

Business Results for the First Quarter of FY2015/3

August 4, 2014 (Mon.)

NH Foods Ltd.

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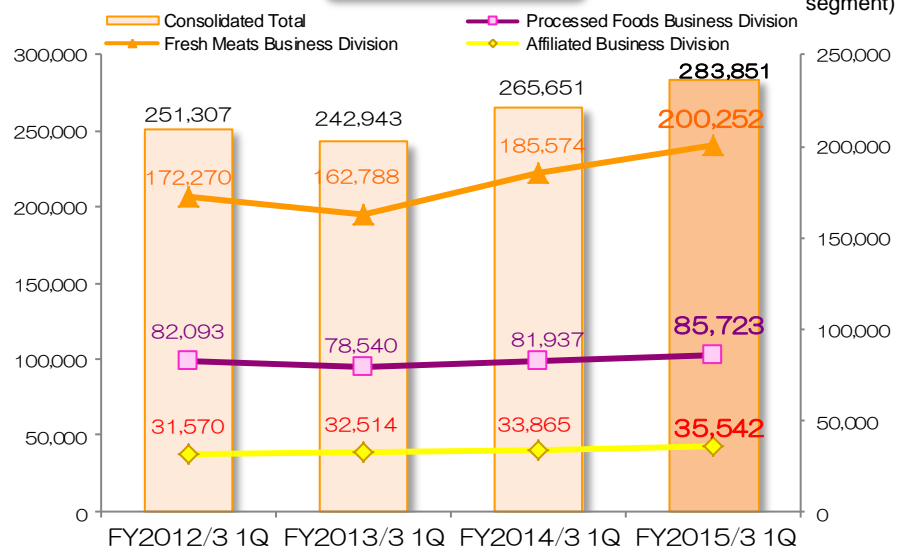
1. Business Results by Operating Segment Data: 1Q (Apr. – Jun.) Nipponham Group

(¥ million)

		FY2012/3 1Q	FY2013/3 1Q	FY2014/3 1Q	FY2015/3 1Q
Processed Foods Business Division	Net sales	82,093	78,540	81,937	85,723
	Operating income	1,107	1,804	487	914
Fresh Meats Business Division	Net sales	172,270	162,788	185,574	200,252
	Operating income	5,022	2,920	3,420	8,790
Affiliated Business Division	Net sales	31,570	32,514	33,865	35,542
	Operating income	456	246	(31)	(46)
Eliminations, adjustments and others	Net sales	(34,626)	(30,899)	(35,725)	(37,666)
	Operating income	67	192	600	264
Consolidated	Net sales	251,307	242,943	265,651	283,851
	Operating income	6,652	5,162	4,476	9,922

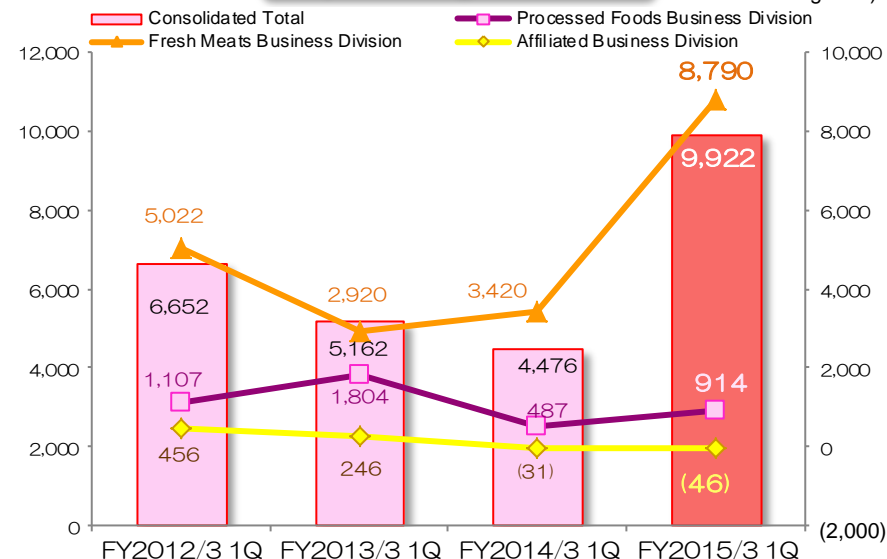
(¥ million)
(Consolidated)

Net Sales



(¥ million)
(Consolidated)

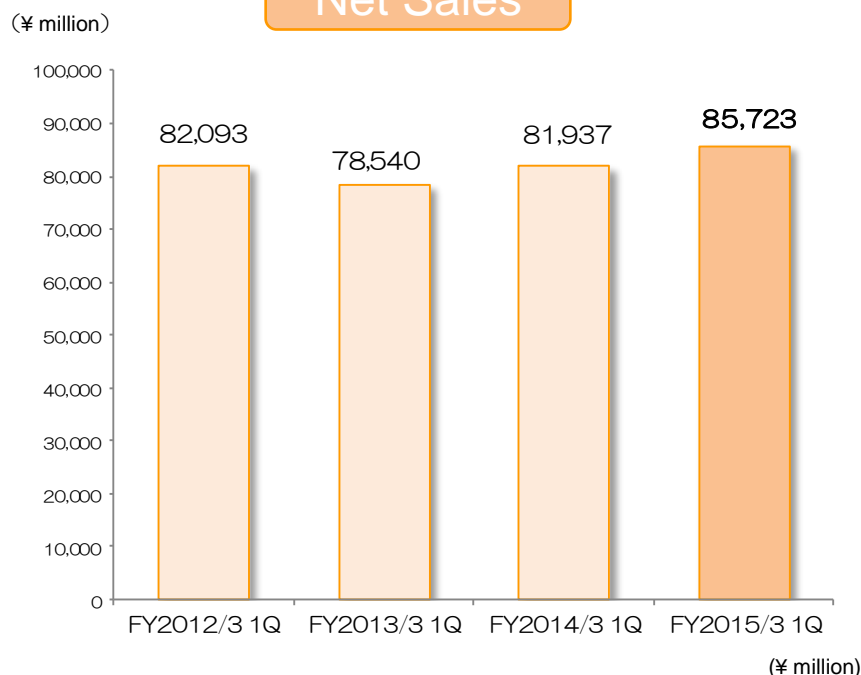
Operating Income



- Sales by operating segment and sales values in Page 20 of this presentation (by category) do not necessarily correspond (due to intersegment transactions)
- Sales for each segment include intersegment sales

2. Operating Segment Data: Processed Foods Business Division (1)

Net Sales

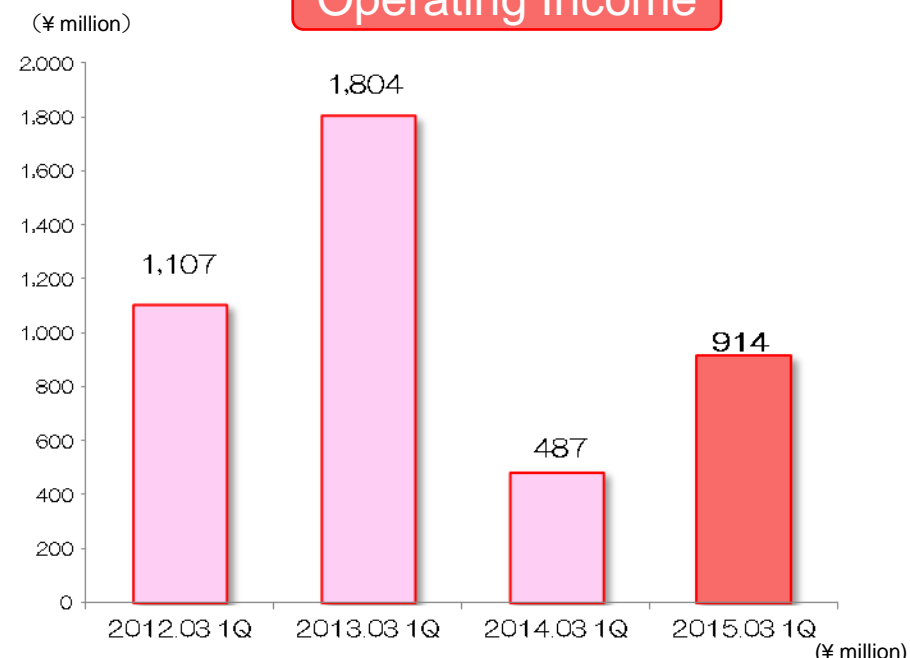


	FY2014/3 1Q	FY2015/3 1Q	Variance	Variance (%)
Net Sals	81,937	85,723	3,786	4.6

[Net Sales in FY2015/3 1Q (Apr. – Jun.)]

- In hams and sausages, sales of “*SCHAU ESSEN*” were strong and both the monetary amounts and sales volume increased.
- In delicatessen, in contrast to the sluggish sales of consumer-use products, sales of room-temperature products, such as curry, and commercial-use products increased.

Operating Income



	FY2014/3 1Q	FY2015/3 1Q	Variance	Variance (%)
Operating income	487	914	427	87.7
Operating income ratio	0.6%	1.1%	-	-

[Earnings in FY2015/3 1Q (Apr. – Jun.)]

- Despite the increase in the prices of raw materials, operating income increased thanks to the significant increase in sales of “*SCHAU ESSEN*” and the effects of cost-cutting.

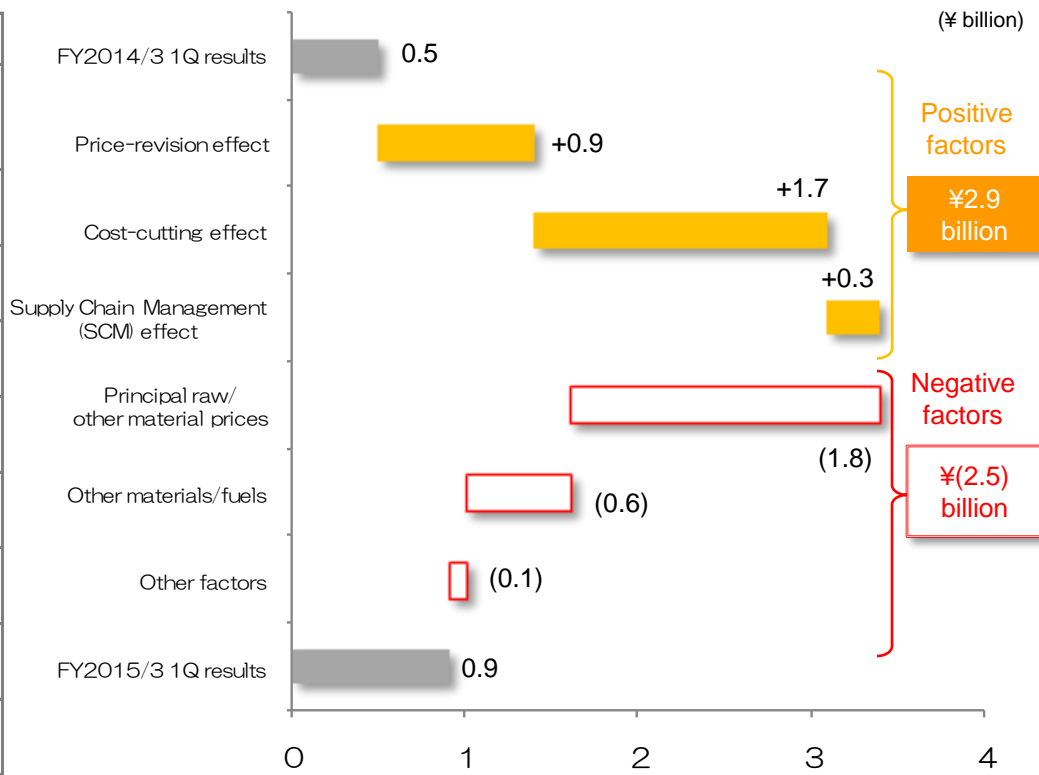
2. Operating Segment Data: Processed Foods Business Division (2)

Factor Analysis: Changes in operating income (¥ billion)

	FY2015/3 1Q		
	Targets	Results	Variance
Price-revision effect	0.9	0.9	0
Cost-cutting effect	1.0	1.7	0.7
Supply Chain Management (SCM) effect	0.3	0.3	0
Principal raw /other material prices	(2.2)	(2.4)	(0.2)
Principal raw material prices	(1.6)	(1.8)	(0.2)
Other materials/fuels	(0.6)	(0.6)	0
Other factors	0	(0.1)	(0.1)
Total	0	0.4	0.4

*Due to rounding, item tallies in each division may not match totals

Factor Analysis Graph: Changes in operating income (1Q) (¥ billion)



● Projection Variance Factor Analysis (1Q)

[Cost-cutting effect]

⇒ Mainly due to the increase in the sales volumes of hams and sausages and improved cost-cutting effects

Major brands sales results



“SCHAU ESSEN”



“Restaurant Style Curry” series

Reference: Year-on-year sales comparison of major brand products

Hams and sausages	FY2015/3	Delicatessen	FY2015/3
	1Q results		1Q results
SCHAU ESSEN	118%	Ishigama Kobo	97%
Mori-no-Kaori coarse-ground wieners	99%	Chuka Meisai	91%
Hams	102%	Prefried	98%
Bacons	106%	Hamburg and meatball offerings	101%
Yakibutas	87%	Curries	109%

Sales results by channel

1) Consumer-use products

Sales of hams and sausages were firm, while in deli products, room-temperature products such as curry performed well.

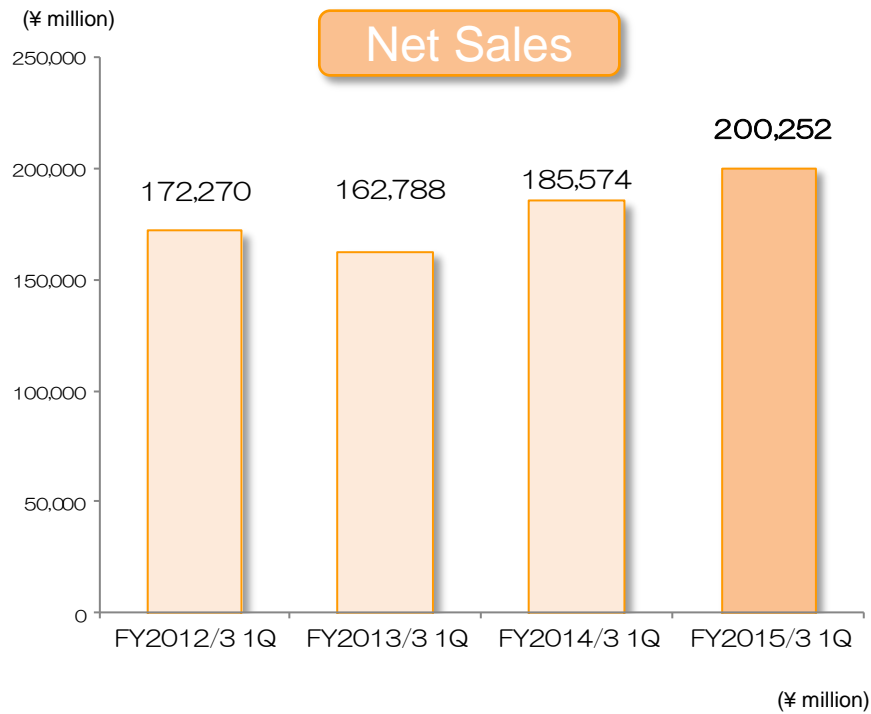
2) Commercial-use products

While conditions were tough in the delicatessen channel, sales in the food-service channel grew.

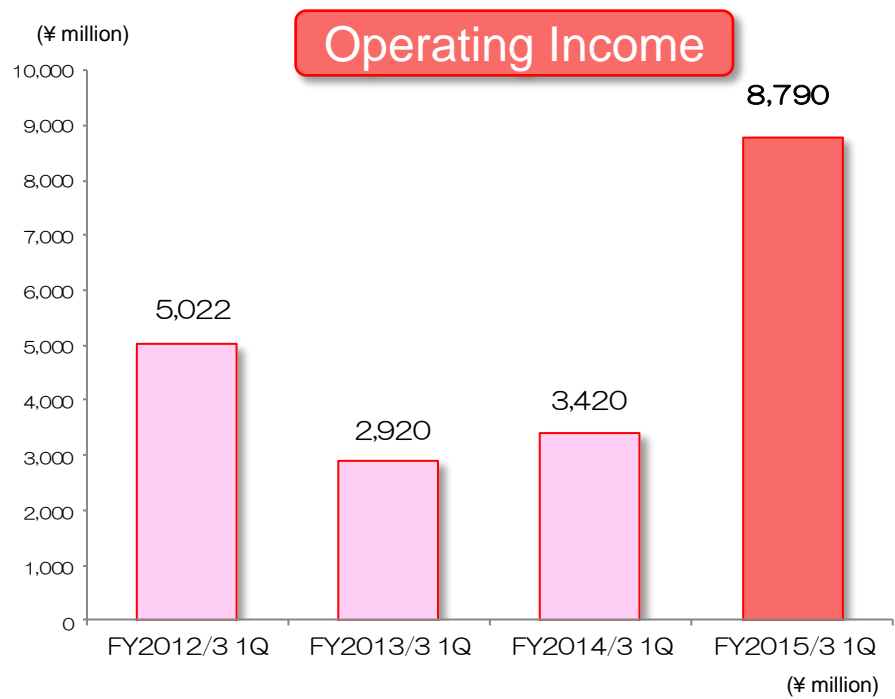
Reference: Year-on-year growth in sales by channel for FY2015/3 1Q

		Volume	Amount
Hams and sausages	Consumer-use	108%	113%
	Commercial-use	109%	110%
	Total	108%	112%
Delicatessen	Consumer-use	95%	100%
	Commercial-use	99%	105%
	Total	97%	102%

3. Operating Segment Data: Fresh Meats Business Division (1)



	FY2014/3 1Q	FY2015/3 1Q	Variance	Variance (%)
Net Sales	185,574	200,252	14,678	7.9



	FY2014/3 1Q	FY2015/3 1Q	Variance	Variance (%)
Operating income	3,420	8,790	5,370	157.0
Operating income ratio	1.8%	4.4%	-	-

[Net Sales in FY2015/3 1Q (Apr. – Jun.)]

- In fresh meats sales in Japan, the sales volumes of beef and pork declined, but overall sales still increased through the rise in unit prices.
- In overseas fresh meats sales, sales volumes declined, mainly for pork, but overall sales increased due to the rise in unit prices.

[Earnings in FY2015/3 1Q (Apr. – Jun.)]

- Earnings increased, mainly due to the improvements in the farm businesses in Japan, imported fresh meats market conditions, the Australian businesses, and Americas business.

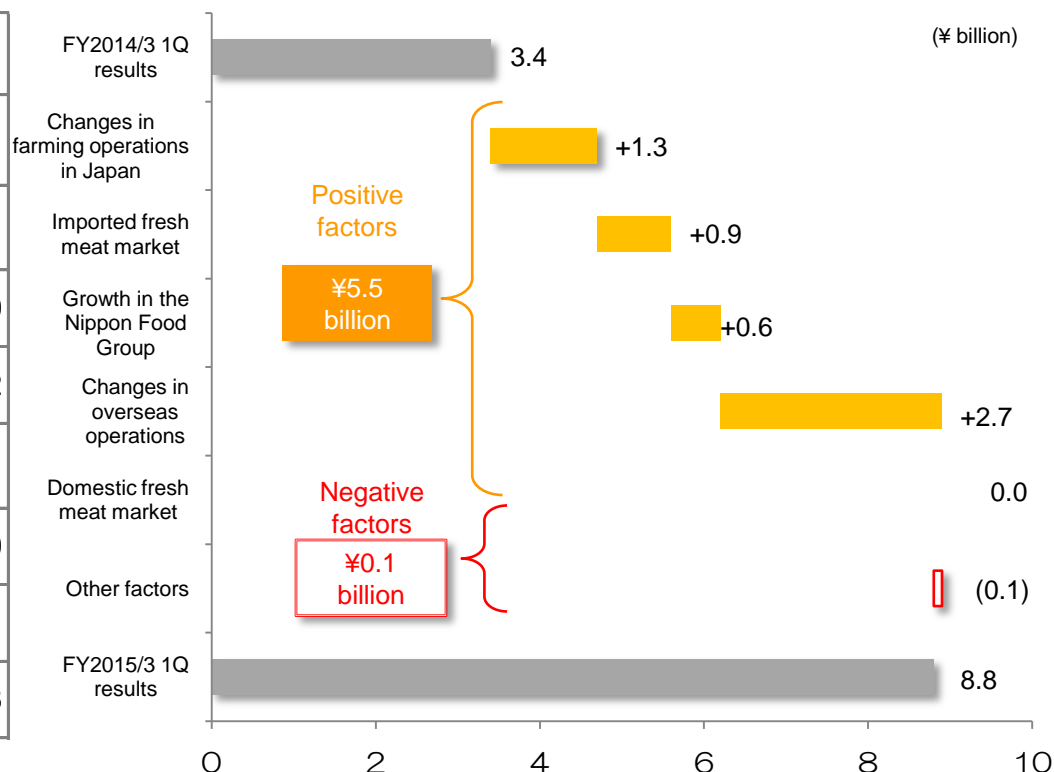
3. Operating Segment Data: Fresh Meats Business Division (2)

Factor Analysis: Changes in operating income

	FY2015/3 1Q		
	Target	Results	Variance
Changes in farming operations in Japan	1.7	1.3	(0.4)
Imported fresh meat market	(0.1)	0.9	1.0
Growth in the Nippon Food Group	0.4	0.6	0.2
Changes in overseas operations	1.6	2.7	1.1
Domestic fresh meat market	0.0	0.0	0.0
Other factors	0.0	(0.1)	(0.1)
Total	3.6	5.4	1.8

* Due to rounding, item tallies in each division may not match totals

Factor Analysis Graph: Changes in operating income (1Q)



● Projection Variance Factor Analysis (1Q)

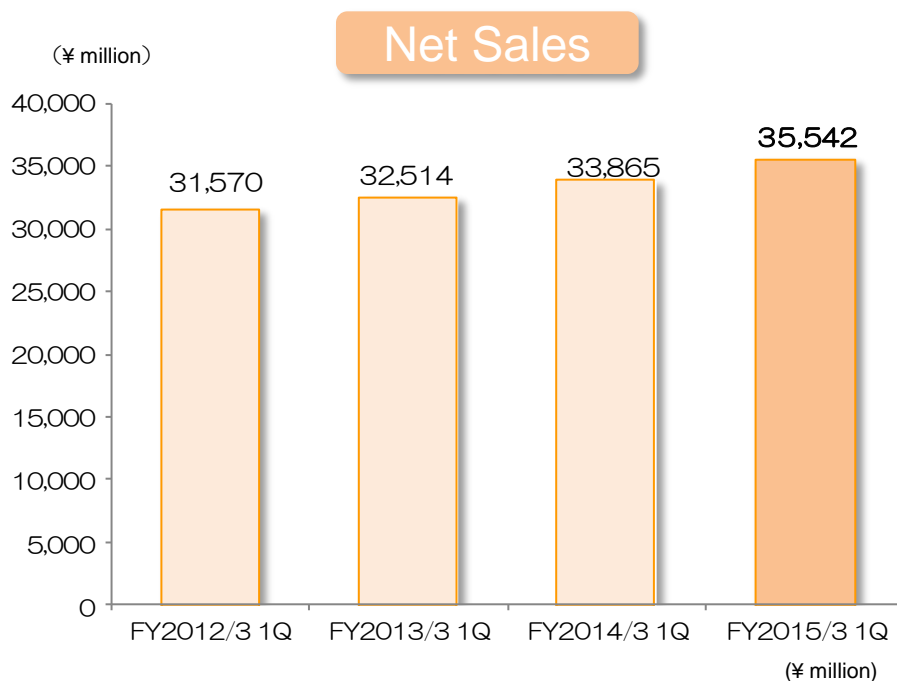
[Imported fresh meat market]

⇒ Unit prices rose for all three types of livestock of cows, pigs, and poultry, and earnings improved.

[Changes in the overseas operations]

⇒ In the Australian businesses, exports were firm and forecasted earnings were recorded.

4. Operating Segment Data: Affiliated Business Division



	FY2014/3 1Q	FY2015/3 1Q	Variance	Variance (%)
Net Sales	33,865	35,542	1,677	5.0

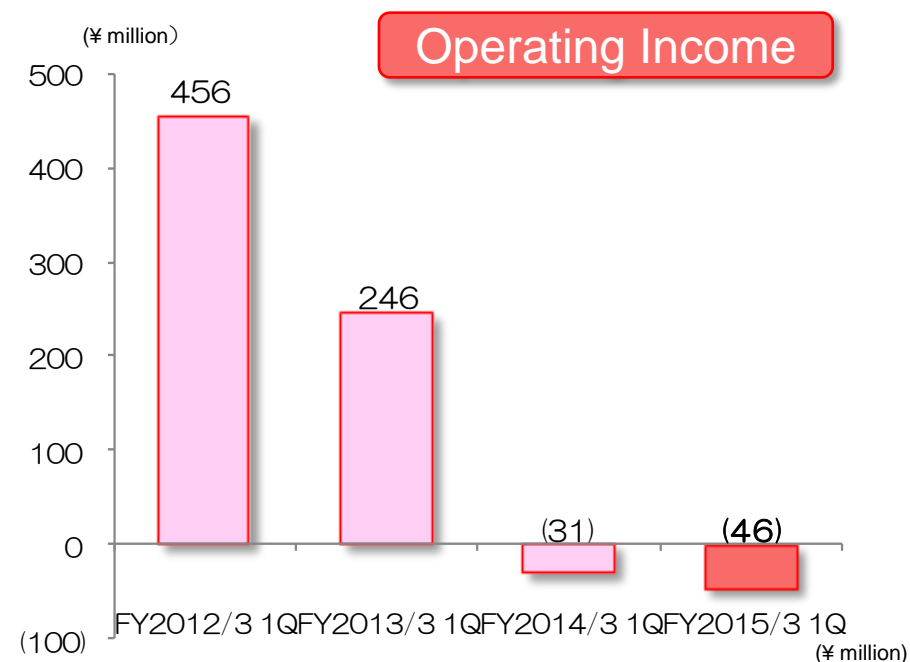
[Net Sales in FY2014/3 1Q (Apr. – Jun.)]

(Marine products business)

- Sales volumes declined due to high market prices, but sales increased slightly due to the rise in unit prices.

(Dairy products business)

- Sales increased in the yogurt business due to strengthened sales promotion and growth in private products for convenience stores.



	FY2014/3 1Q	FY2015/3 1Q	Variance	Variance (%)
Operating income	(31)	(46)	(15)	-
Operating income ratio	-	-	-	-

[Earnings in FY2014/3 1Q (Apr. – Jun.)]

(Marine products business)

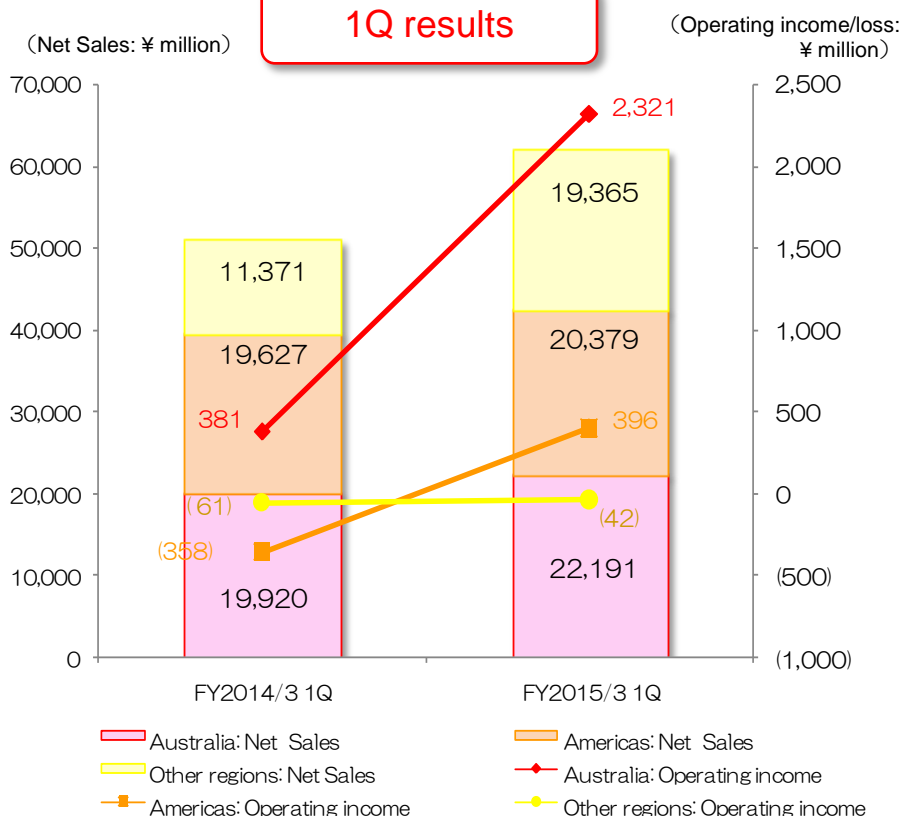
- Earnings decreased due to a decline in gross profit caused by the fall in sales volume and an increase in expenses, such as transportation expenses.

(Dairy products business)

- While earnings increased in the yogurt business due to higher sales, the overall dairy products business earnings decreased due to a decline in gross profit because of the spike in raw materials prices in the cheese business.

5. Business Results in Major Overseas Markets1Q

1Q results



		FY2014/3 1Q	FY2015/3 1Q	Variance	Variance (%)
Overseas total	Net Sales	49,868	60,183	10,315	20.7
	Operating income	(90)	2,617	2,707	-
Australia	Net Sales	19,920	22,191	2,271	11.4
	Operating income	381	2,321	1,940	509.2
Americas	Net Sales	19,627	20,379	752	3.8
	Operating income	(358)	396	754	-
Other regions	Net Sales	11,371	19,365	7,994	70.3
	Operating income	(61)	(42)	19	-

*Sales represents amounts prior to consolidation adjustments(The figures for all overseas segments do not match the overseas sales total, by reason of the elimination of intersegment transactions)

*Americas include businesses in North and South America. Also, Other regions include Asia and Europe.

FY2015/3 1Q (Apr. –Jun.)

(Australia)

- Exports were firm to the U.S. and to ASEAN, and both sales and earnings increased.

(Americas)

- The market price of pork was favorable within the U.S., and due to the improvement in earnings in the farming business, both sales and earnings increased.

(Asia)

- Sales volumes grew, centered on China and Thailand, and both sales and earnings increased.

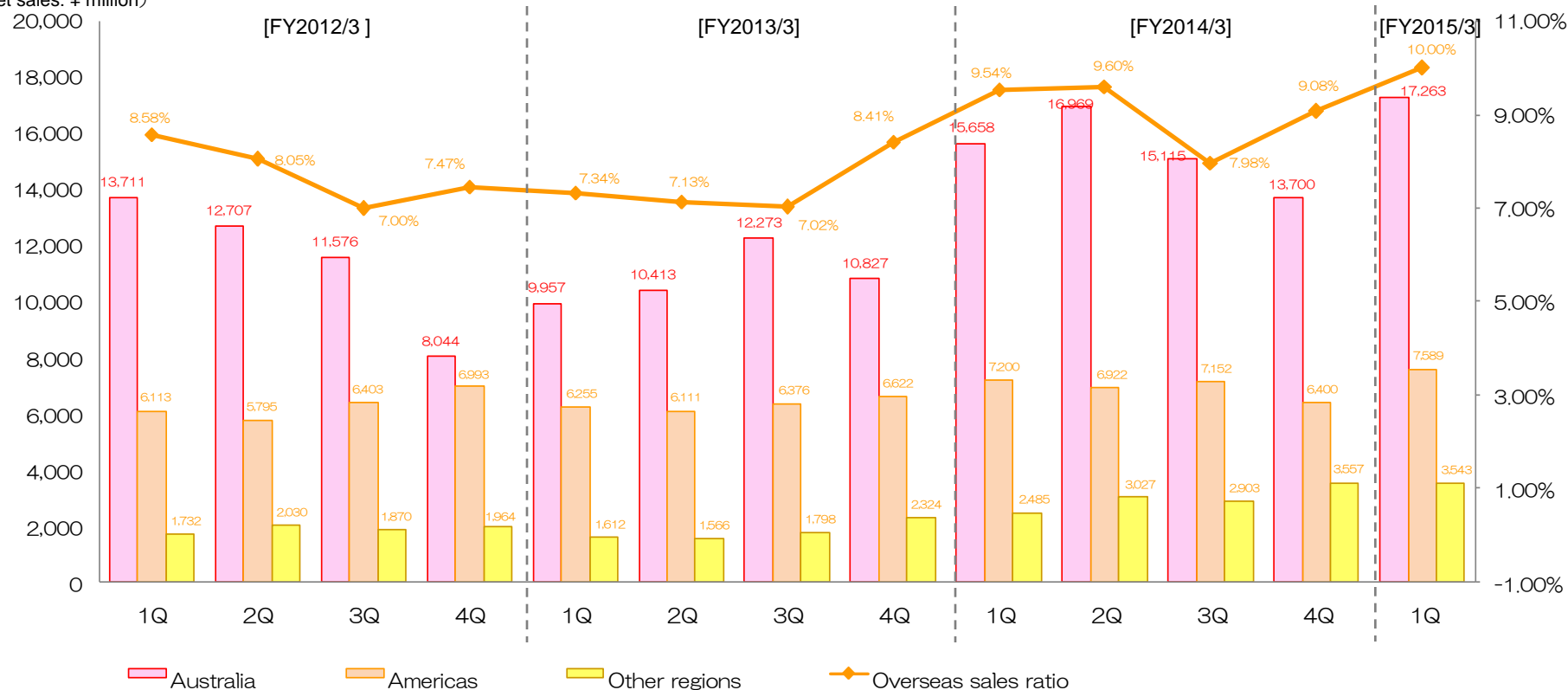
6. External Customer Net Sales Results in Major Overseas Geographical Areas

	FY2012/3	FY2013/3	FY2014/3					FY2015/3
	Full year	Full year	1Q	2Q	3Q	4Q	Full year	1Q
Australia	46,038	43,470	15,658	16,969	15,115	13,700	61,442	17,263
Americas	25,304	25,364	7,200	6,922	7,152	6,400	27,674	7,589
Other regions	7,596	7,300	2,485	3,027	2,903	3,557	11,972	3,543
Overseas total	78,938	76,134	25,343	26,918	25,170	23,657	101,088	28,395
Overseas sales ratio	7.76%	7.44%	9.54%	9.60%	7.98%	9.08%	9.01%	10.00%

*The sales amount is net sales for external customers.

(Overseas sales ratio: %)

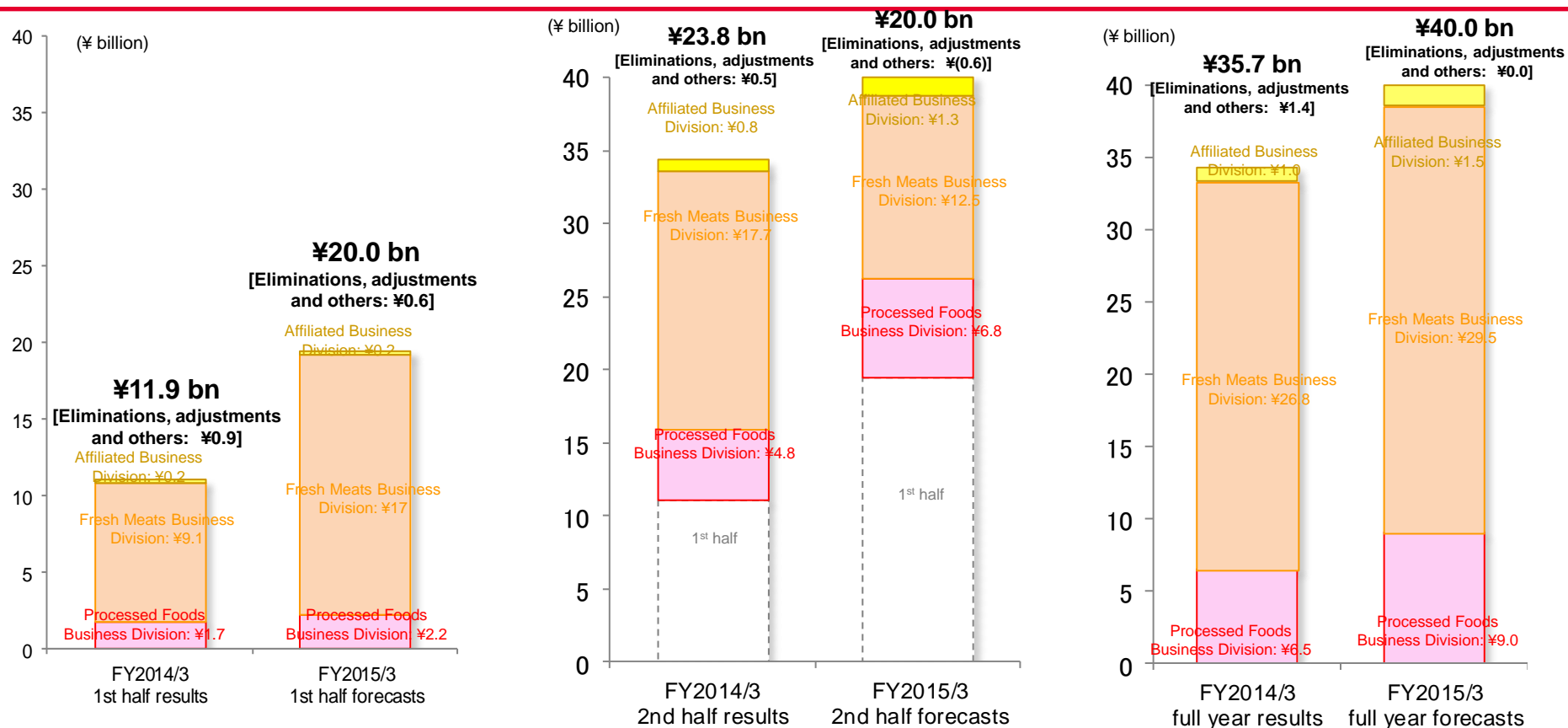
(Net sales: ¥ million)



II. Outlook for FY2015/3

- 1. FY2015/3 Operating Income Forecasts**
- 2. Processed Foods Business Division: Outlook**
- 3. Fresh Meats Business Division: Outlook**
- 4. Affiliated Business Division: Outlook**

1. FY2015/3 Operating Income Forecasts (1)



	FY2015/3 1st half forecasts			FY2015/3 2nd half forecasts			FY2015/3 full year forecasts		
	FY2014/3 1st half results		Variance	FY2014/3 2nd half results		Variance	FY2014/3 full year results		Variance
Processed Foods Business Division	1.7	2.2	0.5	4.8	6.8	2.0	6.5	9.0	2.5
Fresh Meats Business Division	9.1	17.0	7.9	17.7	12.5	(5.2)	26.8	29.5	2.7
Affiliated Business Division	0.2	0.2	0.0	0.8	1.3	0.5	1.0	1.5	0.5
Eliminations, adjustments and others	0.9	0.6	(0.3)	0.5	(0.6)	(1.1)	1.4	0.0	(1.4)
Total	11.9	20.0	8.1	23.8	20.0	(3.8)	35.7	40.0	4.3

1. FY2015/3 Operating Income Forecasts (2)

[Revision of forecast and variance as of 1Q]

*Revision of 1st and 2nd half and full year forecasts after 1Q

	FY2015/3 1Q results			FY2015/3 1st half forecasts			FY2015/3 2nd half forecasts			FY2015/3 full year forecasts		
	Initial forecasts		Variance	Initial forecasts		Variance	Initial forecasts		Variance	Initial forecasts		Variance
Processed Foods Business Division	0.5	0.9	0.4	2.3	2.2	(0.1)	7.7	6.8	(0.9)	10.0	9.0	(1.0)
Fresh Meats Business Division	7.0	8.8	1.8	14.5	17.0	2.5	13.5	12.5	(1.0)	28.0	29.5	1.5
Affiliated Business Division	0.2	0.0	(0.2)	0.7	0.2	(0.5)	1.3	1.3	0.0	2.0	1.5	(0.5)
Eliminations, adjustments and others	0.3	0.2	(0.1)	0.5	0.6	0.1	(0.5)	(0.6)	(0.1)	0.0	0.0	0.0
Total	8.0	9.9	1.9	18.0	20.0	2.0	22.0	20.0	(2.0)	40.0	40.0	0.0

FY2014/3 operating income forecasts

*Due to rounding, item tallies in each division may not match totals. In this case, item tallies in each division are adjusted to match totals.

Processed Foods Business Division	Revision of forecast and variance as of 1Q					
	1st half		2nd half		Full year	
	Target	Variance	Target	Variance	Target	Variance
Price-revision effect	1.5	0.0	1.2	0.0	2.7	0.0
Cust-cutting effect	3.0	0.8	3.2	0.5	6.2	1.3
Supply Chain Management (SCM) effect	0.6	(0.1)	0.7	0.1	1.3	0.0
Principal raw/other material prices	(4.5)	(0.7)	(3.1)	(1.5)	(7.6)	(2.2)
Principal raw material prices	(3.4)	(0.8)	(2.5)	(1.5)	(5.9)	(2.3)
Other materials/fuels	(1.1)	0.1	(0.6)	0.0	(1.7)	0.1
Other factors	(0.1)	(0.1)	0.0	0.0	(0.1)	(0.1)
Total	0.5	(0.1)	(2.0)	(0.9)	2.5	(1.0)

Fresh Meats Business Division	Revision of forecasts and variances as of 1Q					
	1st half		2nd half		Full year	
	Target	Variance	Target	Variance	Target	Variance
Changes in farming operations in Japan	1.6	(1.4)	(1.0)	(0.5)	0.6	(1.9)
Imported fresh meat market	2.0	1.0	0.4	0.0	2.4	1.0
Changes in overseas operations	3.6	2.9	(3.9)	(0.1)	(0.3)	2.8
Growth in the Nippon Food Group	0.8	0.1	0.2	(0.1)	1.0	0.0
Domestic fresh meat market	0.2	0.2	(0.6)	(0.3)	(0.4)	(0.1)
Other factors	(0.3)	(0.3)	(0.3)	0.0	(0.6)	(0.3)
Total	7.9	(2.5)	(5.2)	(1.0)	2.7	1.5

*Due to rounding, item tallies in each division may not match totals

2. Processed Foods Business Division : Outlook

● Measures to increase sales of gift products

- Target 103% growth in both summer and year-end gift sets (year-on-year, total sales volume)
- Sales promotion activities mainly for flagship brand “*Utsukushi-no-Kuni*” range (TV commercials and adverts in magazines, etc.)

(Reference)

- “*Utsukushi-no-Kuni*” aims at year-on-year sales of over 120%

Reference: Gift-giving season sales volume:
results for FY2014/3 and targets for FY2015/3 (Unit: 1,000)

	FY2014/3 results		FY2015/3 forecasts	
	Units	Variance FY2013/3	Units	Variance FY2014/3
Summer gift-giving season	2,075	102%	2,138	103%
Year-end gift-giving season	4,675	98%	4,816	103%
Total	6,750	99%	6,954	103%

● Measures to expand sales of major brands and new products

1) Hams and sausages

- Exhaustive measures to strengthen sales of “*SCHAU ESSEN*”, which is approaching its 30th anniversary, and to establish a decisive position of superiority.

2) Delicatessen

- Expand sales by concentrating on leading products, such as “*Ishigama Kobo*” and “*Chuka Meisai*”

Reference: Year-on-year sales targets of major brand products

Hams and sausages	FY2015/3 full year forecasts	Delicatessen	FY2015/3 full year forecasts
<i>SCHAU ESSEN</i>	108%	<i>Ishigama Kobo</i>	102%
<i>Mori-no-Kaori course-ground wieners</i>	100%	<i>Chuka Meisai</i>	102%
Hams	101%	Prefried	100%
Bacons	101%	Hamburg and meatball offerings	102%
Yakibutas	100%	Curries	102%

● Measures to increase sales by channel

1) Consumer-use

- Expand sales by concentrating on products for both hams and sausages and processed foods.

2) Commercial-use

- Bolster sales by expanding items mainly targeting convenience stores and food-service chains.

Reference: Year-on-year sales targets by channel

FY2015/3 full year targets		Amount
Hams and sausages	Consumer-use	103%
	Commercial-use	103%
	Total	103%
Delicatessen	Consumer-use	103%
	Commercial-use	103%
	Total	103%

3. Fresh Meats Business Division: Outlook

● Production business in Japan

1) Feed prices

- Although overseas corn prices stabilized, prices are expected to rise this fiscal year accompanying the weakening yen

2) Farming operations in Japan

- Pork market prices will trend higher due to stronger demand for domestic pork as a result of higher prices on overseas markets and a decline in the volume of imported pork.
- Poultry market prices are expected to stabilize at high levels in part due to a surge in pork prices and a year-on-year decline in both import volume and inventory levels.

● Overseas business

1) Australia

- Improve the income ratio by reducing cost of sales and expand sales of branded products.
- Strengthen sales of Australian beef to ASEAN, China, Russia and the Middle East.

2) Americas

- PED in Americas has simmered down since the peak in February, although market prices for pork carcasses surged. Market prices are expected to move at higher levels compared with the previous year.

3) Others (Europe and Asia)

- Regarding Europe, strengthen sales of pork from Denmark, Germany, Italy and Spain to Japan.

Reference: FY2015/3 1Q Australian business sales results

Major countries for sales	Volume breakdown	Volume (year on year)
Japan	18%	82%
United States	23%	160%
South Korea	12%	100%
China	8%	90%
Taiwan	7%	115%
Within Australia	22%	89%
Others*	10%	85%
Total	100%	100%

*Others: Russia, EU, Indonesia, etc.

● Domestic Fresh meat, Imported fresh meat, Nippon Food Group

(meat product sales companies)

- Increase earnings by utilizing our strong procurement and sales capabilities
- Improve revenues structure by strengthening sales of branded fresh meats, such as “Whyalleaf,” “Sakurahime”, and “Kenko(Healthy) Pork.”



● Measures to increase marine product sales

(Marine Foods Corporation)

- Develop items produced in-house that are highly profitable and strengthen sales promotion at retailers through proposing menus, etc.
- Reinforce development and sales of products that utilize ingredients from Hokkaido by taking advantage of the brand of Kushiro Marusui Co., Ltd.

(Hoko Co., Ltd.)

- In the room-temperature (canned) product business, strengthen sales from its Hachinohe Factory by bolstering product development and sales promotions.



Vegetable Delicacy
“Shiokoji Salmon”



Kushiro Marusui's
“Umami Tako”

● Measures to increase dairy products sales

(Cheese)

- Boost sales of consumer-use products by expanding “ROLF Baby Cheese” items.
- Grow sales in commercial channels by strengthening detailed proposals to important customers.

(Yogurt)

- Introduce characteristic, high value-added products through proposal-based marketing.
- Develop and expand sales of private-brand products for convenience stores.

● Trends in principal raw and other materials

- The prices of cheese ingredients are expected to trend within a high range, despite a pause in purchases from emerging countries.
- Prices of yogurt ingredients are expected to increase due to a fall in inventory levels because of a decline in the production volume in Japan.



Nippon Luna's
“Acai Mix
Drink Yogurt”



ROLF “Baby Cheese
for Adults
(plum-shiso flavor)”

III. Consolidated Financial Results for FY2015/3 1Q (Apr.-Jun.)

- 1. FY2015/3 Business Results at a Glance and Full year Forecasts**
- 2. Growth Rate by Sales Category, and by Geographical Segment**
- 3. Selling, General and Administrative Expenses / Other Operating Costs and Expenses (Income) / Other Income (Expenses)**
- 4. Balance Sheets / Property, Plant and Equipment / Depreciation and Amortization**

1. FY2015/3 Business Results at a Glance and Full Year Forecasts

(¥ million, %)

	FY2014/3 Results				FY2015/3 results and forecasts					
	1Q (Apr.-Jun.)	Variance	1st half (Apr.-Sept.)	Full-year (Apr.-Mar.)	1Q Results	Variance	1st half forecasts	Variance	Full-year forecasts	Variance
Net sales	265,651	9.3	546,191	1,122,097	283,851	6.9	575,000	5.3	1,140,000	1.6
Hams and sausages	31,965	0.5	67,393	143,490	35,402	10.8	72,500	7.6	149,000	3.8
Processed foods	50,111	3.0	102,695	208,084	51,898	3.6	103,500	0.8	209,000	0.4
Fresh meats	149,280	14.0	304,067	619,333	160,289	7.4	324,500	6.7	635,000	2.5
Beef	61,257	25.9	125,741	249,585	62,869	2.6	128,000	1.8	251,500	0.8
Pork	52,965	6.6	107,240	218,288	56,728	7.1	114,000	6.3	226,500	3.8
Chicken	30,278	8.9	60,921	131,392	35,000	15.6	70,500	15.7	136,000	3.5
Other meats	4,780	1.0	10,165	20,068	5,692	19.1	12,000	18.1	21,000	4.6
Marine products	19,991	5.7	43,040	91,809	20,659	3.3	42,000	(2.4)	92,000	0.2
Dairy products	6,651	2.3	13,242	26,253	7,191	8.1	15,000	13.3	27,000	2.8
Others	7,653	24.2	15,754	33,128	8,412	9.9	17,500	11.1	28,000	(15.5)
Cost of goods sold	219,700	11.4	451,165	918,304	232,551	5.8				
Gross profit	45,951	0.6	95,026	203,793	51,300	11.6				
Gross profit ratio	17.3%	-	17.4%	18.2%	18.1%	-				
SG&A expenses	41,475	2.4	83,091	168,093	41,378	(0.2)				
Operating income	4,476	(13.3)	11,935	35,700	9,922	121.7	20,000	67.6	40,000	12.0
Income before income taxes	4,583	10.7	10,689	35,303	8,931	94.9	18,600	74.0	37,000	4.8
Net income attributable to NH Foods Ltd.	3,197	66.2	7,620	24,524	6,592	106.2	13,000	70.6	24,000	(2.1)

*Reclassified amounts were originally calculated in accordance with U.S. accounting standards

*Variance: Year-on-year comparisons are expressed as % increases/decreases

2. Growth Rate by Sales Category, and by Geographical Segment

Growth Rate by Sales Category

(%)

Category	FY2014/03 1Q (year-on-year comparison)		FY2015/03 1Q (year-on-year comparison)	
	Volume	Amount	Volume	Amount
Hams and sausages	(0.7)	0.5	7.4	10.8
Processed foods	3.4	3.0	(2.1)	3.6
Fresh meats	2.9	14.0	(6.4)	7.4
Beef	18.2	25.9	(8.6)	2.6
Pork	(2.9)	6.6	(14.1)	7.1
Chicken	(0.5)	8.9	4.5	15.6
Other fresh meats	(4.6)	1.0	2.8	19.1

Geographical Segment

(¥ million, %)

	FY2014/03 results			FY2015/03 result sand forecasts					
	1Q (Apr.-Jun.)	1st half (Apr.-Sept.)	Full year (Apr.-Mar.)	1Q results	Variance	1st half forecasts	Variance	Full year forecasts	Variance
Domestic net sales	240,519	494,479	1,022,022	255,735	6.3	518,600	4.9	1,037,600	1.5
External customers	240,308	493,930	1,021,009	255,456	6.3	518,000	4.9	1,036,500	1.5
Intersegment	211	549	1,013	279	32.2	600	9.3	1,100	8.6
Operating income	4,421	9,187	28,504	7,131	61.3	13,300	44.8	32,630	14.5
Operating income ratio	1.8%	1.9%	2.8%	2.8%	-	2.6%	-	3.1%	-
Overseas net sales	49,868	105,424	209,188	60,183	20.7	120,700	14.5	212,500	1.6
External customers	25,343	52,261	101,088	28,395	12.0	57,000	9.1	103,500	2.4
Intersegment	24,525	53,163	108,100	31,788	29.6	63,700	19.8	109,000	0.8
Operating income	(90)	2,765	7,257	2,617	-	6,700	142.3	7,370	1.6
Operating income ratio	-	2.6%	3.5%	4.3%	-	5.6%	-	3.5%	-

* Sales by geographic segment are before intersegment elimination

* Variance: Year-on-year comparisons are expressed as % increases/decreases

3. Selling, General and Administrative Expenses / Other Operating Costs and Expenses (Income)-Net/Other Income (Expenses)-Net

(¥ million, %)

	FY2014/3 1Q results	FY2015/3		
		1Q results	Variance (%)	Variance
★① Selling, general and administrative expenses	41,475	41,378	(0.2)	(97)
Personnel	16,575	16,625	0.3	50
★② Advertising	2,658	2,748	3.4	90
★③ Logistics	12,009	12,126	1.0	117
Others	10,233	9,879	(3.5)	(354)

Major reasons for increases/decreases

★(1) **SG&A expenses** The ratio of SG&A expenses to sales decreased 1.0 of a percentage point from 15.6% to 14.6%.

★(2) **Advertising** Advertising expenses increased ¥ 0.1 billion due mainly to sales promotion expenses.

★(3) **Logistics** Logistics costs increased by approximately ¥0.1 billion due to an upswing in sales volume.

(¥ million)

	FY2014/3 1Q results	FY2015/3		FY2014/3 Full year results
		1Q results	Variance	
Other operating costs and expenses (income) - net	274	269	(5)	686
Impairment and disposition of property, plant, and equipment and intangible assets	274	269	(5)	543
Others	-	-	-	143
★① Other income (expenses) - net	736	(334)	(1,070)	1,791
Interest and dividends income	358	403	45	1,095
Foreign exchange gains (losses)	671	(734)	(1,405)	1,063
Others	(293)	(3)	290	(367)
Interest expenses	355	388	33	1,502

Major reasons for increases/decreases

★(1) **Other Income (expenses) – net** Worsened by approx. ¥1.1 billion due mainly to foreign exchange gains and losses

4. Balance Sheets / Capital Expenditure / Depreciation and Amortization

(¥ million, %)

Consolidated balance sheet		FY2014/3 year-end	FY2015/3 1Q results	Variance (%)	Variance
★①	Total assets	627,220	654,007	4.3	26,787
	Cash and cash equivalents	74,928	68,845	(8.1)	(6,083)
★②	Trade notes and accounts receivable	118,141	120,111	1.7	1,970
★③	Inventories	122,115	147,330	20.6	25,215
	Property, plant and equipment - at cost, less accumulated depreciation	236,669	240,014	1.4	3,345
	Investments and other assets	34,267	35,620	3.9	1,353
	Deferred income taxes - non-current	10,091	9,956	(1.3)	(135)
	Total liabilities	303,245	330,949	9.1	27,704
	Trade notes and accounts payable	97,353	108,404	11.4	11,051
★④	Interest-bearing debt	144,963	152,251	5.0	7,288
	Liability under retirement and severance pro	12,584	12,793	1.7	209
	Total NH Foods Ltd. shareholders' equity	320,984	320,116	(0.3)	(868)
	Noncontrolling interests	2,991	2,942	(1.6)	(49)
	Total equity	323,975	323,058	(0.3)	(917)

Major reasons for
increases/decreases

★(1) Total assets:	Increased by approximately ¥26.8 billion including (2) and (3)
★(2) Trade notes and accounts receivables	Increased by approximately ¥2.0 billion year on year due to higher sales and consumption tax increase
★(3) Inventories:	Increased by approximately ¥25.2 billion year on year mainly due to higher sales of fresh meats
★(4) Interest-bearing debt:	Increased by approximately ¥7.3 billion year on year due to higher short-term bank loans

(¥ million, %)

Capital expenditures and depreciation	FY2014/3 1Q results	FY2015/3			FY2015/3 Full year forecasts
		1Q results	Variance (%)	Variance	
Capital expenditure	3,470	8,153	135.0	4,683	49,200
Production facilities	1,399	5,977	327.2	4,578	25,000
Marketing and logistics faci	509	612	20.2	103	6,600
Farms and processing facil	885	782	(11.6)	(103)	10,500
Overseas business facilitie	309	558	80.6	249	4,500
Other facilities	368	224	(39.1)	(144)	2,600
Depreciation and amortization	4,616	4,640	0.5	24	19,700

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Forward-looking statements

This presentation includes forecasts regarding targets, strategies and earnings. These forecasts are based on information available at the current time and contain certain assumptions about the future. They are subject to numerous external uncertainties in areas such as economic environment, market trends and exchange rates.

Actual performance may differ significantly from the targets in this presentation, and investment decisions should not be based exclusively on them.