

Consolidated Financial Statements – Summary

August 6, 2024

(For the three months ended June 30, 2024)

English translation from the original Japanese-language document

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

Company name: **NICHIREI CORPORATION** (Code number 2871)

1. Results for the Three Months Ended June 30, 2024 (April 1, 2024 through June 30, 2024)

(1) Consolidated financial results

(Amounts less than one million yen are omitted)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
	Million yen	Million yen	Million yen	Million yen
Three months ended June 30, 2024	171,157	9,541	10,332	6,444
Three months ended June 30, 2023	163,965	7,924	8,325	4,964

(Note) Comprehensive income: Three months ended June 30, 2024: 11,387 million yen (4.0%)
Three months ended June 30, 2023: 10,952 million yen (-5.5%)

	E.P.S.	Diluted E.P.S.
	Yen	Yen
Three months ended June 30, 2024	50.46	–
Three months ended June 30, 2023	38.88	–

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
As of June 30, 2024	499,586	272,600	51.9	2,030.72
As of March 31, 2024	485,157	265,942	52.2	1,984.04

(Note) Shareholders' equity: As of June 30, 2024: 259,366 million yen
As of March 31, 2024: 253,404 million yen

2. Dividend Status

(Base date)	Dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2024	–	37.00	–	37.00	74.00
FY ending March 31, 2025	–				
FY ending March 31, 2025 (Forecast)		41.00	–	41.00	82.00

(Note) Revisions to dividend forecasts published most recently (Y/N): No

3. Estimation of Business Results of Fiscal Year Ending March 31, 2025 (April 1, 2024 through March 31, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	E.P.S.
	Million yen	Million yen	Million yen	Million yen	Yen
FY ending March 31, 2025	700,000	40,500	41,200	26,000	203.57

(Note) Revisions to financial estimation published most recently (Y/N): Yes

*** Notes**

(1) Any important changes in the scope of consolidation during the term: None

New inclusion: — companies (company name)

Elimination: — companies (company name)

(2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statements: Yes

(Calculation of tax cost)

With respect to tax cost, an effective tax rate was reasonably estimated after applying tax effect accounting to profit before taxes for the fiscal year including the three-month period ended June 30, 2024, and tax cost was calculated by multiplying profit before taxes by the effective tax rate.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies associated with the revision of accounting standards, etc.: Yes

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(Application of the Accounting Standard for Current Income Taxes, etc.)

The Company has applied Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") effective from beginning of the three-month period ended June 30, 2024.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the three-month period ended June 30, 2024. This change in accounting policies is applied retrospectively, and quarterly consolidated financial statements and consolidated financial statements for the previous year are after retrospective application. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(4) Total number of outstanding shares (Common stock)

(i) Total number of outstanding shares at term end (Includes treasury stock):

As of June 30, 2024: 134,075,652 shares

As of March 31, 2024: 134,075,652 shares

(ii) Total treasury stock at term end:

As of June 30, 2024: 6,354,367 shares

As of March 31, 2024: 6,354,029 shares

(iii) Average number of outstanding shares during the period:

For the three months ended June 30, 2024: 127,721,416 shares

For the three months ended June 30, 2023: 127,691,181 shares

* Review of the accompanying quarterly consolidated financial statements by certified public accountants or audit corporations: None

* Note to proper use of forecast of operating results and other special remarks

This statement was prepared based on information available at the time of disclosure. The Company makes no guarantee that the forecasts will be achieved. Actual results may vary significantly as a result of a variety of factors. Please refer to the "Cautionary Statements" on page 8.

Consolidated Balance Sheets

NICHIREI CORPORATION

(Million yen; amounts less than one million yen are omitted)

	FY 2023 (As of March 31, 2024)	As of June 30, 2024
<Assets>		
Current assets		
Cash and deposits	31,279	35,117
Notes and accounts receivable – trade	105,811	106,809
Merchandise and finished goods	37,829	39,416
Work in process	1,274	2,187
Raw materials and supplies	12,221	11,891
Other	13,169	17,469
Allowance for doubtful accounts	(150)	(163)
Total	201,434	212,728
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	95,531	95,287
Machinery, equipment and vehicles, net	43,965	43,473
Land	45,755	45,880
Leased assets, net	12,935	12,607
Construction in progress	4,479	7,451
Other, net	4,416	4,668
Total	207,084	209,370
Intangible assets		
Goodwill	6,906	7,131
Other	8,877	8,964
Total	15,783	16,096
Investments and other assets		
Investment securities	46,858	46,852
Net defined benefit asset	38	38
Deferred tax assets	2,690	2,851
Other	11,726	12,118
Allowance for doubtful accounts	(459)	(470)
Total	60,854	61,391
Total non-current assets	283,723	286,857
Total assets	485,157	499,586

NICHIREI CORPORATION

(Million yen; amounts less than one million yen are omitted)

	FY 2023 (As of March 31, 2024)	As of June 30, 2024
<Liabilities>		
Current liabilities		
Accounts payable – trade	29,769	33,267
Electronically recorded obligations – operating	1,570	1,902
Short-term loans payable	6,708	11,011
Commercial papers	2,000	5,000
Current portion of long-term loans payable	10,643	10,491
Lease obligations	3,569	3,574
Accrued expenses	40,597	34,501
Income taxes payable	7,541	4,585
Provision for directors' bonuses	234	59
Other	20,891	21,668
Total	123,525	126,062
Non-current liabilities		
Bonds payable	40,000	40,000
Long-term loans payable	24,539	29,299
Lease obligations	10,493	10,123
Deferred tax liabilities	9,425	10,045
Provision for directors' retirement benefits	57	48
Net defined benefit liability	2,208	2,207
Asset retirement obligations	4,768	4,844
Long-term guarantee deposited	1,994	2,187
Other	2,201	2,166
Total	95,689	100,923
Total liabilities	219,214	226,985
<Net assets>		
Shareholders' equity		
Capital stock	30,563	30,563
Capital surplus	5,513	5,513
Retained earnings	203,783	205,502
Treasury shares	(16,856)	(16,858)
Total	223,003	224,721
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,155	19,045
Deferred gains or losses on hedges	2,168	3,310
Foreign currency translation adjustment	9,076	12,288
Total	30,400	34,644
Non-controlling interests	12,537	13,234
Total net assets	265,942	272,600
Total liabilities and net assets	485,157	499,586

Consolidated Statements of Income

NICHIREI CORPORATION

(Million yen; amounts less than one million yen are omitted)

	Three months ended June 30, 2023 (Apr. 2023–June 2023)	Three months ended June 30, 2024 (Apr. 2024–June 2024)
Net sales	163,965	171,157
Cost of sales	135,752	140,000
Gross profit	28,212	31,157
Selling, general and administrative expenses		
Transportation and warehousing expenses	5,329	5,334
Promotion expenses	352	348
Advertising expenses	1,152	1,321
Directors' compensations, employees' salaries, bonuses and allowance	5,665	6,044
Retirement benefit expenses	316	291
Legal and employee benefits expenses	1,032	1,099
Transportation and communication expenses	542	639
Rent expenses	628	677
Business consignment expenses	1,221	1,396
Research and development expense	455	504
Other	3,590	3,956
Total	20,287	21,615
Operating profit	7,924	9,541
Non-operating income		
Interest income	67	154
Dividend income	472	570
Share of profit of entities accounted for using equity method	149	125
Other	116	241
Total	806	1,092
Non-operating expenses		
Interest expenses	230	232
Other	175	68
Total	406	301
Ordinary profit	8,325	10,332
Extraordinary income		
Gain on sales of non-current assets	20	19
Insurance claim income	—	31
Total	20	50
Extraordinary losses		
Loss on sales of non-current assets	0	2
Loss on retirement of non-current assets	148	181
Impairment losses	0	4
Damage compensation expenses	195	—
Loss on business facility closings	14	52
Other	40	17
Total	399	258
Profit before income taxes	7,945	10,124
Income taxes	2,821	3,112
Profit	5,124	7,012
Profit attributable to non-controlling interests	160	567
Profit attributable to owners of parent	4,964	6,444

Consolidated Statements of Comprehensive Income

NICHIREI CORPORATION

(Million yen; amounts less than one million yen are omitted)

	Three months ended June 30, 2023 (Apr. 2023–June 2023)	Three months ended June 30, 2024 (Apr. 2024–June 2024)
Profit	5,124	7,012
Other comprehensive income		
Valuation difference on available-for-sale securities	2,396	(108)
Deferred gains or losses on hedges	1,983	1,118
Foreign currency translation adjustment	1,375	3,240
Share of other comprehensive income of entities accounted for using equity method	72	124
Total	5,828	4,375
Comprehensive income	10,952	11,387
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,586	10,688
Comprehensive income attributable to non-controlling interests	366	698

Industrial Segment Information

NICHIREI CORPORATION

(1) Three Months Ended June 30, 2023 (April 1, 2023 through June 30, 2023)

(Million yen; amounts less than one million yen are omitted)

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Total	Adjustments	Consolidated
Net sales	71,456	13,816	20,179	56,981	735	796	163,965	–	163,965
Intra-group sales and transfers	65	4	836	4,323	384	210	5,825	(5,825)	–
Total	71,522	13,820	21,015	61,304	1,120	1,007	169,790	(5,825)	163,965
Operating profit	3,795	22	229	3,969	420	(89)	8,349	(424)	7,924

(2) Three Months Ended June 30, 2024 (April 1, 2024 through June 30, 2024)

(Million yen; amounts less than one million yen are omitted)

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Total	Adjustments	Consolidated
Net sales	77,780	12,733	17,612	61,259	769	1,001	171,157	–	171,157
Intra-group sales and transfers	59	8	968	4,592	402	206	6,237	(6,237)	–
Total	77,839	12,742	18,580	65,851	1,172	1,207	177,394	(6,237)	171,157
Operating profit	5,836	30	344	3,380	413	104	10,110	(568)	9,541

Forecast of Fiscal Year Ending March 31, 2025

NICHIREI CORPORATION

Forecast of Fiscal Year Ending March 31, 2025 (April 1, 2024 through March 31, 2025)

(Million yen; amounts less than one million yen are omitted)

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Adjustments	Consolidated
Net sales (*1)	318,000	50,000	68,000	276,000	4,600	6,400	(23,000)	700,000
Operating profit	21,000	1,300	1,000	16,500	1,900	900	(2,100)	40,500

(*1) Net sales include Intra-group sales and transfers.

Cautionary Statement with Respect to Forward-Looking Statements

This financial statement contains, in addition to historical facts, forward-looking statements regarding plans, outlook, strategies and future results. These explanations concerning future business results may or may not include words such as “believes,” “expects,” “plans,” “strategy,” “prospects,” “estimates,” and “forecasts,” or variations of these words or similar expressions. All such statements are based on management’s assumptions and beliefs derived from the information available to it at the time of publication of this report. A variety of important factors may cause actual results to differ significantly from these forecasts. Thus, it is advised that investors refrain from making investment decisions based solely on these forward-looking statements. Nichirei and its Group companies will not necessarily revise their forward-looking statements in accordance with new information, future events and other results. Risks and uncertainties that could affect the actual results of Nichirei and its Group companies include, but are not limited to:

- 1) Economic conditions and industry environment surrounding the business activities of Nichirei and its Group companies;
- 2) Foreign exchange rate fluctuations, particularly involving U.S. dollars and euros;
- 3) The feasibility of establishing a unified quality control structure covering product development, purchasing of ingredients, production and sales;
- 4) The feasibility of new product and service development;
- 5) Nichirei’s and its Group companies’ ability to implement growth strategies and build a low-cost structure;
- 6) The feasibility of achieving effective alliances between the Nichirei Group and outside companies;
- 7) Contingency and related risk, etc.

However, factors that may affect the performance of the Nichirei Group are not limited to those listed above. Further, risks and uncertainties include the possibility of future events that may have a serious and unpredictable impact on the Group.