

Consolidated Financial Statements – Summary

November 5, 2024

(For the six months ended September 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 Six Months Ended September 30, 2024 (April 1, 2024 through September 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
Six months ended September 30, 2024	347,208	19,684	20,641	12,876
Six months ended September 30, 2023	332,211	17,398	18,160	11,690

(Note) Comprehensive income: Six months ended September 30, 2024: 16,730 million yen (-28.7%)
Six months ended September 30, 2023: 23,463 million yen (12.4%)

	E.P.S.	Diluted E.P.S.
	Yen	Yen
Six months ended September 30, 2024	100.81	-
Six months ended September 30, 2023	91.55	-

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
As of September 30, 2024	497,600	277,947	52.9	2,061.26
As of March 31, 2024	485,157	265,942	52.2	1,984.04

(Note) Shareholders' equity: As of September 30, 2024: 263,318 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	-	41.00	-	-	-
FY ending March 31, 2025 (Forecast)	-	-	-	51.00	92.00

(Notes) 1. Revisions to dividend forecasts published most recently (Y/N): Yes

For details of the revisions to dividend forecasts, please refer to "Notice Regarding Revision of Fiscal 2025 Dividend Forecast (Special Dividend)" released today (November 5, 2024).

2. Breakdown of year-end dividends for the fiscal year ending March 31, 2025 (forecast)

Ordinary dividend: 41.00 yen Special dividend: 10.00 yen

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): No

* 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 semi-annual 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 six-month period ended September 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 the beginning of the six-month period ended September 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 semi-annual consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on the 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 six-month period ended September 30, 2024.

This change in accounting policies is applied retrospectively, and semi-annual 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 semi-annual consolidated financial statements for the same period 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 September 30, 2024: 134,101,269 shares

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

(ii) Total treasury stock at term end:

As of September 30, 2024: 6,354,994 shares

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

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

For the six months ended September 30, 2024: 127,732,140 shares

For the six months ended September 30, 2023: 127,705,109 shares

* Semi-annual financial summaries are not subject to review by any certified public accountant or auditing firm.

* 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 9.

Consolidated Balance Sheets

NICHIREI CORPORATION

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

	FY 2024 (As of March 31, 2024)	As of September 30, 2024
<Assets>		
Current assets		
Cash and deposits	31,279	32,681
Notes and accounts receivable – trade	105,811	104,857
Merchandise and finished goods	37,829	44,320
Work in process	1,274	1,540
Raw materials and supplies	12,221	12,427
Other	13,169	12,244
Allowance for doubtful accounts	(150)	(164)
Total	201,434	207,906
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	95,531	96,996
Machinery, equipment and vehicles, net	43,965	44,679
Land	45,755	46,114
Leased assets, net	12,935	12,277
Construction in progress	4,479	9,079
Other, net	4,416	4,881
Total	207,084	214,029
Intangible assets		
Goodwill	6,906	7,568
Other	8,877	8,957
Total	15,783	16,526
Investments and other assets		
Investment securities	46,858	45,050
Net defined benefit asset	38	38
Deferred tax assets	2,690	3,069
Other	11,726	11,446
Allowance for doubtful accounts	(459)	(466)
Total	60,854	59,138
Total non-current assets	283,723	289,693
Total assets	485,157	497,600

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

	FY 2023 (As of March 31, 2024)	As of September 30, 2024
<Liabilities>		
Current liabilities		
Accounts payable – trade	29,769	31,446
Electronically recorded obligations – operating	1,570	1,049
Short-term borrowings	6,708	6,346
Commercial papers	2,000	2,000
Current portion of long-term borrowings	10,643	10,086
Lease obligations	3,569	3,589
Accrued expenses	40,597	37,530
Income taxes payable	7,541	6,538
Provision for directors' bonuses	234	116
Other	20,891	19,856
Total	123,525	118,561
Non-current liabilities		
Bonds payable	40,000	40,000
Long-term borrowings	24,539	30,538
Lease obligations	10,493	9,830
Deferred tax liabilities	9,425	7,492
Provision for retirement benefits for directors (and other officers)	57	53
Net defined benefit liability	2,208	2,218
Asset retirement obligations	4,768	4,948
Long-term guarantee deposited	1,994	2,277
Other	2,201	3,730
Total	95,689	101,091
Total liabilities	219,214	219,652
<Net assets>		
Shareholders' equity		
Share capital	30,563	30,608
Capital surplus	5,513	5,558
Retained earnings	203,783	211,934
Treasury shares	(16,856)	(16,860)
Total	223,003	231,241
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,155	17,625
Deferred gains or losses on hedges	2,168	(1,758)
Foreign currency translation adjustment	9,076	16,210
Total	30,400	32,077
Non-controlling interests	12,537	14,629
Total net assets	265,942	277,947
Total liabilities and net assets	485,157	497,600

Consolidated Statements of Income

NICHIREI CORPORATION

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

	Six months ended September 30, 2023 (Apr. 2023–Sep. 2023)	Six months ended September 30, 2024 (Apr. 2024–Sep. 2024)
Net sales	332,211	347,208
Cost of sales	274,597	283,885
Gross profit	57,614	63,323
Selling, general and administrative expenses		
Transportation and warehousing expenses	10,620	10,867
Promotion expenses	713	647
Advertising expenses	2,138	2,670
Directors' compensations, employees' salaries, bonuses and allowance	11,414	12,355
Retirement benefit expenses	600	594
Legal and employee benefits expenses	2,062	2,149
Transportation and communication expenses	1,124	1,303
Rent expenses	1,244	1,321
Business consignment expenses	2,314	2,915
Research and development expense	927	1,017
Other	7,053	7,795
Total	40,215	43,638
Operating profit	17,398	19,684
Non-operating income		
Interest income	146	328
Dividend income	499	634
Share of profit of entities accounted for using equity method	390	241
Other	435	426
Total	1,471	1,631
Non-operating expenses		
Interest expenses	433	525
Other	277	149
Total	710	674
Ordinary profit	18,160	20,641
Extraordinary income		
Gain on sales of non-current assets	49	71
Gain on sales of investment securities	99	302
Gain on step acquisitions	547	–
Insurance claim income	–	31
Other	46	105
Total	743	510
Extraordinary losses		
Loss on sales of non-current assets	0	2
Loss on retirement of non-current assets	424	445
Impairment loss	164	4
Damage compensation expenses	205	–
Loss on business facility closings	24	171
Other	132	127
Total	952	751
Profit before income taxes	17,950	20,400
Income taxes	5,765	6,158
Profit	12,185	14,242
Profit attributable to non-controlling interests	494	1,365
Profit attributable to owners of parent	11,690	12,876

Consolidated Statements of Comprehensive Income

NICHIREI CORPORATION

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

	Six months ended September 30, 2023 (Apr. 2023–Sep. 2023)	Six months ended September 30, 2024 (Apr. 2024–Sep. 2024)
Profit	12,185	14,242
Other comprehensive income		
Valuation difference on available-for-sale securities	3,333	(1,529)
Deferred gains or losses on hedges	1,901	(3,942)
Foreign currency translation adjustment	6,159	7,604
Share of other comprehensive income of entities, accounted for using equity method	(115)	355
Total other comprehensive income	11,278	2,487
Comprehensive income	23,463	16,730
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	22,406	14,553
Comprehensive income attributable to non-controlling interests	1,057	2,177

Consolidated Statements of Cash Flows

NICHIREI CORPORATION

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

	Six months ended September 30, 2023 (Apr. 2023–Sep. 2023)	Six months ended September 30, 2024 (Apr. 2024–Sep. 2024)
Cash flows from operating activities		
Income before income taxes	17,950	20,400
Depreciation	11,776	11,809
Impairment losses	164	4
Increase (decrease) in allowance for doubtful accounts	9	5
Interest and dividend income	(646)	(962)
Interest expenses	433	525
Share of loss (profit) of entities accounted for using equity method	(390)	(241)
Loss (gain) on step acquisitions	(547)	–
Loss (gain) on sale of non-current assets	(48)	(68)
Loss on retirement of non-current assets	424	445
Loss on business facility closings	24	171
Loss (gain) on sale of investment securities	(99)	(302)
Decrease (increase) in trade receivables	(3,519)	3,383
Decrease (increase) in inventories	(3,095)	(5,762)
Increase (decrease) in trade payables	3,404	667
Damage compensation expenses	205	–
Insurance claim income	–	(31)
Other, net	(531)	(5,328)
Subtotal	25,515	24,714
Interest and dividends received	784	1,091
Compensation paid for damage	(131)	–
Proceeds from insurance income	–	31
Interest paid	(472)	(521)
Income taxes refund (paid)	(3,670)	(5,835)
Net cash provided by (used in) operating activities	22,025	19,480
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,493)	(15,775)
Proceeds from sale of property, plant and equipment	83	111
Purchase of intangible assets	(906)	(669)
Purchase of investment securities	(16)	(27)
Proceeds from sale of investment securities	214	358
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(54)	(137)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	658	–
Other, net	(1,477)	(902)
Net cash provided by (used in) investing activities	(14,990)	(17,041)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	6,362	(1,751)
Net increase (decrease) in commercial paper	1,000	–
Proceeds from long-term borrowings	–	5,360
Repayments of long-term borrowings	(3,572)	(845)
Repayments of lease obligations	(1,876)	(1,848)
Purchase of treasury shares	(3)	(3)
Dividends paid	(3,316)	(4,719)
Dividends paid to non-controlling interests	(4)	(252)
Other, net	–	0
Net cash provided by (used in) financing activities	(1,409)	(4,060)
Effect of exchange rate change on cash and cash equivalents	2,468	3,400
Net increase (decrease) in cash and cash equivalents	8,093	1,779
Cash and cash equivalents at beginning of period	27,767	29,725
Cash and cash equivalents at end of period	35,860	31,504

Industrial Segment Information

NICHIREI CORPORATION

(1) Six Months Ended September 30, 2023 (April 1, 2023 through September 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	142,908	29,117	39,724	117,283	1,454	1,723	332,211	–	332,211
Intra-group sales and transfers	126	9	1,715	8,678	771	430	11,730	(11,730)	–
Total	143,034	29,126	41,440	125,962	2,225	2,153	343,942	(11,730)	332,211
Operating profit	7,783	152	452	8,627	815	(65)	17,767	(368)	17,398

(2) Six Months Ended September 30, 2024 (April 1, 2024 through September 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	155,118	26,575	33,689	127,945	1,579	2,300	347,208	–	347,208
Intra-group sales and transfers	122	15	1,916	9,402	836	430	12,724	(12,724)	–
Total	155,240	26,590	35,606	137,348	2,415	2,730	359,932	(12,724)	347,208
Operating profit	11,075	44	629	7,516	898	364	20,530	(845)	19,684

(3) 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)	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, investors are advised to 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.