

(Translation)

July 31, 2014

BRIEF STATEMENT OF ACCOUNTS
FOR THE FIRST QUARTER OF THE YEAR ENDING MARCH 31, 2015
(Based on the accounting principles generally accepted in the United States)
(Consolidated)

Name of listed company: NH Foods Ltd. (the "Company")

Listing exchange: Tokyo Stock Exchange

Code number: 2282

URL: <http://www.nipponham.co.jp/en/>

Representative: Noboru Takezoe
President and Representative Director

Further inquiries: Yoshihide Hata
Director and Managing Executive Officer,
General Manager of Corporate Management
Division

Scheduled date of filing of quarterly report: August 6, 2014

Scheduled date of payment of dividends: -

Preparation of supplementary information on quarterly statement of accounts: Yes

Holding of quarterly results briefing: Yes (results briefing for institutional investors and analysts)

(Figures are indicated by counting fractions of 1/2 or more of a million yen as one and discarding the rest.)

1. Consolidated business results for the first quarter of the year ending March 31, 2015 (April 1, 2014 through June 30, 2014):

(1) Consolidated operating results:

(The percentages indicate the rates of increase (decrease) from the first quarter of the previous fiscal year.)

	Net sales		Operating income		Income before income taxes and equity in earnings of associated companies		Net income attributable to NH Foods Ltd.	
	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%
First quarter of the year ending March 31, 2015	283,851	6.9	9,922	121.7	8,931	94.9	6,592	106.2
First quarter of the year ended March 31, 2014	265,651	9.3	4,476	(13.3)	4,583	10.7	3,197	66.2

(Note) Quarterly comprehensive income attributable to NH Foods Ltd.:

First quarter of the year ending March 31, 2015:	¥6,670 million	11.3%
First quarter of the year ending March 31, 2014:	¥5,994 million	136.0%

	Earning per share attributable to NH Foods Ltd. shareholders (basic)	Earning per share attributable to NH Foods Ltd. shareholders (diluted)
First quarter of the year ending March 31, 2015	32.37	30.39
First quarter of the year ended March 31, 2014	16.07	14.39

(Note) Operating income is calculated by deducting cost of goods sold and selling, general and administrative expenses from net sales in accordance with the Japanese accounting practices.

(2) Consolidated financial position:

	Total assets	Total equity	Total NH Foods Ltd. shareholders' equity	NH Foods Ltd. shareholders' equity ratio	Total NH Foods Ltd. shareholders' equity per share
	(millions of yen)	(millions of yen)	(millions of yen)	(%)	(yen)
First quarter of the year ending March 31, 2015	654,007	323,058	320,116	48.9	1,571.72
Year ended March 31, 2014	627,220	323,975	320,984	51.2	1,575.97

(Note) The "shareholders' equity" represents the amount of "Total NH Foods Ltd. shareholders' equity".

2. State of dividends:

	Annual dividend (yen)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Year ended March 31, 2014	—	—	—	37.00	37.00
Year ending March 31, 2015	—	—	—	—	—
Year ending March 31, 2015 (forecast)	—	—	—	35.00	35.00

(Note) Adjustment to the most recently publicized forecast of dividends: None

3. Forecast of consolidated business results for the year ending March 31, 2015 (April 1, 2014 through March 31, 2015):

(The percentages indicate the rates of increase (decrease) from the previous fiscal year in respect of the whole-year period, and from the second quarter (cumulative) of the previous fiscal year in respect of the second quarter (cumulative), respectively.)

	Net sales		Operating income		Income before income taxes and equity in earnings of associated companies		Net income attributable to NH Foods Ltd.		Earnings per share attributable to NH Foods Ltd. shareholders (basic)
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(yen)
Second quarter (cumulative)	575,000	5.3	20,000	67.6	18,600	74.0	13,000	70.6	63.83
Whole-year period	1,140,000	1.6	40,000	12.0	37,000	4.8	24,000	(2.1)	117.84

(Note) Adjustment to the most recently publicized forecast of business results: Yes

*** Notes:**

- (1) Changes in significant subsidiaries (changes in specific subsidiaries involving a change in the scope of consolidation) during the period under review: None
- (2) Application of simplified accounting treatments and special accounting treatments: None
- (3) Changes in accounting policies:
- 1) Changes associated with changes in accounting standards: None
- 2) Other changes: Yes

For more information, please refer to "2. Other Information: (3) Changes in Accounting Policies and (4) Basis of Preparation of Consolidated Quarterly Financial Statements" on pages 11 and 12 hereof.

- (4) Number of shares issued (shares of common stock):
- 1) Number of shares issued (including shares of treasury stock) as of the end of the period:
- First quarter of the year ending March 31, 2015: 204,000,000 shares
- Year ended March 31, 2014: 228,445,350 shares
- 2) Number of shares of treasury stock as of the end of the period:
- First quarter of the year ending March 31, 2015: 327,221 shares
- Year ended March 31, 2014: 24,771,582 shares

3) Average number of shares outstanding during the period:

First quarter of the year ending March 31, 2015:	203,673,223 shares
First quarter of the year ended March 31, 2014:	198,986,814 shares

* Statement on the state of performance of quarterly review procedures:

This brief statement of accounts for the period under review is not subject to quarterly review procedures under the Financial Instruments and Exchange Act of Japan. The review procedures of quarterly financial statements in accordance with the Financial Instruments and Exchange Act have not been completed at the time of disclosure hereof.

* Explanation for the appropriate use of the forecast of business results and other special instructions

The descriptions herein about the future, including the forecast of business results, are based on the information currently available to the Company and certain assumptions considered reasonable by the Company and are not contemplated to ensure the fulfillment thereof. The actual results may materially differ from such forecast and plans depending on various factors. The Company, therefore, wishes to caution that readers should not place undue reliance on these descriptions to make investment decisions. Further, unless obligated by laws or ordinances or the rules of financial instruments exchanges, the Company will not necessarily, or is not obligated to, revise such descriptions about the future, including the forecast of business results notwithstanding any information or event in the future or any result arising therefrom, or publicize such revised information. For information on the conditions precedent to the forecast of business results and cautionary notes for the use of the forecast of business results, please refer to "1. Qualitative Information on the Consolidated Business Results and Others for the First Quarter of the Fiscal Year under Review: (3) Qualitative Information on the Forecast of Consolidated Business Results" on page 9.

CONTENTS OF ATTACHMENT

1. Qualitative Information on the Consolidated Business Results and Others for the First Quarter of the Fiscal Year under Review	6
(1) Qualitative Information on the Consolidated Operating Results	6
(2) Qualitative Information on the Consolidated Financial Position.....	8
(3) Qualitative Information on the Forecast of Consolidated Business Results.....	9
2. Other Information	10
(1) Changes in Significant Subsidiaries during the Period under Review	10
(2) Application of Simplified Accounting Treatments and Special Accounting Treatments.....	10
(3) Changes in Accounting Policies.....	11
(4) Basis of Preparation of Consolidated Quarterly Financial Statements	12
3. Consolidated Quarterly Financial Statements.....	13
(1) Consolidated Quarterly Balance Sheets	13
(2) Consolidated Quarterly Statements of Income	15
(for the consolidated first-quarter period of the year)	
(3) Consolidated Quarterly Statements of Comprehensive Income	16
(for the consolidated first-quarter period of the year)	
(4) Consolidated Quarterly Statements of Cash Flows	17
(5) Note on the Premises of a Going Concern.....	18
(6) Segment Information	18
(7) Note on Material Change (if Any) in the Amount of Shareholders' Equity	19
* The Company is planning to hold a briefing for investors as follows. All materials to be distributed at the briefing will be disclosed on TDnet and posted on its website today.	
▪ August 4, 2014 (Monday): Results briefing for institutional investors and analysts	
* In addition to the above-mentioned briefing, the Company will hold briefings of its operations and business results for individual investors from time to time. For information on the schedules of such briefings, etc., please make sure on its website.	

1. Qualitative Information on the Consolidated Business Results and Others for the First Quarter of the Fiscal Year under Review

(1) Qualitative Information on the Consolidated Operating Results:

Overview of Operating Results in General

The Japanese economy during the first quarter of the fiscal year under review registered a tone of recovery as owing to the government's economic policies, consumer prices rose moderately and corporate capital expenditure increased, among others. Consumer spending, however, declined on a rebound from the rush demand prior to the consumption tax rate hike to commence in April 2014.

In the food and fresh meats industry, prices of domestic pork and poultry were higher in comparison with the corresponding period of the previous fiscal year. Prices of imported fresh meats also were higher than those for the corresponding period of the previous fiscal year and remained in good shape. On the other hand, business conditions have remained severe due to rising prices of raw materials and fuel, higher prices of feedstuffs and intensifying sales competition, among others.

Under these circumstances, the Nipponham Group (the "Group"), with its "New Medium-Term Management Plan Part IV", which commenced in April 2012, has conducted business activities based on its three management policies "Brush up the concept of Management for No. 1 Quality", "Allocate management resources in prioritized areas" and "Enhance the Group brand value" to pursue the theme listed in the plan "Improve the profitability of domestic operations and reinforce the foundation of overseas operations". To be specific, the Group has implemented various measures, including the reinforcing of its domestic farm business, establishment of its marketing bases in Brazil and Hong Kong, development and sales expansion of new products and cultivation of human resources, among others. In addition, while the Group has continued to promote restructuring to strengthen its cost competitiveness, it announced price revisions for some hams and sausages, and processed foods as from July 2014 in response to cost rises.

In relation to the management policy "Enhance the Group brand value," the Group changed the Group brand logo and the corporate brand logo of the Company in April 2014 for the purpose of promoting brand management as part of the Group's global strategy. The Company also obtained approval for the change of its trade name in English at the 69th Ordinary General Meeting of Shareholders held on June 26, 2014, as of which its trade name was changed from "Nippon Meat Packers, Inc." to "NH Foods Ltd."

As a result of these activities, for the first-quarter period of the fiscal year under review, on a consolidated basis, net sales amounted to ¥283,851 million, up 6.9% from the corresponding period of the previous fiscal year. Operating income increased 121.7% from the corresponding period of the previous fiscal year to ¥9,922 million, due partly to the improved performance of Australian operations. Income before income taxes and equity in earnings of associated companies increased 94.9% from the corresponding period of the previous fiscal year to ¥ 8,931 million. Net income attributable to NH Foods Ltd. increased 106.2% from the corresponding period of the previous fiscal year to ¥6,592 million.

Overview of Operating Segments

(Processed Foods Business Division)

In the hams and sausages business, the division promoted multifaceted sales/marketing of its "*SCHAU ESSEN*" series, which celebrated its 30th anniversary since its debut, by running television commercials and sales promotions at retail shops, as well as the opening of tie-up shops and experience-based pavilions. In addition, sales of its new product "*Kore-wa-Benri Frank*" increased. Consequently, sales of hams and sausages on the whole exceeded those in the corresponding period of the previous fiscal year.

In the processed foods business, sales volume of new products in the chilled pouch-packed prepared foods category, chilled pancake "*Soucre et Sucre*" series and room-temperature curry increased. While competition intensified in commercial-use products, sales of processed foods exceeded those in the corresponding period of the previous fiscal year.

With regard to profits, the serious impact of higher prices of raw materials and fuel was offset by the progress of cost reductions as planned and a sales increase, and profitability rose in comparison with the corresponding period of the previous fiscal year.

As a result, for the first-quarter period of the fiscal year under review, on a consolidated basis, net sales of the processed foods business division amounted to ¥85,723 million, up 4.6% from the corresponding period of the previous fiscal year, and operating income amounted to ¥914 million, up 87.7% from the corresponding period of the previous fiscal year.

(Fresh Meats Business Division)

In Japan, there was a steady increase in the sales volume of domestic poultry, for which the division had strengthened its farm operations. Due to an improvement in fresh meat prices of all types of livestock over the corresponding period of the previous fiscal year, sales increased substantially in amount. The division also enhanced its efforts to expand sales of branded fresh meats. With regard to imported fresh meats, the division focused its efforts on the sales of Australian beef "*Whyalleaf*" and "*Oomugi gyū*", as well as "German Pork" for which the division launched new initiatives in the previous fiscal year. Sales of domestic branded poultry "*Sakurahime*" also increased steadily, by selling packages straight from the farm. In the meantime, due to the prevalence of porcine epidemic diarrhea (PED), there was a short supply of domestic pork in the market in general and unprecedentedly high prices made it very difficult to market it. Consequently, sales volume increased only slightly.

With regard to profits, while prices of crude oil and feedstuffs, which affect production cost, have remained high due to the depreciation of the yen, the market for fresh meats has recovered and the domestic farm business has registered a tone of recovery in comparison with the corresponding period of the previous fiscal year. Overseas, earnings improved due to such factors as the ongoing effects of initiatives focused on sales in each country in Australian operations and the turnaround and recovery of operations in Americas brought about by the surge in pork prices.

As a result, for the first-quarter period of the fiscal year under review, on a consolidated basis, net sales of the fresh meats business division amounted to ¥200,252 million, up 7.9% from the corresponding period of the previous fiscal year and operating income amounted to ¥8,790 million, up 157.0% from the corresponding period of the previous fiscal year.

(Affiliated Business Division)

In the marine products business, due to a higher material market of major fishes since the previous fiscal year, the division revised selling prices and unit sales prices increased. However, due to a decline in demand for shrimp, salmon and other species, sales volume decreased. Revenues increased slightly, however.

In the dairy products business, with regard to yogurt and lactic acid probiotic beverages, sales of its mainstay *Vanilla Yogurt* increased favorably in volume retailer channels, among others. With regard to yogurt beverages, sales of private brand (PB) products for convenience stores also increased. With regard to cheese, sales volume fell short of those in the corresponding period of the previous fiscal year due to higher material cost. However, sales exceeded those in the corresponding period of the previous fiscal year due to increased unit sales prices. Consequently, revenues increased in the dairy products business on the whole.

With regard to profits, in the marine products business, the gross profit margin fell in comparison with the corresponding period of the previous fiscal year due to a decrease in sales volume and a delay in price revisions to cover higher material cost. In the dairy products business, sales of yogurt and lactic acid probiotic beverages increased and profitability increased. With regard to cheese, the gross profit margin fell due to higher material cost and profitability fell. Consequently, profitability fell in the dairy products business on the whole.

As a result, for the first-quarter period of the fiscal year under review, on a consolidated basis, net sales of the affiliated business division amounted to ¥35,542 million, up 5.0% from the corresponding period of the previous fiscal year and operating loss amounted to ¥46 million (operating loss for the corresponding period of the previous fiscal year was ¥31 million).

(2) Qualitative Information on the Consolidated Financial Position:

<Financial position>

At the end of the first-quarter of the fiscal year under review, total assets increased by 4.3% from the end of the previous fiscal year to account for ¥654,007 million, as inventories increased by ¥25,215 million and property, plant and equipment increased by ¥3,345 million, respectively from the end of the previous fiscal year, though cash and cash equivalents decreased by ¥6,083 million from the end of the previous fiscal year. Liabilities increased by 9.1% from the end of the previous fiscal year to account for ¥330,949 million as trade notes and accounts payable, short-term bank loans and other current assets increased by ¥11,051 million, ¥7,516 million and ¥5,558 million, respectively from the end of the previous fiscal year. Interest-bearing debt increased by ¥7,288 million from the end of the previous fiscal year to account for ¥152,251 million.

Total NH Foods Ltd. shareholders' equity decreased by 0.3% from the end of the previous fiscal year to account for ¥320,116 million. Due partly to an increase in total assets, the NH Foods Ltd. shareholders' equity ratio decreased by 2.3 percentage points from the end of the previous fiscal year to 48.9%.

<Cash flows>

With regard to operating activities, while inventories increased by ¥25,346 million, accrued expenses and other current liabilities increased by ¥12,129 million, trade notes and accounts payable increased by ¥11,076 million and net income accounted for ¥6,603 million, respectively. As a result, net cash provided by operating activities amounted to ¥3,798 million.

With regard to investing activities, capital expenditures amounted to ¥9,457 million, among others. As a result, net cash used in investing activities amounted to ¥9,546 million.

With regard to financing activities, while proceeds of ¥17,719 million were provided from debt, short-term bank loans decreased by ¥9,180 million and cash dividends amounted to ¥7,545 million. As a result, net cash used in financing activities amounted to ¥13 million.

As a result, cash and cash equivalents at end of the first-quarter period of the fiscal year under review decreased by ¥6,083 million in comparison with the end of the previous fiscal year to amount to ¥68,845 million.

(3) Qualitative Information on the Forecast of Consolidated Business Results:

In consideration of the recent developments of its operating results, the Company will make adjustment to the forecast of consolidated business results for the second-quarter cumulative period of the year ending March 31, 2015 publicized on May 12, 2014 in the Brief Statement of Accounts for the Year ended March 31, 2014, as described below. No adjustment will be made to the previous forecast of consolidated business results for the whole-year period of the year ending March 31, 2015.

Adjustment to the forecast of consolidated business results for the second-quarter (cumulative) period of the year ending March 31, 2015 (April 1, 2014 through September 30, 2014):

(millions of yen, unless otherwise indicated)

	Net sales	Operating income	Income before income taxes and equity in earnings of associated companies	Net income attributable to NH Foods Ltd.	Earnings per share attributable to NH Foods Ltd. shareholders (basic) (yen)
Previous forecast (A)	555,000	18,000	16,600	11,000	54.01
Adjusted forecast (B)	575,000	20,000	18,600	13,000	63.83
Amount of increase or decrease (B) – (A)	20,000	2,000	2,000	2,000	
Rate of increase or decrease (%)	3.6	11.1	12.0	18.2	
(For reference) Business results for the second quarter of the previous year (April 1, 2013 through September 30, 2013)	546,191	11,935	10,689	7,620	38.30

Cautionary notice on information about the future:

The plans, forecast of operating results and other prospects for the future described in this brief statement of accounts are based on the information currently available to the Company and certain assumptions considered reasonable by the Company and are not contemplated to ensure the fulfillment thereof. The actual results in the future may materially differ from such plans and forecast, depending on various factors including risk factors in business. The Company, therefore, wishes to caution that readers should not place undue reliance on these descriptions to make investment decisions. Further, unless obligated by laws or ordinances or the rules of financial instruments exchanges, the Company will not necessarily, or is not obligated to, revise such descriptions about the future, including the forecast of business results notwithstanding any information or event in the future or any result arising therefrom, or publicize such revised information.

2. Other Information

- | | |
|--|------|
| (1) Changes in Significant Subsidiaries during the Period under Review: | None |
| (2) Application of Simplified Accounting Treatments and Special Accounting Treatments: | None |

(3) Changes in Accounting Policies:

Effective from April 1, 2014, the Group changed the accounting policy for classifying the "cash and cash equivalents" in the consolidated balance sheets and the consolidated statements of cash flows.

The Group had previously defined the "cash and cash equivalents" as cash on hand and demand deposits.

The Group changed its policy to include time deposits and marketable securities with original maturities of 3 months or less within the scope of cash and cash equivalents.

The new policy is more closely aligned with the Group's cash management and investment strategies, thus the Group believes the change in policy is preferable.

Under ASC Topic 250, "Accounting Changes and Error Corrections," prior years' consolidated financial statements were retrospectively adjusted to reflect this change in accounting principle.

The effect of the retrospective application on the consolidated financial statements was as follows:

Consolidated balance sheet (Year ended March 31, 2014)

(millions of yen)

Item	As originally reported	As adjusted
Cash and cash equivalents	42,983	74,928
Time deposits	42,472	10,527

Consolidated statement of cash flows (April 1, 2013 through March 31, 2014)

(millions of yen)

Item	As originally reported	As adjusted
Investing Activities:		
Decrease (increase) in time deposits	-	(8,383)
Decrease (increase) in short-term investments	855	-
Others - net	697	823
Effect of exchange rate changes on cash and cash equivalents	838	1,365
Cash and cash equivalents at beginning of the year	36,475	77,005
Cash and cash equivalents at end of the year	42,983	74,928

The effect of the retrospective application of the consolidated first-quarter statement of cash flows for the first-quarter period of the previous fiscal year are as follows:

Consolidated first-quarter statement of cash flows (April 1, 2013 through June 30, 2013)
 (millions of yen)

Item	As originally reported	As adjusted
Investing Activities:		
Increase in time deposits	-	(8,013)
Increase in short-term investments	(4,141)	-
Others - net	895	939
Effect of exchange rate changes on cash and cash equivalents	194	134
Cash and cash equivalents at beginning of the year	36,475	77,005
Cash and cash equivalents at end of the year	28,708	65,350

(4) Basis of Preparation of Consolidated Quarterly Financial Statements:

The consolidated quarterly financial statements of the Company are prepared in accordance with the generally accepted accounting principles in the United States.

The Company has revised the presentation for the previous fiscal year to comply with the presentation for the fiscal year under review.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets:

	(millions of yen)	
	Year ended March 31, 2014 (as of March 31, 2014)	First-quarter period of the year ending March 31, 2015 (as of June 30, 2014)
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	74,928	68,845
Time deposits	10,527	10,193
Marketable securities	190	190
Trade notes and accounts receivable	118,141	120,111
Allowance for doubtful receivables	(266)	(243)
Inventories	122,115	147,330
Deferred income taxes	5,863	7,552
Other current assets	9,293	9,498
Total current assets	340,791	363,476
Property, plant, and equipment - at cost, less accumulated depreciation	236,669	240,014
Intangible assets, less accumulated amortization	5,402	4,941
Investments and other assets:		
Investments in associated companies	2,993	2,681
Other investment securities	21,078	22,021
Other assets	10,196	10,918
Total investments and other assets	34,267	35,620
Deferred income taxes - non-current	10,091	9,956
Total Assets	627,220	654,007

(millions of yen)

	Year ended March 31, 2014 (as of March 31, 2014)	First-quarter period of the year ending March 31, 2015 (as of June 30, 2014)
Liabilities and Equity		
Current liabilities:		
Short-term bank loans	46,166	53,682
Current maturities of long-term debt	8,395	8,398
Trade notes and accounts payable	97,353	108,404
Accrued income taxes	4,419	3,154
Deferred income taxes	802	627
Accrued expenses	20,567	25,590
Other current liabilities	18,234	23,792
Total current liabilities	195,936	223,647
Liability under retirement and severance programs	12,584	12,793
Long-term debt, less current maturities	90,402	90,171
Deferred income taxes - non-current	2,449	2,470
Other long-term liabilities	1,874	1,868
Total liabilities	303,245	330,949
NH Foods Ltd. shareholders' equity:		
Common stock	24,166	24,166
Capital surplus	55,655	51,095
Retained earnings:		
Appropriated for legal reserve	7,748	7,937
Unappropriated	271,902	238,399
Accumulated other comprehensive loss	(1,064)	(986)
Treasury stock, at cost	(37,423)	(495)
Total NH Foods Ltd. shareholders' equity	320,984	320,116
Noncontrolling interests	2,991	2,942
Total equity	323,975	323,058
Total Liabilities and Equity	627,220	654,007

(Note) Accumulated other comprehensive loss – breakdown

	Year ended March 31, 2014	First-quarter period of the year ending March 31, 2015
Net unrealized gains on securities available-for-sales	4,102	4,709
Pension liability adjustments	(3,621)	(3,564)
Foreign currency translation adjustments	(1,545)	(2,131)

(2) Consolidated Quarterly Statements of Income:
(for the consolidated first-quarter period of the year)

	(millions of yen)	
	First-quarter period of the year ended March 31, 2014 (April 1, 2013 through June 30, 2013)	First-quarter period of the year ending March 31, 2015 (April 1, 2014 through June 30, 2014)
Net sales	265,651	283,851
Cost of goods sold	219,700	232,551
Selling, general and administrative expenses	41,475	41,378
Other operating costs and expenses (income) - net	274	269
Interest expense	355	388
Other income (expenses) - net	736	(334)
Income before income taxes and equity in earnings of associated companies	4,583	8,931
Income taxes	1,393	2,326
Income before equity in earnings of associated companies	3,190	6,605
Equity in earnings of associated companies - net of applicable income taxes	9	(2)
Net income	3,199	6,603
Net income attributable to noncontrolling interests	(2)	(11)
Net income attributable to NH Foods Ltd.	3,197	6,592

(3) Consolidated Quarterly Statements of Comprehensive Income:
 (for the consolidated first-quarter period of the year)

(millions of yen)

	First-quarter period of the year ended March 31, 2014 (April 1, 2013 through June 30, 2013)	First-quarter period of the year ending March 31, 2015 (April 1, 2014 through June 30, 2014)
Net income	3,199	6,603
Other comprehensive income - net of applicable income taxes		
Net unrealized gains on securities available-for-sale	4	607
Pension liability adjustments	102	57
Foreign currency translation adjustments	2,769	(637)
Total other comprehensive income	2,875	27
Comprehensive income	6,074	6,630
Net comprehensive income (loss) attributable to noncontrolling interests	(80)	40
Net comprehensive income attributable to NH Foods Ltd.	5,994	6,670

(4) Consolidated Quarterly Statements of Cash Flows:

(millions of yen)

	First-quarter period of the year ended March 31, 2014 (April 1, 2013 through June 30, 2013)	First-quarter period of the year ending March 31, 2015 (April 1, 2014 through June 30, 2014)	(For reference) Year ended March 31, 2014 (April 1, 2013 through March 31, 2014)
Operating Activities:			
Net income	3,199	6,603	24,704
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	4,726	4,752	19,081
Impairment loss of long-lived assets	204	311	1,738
Income taxes deferred	(1,934)	(2,085)	1,094
Foreign exchange transaction adjustments	(277)	(111)	(3,221)
Decrease (increase) in trade notes and accounts receivable	(5,667)	(2,009)	6,339
Increase in inventories	(20,644)	(25,346)	(8,215)
Decrease (increase) in other current assets	(551)	(612)	2,033
Increase (decrease) in trade notes and accounts payable	8,033	11,076	(5,504)
Decrease in accrued income taxes	(3,665)	(1,264)	(1,666)
Increase (decrease) in accrued expenses and other current liabilities	7,109	12,129	(2,062)
Others - net	139	354	(1,369)
Net cash provided by (used in) operating activities	(9,328)	3,798	32,952
Investing Activities:			
Capital expenditures	(6,015)	(9,457)	(22,690)
Proceeds from sales of capital assets	480	463	2,520
Increase in time deposits	(8,013)	(289)	(8,383)
Purchases of marketable securities and other investment securities	(213)	(210)	(269)
Proceeds from sales and maturities of marketable securities and other investment securities	234	240	413
Net increase in cash and cash equivalents resulting from purchase of business	-	-	201
Net increase in cash and cash equivalents resulting from sales of business	364	-	364
Others - net	939	(293)	823
Net cash used in investing activities	(12,224)	(9,546)	(27,021)
Financing Activities:			
Cash dividends	(4,782)	(7,545)	(4,854)
Increase (decrease) in short-term bank loans	11,835	(9,180)	17,104
Proceeds from debt	7,978	17,719	51,459
Repayments of debt	(5,264)	(1,005)	(43,010)
Acquisition of treasury stock	(4)	(2)	(30,044)
Others - net	0	-	(28)
Net cash provided by (used in) financing activities	9,763	(13)	(9,373)
Effect of exchange rate changes on cash and cash equivalents	134	(322)	1,365
Net decrease in cash and cash equivalents	(11,655)	(6,083)	(2,077)
Cash and cash equivalents at beginning of the period (year)	77,005	74,928	77,005
Cash and cash equivalents at end of the period (year)	65,350	68,845	74,928
Additional cash flow information:			
Cash payment for the period (year)			
Interest paid	368	350	1,548
Income taxes paid	6,934	4,301	11,341
Capital lease obligations incurred	517	588	2,776
Convertible bonds	-	-	29,818

(5) Note on the Premises of a Going Concern:

Not applicable.

(6) Segment Information:

Operating segment information:

The operating segments of the Company and its consolidated subsidiaries are comprised of the following three business groups. The businesses thereof are as follows:

- Processed foods business division – Production and sales of mainly hams and sausages, and processed foods
- Fresh meats business division – Production and sales of mainly fresh meats
- Affiliated business division – Production and sales of mainly marine products and dairy products

The Nipponham Group is composed of the NH Foods Ltd., its 89 subsidiaries and five associated companies.

For the consolidated first-quarter period of the year ended March 31, 2014 (April 1, 2013 through June 30, 2013):

(millions of yen)

	Processed foods business division	Fresh meats business division	Affiliated business division	Total	Eliminations, adjustments and others	Consolidated
Net sales						
(1) External customers	75,904	160,151	33,115	269,170	(3,519)	265,651
(2) Intersegment	6,033	25,423	750	32,206	(32,206)	-
Total	81,937	185,574	33,865	301,376	(35,725)	265,651
Operating expenses	81,450	182,154	33,896	297,500	(36,325)	261,175
Segment profit	487	3,420	(31)	3,876	600	4,476

For the consolidated first-quarter period of the year ending March 31, 2015 (April 1, 2014 through June 30, 2014):

(millions of yen)

	Processed foods business division	Fresh meats business division	Affiliated business division	Total	Eliminations, adjustments and others	Consolidated
Net sales						
(1) External customers	79,715	173,743	34,722	288,180	(4,329)	283,851
(2) Intersegment	6,008	26,509	820	33,337	(33,337)	-
Total	85,723	200,252	35,542	321,517	(37,666)	283,851
Operating expenses	84,809	191,462	35,588	311,859	(37,930)	273,929
Segment profit	914	8,790	(46)	9,658	264	9,922

- (Notes)
1. "Eliminations, adjustments and others" includes unallocated items and intersegment eliminations.
 2. Except for a few unallocated items, corporate overhead expenses and profit and loss of certain subsidiaries are allocated to each reportable operating segment. These subsidiaries provide indirect services and operational support for the companies included in each reportable operating segment.
 3. Operating income is calculated by deducting cost of goods sold and selling, general and administrative expenses from net sales.

(7) Note on Material Change (if Any) in the Amount of Shareholders' Equity:

The Company, pursuant to the resolution adopted at the meeting of its Board of Directors held on May 8, 2014, cancelled 24,445,350 shares of its treasury stock as of May 30, 2014. As a result, treasury stock decreased by ¥36,930 million and capital surplus and retained earnings-unappropriated decreased by ¥4,560 million and ¥32,370 million, respectively. Treasury stock accounted for ¥495 million at the end of the period under review.