

(Translation)

July 29, 2016

BRIEF STATEMENT OF ACCOUNTS
FOR THE FIRST QUARTER OF THE YEAR ENDING MARCH 31, 2017
(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/>

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Scheduled date of filing of quarterly report: August 5, 2016

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, 2017 (April 1, 2016 through June 30, 2016):

(1) Consolidated operating results (accumulated):

(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, 2017	294,565	(3.6)	9,468	(20.3)	8,411	(26.1)	5,919	(31.2)
First quarter of the year ended March 31, 2016	305,502	7.6	11,877	19.7	11,378	27.4	8,598	30.4

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

First quarter of the year ending March 31, 2017:	¥833 million	(91.9%)
First quarter of the year ended March 31, 2016:	¥10,257 million	53.8%

	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, 2017	29.06	27.29
First quarter of the year ended March 31, 2016	42.21	39.61

(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, 2017	690,862	355,353	350,462	50.7	1,720.44
Year ended March 31, 2016	682,855	361,360	356,353	52.2	1,749.36

2. State of dividends:

	Annual dividend (yen)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Year ended March 31, 2016	—	—	—	33.00	33.00
Year ending March 31, 2017	—				
Year ending March 31, 2017 (forecast)		—	—	46.00	46.00

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

3. Forecast of consolidated business results for the year ending March 31, 2017 (April 1, 2016 through March 31, 2017):

(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) period of the previous fiscal year in respect of the second quarter (cumulative) period, 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) period	610,000	(1.7)	21,000	(3.6)	19,000	(8.4)	13,500	(12.1)	66.27
Whole-year period	1,250,000	0.7	49,000	5.7	44,000	36.9	31,000	42.3	152.18

(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: None

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 10 and 11 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, 2017: 204,000,000 shares
 Year ended March 31, 2016: 204,000,000 shares
- 2) Number of shares of treasury stock as of the end of the period:
- First quarter of the year ending March 31, 2017: 295,837 shares
 Year ended March 31, 2016: 295,049 shares

3) Average number of shares outstanding during the period:

First quarter of the year ending March 31, 2017:	203,704,572 shares
First quarter of the year ended March 31, 2016:	203,701,238 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.

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* 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 2, 2016 (Tuesday): 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 refer to the Company's 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 domestic economy during the first quarter of the fiscal year under review continued on a track of slow recovery as the employment environment continued to improve owing to the government's economic policies, although the economy showed some weakness. In the meantime, the uncertain outlook for the global economy grew and the future of the economic conditions such as currency exchange and stock market movement continue to be unpredictable.

In the food and fresh meats industry, although the prices of raw materials have started to stabilize, the business conditions have remained severe with the domestic chicken meat market price becoming weak, distribution cost increasing due to labor and vehicle shortage, and intensifying sales competition, among others.

Under these circumstances, NH Foods Ltd. and its subsidiaries (the "Group"), with its "New Medium-Term Management Plan Part 5", which commenced in April 2015, has conducted business activities based on its two management policies "Establish competitive advantages of domestic businesses" and "Accelerate to a global company" to achieve the theme listed in the plan, "Creating a stable business model through reform". To be specific, the Group has implemented various measures, including the new establishment of the Overseas Business Division, reinforcement of its domestic farm business, development and sales promotion of new products, enhancement of productivity to strengthen its cost competitiveness and improve profitability and took measures for development of human resources and stricter risk management. Further, the Group has made efforts to increase recognition of the Group through various promotion activities which aimed for expansion in the branded fresh meat sales. Overseas, a joint venture company was formed with Lay Hong Berhad of Malaysia. Also the Group has implemented reinforcement of its management system including reviewing the contents of "Nipponham Group Fundamental Policy on Corporate Governance" which was enacted in November 2015.

As a result of these activities, for the first quarter of the fiscal year under review, on a consolidated basis, net sales amounted to ¥294,565 million, decreasing 3.6% from the corresponding period of the previous fiscal year. Operating income decreased 20.3% from the corresponding period of the previous fiscal year to ¥9,468 million. Income before income taxes and equity in earnings of associated companies decreased 26.1% from the corresponding period of the previous fiscal year to ¥8,411 million. Net income attributable to NH Foods Ltd. decreased 31.2% from the corresponding period of the previous fiscal year to ¥5,919 million.

Overview of Operating Segments

The Company established a new "Overseas Business Division" on April 1, 2016. In accordance to such establishment, all overseas subsidiaries and associated companies previously under the control of each business division (Processed Foods Business Division,

Fresh Meats Business Division and Affiliated Business Division) have become under the control of the “Overseas Business Division.”

(Processed Foods Business Division)

The overall sales of the consumer products in the hams and sausages business fell below the corresponding period of the previous fiscal year with the delay in recovery of the private brand products among others, although “*Entier*” upgraded in accordance to the raw material environment improving, “*SCHAU ESSEN*” for which television commercials started and the new products for the volume zone introduced as an area tactic were strong. The overall sales of the business purpose products in the hams and sausages business slightly decreased, although the regular products and the campaigned products being introduced to major restaurants grew.

In the processed foods business, with sales of “*Kiwamiyaki Hamburg*” which is a new product launched this spring and “*Sakurahime ookina karaage*” which uses branded fresh meat among others increasing favorably, and a major product being introduced to the growing category in the convenience stores channel, the sales recovered and the overall sales of the processed foods business increased compared to the corresponding period of the previous fiscal year. As a result, the overall sales of the Processed Foods Business Division increased compared to the corresponding period of the previous fiscal year. .

With regard to profits, cost improvement brought by the rise in productivity, increase of gross profit with new products being introduced, and the raw materials and fuels conditions becoming better all led to increase in profitability.

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 ¥81,388 million, increasing 2.2% from the corresponding period of the previous fiscal year, and operating income amounted to ¥1,119 million (an operating income of ¥40 million for the corresponding period of the previous fiscal year).

(Fresh Meats Business Division)

In the fresh meats business, with regard to sales promotion the Company’s branded fresh meat such as “*Sakurahime*,” tie-up plans with clients continued and multifaceted communications including implementation of the *Sakurahime & Mugikomachi* night game for the second year and utilization of a new radio program were carried out. As a result, although the sales figures mainly in relation to food companies increased compared to the corresponding period of the previous fiscal year, with the price of fresh meat such as chicken meat weakening, net sales decreased compared to the corresponding period of the previous fiscal year.

With regard to profits, in the domestic farm business, although the chicken price dropped, the beef and pork prices rose which led to profitability comparable to the corresponding period of the previous fiscal year. Further, in the sales business, the high price of domestic beef and pork with the drastic plunge of imported chicken led to decrease in profitability.

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 ¥184,293 million, decreasing 1.5% from the corresponding period of the previous fiscal year and operating income amounted to ¥8,342 million, decreasing 8.5% from the corresponding period of the previous fiscal year.

(Affiliated Business Division)

In the marine products business, the sales of shrimp, squid, salmon products which are the main products targeting the volume retailer channel and sales of in-house products increased; also products targeting restaurant channels were strong. Thus, net sales increased compared to the corresponding period of the previous fiscal year. In the dairy products business, with regard to yogurt and lactic acid probiotic beverages, sales of its mainstay "Vanilla Yogurt" and yogurt beverages increased in the volume retailer channel and convenience stores channel to which the Group has been strengthening its sales promotion. With regard to cheese, sales were strong in its major bakery channel and restaurant channel and net sales increased compared to the corresponding period of the previous fiscal year. Overall, revenues increased in the dairy products business.

With regard to profits, in the marine products business, net sales increased mainly for in-house products and prices of salmon and the like rose which led to profit margins improving and profitability increasing. In the dairy products business, profitability increased in comparison with the corresponding period of the previous fiscal year due to an increase in net sales of yogurt and lactic acid probiotic beverages, as well as the price of the raw materials stabilizing. The profitability of cheese increased from the corresponding period of the previous fiscal year due to the operating rate of the factories improving based on net sales increase and raw material environment improving. Consequently, profitability increased in the dairy products business overall.

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 ¥37,709 million, increasing 2.2% from the corresponding period of the previous fiscal year and operating income amounted to ¥589 million increasing 206.8% from the corresponding period of the previous fiscal year.

(Overseas Business Division)

With regard to net sales, although the processed foods business in North America grew based on points such as expansion of the sales offices, with the number of cows decreasing in Australia and the price suddenly rising, sales struggled which led to decrease in revenue.

With regards to profits, the profit for the Americas operation increased from the corresponding period of the previous fiscal year with the increasing sales of the branded processed foods and the market for the pig farming business recovering, among others. However, based on the sudden rise of purchase price of cows in the Australian operation and the struggles faced by the production plant in China such as cost of the raw materials rising, the profitability decreased.

As a result, for the first quarter period of the fiscal year under review, on a

consolidated basis, net sales of the Overseas Business Division amounted to ¥57,459 million, decreasing 15.7% from the corresponding period of the previous fiscal year and operating loss amounted to ¥809 million (an operating profit of ¥2,610 million for the corresponding period of the previous fiscal year).

(2) Qualitative Information on the Consolidated Financial Position:

<Financial position>

At the end of the first quarter period of the fiscal year under review, total assets increased by 1.2% from the end of the previous fiscal year to account for ¥690,862 million, as cash and cash equivalents increased by ¥7,134 million from the end of the previous fiscal year and inventories increased by ¥4,484 million from the end of the previous fiscal year, though trade notes and accounts receivables decreased by ¥2,925 million from the end of the previous fiscal year. Liabilities increased by 4.4% from the end of the previous fiscal year to account for ¥335,509 million as trade notes and accounts payable increased by ¥7,676 million from the end of the previous fiscal year and accrued expenses increased by ¥5,362 million from the end of the previous fiscal year. Interest-bearing debt increased by ¥1,401 million from the end of the previous fiscal year to account for ¥156,007 million.

Total NH Foods Ltd. shareholders' equity decreased by 1.7% from the end of the previous fiscal year to account for ¥350,462 million. However, due partly to an increase in total assets, the NH Foods Ltd. shareholders' equity ratio decreased by 1.5 percentage points from the end of the previous fiscal year to 50.7%.

<Cash flows>

With regard to operating activities, although inventories increased by ¥7,191 million, accrued expenses and other current liabilities increased by ¥12,393 million, trade notes and accounts payable increased by ¥8,215 million, net income accounted for ¥5,920 million. As a result, net cash provided by operating activities amounted to ¥19,313 million.

With regard to investing activities, acquisition of non-current assets amounted to ¥7,062 and as a result, net cash used in investing activities amounted to ¥7,276 million.

With regard to financing activities, debt of ¥1,383 million was repaid and cash dividends amounted to ¥6,739 million, while short-term bank loans increased by ¥4,115 million. As a result, net cash used in financing activities amounted to ¥3,494 million.

As a result, cash and cash equivalents at end of the first quarter period of the fiscal year under review increased by ¥7,134 million in comparison with the end of the previous fiscal year to amount to ¥74,455 million.

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

For the first quarter period of the year ending March 31, 2017, net sales decreased due principally to the Australian operations struggling in sales and domestic chicken meat market price weakening. Upon a review of the forecast of its business results in the future in consideration of these developments, the Company will make adjustment to the forecasts of

consolidated business results for the second quarter (cumulative) period of the year ending March 31, 2017 and the whole year period of the year ending March 31, 2017 publicized on May 9, 2016 in the “Brief Statement of Accounts for the Year ended March 31, 2016,” as described below.

Further, with regards to the effect of providing additional special payments as publicized on March 28, 2016 in the “Notice of Transfer Solicitation by NH Foods Ltd. and its Consolidated Subsidiaries,” as the number of transferees remain uncertain at the present moment, this has not been included in the adjustment to the forecast of business results. When the amount of effect is determined, it will be promptly reported.

Adjustment to the forecast of consolidated business results for the second quarter (cumulative) period of the year ending March 31, 2017 (April 1, 2016 through September 30, 2016):

(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)	630,000	21,000	19,000	13,500	66.27
Adjusted forecast (B)	610,000	21,000	19,000	13,500	66.27
Amount of increase or decrease (B) – (A)	(20,000)	-	-	-	
Rate of increase or decrease (%)	(3.2)	-	-	-	
(For reference) Business results for the second quarter (cumulative) period of the previous year (April 1, 2015 through September 30, 2015)	620,309	21,794	20,743	15,366	75.44

Adjustment to the forecast of consolidated business results for the whole year period of the year ending March 31, 2017 (April 1, 2016 through March 31, 2017):

(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)	1,270,000	49,000	44,000	31,000	152.18
Adjusted forecast (B)	1,250,000	49,000	44,000	31,000	152.18
Amount of increase or decrease (B) – (A)	(20,000)	-	-	-	

Rate of increase or decrease (%)	(1.6)	-	-	-	
(For reference) Business results for the previous year (April 1, 2015 through March 31, 2016)	1,240,728	46,340	32,139	21,779	106.92

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: | None |
| (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:

	Year ended March 31, 2016 (as of March 31, 2016)	First quarter period of the year ending March 31, 2017 (as of June 30, 2016)
<u>Assets</u>		

	Year ended March 31, 2016 (as of March 31, 2016)	First quarter period of the year ending March 31, 2017 (as of June 30, 2016)
Current assets:		
Cash and cash equivalents	67,321	74,455
Time deposits	10,354	10,181
Trade notes and accounts receivable	128,352	125,427
Allowance for doubtful receivables	(382)	(332)
Inventories	137,395	141,879
Deferred income taxes	6,041	7,703
Other current assets	10,934	10,396
Total current assets	360,015	369,709
Property, plant and equipment - at cost, less accumulated depreciation	268,172	267,302
Intangible assets, less accumulated amortization	4,832	4,638
Investments and other assets:		
Investments in associated companies	4,737	4,416
Other investment securities	24,978	23,887
Other assets	10,800	11,324
Total investments and other assets	40,515	39,627
Deferred income taxes - non-current	9,321	9,586
Total Assets	682,855	690,862

	(millions of yen)	
	Year ended March 31, 2016 (as of March 31, 2016)	First quarter period of the year ending March 31, 2017 (as of June 30, 2016)
Liabilities and Equity		
Current liabilities:		
Short-term bank loans	41,374	42,801
Current maturities of long-term debt	11,461	11,135
Trade notes and accounts payable	94,420	102,096
Accrued income taxes	7,122	2,834
Deferred income taxes	1,584	1,301
Accrued expenses	21,858	27,220
Other current liabilities	23,089	27,166
Total current liabilities	200,908	214,553
Liability under retirement and severance programs	14,426	14,642
Long-term debt, less current maturities	101,771	102,071
Deferred income taxes - non-current	2,632	2,559
Other long-term liabilities	1,758	1,684
Total liabilities	321,495	335,509
NH Foods Ltd. shareholders' equity:		
Common stock	24,166	24,166
Capital surplus	50,958	50,958
Retained earnings:		
Appropriated for legal reserve	8,150	8,376
Unappropriated	275,051	274,022
Accumulated other comprehensive loss	(1,515)	(6,601)
Treasury stock, at cost	(457)	(459)
Total NH Foods Ltd. shareholders' equity	356,353	350,462
Noncontrolling interests	5,007	4,891
Total equity	361,360	355,353
Total Liabilities and Equity	682,855	690,862

(Note) Breakdown of other accumulated comprehensive loss

	Year ended March 31, 2016	First quarter period of the year ending March 31, 2017
Net unrealized gains on securities available-for-sales	5,588	4,874
Pension liability adjustments	(5,377)	(5,294)
Foreign currency translation adjustments	(1,726)	(6,181)

(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, 2016 (April 1, 2015 through June 30, 2015)	First quarter period of the year ending March 31, 2017 (April 1, 2016 through June 30, 2016)
Net sales	305,502	294,565
Cost of goods sold	250,552	240,986
Selling, general and administrative expenses	43,073	44,111
Other operating costs and expenses (income) - net	285	829
Interest expense	294	334
Other income (expenses) - net	80	106
Income before income taxes and equity in earnings of associated companies	11,378	8,411
Income taxes	2,569	2,521
Income before equity in earnings (losses) of associated companies	8,809	5,890
Equity in earnings (losses) of associated companies - net of applicable income taxes	(197)	30
Net income	8,612	5,920
Net income attributable to noncontrolling interests	(14)	(1)
Net income attributable to NH Foods Ltd.	8,598	5,919

(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, 2016 (April 1, 2015 through June 30, 2015)	First quarter period of the year ending March 31, 2017 (April 1, 2016 through June 30, 2016)
Net income	8,612	5,920
Other comprehensive income (loss) - net of applicable income taxes		
Net unrealized gains (loss) on securities available-for-sale	964	(714)
Pension liability adjustments	33	87
Foreign currency translation adjustments	665	(4,598)
Total other comprehensive income (loss)	1,662	(5,225)
Comprehensive income	10,274	695
Net comprehensive (income) loss attributable to noncontrolling interests	(17)	138
Net comprehensive income attributable to NH Foods Ltd.	10,257	833

(4) Consolidated Quarterly Statements of Cash Flows:

(millions of yen)

	First quarter period of the year ended March 31, 2016 (April 1, 2015 through June 30, 2015)	First quarter period of the year ending March 31, 2017 (April 1, 2016 through June 30, 2016)	(For reference) Year ended March 31, 2016 (April 1, 2015 through March 31, 2016)
Operating Activities:			
Net income	8,612	5,920	18,755
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	4,782	5,043	19,926
Impairment loss	202	43	11,081
Income taxes deferred	(1,897)	(1,930)	272
Foreign exchange transaction adjustments	(397)	(1,335)	(3,193)
Decrease (increase) in trade notes and accounts receivable	829	2,281	(113)
Decrease (increase) in inventories	(15,941)	(7,191)	5,894
Decrease (increase) in other current assets	(881)	348	(34)
Increase (decrease) in trade notes and accounts payable	15,899	8,215	(304)
Decrease in accrued income taxes	(4,578)	(4,282)	(598)
Increase in accrued expenses and other current liabilities	6,476	12,393	232
Others - net	(253)	(192)	617
Net cash provided by operating activities	12,853	19,313	52,535
Investing Activities:			
Capital expenditures	(10,387)	(7,062)	(37,604)
Proceeds from sales of capital assets	257	241	1,839
Decrease (increase) in time deposits	10	0	(202)
Purchases of marketable securities and other investment securities	(177)	(22)	(2,798)
Proceeds from sales and maturities of marketable securities and other investment securities	276	36	475
Investments to associated companies	-	-	(1,891)
Net decrease in cash and cash equivalents resulting from purchase of business	(8,563)	-	(8,563)
Others - net	(431)	(469)	(395)
Net cash used in investing activities	(19,015)	(7,276)	(49,139)
Financing Activities:			
Cash dividends	(9,388)	(6,739)	(9,411)
Increase in short-term bank loans	21,682	4,115	18,506
Proceeds from debt	8,404	476	30,408
Repayments of debt	(17,751)	(1,383)	(32,614)
Contributions from noncontrolling interest	-	-	1,502
Acquisition of treasury stock	(2)	(2)	(10)
Others - net	-	39	(199)
Net cash provided by (used in) financing activities	2,945	(3,494)	8,182
Effect of exchange rate changes on cash and cash equivalents	188	(1,409)	(1,661)
Net increase (decrease) in cash and cash equivalents	(3,029)	7,134	9,917
Cash and cash equivalents at beginning of the period (year)	57,404	67,321	57,404
Cash and cash equivalents at end of the period (year)	54,375	74,455	67,321
Additional cash flow information:			
Cash payment for the period (year)			
Interest paid	407	334	1,496
Income taxes paid	7,357	6,990	13,165
Capital lease obligations incurred	2,346	1,159	4,686

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

Not applicable.

(6) Segment Information:

Operating segment information:

The Company established a new “Overseas Business Division” on April 1, 2016. In accordance to such establishment, all overseas subsidiaries and associated companies previously under the control of each business division (Processed Foods Business Division, Fresh Meats Business Division and Affiliated Business Division) have become under the control of the “Overseas Business Division.” Accordingly, the Group's operating segments have been realigned its conventional three operating groups into four business groups since for the consolidated first quarter period of the year ending March 31, 2017.

Processed Foods Business Division — Domestic production and sales of mainly hams and sausages, and processed foods

Fresh Meats Business Division — Domestic production and sales of mainly fresh meats

Affiliated Business Division — Domestic production and sales of mainly marine products and dairy products

Overseas Business Division — Production and sales of mainly hams and sausages, processed foods, fresh meats and marine products at overseas subsidiaries and associated companies.

The Group consists of 87 subsidiaries and 6 associated companies.

For the consolidated first quarter period of the year ended March 31, 2016 (April 1, 2015 through June 30, 2015):

(millions of yen)

	Processed Foods Business Division	Fresh Meats Business Division	Affiliated Business Division	Overseas Business Division	Total	Eliminations, adjustments and others	Consolidated
Net sales							
(1) External customers	76,342	160,417	36,233	37,291	310,283	(4,781)	305,502
(2) Intersegment	3,262	26,763	676	30,908	61,609	(61,609)	-
Total	79,604	187,180	36,909	68,199	371,892	(66,390)	305,502
Operating expenses	79,564	178,060	36,717	65,589	359,930	(66,305)	293,625
Operating income	40	9,120	192	2,610	11,962	(85)	11,877

For the consolidated first quarter period of the year ending March 31, 2017 (April 1,

2016 through June 30, 2016):

(millions of yen)

	Processed Foods Business Division	Fresh Meats Business Division	Affiliated Business Division	Overseas Business Division	Total	Eliminations, adjustments and others	Consolidated
Net sales							
(1) External customers	77,624	158,106	36,938	26,920	299,588	(5,023)	294,565
(2) Intersegment	3,764	26,187	771	30,539	61,261	(61,261)	-
Total	81,388	184,293	37,709	57,459	360,849	(66,284)	294,565
Operating expenses	80,269	175,951	37,120	58,268	351,608	(66,511)	285,097
Operating income (loss)	1,119	8,342	589	(809)	9,241	227	9,468

(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 (loss) represents net sales less cost of goods sold and selling, general and administrative expenses.
4. The operating segment information for the consolidated first quarter period of the year ended March 31, 2016 has been reclassified based on its information for the consolidated first quarter period of the year ending March 31, 2017.

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

Not applicable.