

Consolidated Financial Statements – Summary

May 14, 2024

(For the year ended March 31, 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 of Fiscal Year Ended March 31, 2024 (April 1, 2023 through March 31, 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
FY ended March 31, 2024	680,091	36,911	38,255	24,495
FY ended March 31, 2023	662,204	32,935	33,448	21,568

(Note) Comprehensive income: FY ended March 31, 2024: 39,116 million yen (41.4%)
FY ended March 31, 2023: 27,664 million yen (3.3%)

	E.P.S.	Diluted E.P.S.	Return on equity	Ordinary profit / Total capital	Operating profit / Net sales
	Yen	Yen	%	%	%
FY ended March 31, 2024	191.80	–	10.3	8.1	5.4
FY ended March 31, 2023	167.14	–	9.9	7.6	5.0

(Note) Share of profit of entities accounted for using equity method:

FY ended March 31, 2024: 689 million yen FY ended March 31, 2023: 292 million yen

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	485,157	265,942	52.2	1,984.04
As of March 31, 2023	457,333	233,513	49.1	1,757.70

(Note) Shareholders' equity: As of March 31, 2024: 253,404 million yen
As of March 31, 2023: 224,443 million yen

(3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY ended March 31, 2024	62,442	(31,592)	(31,255)	29,725
FY ended March 31, 2023	37,865	(26,844)	(8,591)	27,767

2. Dividend Status

(Base date)	Dividend per share					Total cash dividends (annual)	Dividends payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of FY	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY ended March 31, 2023	–	26.00	–	26.00	52.00	6,687	31.1	3.1
FY ended March 31, 2024	–	37.00	–	37.00	74.00	9,451	38.6	4.0
FY ending March 31, 2025 (Forecast)	–	41.00	–	41.00	82.00		42.2	

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

(Percentages show year-on-year changes.)

	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	690,000	39,000	39,700	24,800	194.17

*** Notes**

- (1) Any changes in important subsidiaries during the term (Change in specific subsidiaries as a result of a change in the scope of consolidation): Yes

New inclusion: 1 company (company name) SCG Nichirei Logistics Co., Ltd.

Elimination: — companies (company name)

In the first six months of the fiscal year under review, the Company turned SCG Nichirei Logistics Co., Ltd., which had been an equity method affiliate, into a consolidated subsidiary based on the effective control standards associated with purchasing part of the shares privately placed by SCG Nichirei Logistics Co., Ltd. As a result, SCG Nichirei Logistics is included in the scope of consolidation. SCG Nichirei Logistics Co., Ltd. is now classed as a specified subsidiary of the Company.

In addition, Nichirei TBA Logistics Vietnam LLC, which was an equity method affiliate, is now included in the scope of consolidation as the Company made it a consolidated subsidiary following an additional investment.

- (2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies associated with the revision of accounting standards, etc.: None

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

- (3) Total number of outstanding shares (Common stock)

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

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

As of March 31, 2023: 134,042,599 shares

- (ii) Total treasury stock at term end:

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

As of March 31, 2023: 6,351,246 shares

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

For the year ended March 31, 2024: 127,713,086 shares

For the year ended March 31, 2023: 129,046,180 shares

* The summary of financial results is not subject to audits.

* 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 11.

Consolidated Balance Sheets

NICHIREI CORPORATION

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

	FY 2023 (As of March 31, 2023)	FY 2024 (As of March 31, 2024)
<Assets>		
Current assets		
Cash and deposits	27,843	31,279
Notes and accounts receivable - trade	101,275	105,811
Merchandise and finished goods	42,741	37,829
Work in process	987	1,274
Raw materials and supplies	11,216	12,221
Other	12,761	13,169
Allowance for doubtful accounts	(130)	(150)
Total	196,695	201,434
Non-current assets		
Property, plant and equipment		
Buildings and structures	276,952	290,828
Accumulated depreciation	(186,834)	(195,296)
Buildings and structures, net	90,118	95,531
Machinery, equipment and vehicles	137,180	149,726
Accumulated depreciation	(95,987)	(105,760)
Machinery, equipment and vehicles, net	41,192	43,965
Land	41,433	45,755
Leased assets	33,592	31,503
Accumulated depreciation	(20,197)	(18,567)
Leased assets, net	13,394	12,935
Construction in progress	4,768	4,479
Other	15,361	16,624
Accumulated depreciation	(11,195)	(12,208)
Other, net	4,165	4,416
Total	195,073	207,084
Intangible assets		
Goodwill	6,687	6,906
Other	7,632	8,877
Total	14,319	15,783
Investments and other assets		
Investment securities	38,281	46,858
Net defined benefit asset	38	38
Deferred tax assets	2,726	2,690
Other	10,597	11,726
Allowance for doubtful accounts	(399)	(459)
Total	51,244	60,854
Total non-current assets	260,637	283,723
Total assets	457,333	485,157

NICHIREI CORPORATION

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

	FY 2023 (As of March 31, 2023)	FY 2024 (As of March 31, 2024)
<Liabilities>		
Current liabilities		
Accounts payable - trade	28,423	29,769
Electronically recorded obligations - operating	1,710	1,570
Short-term loans payable	16,919	6,708
Commercial papers	6,000	2,000
Current portion of bonds payable	10,000	—
Current portion of long-term loans payable	2,277	10,643
Lease obligations	3,462	3,569
Accrued expenses	37,535	40,597
Income taxes payable	4,049	7,541
Provision for directors' bonuses	185	234
Other	19,520	20,891
Total	130,086	123,525
Non-current liabilities		
Bonds payable	30,000	40,000
Long-term loans payable	34,867	24,539
Lease obligations	11,052	10,493
Deferred tax liabilities	6,145	9,425
Provision for directors' retirement benefits	65	57
Net defined benefit liability	2,121	2,208
Asset retirement obligations	4,643	4,768
Long-term guarantee deposited	2,327	1,994
Other	2,510	2,201
Total	93,733	95,689
Total liabilities	223,819	219,214
<Net assets>		
Shareholders' equity		
Capital stock	30,512	30,563
Capital surplus	5,492	5,513
Retained earnings	187,333	203,783
Treasury shares	(16,847)	(16,856)
Total	206,490	223,003
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,342	19,155
Deferred gains or losses on hedges	1,436	2,168
Foreign currency translation adjustment	4,173	9,076
Total	17,952	30,400
Non-controlling interests	9,070	12,537
Total net assets	233,513	265,942
Total liabilities and net assets	457,333	485,157

Consolidated Statements of Income

NICHIREI CORPORATION

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

	FY 2023 (Apr. 2022–Mar. 2023)	FY 2024 (Apr. 2023–Mar. 2024)
Net sales	662,204	680,091
Cost of sales	553,330	559,945
Gross profit	108,874	120,145
Selling, general and administrative expenses		
Transportation and warehousing expenses	21,760	20,500
Promotion expenses	1,282	1,394
Advertising expenses	3,450	5,187
Directors' compensations, employees' salaries, bonuses and allowance	21,032	23,334
Retirement benefit expenses	1,127	1,221
Legal and employee benefits expenses	3,733	4,073
Transportation and communication expenses	1,835	2,409
Rent expenses	2,367	2,467
Business consignment expenses	4,511	5,185
Research and development expense	1,892	1,967
Other	12,943	15,491
Total	75,939	83,234
Operating profit	32,935	36,911
Non-operating income		
Interest income	201	385
Dividend income	867	877
Share of profit of entities accounted for using equity method	292	689
Other	641	802
Total	2,003	2,755
Non-operating expenses		
Interest expenses	787	886
Foreign exchange losses	221	–
Other	481	524
Total	1,490	1,410
Ordinary profit	33,448	38,255
Extraordinary income		
Gain on sales of non-current assets	90	139
Gain on sales of investment securities	674	133
Compensation for expropriation	242	–
Gain on step acquisitions	–	547
Insurance claim income	–	514
Gain on bargain purchase	543	–
Other	102	99
Total	1,653	1,434
Extraordinary losses		
Loss on sales of non-current assets	35	1
Loss on retirement of non-current assets	1,083	1,237
Impairment loss	487	531
Damage compensation expenses	–	205
Loss on business facility closings	43	270
Other	463	284
Total	2,113	2,530
Profit before income taxes	32,987	37,160
Income taxes – current	8,696	11,650
Income taxes – deferred	653	(395)
Total	9,349	11,255
Profit	23,638	25,904
Profit attributable to non-controlling interests	2,069	1,409
Profit attributable to owners of parent	21,568	24,495

Consolidated Statements of Comprehensive Income

NICHIREI CORPORATION

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

	FY 2023 (Apr. 2022–Mar. 2023)	FY 2024 (Apr. 2023–Mar. 2024)
Profit	23,638	25,904
Other comprehensive income		
Valuation difference on available-for-sale securities	351	6,811
Deferred gains or losses on hedges	(927)	739
Foreign currency translation adjustment	4,479	5,788
Share of other comprehensive income of entities, accounted for using equity method	122	(128)
Total	4,025	13,211
Comprehensive income	27,664	39,116
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	24,846	36,943
Comprehensive income attributable to non-controlling interests	2,817	2,172

Consolidated Statements of Cash Flows

NICHIREI CORPORATION

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

	FY 2023 (Apr. 2022–Mar. 2023)	FY 2024 (Apr. 2023–Mar. 2024)
Cash flows from operating activities		
Profit before income taxes	32,987	37,160
Depreciation	22,198	24,219
Impairment loss	487	531
Increase (decrease) in allowance for doubtful accounts	16	42
Interest and dividend income	(1,069)	(1,263)
Interest expenses	787	886
Share of (profit) loss of entities accounted for using equity method	(292)	(689)
Gain on bargain purchase	(543)	–
Loss (gain) on step acquisitions	–	(547)
Loss (gain) on sales of non-current assets	(54)	(138)
Loss on retirement of non-current assets	1,083	1,237
Loss on business facility closings	43	270
Loss (gain) on sales of investment securities	(674)	(116)
Decrease (increase) in notes and accounts receivable - trade	(8,407)	(2,308)
Decrease (increase) in inventories	(1,327)	4,518
Increase (decrease) in notes and accounts payable - trade	114	796
Compensation for expropriation	(242)	–
Compensation for damage expenses	–	205
Insurance claim income	–	(514)
Other	1,579	4,281
Subtotal	46,687	68,571
Interest and dividend income received	1,221	1,442
Proceeds from compensation for expropriation	242	–
Compensation paid for damage	–	(134)
Proceeds from insurance income	–	799
Interest expenses paid	(755)	(884)
Income taxes paid	(9,530)	(7,351)
Net cash provided by operating activities	37,865	62,442
Cash flows from investing activities		
Purchase of property, plant and equipment	(23,830)	(26,726)
Proceeds from sales of property, plant and equipment	117	212
Purchase of intangible assets	(1,261)	(2,217)
Purchase of investment securities	(1,565)	(29)
Proceeds from sales of investment securities	1,913	315
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(659)	(54)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	658
Other	(1,560)	(3,750)
Net cash used in investing activities	(26,844)	(31,592)

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

	FY 2023 (Apr. 2022–Mar. 2023)	FY 2024 (Apr. 2023–Mar. 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,748	(11,571)
Net increase (decrease) in commercial papers	4,000	(4,000)
Proceeds from long-term loans payable	15,794	808
Repayments of long-term loans payable	(15,390)	(3,632)
Proceeds from issuance of bonds	–	9,957
Redemption of bonds	–	(10,000)
Repayments of lease obligations	(3,621)	(3,773)
Purchase of treasury shares	(5,009)	(10)
Cash dividends paid	(6,595)	(8,034)
Dividends paid to non-controlling interests	(388)	(738)
Proceeds from share issuance to non-controlling shareholders	–	180
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(128)	(439)
Other	0	0
Net cash used in financing activities	(8,591)	(31,255)
Effect of exchange rate change on cash and cash equivalents	1,997	2,362
Net increase (decrease) in cash and cash equivalents	4,426	1,957
Cash and cash equivalents at beginning of period	23,340	27,767
Cash and cash equivalents at end of period	27,767	29,725

Changes in presentation method

NICHIREI CORPORATION

(Consolidated Statement of Income)

Loss on business facility closings included in other under extraordinary losses in the previous fiscal year is presented as a separate item in the fiscal year under review because the amount exceeded 10% of the total amount of extraordinary losses. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year (April 1, 2023 - March 31, 2024) have been amended.

Consequently, 506 million yen presented in other under extraordinary losses in the consolidated statements of income for the previous fiscal year is presented as 43 million yen in loss on business facility closings and 463 million yen in other.

(Consolidated statement of cash flows)

A "Loss on business facility closings," which was included in "Other" under "Cash flows from operating activities" in the previous fiscal year is presented separately due to increased financial materiality, starting from the fiscal year under review. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year (April 1, 2023 - March 31, 2024) have been amended.

Consequently, 1,623 million yen presented in "Other" under "Cash flows from operating activities" in the consolidated statement of cash flows for the previous fiscal year has been reclassified as 43 million yen in a "Loss on business facility closings" and as 1,579 million yen in "Other."

Industrial Segment Information

NICHIREI CORPORATION

(1) Fiscal Year Ended March 31, 2023 (April 1, 2022 through March 31, 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	275,398	68,903	82,975	226,710	3,043	5,174	662,204	–	662,204
Intra-group sales and transfers	299	91	2,779	17,497	1,489	917	23,075	(23,075)	–
Total	275,697	68,995	85,755	244,207	4,532	6,092	685,279	(23,075)	662,204
Operating profit	13,962	951	959	15,147	1,798	829	33,648	(713)	32,935

(2) Fiscal Year Ended March 31, 2024 (April 1, 2023 through March 31, 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	290,613	61,577	78,790	240,275	2,910	5,922	680,091	–	680,091
Intra-group sales and transfers	252	23	3,037	17,080	1,554	860	22,808	(22,808)	–
Total	290,866	61,601	81,828	257,355	4,465	6,782	702,899	(22,808)	680,091
Operating profit	17,416	591	1,043	15,833	1,659	1,288	37,832	(921)	36,911

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)	310,000	50,000	68,000	274,000	4,600	6,400	(23,000)	690,000
Operating profit	19,000	1,300	1,000	17,000	1,900	900	(2,100)	39,000

(*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.