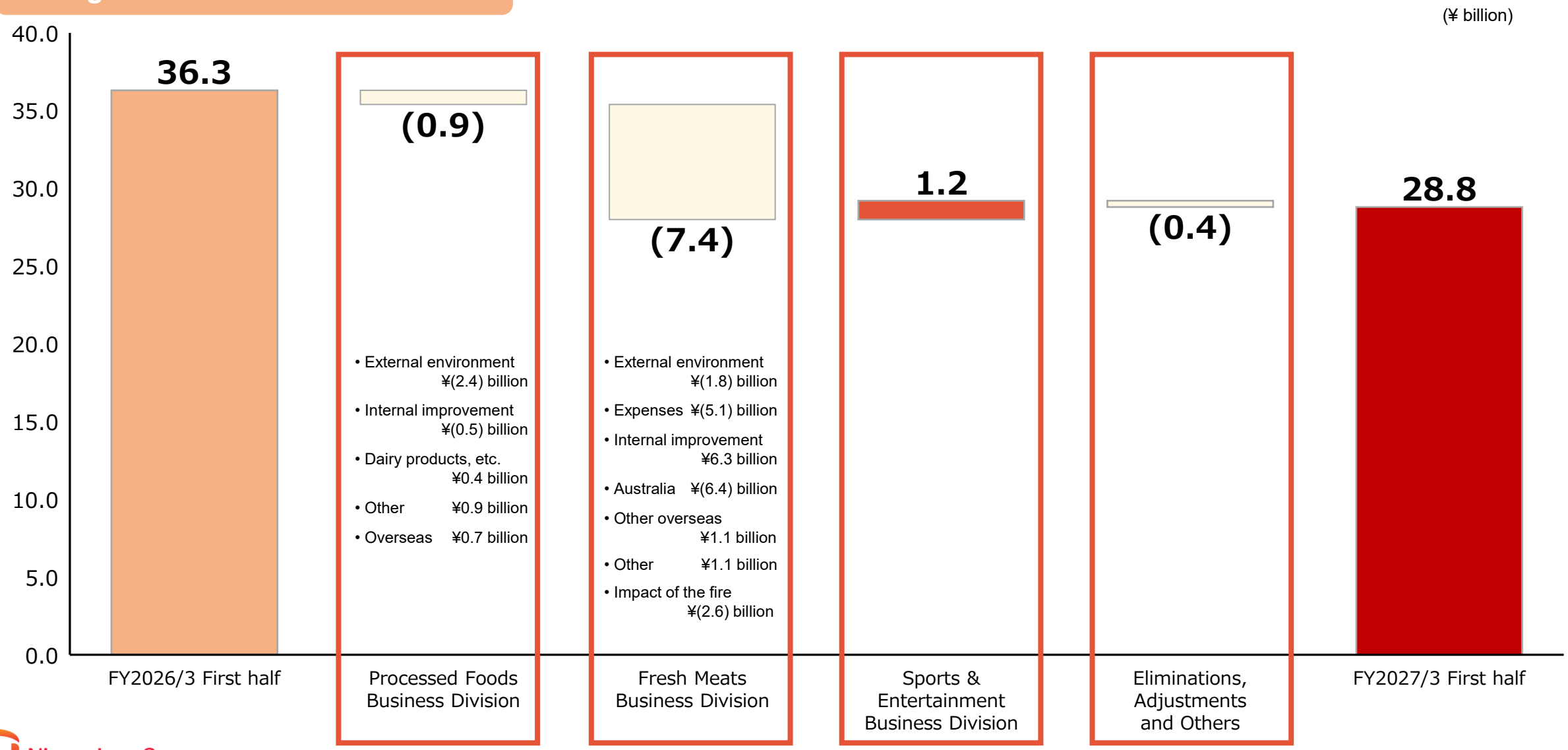
	Net sales				Business profit			
	FY2027/3 2Q	FY2027/3 First half	Variance	Variance (%)	FY2027/3 2Q	FY2027/3 First half	Variance	Variance (%)
Processed Foods Business Division	138.2	270.4	12.1	4.7%	0.6	1.3	(0.9)	(40.1%)
Fresh Meats Business Division	271.1	551.9	45.2	8.9%	5.0	20.3	(7.4)	(26.8%)
Sports & Entertainment Business Division	12.6	25.2	2.4	10.6%	4.7	9.6	1.2	14.6%
Eliminations, Adjustments and Others	(37.5)	(78.1)	(13.0)	-	(0.9)	(2.4)	(0.4)	-
Consolidated	384.4	769.4	46.8	6.5%	9.4	28.8	(7.5)	(20.7%)

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Financial Highlights (3)
FY2027/3 First Half Results

Changes in Business Profit Results



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FY2027/3 First Half Results: Processed Foods Business Division (1)

(¥ billion)

	FY2027/3 2Q	FY2027/3 First half	Variance	Variance (%)
Net sales	138.2	**270.4**	12.1	4.7%
of which domestic business	102.8	**200.4**	2.9	1.5%
of which overseas business	35.4	**69.9**	9.3	15.3%
Business profit	0.6	**1.3**	(0.9)	(40.1%)
of which domestic business	0.6	**1.7**	(1.6)	(48.5%)
of which overseas business	0.0	**(0.4)**	0.7	-
Business profit ratio	0.4%	**0.5%**	(0.4%)	-
of which domestic business	0.6%	**0.9%**	(0.8%)	-
of which overseas business	-	**-**	-	-

Increase in net sales

Domestic: While sales of mainstay consumer product brands, extracts, and dairy products remained strong, the Commercial-use segment struggled with sales to convenience stores (CVS)

Overseas: North America: Sales of the main product groups remained steady
Thailand: Sales of products for the Japanese market grew

Decrease in business profit

Domestic: Soaring prices for raw materials and electric power, as well as increased expenses such as logistics costs and sales commissions

Overseas: North America: Stable chicken raw material prices and improved manufacturing efficiency
Thailand: Rising raw material prices and foreign exchange impacts, despite improvements in productivity

Sales result by consumer product/channel for the 1st half of FY2027/3 (YoY)

Ham and sausages	Amount
Wieners	105%
Schau Essen category*	106%
Other wieners	104%
Loin hams, bacon	97%
Consumer	103%
Commercial-use	102%
Total	103%

Processed foods	Amount
Chilled bakery	105%
Chuka Meisai	99%
Fried chicken	95%
Hamburg and meatball	101%
Consumer	105%
Commercial-use	95%
Total	101%

* The *Schau Essen* category includes *Schau Essen* and *Schau Essen Slice*.

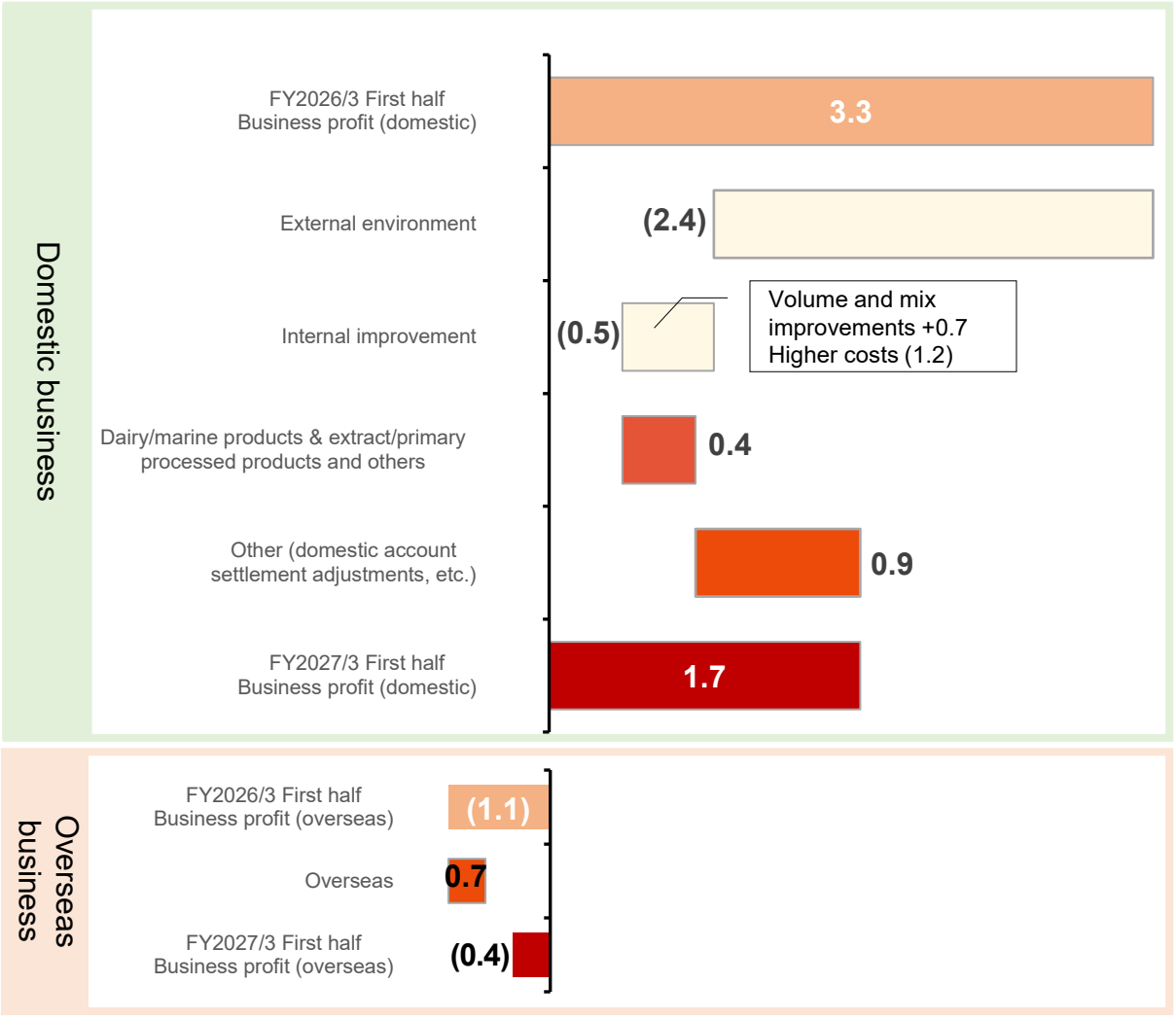
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FY2027/3 First Half Results: Processed Foods Business Division (2)

Analysis of factors for changes in business profit

(¥ billion)



[External environment]
- Sharp increase in prices for raw materials, including pork
- Sharply increased prices for packaging materials and other materials, and electric power costs

[Internal improvement]
(Net sales)
- Product mix improved thanks to a sales strategy focused on mainstay brands such as *Schau Essen* and *Ishigama Kobo*
- While overall net sales in the Commercial-use segment showed signs of recovery, gross profit declined due to soaring raw material prices

(Expenses)
- Increases in logistics costs, sales commissions, and other expenses
- Reduction in fixed costs through measures such as production line reductions

[Dairy/marine products & extract/primary processed products and others]
- Appropriate price pass-through in response to rising raw material and other material costs progressed, driving profits in the Processed Foods Business

[Overseas]
- North America: Sales of mainstay products remained strong
  The manufacturing system at the acquired plant was established, leading to YoY growth in production volume
- Thailand: Although profit declined due to foreign exchange impacts and soaring chicken raw material prices, productivity improved through manufacturing efficiency measures such as product consolidation and workforce control

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FY2027/3 First Half Results: Fresh Meats Business Division (1)

(¥ billion)

	FY2027/3 2Q	FY2027/3 First half	Variance	Variance (%)
Net sales	271.1	**551.9**	45.2	8.9%
of which domestic business	225.2	**454.0**	30.2	7.1%
of which Australia business	45.9	**97.8**	15.0	18.1%
Business profit	5.0	**20.3**	(7.4)	(26.8%)
of which domestic business	5.3	**18.9**	(1.1)	(5.5%)
of which Australia business	(0.3)	**1.4**	(6.4)	(81.9%)
Business profit ratio	1.8%	**3.7%**	(1.8%)	-
of which domestic business	2.4%	**4.2%**	(0.6%)	-
of which Australia business	-	**1.4%**	(7.9%)	-

* Domestic businesses include overseas subsidiaries, excluding those in Australia

Increase in net sales

- Sales volumes remained steady despite unstable production and procurement conditions
- Net sales increased through appropriate price pass-through amid unstable procurement costs for various livestock categories

Decrease in business profit

- Sales prices stagnated due to soaring cattle prices in the Australia business and easing of supply and demand in Australia due to poor export demand, and profit declined as a result
- Rising costs, including feed prices, personnel expenses, and logistics costs
- Profit declined due to lower production of domestic chickens following the fire at the Shiretoko food processing plant

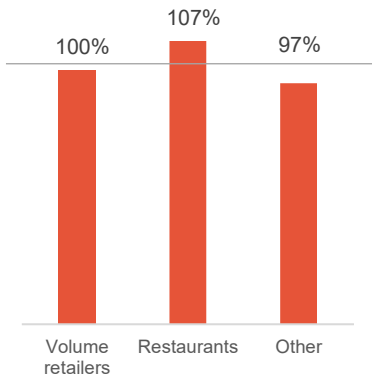
Nippon Food Sales Group Yearly sales volumes and values by meat type (YoY)

	Domestic		Imported		Total	
	Volume	Amount	Volume	Amount	Volume	Amount
Beef	101%	114%	98%	115%	99%	115%
Pork	105%	105%	97%	101%	102%	104%
Chicken	101%	102%	76%	99%	94%	101%
Total	102%	106%	90%	107%	98%	106%

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

Nippon Food Sales Group Yearly sales volumes by channel

Volume: 99% YoY
(Amount: 107% YoY)

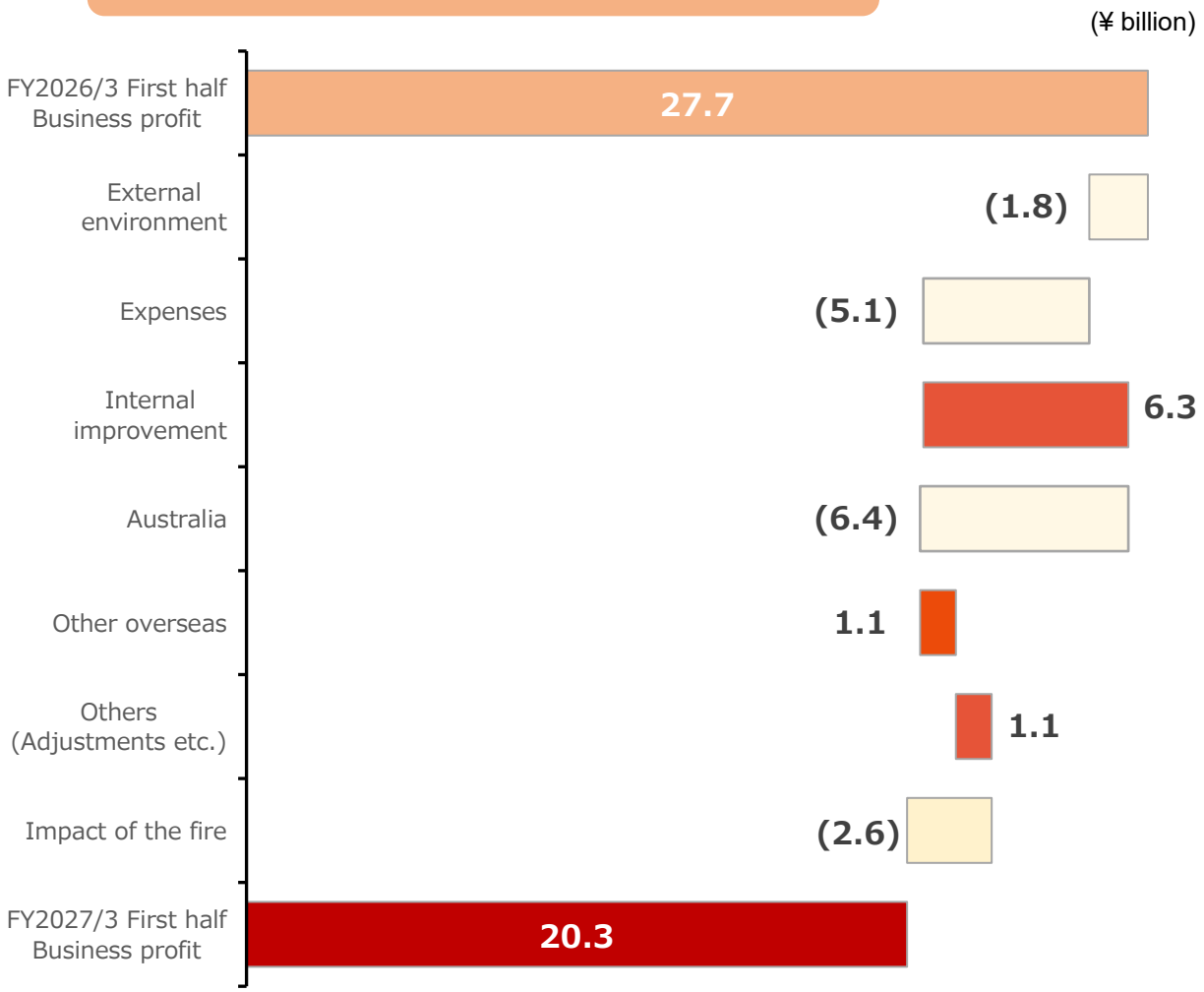


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FY2027/3 First Half Results: Fresh Meats Business Division (2)

Analysis of factors for changes in business profit



[External environment]
- Rising feed costs for domestic pork and chicken

[Expenses]
- Rising costs for personnel expenses and logistics costs

[Internal improvement]
- Improved productivity in domestic chicken production and an increase in the number of domestic pigs raised
- Sales earnings improved due to price pass-through and the implementation of sales initiatives

[Australia]
- Sales prices remained sluggish due to changes in the supply-demand environment following the implementation of SG* measures in China and South Korea
- Cattle prices remained persistently high due to weather factors and other causes
- The increase in the ratio of high-value-added beef supported earnings and reduced volatility

[Other overseas]
- Good progress was made in the procurement of Chilean and Brazilian pork as substitutes for Spanish pork

* Impact of the fire: Profit declined due to lower production of domestic chickens and lost opportunities caused by the fire at the Shiretoko food processing plant
* SG: Safeguard

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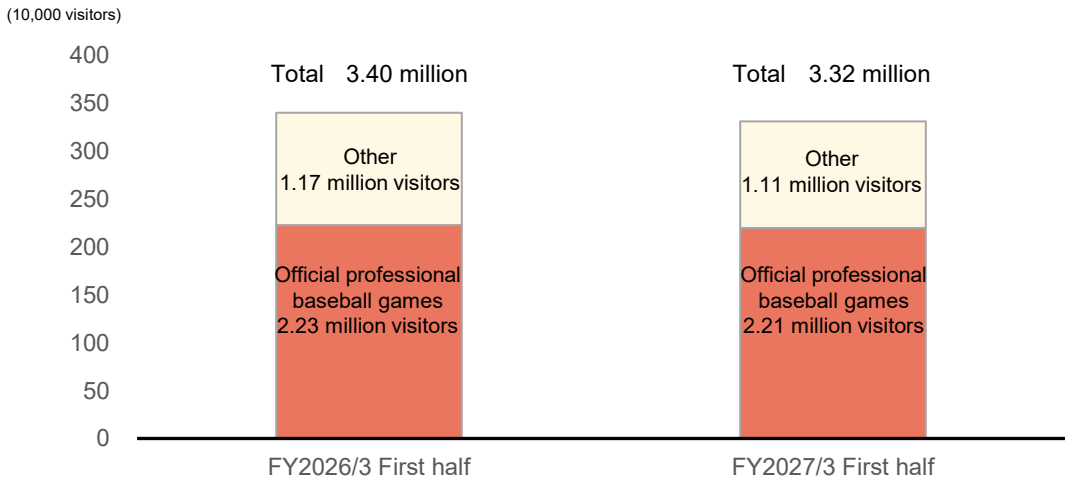
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FY2027/3 First Half Results: Sports & Entertainment Business Division

(¥ billion)

	FY2027/3 2Q	FY2027/3 First half	Variance	Variance (%)
Net sales	12.6	**25.2**	2.4	10.6%
Business profit	4.7	**9.6**	1.2	14.6%
Business profit ratio	37.3%	**38.2%**	1.3%	-

Hokkaido Ballpark F Village Visitors



Increases in net sales and business profit

- Steady attendance was maintained after a fierce battle for the standings that lasted until the end of the season
- Increased sales and profits driven by improved profitability through the continued provision of new experiential value and attractive services to visitors



(Hosting the Fighters Super Summer Festival)
We provided a wide range of entertainment events—including festival stalls, beer gardens, and the Schau Festival and Sakurahime Festival featuring our own brands—to attract a broad audience



(Hosted six farm team games in Hokkaido)
Achieved total attendance of approx. 55,000, including approx. 19,000 at the ES CON FIELD game



(The world's first restaurant to produce wine at a baseball stadium)
Providing a new style of dining experience where guests can enjoy the finest wine and cuisine in the unique setting of a baseball stadium



(Recipient of the Japan Tourism Award 2026)
We were recognized for innovative initiatives that contribute to the development of domestic tourism and regional revitalization

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Plan Highlights (1) for FY2027/3 Full-Year Plan

(¥ billion)

	FY2026/3 Full-year Results	FY2027/3 Full-year plan	Variance	Variance (%)
Net sales	1,457.4	1,500.0	42.6	2.9%
Business profit	68.3	50.0	(18.3)	(26.8%)
Business profit ratio	4.7%	3.3%	(1.4%)	-
Profit before tax	54.5	52.0	(2.5)	(4.7%)
Profit attributable to owners of the parent	35.1	35.0	(0.1)	(0.2%)
ROE	6.6%	6.7%	0.1%	-
ROIC	6.1%	4.4%	(1.7%)	-
EPS (yen)	120.4	128.7	8.3	-

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Plan Highlights (2) for FY2027/3 Full-Year Plan

Business profit targets by segment

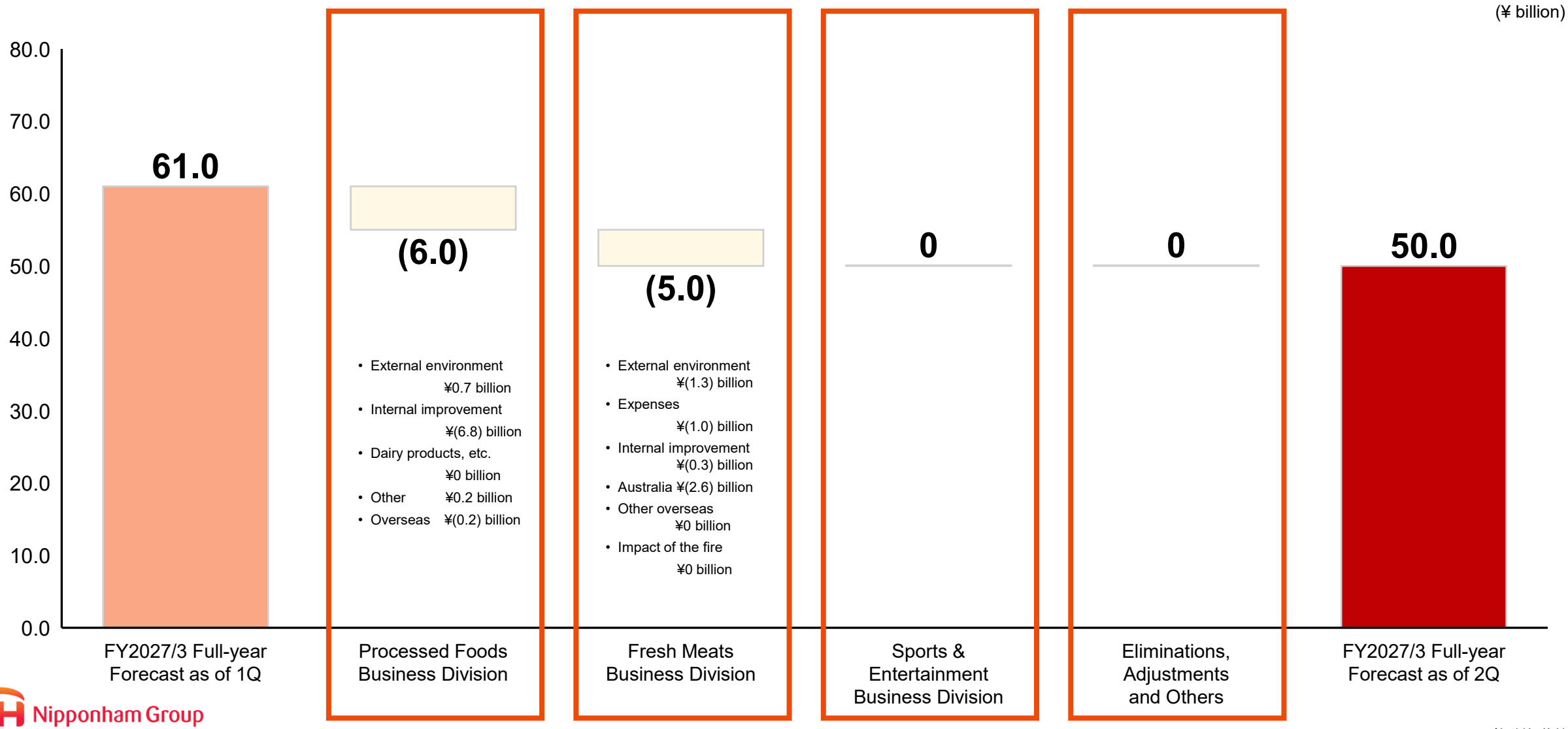
(¥ billion)

	1Q	1st half			2nd half			Full year		
	Results	Forecast as of 1Q	Results	Variance	Forecast as of 1Q	Forecast as of 2Q	Variance	Forecast as of 1Q	Forecast as of 2Q	Variance
Processed Foods Business Division	0.7	3.0	1.3	(1.7)	9.0	4.7	(4.3)	12.0	6.0	(6.0)
Fresh Meats Business Division	15.3	24.0	20.3	(3.7)	26.0	24.7	(1.3)	50.0	45.0	(5.0)
Sports & Entertainment Business Division	4.9	9.5	9.6	0.1	(5.5)	(5.6)	(0.1)	4.0	4.0	0
Eliminations, Adjustments and Others	(1.5)	(2.5)	(2.4)	0.1	(2.5)	(2.6)	(0.1)	(5.0)	(5.0)	0
Consolidated	**19.4**	**34.0**	**28.8**	**(5.2)**	**27.0**	**21.2**	**(5.8)**	**61.0**	**50.0**	**(11.0)**

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Plan Highlights (3) for FY2027/3 Full-Year Plan

Changes in Business Profit Plan



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Full-Year Plan: Processed Foods Business Division (1)

(¥ billion)

	FY2026/3 Results	FY2027/3 Plan as of 1Q	FY2027/3 Forecast as of 2Q	Variance	Variance (%)
Net sales	530.3	**560.0**	**560.0**	29.7	5.6%
of which domestic business	403.2	**420.0**	**420.0**	16.8	4.2%
of which overseas business	127.1	**140.0**	**140.0**	12.9	10.1%
Business profit	7.2	**12.0**	**6.0**	(1.2)	(16.5%)
of which domestic business	9.4	**12.0**	**6.1**	(3.3)	(35.3%)
of which overseas business	(2.2)	**0**	**(0.1)**	2.1	-
Business profit ratio	1.4%	**2.1%**	**1.1%**	(0.3%)	-
of which domestic business	2.3%	**2.9%**	**1.5%**	(0.9%)	-
of which overseas business	-	**-**	**-**	-	-

Increase in net sales

- Domestic: In the consumer segment, sales volume will expand through strengthened sales promotions for mainstay brands and the introduction of new products
  In the commercial-use segment, sales will be secured through large-scale promotional campaigns targeting the year-end peak demand period, and by targeting untapped markets
- Overseas: North America: Securing sales through the development of new channels and sales growth

Decrease in business profit

- Domestic: Delays in expanding top line will prevent the securing of gross profit, resulting in a decline in profit
- Overseas: North America: Gross profit growth will be driven by increased sales volume
  Thailand: Cost reductions through business streamlining aimed at returning to profitability

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

Ham and sausages	Amount
Wieners	106%
Schau Essen category*	107%
Other wieners	103%
Loin hams, bacon	96%
Consumer	104%
Commercial-use	104%
Total	104%

Processed foods	Amount
Chilled bakery	105%
Chuka Meisai	100%
Fried chicken	99%
Hamburg and meatball	100%
Consumer	104%
Commercial-use	98%
Total	102%

* The *Schau Essen* category includes *Schau Essen* and *Schau Essen Slice*.

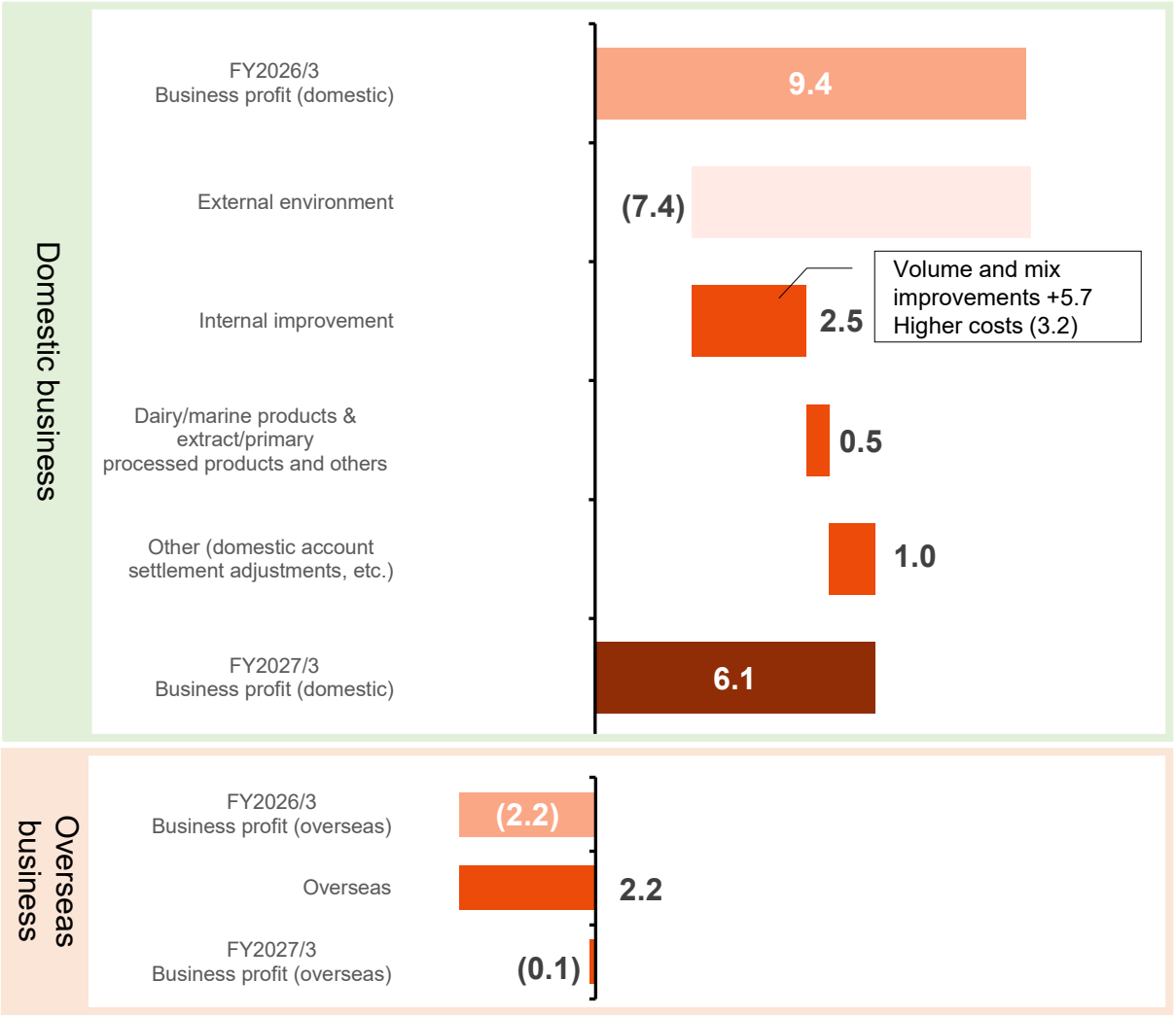
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Full-Year Plan: Processed Foods Business Division (2)

Business Profit Plan: Analysis of Factors Behind Change vs. Previous Year

(¥ billion)



[External environment]
- Sharp increase in prices for raw materials, including pork, and other materials
- Sharply increased prices for packaging materials and other materials, and electric power costs

[Internal improvement]
(Improving profitability through volume growth in key brands and the commercial-use sector, as well as price revisions)
- Price revisions: Ensuring the absorption of external costs that exceeded initial projections
- Pursuing volume growth and product mix improvement through concentrated promotional efforts on key brands and the introduction of new brand products
- To expand volume in the commercial-use sector, we are strengthening proposals aimed at introducing new products and tapping into untapped corporate clients

(Expenses)
- Rise in logistics costs and sales commissions
- Implementing product promotions to expand sales and establish primarily key brands
- Continuing to improve production efficiency and reduce fixed costs through workforce optimization and the consolidation of production lines

[Dairy/marine products & extract/primary processed products and others]
- Continuing to expand top line through appropriate product proposals
- Securing profits through appropriate price pass-through in response to soaring procurement costs

[Overseas]
- North America: Following the completion of production infrastructure development, we are transitioning to a phase of sales volume expansion
  * We conducted test production at full capacity at the acquired plant to thoroughly identify challenges and implement response measures with an eye to the next fiscal year.
- Thailand: We are reducing expenses by accelerating structural reforms and strengthening internal sales through co-creation with CPF

** CPF: Charoen Pokphand Foods Public Company Limited.*

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Full-Year Plan: Fresh Meats Business Division (1)

(¥ billion)

	FY2026/3 Results	FY2027/3 Plan as of 1Q	FY2027/3 Forecast as of 2Q	Variance	Variance (%)
Net sales	1,034.1	**1,045.0**	**1,045.0**	10.9	1.1%
of which domestic business	863.6	**869.0**	**869.0**	5.4	0.6%
of which Australia business	170.5	**176.0**	**176.0**	5.5	3.2%
Business profit	61.3	**50.0**	**45.0**	(16.3)	(26.6%)
of which domestic business	46.5	**43.0**	**41.6**	(4.9)	(10.5%)
of which Australia business	14.8	**7.0**	**3.4**	(11.4)	(77.0%)
Business profit ratio	5.9%	**4.8%**	**4.3%**	(1.6%)	-
of which domestic business	5.4%	**4.9%**	**4.8%**	(0.6%)	-
of which Australia business	8.7%	**4.0%**	**1.9%**	(6.8%)	-

* Domestic businesses include overseas subsidiaries, excluding those in Australia

Increase in net sales

- Timely price pass-through to sales will progress, leading to an increase in net sales amid unstable production and stock purchasing conditions

Decrease in business profit

- Decrease in profit due to sharp increases in cattle prices in Australia
- Gross profit will fall due to the worsening of the procurement environment for imported chicken and weak sales prices
- Continued increases in feed and fuel costs

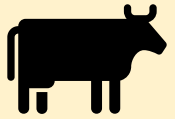
About the Australian beef business

Production
Sharply increased market prices for cattle



Purchasing from external sources

Fattening
Deepening added value strategy, including grain feeding and premium grass



Sales
Building a geographically diversified, well-balanced global sales portfolio



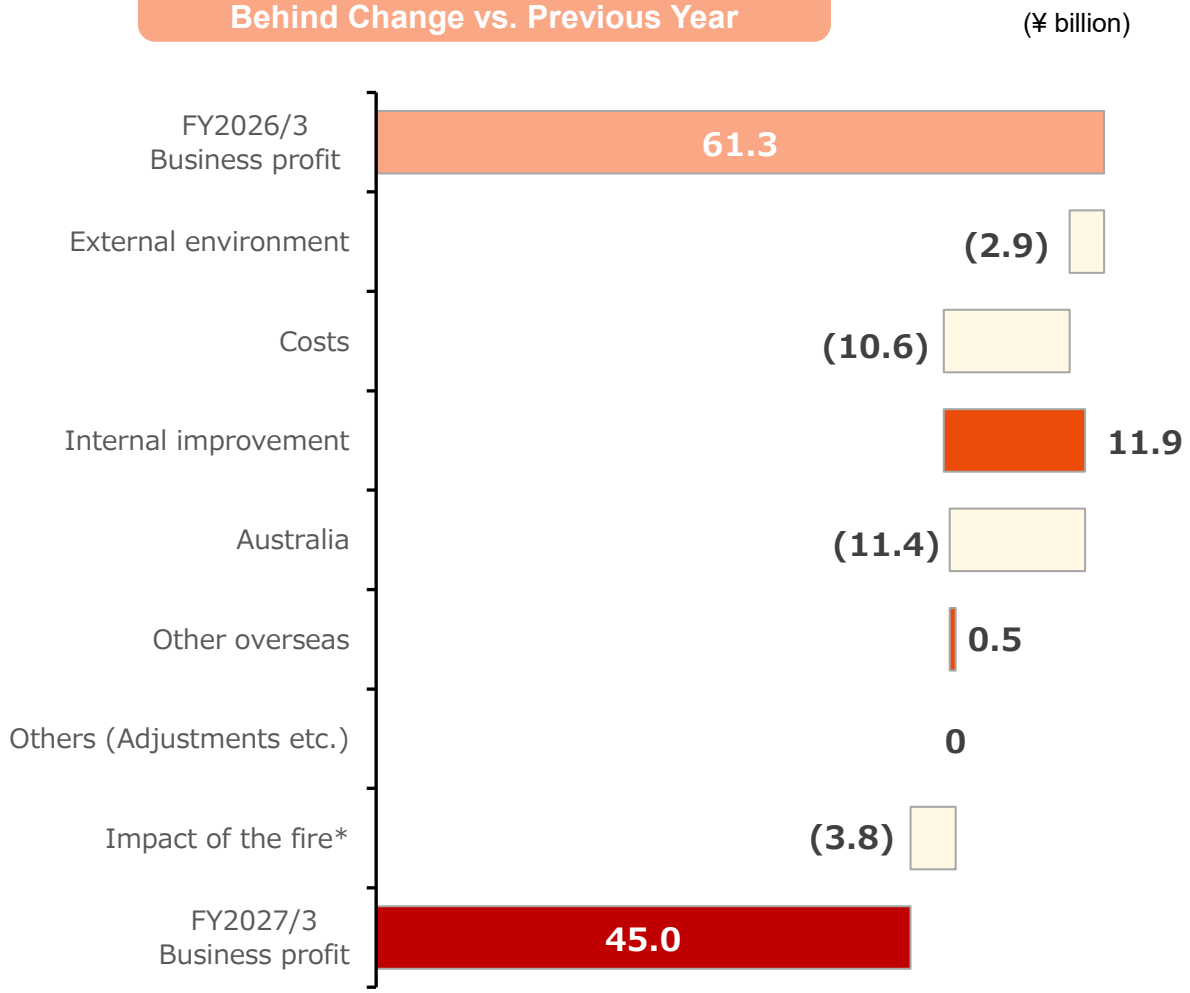
We increased the number of cattle processed under premium brands, achieving a brand ratio of over 60% in the first half of the year

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Full-Year Plan: Fresh Meats Business Division (2)

Business Profit Plan: Analysis of Factors Behind Change vs. Previous Year



[External environment]
- Further surge in feed prices

[Expenses]
- Increase in personnel expenses and logistics costs, etc.
- Increase in packaging material, fuel, and other costs

[Internal improvement]
(Production)
Improve profitability by strengthening the domestic production base and expanding sales of branded fresh meats
- Chicken: Thoroughly improve production efficiency at four plants to cover the decrease in production at the Shiretoko food processing plant
- Pork: Pursue further productivity gains at new farms
- Thoroughly prevent business disruption risks, such as diseases caused by seasonal factors

(Sales)
We aim to increase unit prices through appropriate price pass-through and high-value-added offerings
- Improve profitability by expanding sales of branded fresh meats and processed products
- Expand sales volume by deepening distribution channel reforms and strengthening strategic proposals to growth-driving companies
- Enhance cost competitiveness through logistics efficiency

[Australia]
- Although sales prices are expected to recover in the second half of the fiscal year, cattle prices are expected to remain high

[Other overseas]
- Sales volumes of Chilean and Brazilian pork will grow as a substitute for Spanish pork

* Impact of the fire: Profit declined due to lower production of domestic chickens and lost opportunities caused by the fire at the Shiretoko food processing plant

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FY2026/3 Business Results at a Glance and FY2027/3 Plan

(¥ million)

	FY2026/3 results			FY2027/3 plan					
	1st half results	2nd half results	Full-year results	1st half results	Variance (%)	2nd half plan	Variance (%)	Full-year plan	Variance (%)
Net sales	722,599	734,792	1,457,391	769,358	6.5%	730,642	(0.6%)	1,500,000	2.9%
Cost of goods sold	592,562	614,245	1,206,807	647,490	9.3%	612,510	(0.3%)	1,260,000	4.4%
Gross profit	130,037	120,547	250,584	121,868	(6.3%)	118,132	(2.0%)	240,000	(4.2%)
Gross profit ratio	18.0%	16.4%	17.2%	15.8%	-	16.2%	-	16.0%	-
Selling expenses and general and administrative expenses	94,723	98,261	192,984	97,949	3.4%	100,051	1.8%	198,000	2.6%
Operating profit	35,314	22,286	57,600	23,919	(32.3%)	18,081	(18.9%)	42,000	(27.1%)
Other income and expenses	3,641	(5,122)	(1,481)	8,753	140.4%	5,247	-	14,000	-
Finance income and costs	(124)	(130)	(254)	(661)	-	(1,339)	-	(2,000)	-
Share of profit (loss) in investments accounted for using the equity method	(558)	(762)	(1,320)	(1,179)	-	(821)	-	(2,000)	-
Profit before tax	38,273	16,272	54,545	30,832	(19.4%)	21,168	30.1%	52,000	(4.7%)
Income tax expense	12,622	5,005	17,627	10,564	(16.3%)	5,436	8.6%	16,000	(9.2%)
Tax rate	33.0%	30.8%	32.3%	34.3%	-	25.7%	-	30.8%	-
Profit attributable to owners of the parent	23,188	11,878	35,066	17,394	(25.0%)	17,606	48.2%	35,000	(0.2%)
ROE	4.4%	-	6.6%	3.3%	(1.1%)	-	-	6.7%	-
ROIC	3.2%	-	6.1%	2.5%	(0.7%)	-	-	4.4%	-
EPS (yen)	78.4	-	120.4	62.3	-	-	-	128.7	-
Operating profit	35,314	22,286	57,600	23,919	(32.3%)	18,081	(18.9%)	42,000	(27.1%)
Foreign exchange gain (loss)	1,078	4,885	5,963	4,297	-	-	-	-	-
Adjustments for IFRS, etc.	(51)	4,830	4,779	590	-	-	-	-	-
Business profit	36,341	32,001	68,342	28,806	(20.7%)	21,194	(33.8%)	50,000	(26.8%)

FY2027/3 First Half Result
[Other income and expenses]
Other income increased primarily due to fire insurance proceeds of ¥7.2 billion

FY2027/3 Full-year plan
[Other income and expenses]
Foreign exchange loss of approximately ¥5.4 billion is expected to be recorded

[Finance income and costs]
Interest expense of approximately ¥1.5 billion is expected to be recorded

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Consolidated Statements of Financial Position and Cash Flows

(¥ million)

	End of FY2025/3	End of FY2026/3	FY2027/3 First half	Variance	Variance (%)
Total current assets	406,308	438,302	467,277	28,975	6.6%
Total non-current assets	542,964	559,175	555,734	(3,441)	(0.6%)
Total assets	949,272	997,477	1,023,011	25,534	2.6%
Total current liabilities	257,743	247,066	291,392	44,326	17.9%
Total non-current liabilities	154,457	198,719	197,234	(1,485)	(0.7%)
Total liabilities	412,200	445,785	488,626	42,841	9.6%
Total equity	537,072	551,692	534,385	(17,307)	(3.1%)
Total liabilities and equity	949,272	997,477	1,023,011	25,534	2.6%
DE ratio	0.43	0.43	0.56	-	-

<Total current assets> Current assets increased by 6.6% from the end of the previous fiscal year to ¥467,277 million, as inventories increased by 19.8% to ¥183,942 million mainly due to an increase in unit prices and stocks of fresh meats, and other financial assets increased by 73.2% to ¥12,709 million while cash and cash equivalents decreased by 21.6% to ¥53,852 million.

<Total non-current assets> Non-current assets decreased by 0.6% from the end of the previous fiscal year to ¥555,734 million, partly because right-of-use assets decreased by 5.6% to ¥42,434 million, while intangible assets and goodwill increased by 6.1% to ¥41,453 million due to the increase in software under development associated with the DX promotion.

<Total liabilities> Total liabilities increased by 9.6% from the end of the previous fiscal year to ¥488,626 million, mainly because interest-bearing liabilities increased by 26.8% to ¥289,804 million, due to an increase in borrowings prepared for current capital needs, although other current liabilities decreased by 22.8% to ¥44,957 million due to reducing unearned revenue as the season progressed related to SE Business.

(¥ million)

	FY2025/3 First half	FY2026/3 First half	FY2027/3 First half	Variance	Variance (%)
Cash flows from operating activities	22,374	42,463	(9,762)	(52,225)	-
Cash flows from investing activities	(15,744)	(9,809)	(20,257)	(10,448)	-
Cash flows from financing activities	64	(30,425)	15,023	45,448	-

<Net cash provided by (used in) operating activities> The increase in inventories amounted to ¥30,763 million, the decrease in other liabilities amounted to ¥13,039 million and income tax paid amounted to ¥17,107 million, while profit before tax amounted to ¥30,832 million. As a result, net cash used by operating activities amounted to ¥9,762 million.

<Net cash provided by (used in) investing activities> Acquisition of fixed assets amounted to ¥19,889 million. As a result, net cash used in investing activities amounted to ¥20,257 million.

<Net cash provided by (used in) financing activities> The increase in short-term bank loans amounted to ¥67,411 million, while payments for acquisition of treasury stock amounted to ¥30,002 million. As a result, net cash provided in financing activities amounted to ¥15,023 million.

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Capital Expenditures, Depreciation and Amortization

(¥ million)

	FY2026/3	FY2027/3			
	1st half results	1st half results	Variance	YoY variance (%)	Full-year plan
Capital expenditures	12,219	17,600	5,381	44.0%	60,000
Processed Foods Business Division	4,728	4,754	26	0.5%	17,200
Fresh Meats Business Division	5,546	8,826	3,280	59.1%	31,700
Sports & Entertainment Business Division	1,352	276	(1,076)	(79.6%)	3,100
Eliminations, Adjustments and Others	593	3,744	3,151	531.4%	8,000
Depreciation and amortization	15,165	15,384	219	1.4%	32,000

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

FY2027/3 Plan

We will accelerate strategic allocation to growth fields while reinforcing existing businesses through maintenance, upgrades, and structural reforms.

[Processed Foods Business Division]
We expect to make investments focusing mainly on the maintenance and renewal of domestic and overseas production facilities

[Fresh Meats Business Division]
We expect investments to strengthen domestic upstream operations and expand feedlots in Australia

[Sports & Entertainment Business Division]
We expect to make growth investments for enhancing customer experience and developing surrounding facilities in preparation for the opening of a new station in 2028

[Growth areas]
We anticipate investments in brand enhancement, overseas business expansion, R&D enhancement, and environmental initiatives

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Appendix

Processed Foods Business Division FY2027/3 First-Half Business Profit Factor analysis: year-on-year changes

(¥ billion)

	YoY change in the 1st half	Main reasons for year on year changes	1Q variance
Hams and sausages and processed products	(2.9)		(1.9)
Total gross profit	(1.5)		(1.7)
Volume factors	0.3	Sales volume increased due to a sales strategy focused primarily on key brands such as *Schau Essen* and *Ishigama Kobo*	(2.2)
Unit price factors	(1.8)		0.4
Product mix	0.4	Profit improved through the recovery of mainstay brands and continued reviews of low-profit products	0.0
External environment	(2.2)		0.4
Principal raw materials	(1.2)	Sharp increase in prices for raw materials, including pork	0.3
Other materials	(1.0)	Sharply increased prices for packaging materials	0.2
Other costs	(1.4)		(0.1)
Electric power	(0.2)		0.0
Other expenses (manufacturing expenses, SG&A expenses, etc.)	(1.2)	Logistics costs, sales commissions, and labor costs increased despite reducing fixed costs through production line reductions, etc.	(0.1)
Dairy/marine products & extract/ primary processed products and others	0.4	Performance was strong primarily in the extract and primary processed foods businesses Profits were secured through appropriate price pass-through in response to sharply increased raw materials and other materials costs	0.0
Other (domestic account settlement adjustments, etc.)	0.9	DX and IT-related costs and other expenses improved compared to the previous year	0.3
Overseas	0.7	North America: Sales growth of flagship products, stable raw material prices, and a year-on-year increase in production volume at acquired plants Thailand: Profits declined due to foreign exchange impacts and soaring chicken raw material prices, despite improvements in productivity	(0.1)
Total	(0.9)		(1.7)

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FY2027/3 Processed Foods Business Division Full-Year Business Profit Plan Factor analysis: year-on-year changes

(¥ billion)

	YoY change	Main reasons for year on year changes	1Q variance
Hams and sausages and processed products	(4.9)		(6.0)
Total gross profit	(0.3)		(5.2)
Volume factors	0.6	In the consumer segment, sales volume will expand through strengthened sales promotions for mainstay brands and the introduction of new products In the commercial-use segment, sales will be secured through large-scale promotional campaigns targeting the year-end peak demand period, and by targeting untapped markets	(8.1)
Unit price factors	(0.9)		2.9
Product mix	5.1	Price revisions: Ensuring the absorption of external costs that exceeded initial projections	1.8
External environment	(6.0)		1.1
Principal raw materials	(2.8)	Sharp increase in prices for raw materials, including pork	0.9
Other materials	(3.2)	Sharply increased prices for packaging materials	0.2
Other costs	(4.6)		(0.9)
Electric power	(1.4)		(0.4)
Other expenses (manufacturing expenses, SG&A expenses, etc.)	(3.2)	Implementing product promotions to expand sales and establish primarily key brands Continuing to improve production efficiency and reduce fixed costs through workforce optimization and the consolidation of production lines	(0.5)
Dairy/marine products & extract/ primary processed products and others	0.5	Continuing to expand top line through appropriate product proposals Securing profits through appropriate price pass-through in response to soaring procurement costs	0.0
Other (domestic account settlement adjustments, etc.)	1.0	DX and IT-related costs and other expenses improved compared to the previous year	0.2
Overseas	2.2	North America: Following the completion of production infrastructure development, we are transitioning to a phase of sales volume expansion Thailand:We are reducing expenses by accelerating structural reforms and strengthening internal sales through co-creation with CPF	(0.2)
Total	(1.2)		(6.0)

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Fresh Meats Business Division
FY2027/3 First-Half Business Profit
Factor analysis: year-on-year changes

(¥ billion)

	YoY change in the 1st half	Main reasons for year on year changes	1Q variance
Domestic beef/pork business	0.6	Expansion of domestic pork production volume offset rising feed prices and production costs	0.0
Domestic chicken business	(3.3)	Shiretoko fire had a negative impact of ¥2.6 billion, and feed prices and production costs also increased.	(0.4)
Imported fresh meats business	(0.1)		(3.1)
Domestic imported fresh meats business	(1.2)	Domestic sales prices are sagging with the sharp increase in local procurement prices	(3.1)
Other overseas	1.1	Good progress was made in the procurement of Chilean and Brazilian pork as substitutes for Spanish pork	0.0
Sales (Nippon Food Group companies) and logistics section	1.2	Earnings improved at sales due to price pass-through and the implementation of sales initiatives	(0.2)
Australia business	(6.4)	In addition to sluggish sales prices resulting from changes in the supply-demand environment following the implementation of SG measures in China and South Korea, cattle prices remained high due to weather factors and other reasons	(0.4)
Other (adjustments, etc.)	0.5		0.4
Total	(7.4)		(3.7)

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FY2027/3 Fresh Meats Business Division Full-Year Business Profit Plan Factor analysis: year-on-year changes

(¥ billion)

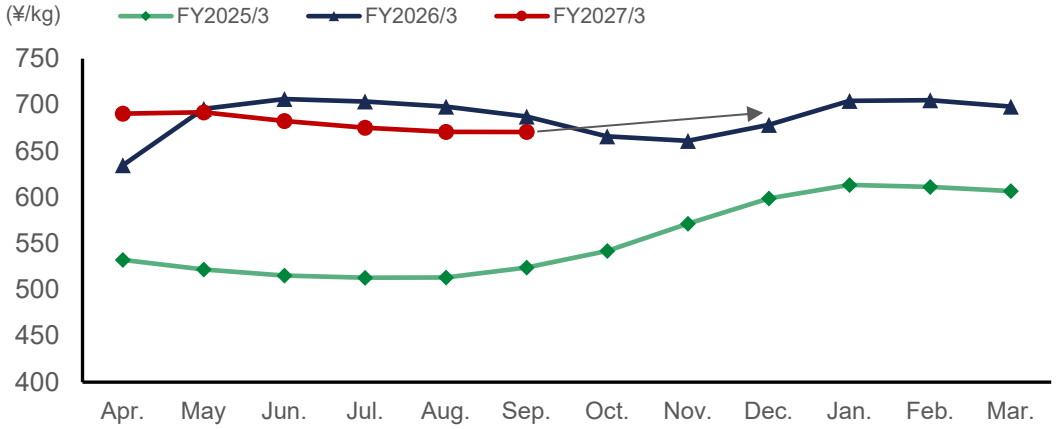
	YoY change	Main reasons for year on year changes	1Q variance
Domestic beef/pork business	0.4	Securing income by pursuing stable operation and further productivity at new domestic hog farming facilities, despite soaring feed prices	0.0
Domestic chicken business	(3.1)	Despite suffering a negative impact amounting to ¥3.8 billion due to the Shiretoko fire, we thoroughly improved production efficiency at four plants to cover the decrease in production at the Shiretoko food processing plant	0.0
Imported fresh meats business	(3.0)		(2.4)
Domestic imported fresh meats business	(3.5)	Gross profit will fall due to the worsening of the procurement environment for imported chicken and weak sales prices	(2.4)
Other overseas	0.5	Leveraging value chain strengths and sought sales volume expansion through procurement that meets demand in Japan	0.0
Sales (Nippon Food Group companies) and logistics section	0.9	Proposing and implementing corporate strategies for solving issues faced by each growth-driving company and executing route sales strategies according to the characteristics of urban and regional areas Securing further income by strengthening sales of processed products and branded fresh meats	0.0
Australia business	(11.4)	Although sales prices are expected to recover in the second half of the fiscal year, cattle prices are expected to remain high.	(2.6)
Other (adjustments, etc.)	0.0		0.0
Total	(16.3)		(5.0)

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External Environment: Market Conditions (1)

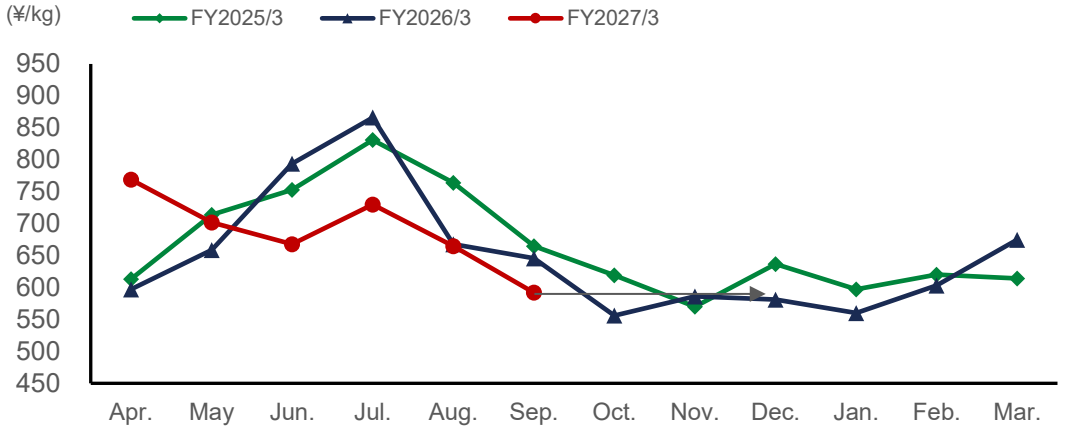
Domestic chicken market price

Source: Weighted average price for chicken meat* Simple average unit price based on Agriculture & Livestock Industries Corporation (ALIC) and Ministry of Agriculture, Forestry and Fisheries "Poultry Market Information"



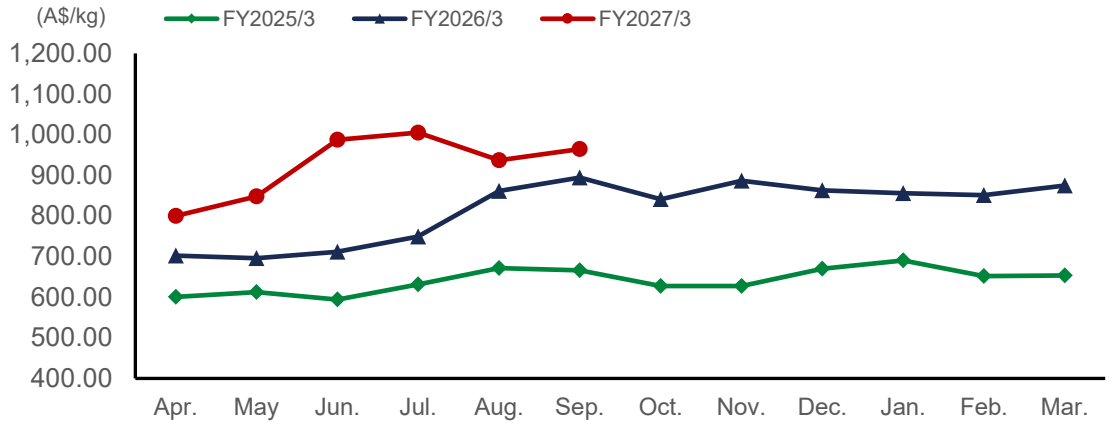
Domestic pork carcass wholesale price

Source: Average price for top grade on the Tokyo Meat Market
* TOKYO MEAT MARKET CO., LTD



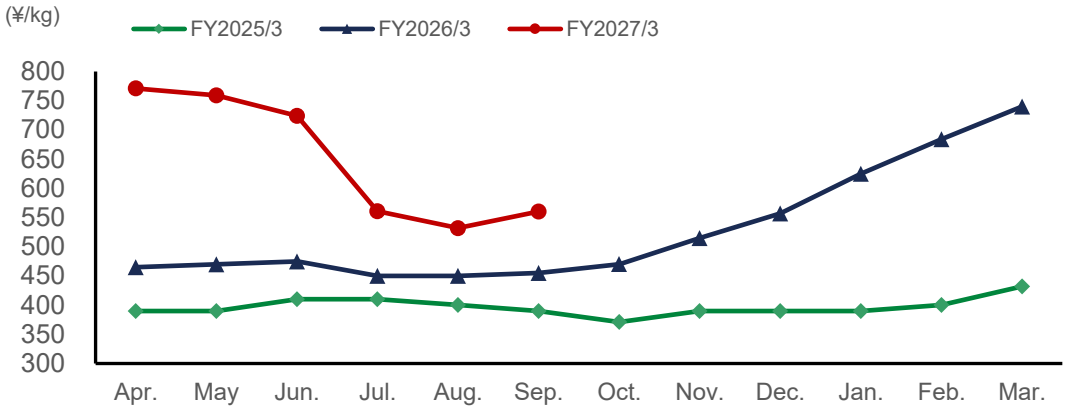
Price of young Australian beef (producer sales price)

Source: MLA



Domestic price of Brazilian chicken thigh meat

Source: Simple average unit price cited in "Daily Meat & Livestock" published by Shokuhin Sangyo Shimbunsha Co., Ltd.



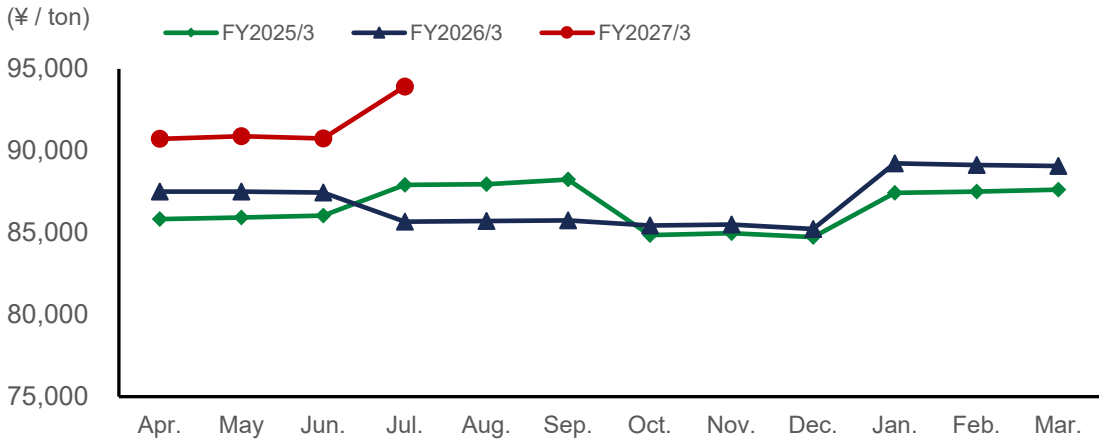
Scan the QR code or click the URL below for other data (collection of materials on market trends)
https://www.nipponham.co.jp/ir/library/market_trend/

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External Environment: Market Conditions (2)

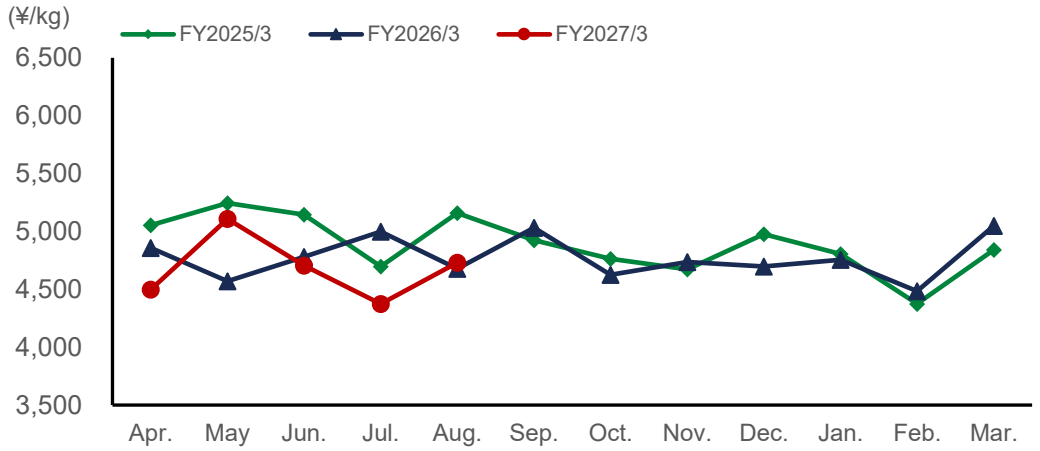
Compound feed price

Source: Agriculture & Livestock Industries Corporation (ALIC)



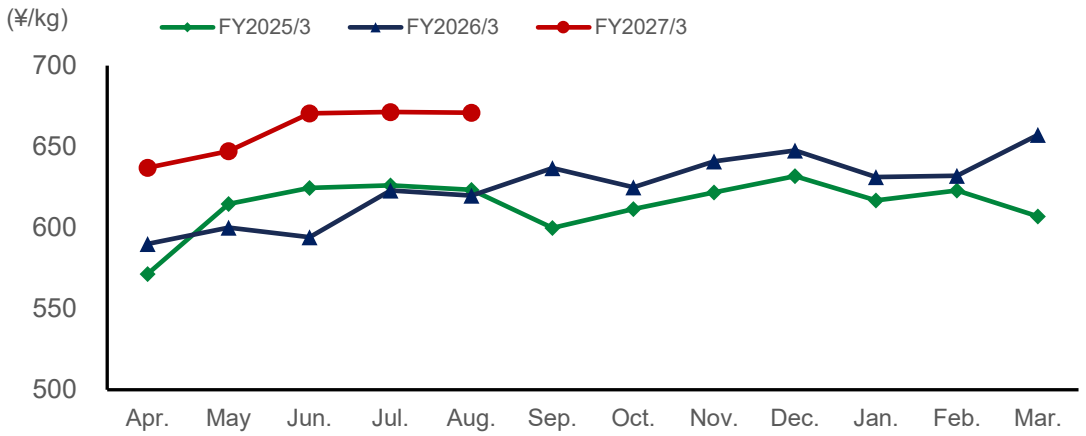
Price for imported natural intestines * Mainly sheep casing (also including pork and beef intestines, etc.)

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



Import price for seasoned pork (GSP)

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



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Forward-looking statements

This presentation includes forecasts regarding targets, strategies and earnings. These forecasts are based on information available at the current time and contain certain assumptions about the future. They are subject to numerous external uncertainties in areas such as economic environment, market trends and exchange rates. Actual performance may differ significantly from the targets in this presentation, and investment decisions should not be based exclusively on them