

Consolidated Financial Statements – Summary

February 4, 2025

(For the nine months ended December 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 for the Nine Months Ended December 31, 2024 (April 1, 2024 through December 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
Nine months ended December 31, 2024	534,841	31,754	33,080	20,575
Nine months ended December 31, 2023	514,409	29,786	30,951	20,084

(Note) Comprehensive income: Nine months ended December 31, 2024: 24,421 million yen (-22.6%)

Nine months ended December 31, 2023: 31,560 million yen (25.1%)

	E.P.S.	Diluted E.P.S.
	Yen	Yen
Nine months ended December 31, 2024	161.32	–
Nine months ended December 31, 2023	157.26	–

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
As of December 31, 2024	511,815	275,066	50.8	2,055.00
As of March 31, 2024	485,157	265,942	52.2	1,984.04

(Note) Shareholders' equity: As of December 31, 2024: 259,908 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): No

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	203.85

(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 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 nine-month period ended December 31, 2024, and tax cost was calculated by multiplying quarterly 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 nine-month period ended December 31, 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 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 nine-month period ended December 31, 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 December 31, 2024: 128,464,869 shares

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

(ii) Total treasury stock at term end:

As of December 31, 2024: 1,988,929 shares

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

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

For the nine months ended December 31, 2024: 127,543,597 shares

For the nine months ended December 31, 2023: 127,710,443 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 December 31, 2024
<Assets>		
Current assets		
Cash and deposits	31,279	34,402
Notes and accounts receivable – trade	105,811	120,101
Merchandise and finished goods	37,829	41,302
Work in process	1,274	1,696
Raw materials and supplies	12,221	12,621
Other	13,169	14,316
Allowance for doubtful accounts	(150)	(136)
Total	201,434	224,303
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	95,531	95,061
Machinery, equipment and vehicles, net	43,965	43,473
Land	45,755	46,024
Leased assets, net	12,935	11,851
Construction in progress	4,479	10,715
Other, net	4,416	4,821
Total	207,084	211,947
Intangible assets		
Goodwill	6,906	7,216
Other	8,877	8,493
Total	15,783	15,709
Investments and other assets		
Investment securities	46,858	45,935
Net defined benefit asset	38	38
Deferred tax assets	2,690	2,816
Other	11,726	11,518
Allowance for doubtful accounts	(459)	(453)
Total	60,854	59,855
Total non-current assets	283,723	287,512
Total assets	485,157	511,815

NICHIREI CORPORATION

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

	FY 2023 (As of March 31, 2024)	As of December 31, 2024
<Liabilities>		
Current liabilities		
Accounts payable – trade	29,769	33,423
Electronically recorded obligations – operating	1,570	1,247
Short-term borrowings	6,708	19,938
Commercial papers	2,000	12,000
Current portion of bonds payable	–	10,000
Current portion of long-term borrowings	10,643	85
Lease obligations	3,569	3,508
Accrued expenses	40,597	38,081
Income taxes payable	7,541	5,074
Provision for directors' bonuses	234	171
Other	20,891	23,070
Total	123,525	146,600
Non-current liabilities		
Bonds payable	40,000	30,000
Long-term borrowings	24,539	29,887
Lease obligations	10,493	9,503
Deferred tax liabilities	9,425	9,316
Provision for retirement benefits for directors (and other officers)	57	59
Net defined benefit liability	2,208	2,223
Asset retirement obligations	4,768	4,854
Long-term guarantee deposited	1,994	2,186
Other	2,201	2,117
Total	95,689	90,148
Total liabilities	219,214	236,749
<Net assets>		
Shareholders' equity		
Share capital	30,563	30,608
Capital surplus	5,513	5,558
Retained earnings	203,783	199,278
Treasury shares	(16,856)	(7,021)
Total	223,003	228,424
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,155	18,209
Deferred gains or losses on hedges	2,168	2,194
Foreign currency translation adjustment	9,076	11,079
Total	30,400	31,483
Non-controlling interests	12,537	15,158
Total net assets	265,942	275,066
Total liabilities and net assets	485,157	511,815

Consolidated Statements of Income

NICHIREI CORPORATION

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

	Nine months ended December 31, 2023 (Apr. 2023–Dec. 2023)	Nine months ended December 31, 2024 (Apr. 2024–Dec. 2024)
Net sales	514,409	534,841
Cost of sales	423,429	437,043
Gross profit	90,980	97,797
Selling, general and administrative expenses		
Transportation and warehousing expenses	15,788	16,406
Promotion expenses	1,077	1,030
Advertising expenses	3,698	4,105
Directors' compensations, employees' salaries, bonuses and allowance	17,352	18,479
Retirement benefit expenses	897	891
Legal and employee benefits expenses	3,092	3,193
Transportation and communication expenses	1,724	1,985
Rent expenses	1,867	1,976
Business consignment expenses	3,581	4,443
Research and development expense	1,406	1,610
Other	10,707	11,919
Operating profit	29,786	31,754
Non-operating income		
Interest income	247	470
Dividend income	819	1,035
Share of profit of entities accounted for using equity method	624	382
Other	540	493
Ordinary profit	30,951	33,080
Extraordinary income		
Gain on sales of non-current assets	83	95
Gain on sales of investment securities	133	306
Gain on step acquisitions	547	–
Insurance claim income	–	31
Other	47	105
Profit before income taxes	30,394	32,233
Income taxes	9,330	9,750
Profit	21,063	22,482
Profit attributable to non-controlling interests	979	1,907
Profit attributable to owners of parent	20,084	20,575

Consolidated Statements of Comprehensive Income

NICHIREI CORPORATION

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

	Nine months ended December 31, 2023 (Apr. 2023–Dec. 2023)	Nine months ended December 31, 2024 (Apr. 2024–Dec. 2024)
Profit	21,063	22,482
Other comprehensive income		
Valuation difference on available-for-sale securities	3,920	(947)
Deferred gains or losses on hedges	(282)	31
Foreign currency translation adjustment	6,879	2,492
Share of other comprehensive income of entities, accounted for using equity method	(21)	361
Total other comprehensive income	10,496	1,938
Comprehensive income	31,560	24,421
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	29,882	21,657
Comprehensive income attributable to non-controlling interests	1,678	2,763

Industrial Segment Information

NICHIREI CORPORATION

(1) Nine Months Ended December 31, 2023 (April 1, 2023 through December 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	218,914	48,723	60,666	179,980	2,186	3,938	514,409	–	514,409
Intra-group sales and transfers	190	17	2,314	13,084	1,157	645	17,409	(17,409)	–
Total	219,104	48,740	62,981	193,064	3,343	4,583	531,819	(17,409)	514,409
Operating profit	13,295	562	901	13,518	1,236	777	30,291	(504)	29,786

(2) Nine Months Ended December 31, 2024 (April 1, 2024 through December 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	236,159	46,365	50,156	195,220	2,492	4,447	534,841	–	534,841
Intra-group sales and transfers	189	36	2,668	14,324	1,350	648	19,218	(19,218)	–
Total	236,349	46,402	52,824	209,544	3,843	5,096	554,059	(19,218)	534,841
Operating profit	16,087	1,131	939	12,438	1,410	1,090	33,098	(1,343)	31,754

(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)	313,000	55,000	68,000	279,000	4,600	7,100	(26,700)	700,000
Operating profit	20,500	1,300	1,000	16,500	1,900	1,200	(1,900)	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.