

Business Results for the First Half of FY2015/3

November 5, 2014 (Wed.)

NH Foods Ltd.

Contents

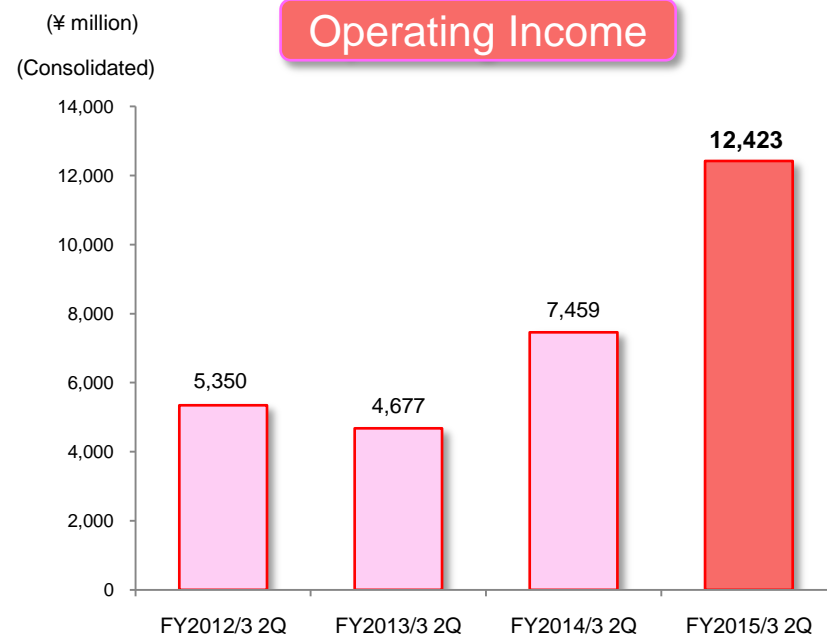
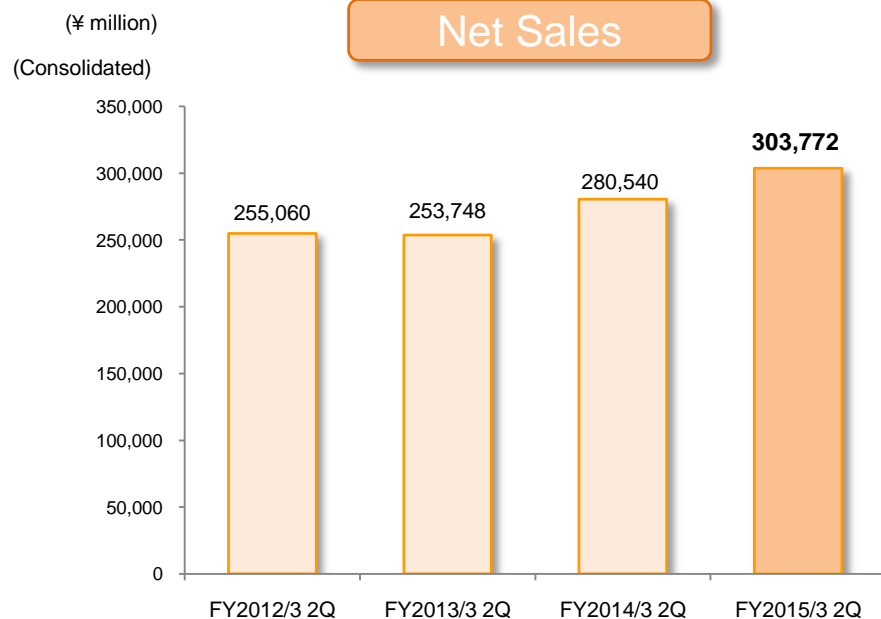
- I. Consolidated Business Results for First Half of FY2015/3**
- II. Outlook for FY2015/3**
- III. Consolidated Financial Results for First Half of FY2015/3**

I. Consolidated Business Results for First Half of FY2015/3

- 1. Operating Segment Data: 2Q (July - Sept.)**
- 2. Operating Segment Data: First Half of FY2015/3**
- 3. Operating Segment Data: Processed Foods Business Division**
- 4. Operating Segment Data: Fresh Meats Business Division**
- 5. Operating Segment Data: Affiliated Business Division**
- 6. Business Results in Major Overseas Geographical Areas**
- 7. External Customer Net Sales Results in Major Overseas Geographical Areas**

1. Operating Segment Data: 2Q (July - Sept.)

		(¥ million)					
		FY2012/3 2Q	FY2013/3 2Q	FY2014/3 2Q	FY2015/3 2Q	Variance	Variance (%)
Processed Foods Business Division	Net Sales	87,490	85,253	89,071	91,356	2,285	2.6
	Operating income	1,327	1,717	1,214	583	(631)	(52.0)
Fresh Meats Business Division	Net Sales	167,730	165,011	191,546	213,866	22,320	11.7
	Operating income	3,684	2,223	5,672	11,701	6,029	106.3
Affiliated Business Division	Net Sales	33,445	34,529	36,889	39,283	2,394	6.5
	Operating income(loss)	565	243	201	(19)	(220)	—
Eliminations, adjustments and others	Net Sales	(33,605)	(31,045)	(36,966)	(40,733)	(3,767)	—
	Operating income	(226)	494	372	158	(214)	(57.5)
Consolidated	Net Sales	255,060	253,748	280,540	303,772	23,232	8.3
	Operating income	5,350	4,677	7,459	12,423	4,964	66.6

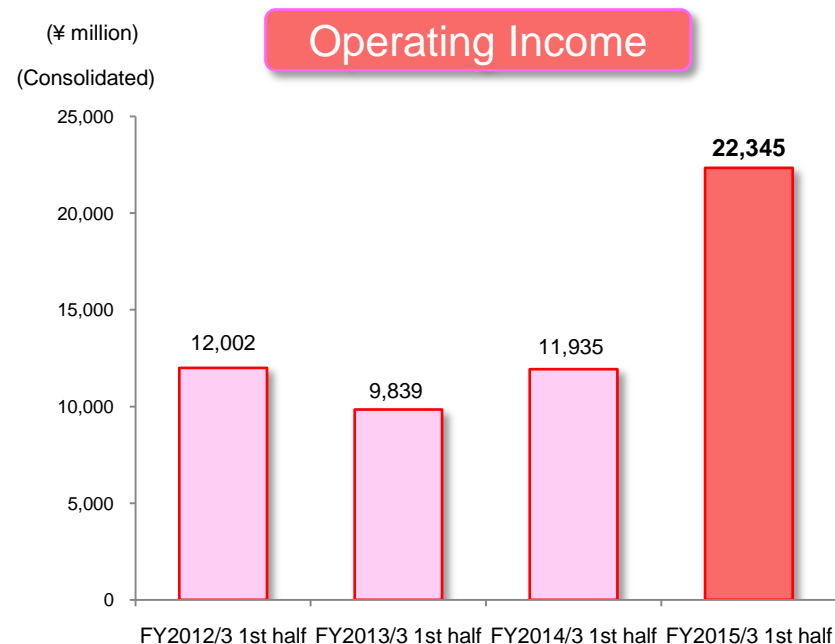
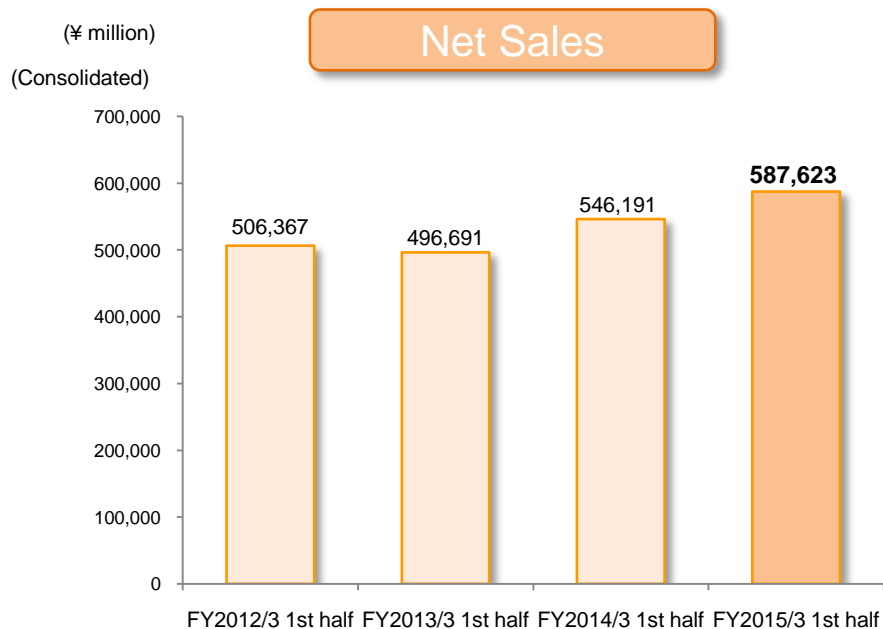


- Sales by operating segment and sales on Page 21 of this presentation (by category) do not necessarily correspond (due to intersegment transactions)
- Sales for each segment include intersegment sales

2. Operating Segment Data: First Half of FY2015/3

(¥ million)

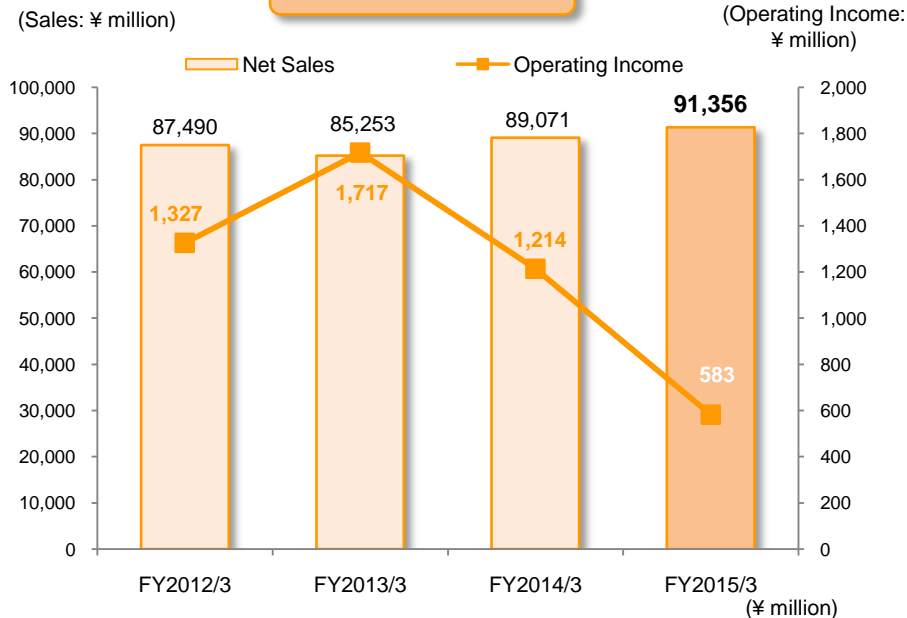
		FY2012/3 1st half	FY2013/3 1st half	FY2014/3 1st half	FY2015/3 1st half	Variance	Variance (%)
Processed Foods Business Division	Net Sales	169,583	163,793	171,008	177,079	6,071	3.6
	Operating income	2,434	3,521	1,701	1,497	(204)	(12.0)
Fresh Meats Business Division	Net Sales	340,000	327,799	377,120	414,118	36,998	9.8
	Operating income	8,706	5,143	9,092	20,491	11,399	125.4
Affiliated Business Division	Net Sales	65,015	67,043	70,754	74,825	4,071	5.8
	Operating income(loss)	1,021	489	170	(65)	(235)	—
Eliminations, adjustments and others	Net Sales	(68,231)	(61,944)	(72,691)	(78,399)	(5,708)	—
	Operating income	(159)	686	972	422	(550)	(56.6)
Consolidated	Net Sales	506,367	496,691	546,191	587,623	41,432	7.6
	Operating income	12,002	9,839	11,935	22,345	10,410	87.2



- Sales by operating segment and sales on Page 21 of this presentation (by category) do not necessarily correspond (due to intersegment transactions)
- Sales for each segment include intersegment sales

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

2Q Results



	FY2014/3 2Q	FY2015/3 2Q	Variance	Variance (%)
Net Sales	89,071	91,356	2,285	2.6
Operating income	1,214	583	(631)	(52.0)
Operating income ratio	1.4%	0.6%	-	-

FY2015/3 2Q (July - Sept.)

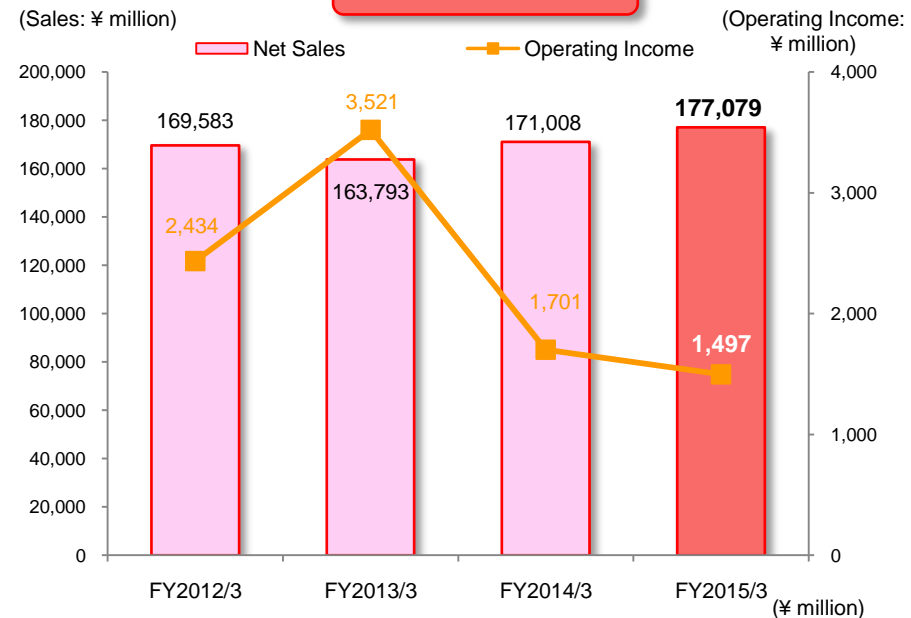
(Sales)

- Sales increased due to the expansion of sales of *SCHAU ESSEN* and *Ishigama Kobo*, etc.

(Operating Income)

- Revenue declined as cost-cutting effectiveness fell short of the forecast.

1st Half Results



	FY2014/3 1st half	FY2015/3 1st half	Variance	Variance (%)
Net Sales	171,008	177,079	6,071	3.6
Operating income	1,701	1,497	(204)	(12.0)
Operating income ratio	1.0%	0.8%	-	-

FY2015/3 1st half (Apr. - Sept.)

(Sales)

- In hams and sausages, sales were firm centering on *SCHAU ESSEN*.

(Operating Income)

- Revenue declined as cost-cutting effectiveness fell short of the forecast in the second half.

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

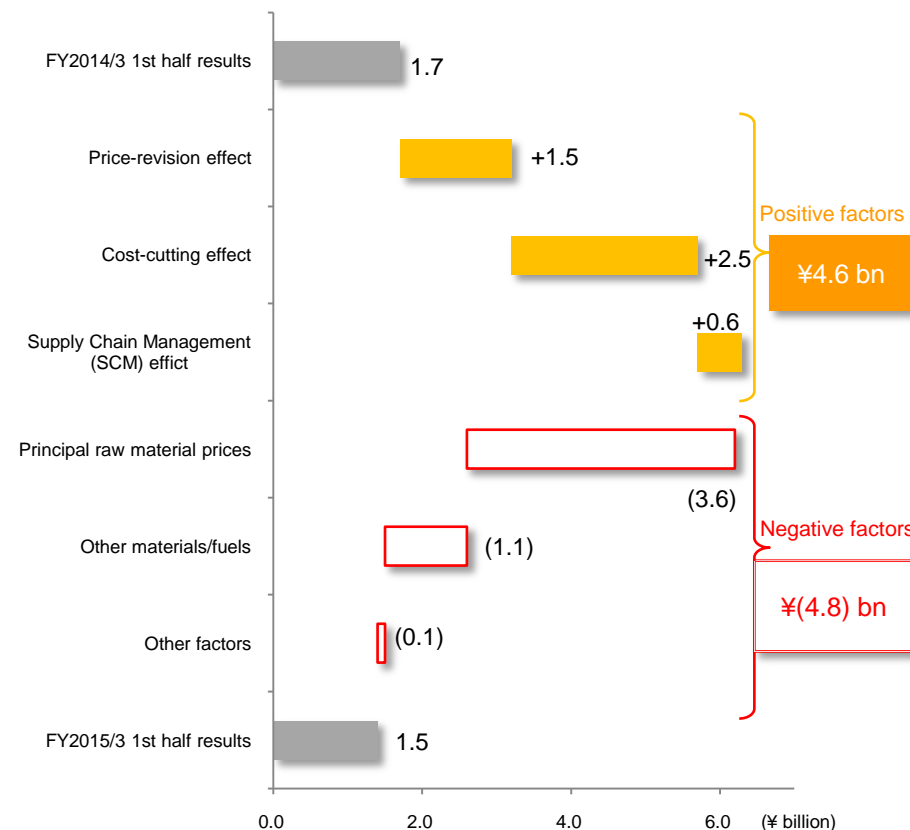
Factor Analysis: Changes in operating income

(¥ billion)

	FY2015/3				
	1Q results	2Q results	1st half forecasts	1st half results	Variance
Price-revision effect	0.9	0.6	1.5	1.5	0.0
Cost-cutting effect	1.7	0.8	3.0	2.5	(0.5)
Supply Chain Management (SCM) effect	0.3	0.3	0.6	0.6	0.0
Principal raw/other material prices	(2.4)	(2.3)	(4.5)	(4.7)	(0.2)
Principal raw material prices	(1.8)	(1.9)	(3.4)	(3.6)	(0.2)
Other materials/fuels	(0.6)	(0.4)	(1.1)	(1.1)	0.0
Other factors	(0.1)	0.0	(0.1)	(0.1)	0.0
Total	0.4	(0.6)	0.5	(0.2)	(0.7)

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

Factor Analysis Graph: Changes in operating income (1st half)



● Forecasts Variation Factor Analysis (1st Half)

[Cost-cutting effect]

- ⇒ - Cost-cutting effectiveness fell short of the forecast due mainly to a decline in sales volumes of delicatessen.
- Price revision timing fell behind schedule in commercial-use products.

● Summer gift product sales results

- FY2015/3 results:
year on year, unit basis: 102%
- “*Utsukushi-no-Kuni*” gifts:
year on year, unit basis: 114%
(Sales ratio at around 20%)

(Unit: 1,000)

		FY2014/3 results	FY2015/3 results	
		Units	Units	Variance
Summer gift giving season (results)	Overall unit sales	2,075	2,116	102%
	(<i>Utsukushi-no-Kuni</i>)	378	431	114%

● Major brands sales results

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



“SCHAU ESSEN”



“Ishigama Kobo
Pizza Margherita”

Hams and sausages	FY2015/3 Results			Delicatessen	FY2015/3 Results		
	1Q	2Q	1st half		1Q	2Q	1st half
<i>SCHAU ESSEN</i>	118%	118%	118%	<i>Ishigama Kobo</i>	97%	103%	100%
<i>Mori-no-Kaori</i> coarse-ground wieners	99%	83%	92%	<i>Chuka Meisai</i>	91%	90%	91%
Hams	102%	105%	104%	Prefried	98%	93%	96%
Bacons	106%	104%	105%	Hamburg and meatball offerings	101%	97%	99%
Yakibutas	87%	85%	86%	Curries	120%	102%	109%

● Sales results by channel

Reference: FY2015/3 1st half (Year-on-year growth in sales by channel)

1) Consumer-use products

Sales of hams and sausages were firm centering on *SCHAU ESSEN*.

In delicatessen, sales of *Chuka Meisai*, etc. had a tough time.

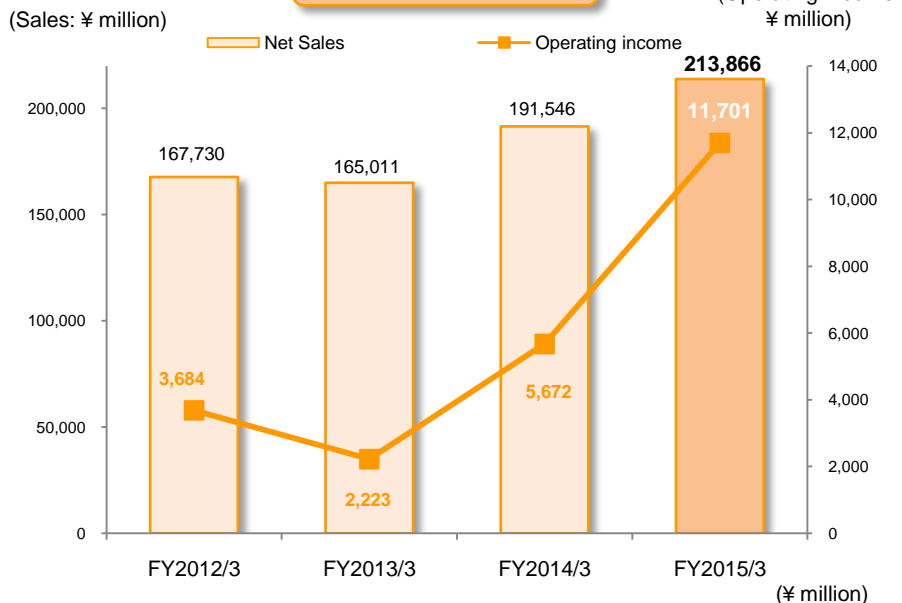
2) Commercial-use products

Sales were strong in the food service channel, but conditions were tough in the CSV and delicatessen channels.

		Volume	Amount
Hams and sausages	Consumer-use	108%	112%
	Commercial-use	105%	106%
	Total	107%	110%
Delicatessen	Consumer-use	95%	99%
	Commercial-use	97%	101%
	Total	96%	100%

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

2Q Results



	FY2014/3 2Q	FY2015/3 2Q	Variance	Variance (%)
Net Sales	191,546	213,866	22,320	11.7
Operating income	5,672	11,701	6,029	106.3
Operating income ratio	3.0%	5.5%	-	-

FY2015/3 2Q (July - Sept.)

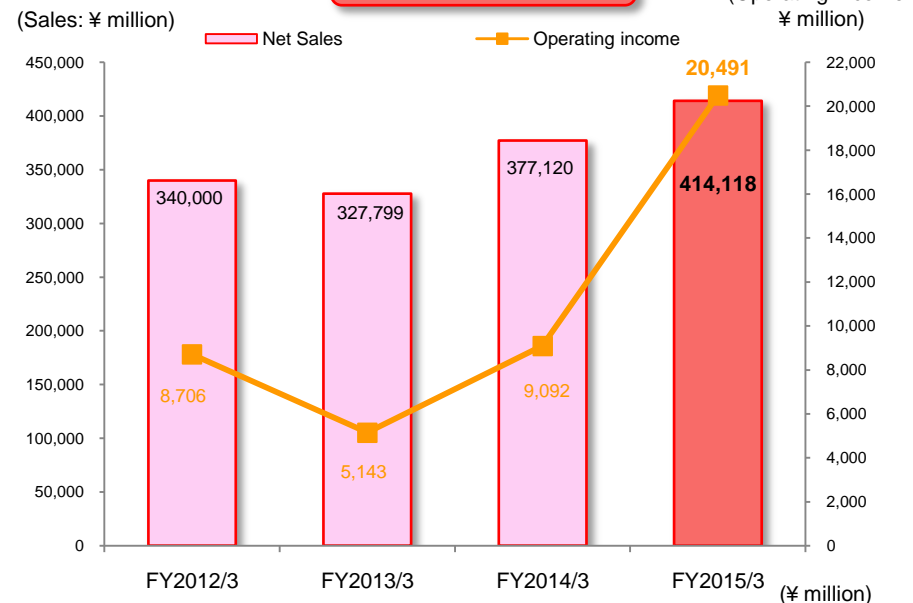
(Net Sales)

- Sales grew due to the improvement of sales prices in all types of livestock continued from 1Q.

(Operating Income)

- Revenue increased, reflecting firm fresh meat market prices and an improvement in sales prices in Japan, in addition to the solid performance of overseas operations.

1st Half Results



	FY2014/3 1st half	FY2015/3 1st half	Variance	Variance (%)
Net Sales	377,120	414,118	36,998	9.8
Operating income	9,092	20,491	11,399	125.4
Operating income ratio	2.4%	4.9%	-	-

FY2015/3 1st half (Apr. - Sept.)

(Net Sales)

- Sales increased due to an improvement in sales prices in all types of livestock.

(Operating Income)

- Earnings increased, reflecting the solid performance of Australian and Americas businesses, as well as firm fresh meat market prices and an improvement in sales prices in Japan.

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

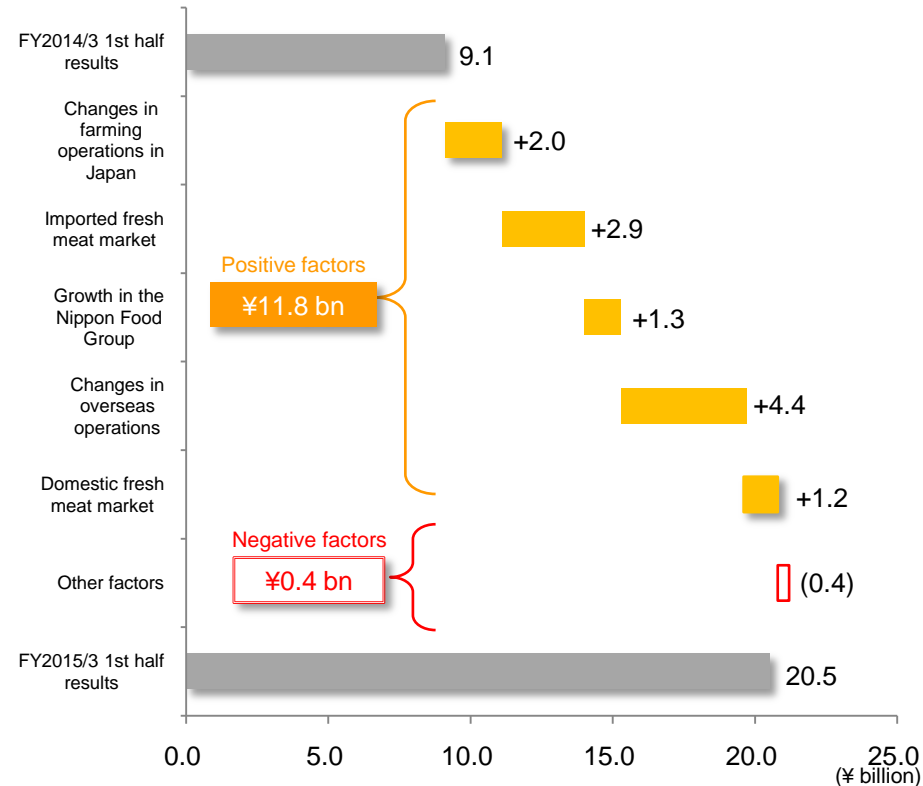
Factor Analysis: Changes in operating income

(¥ billion)

	FY2015/3				
	1Q results	2Q results	1st half forecasts	1st half results	Variance
Changes in farming operations in Japan	1.3	0.7	1.6	2.0	0.4
Imported fresh meat market	0.9	2.0	2.0	2.9	0.9
Growth in the Nippon Food Group	0.6	0.7	0.8	1.3	0.5
Changes in overseas operations	2.7	1.7	3.6	4.4	0.8
Domestic fresh meat market	0.0	1.2	0.2	1.2	1.0
Other factors	(0.1)	(0.3)	(0.3)	(0.4)	(0.1)
Total	5.4	6.0	7.9	11.4	3.5

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

Factor Analysis Graph: Changes in operating income (1st half)



● Forecasts Variation Factor Analysis (1st Half)

[Imported fresh meat market, growth in the Nippon Food Group business and domestic fresh meat market]

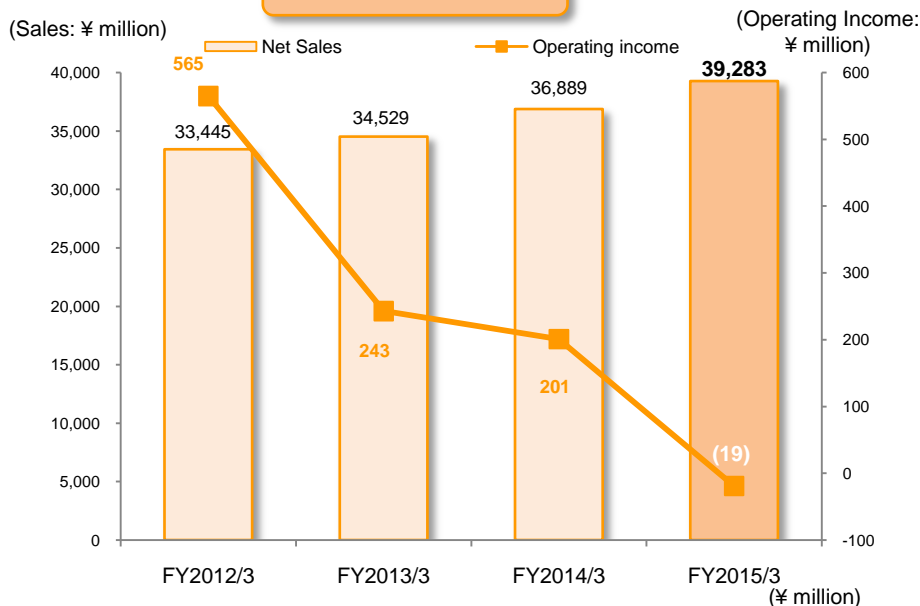
⇒ We posted revenue higher than the forecast thanks to a greater-than-expected improvement in sales prices in all types of livestock.

[Changes in overseas operations]

⇒ We posted revenue higher than the forecast, reflecting strong export sales in Australia.

5. Operating Segment Data: Affiliated Business Division

2Q Results



	FY2014/3 2Q	FY2015/3 2Q	Variance	Variance (%)
Net Sales	36,889	39,283	2,394	6.5
Operating income (loss)	201	(19)	(220)	-
Operating income ratio	0.5%	-	-	-

FY2015/3 2Q (July - Sept.)

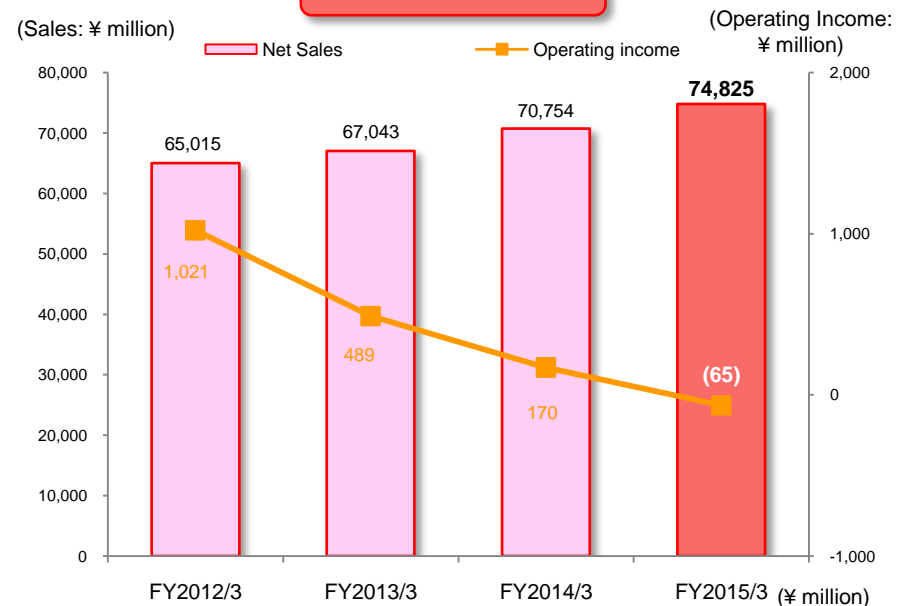
(Sales)

- In marine products, sales increased due to a rise in prices, despite a decline in sales volumes.
- In dairy products, sales increased due to strong sales of yogurt products.

(Operating Income)

- In marine products, revenue declined due to a fall in volumes and a rise in costs.
- In dairy products, revenue decreased as a result of higher raw material prices in cheese products.

1st Half Results



	FY2014/3 1st half	FY2015/3 1st half	Variance	Variance (%)
Net Sales	70,754	74,825	4,071	5.8
Operating income (loss)	170	(65)	(235)	-
Operating income ratio	0.2%	-	-	-

FY2015/3 1st half (Apr. - Sept.)

(Sales)

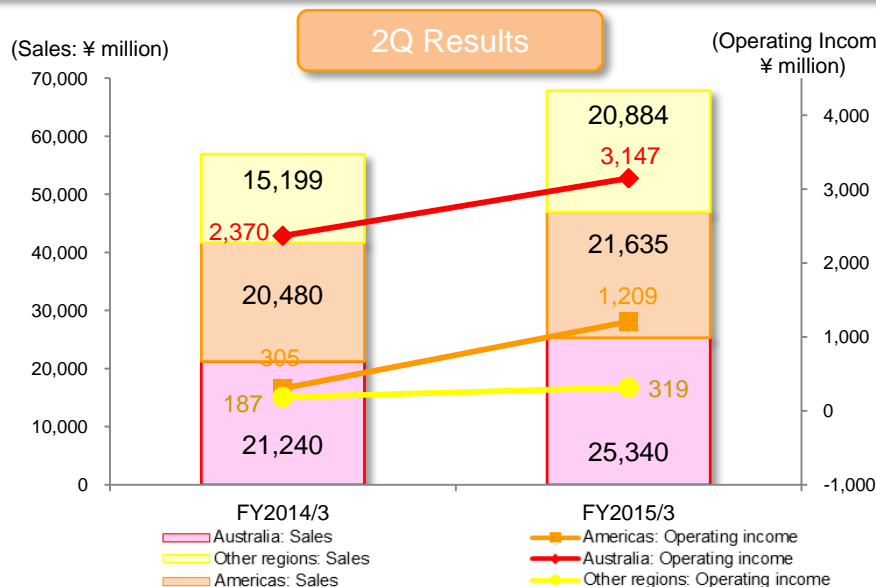
- Sales increased due to strong sales of canned and yogurt products, in addition to higher prices of marine and cheese products.

(Operating Income)

- Revenue fell due to the strong effect of smaller sales volumes and a delay in price revision compared with higher raw material prices.

6. Business Results in Major Overseas Geographical Areas

- Sales revenues represent 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)
- Other overseas markets are in Asia and Europe
- Americas include businesses in North and South America



		FY2014/3 2Q	FY2015/3 2Q	Variance	Variance (%)
Overseas total	Sales	55,556	66,186	10,630	19.1
	Operating income	2,855	4,578	1,723	60.4
Australia	Sales	21,240	25,340	4,100	19.3
	Operating income	2,370	3,147	777	32.8
Americas	Sales	20,480	21,635	1,155	5.6
	Operating income	305	1,209	904	296.4
Other regions	Sales	15,199	20,884	5,685	37.4
	Operating income	187	319	132	70.6

FY2014/3 2Q (July - Sept.)

(Australia)

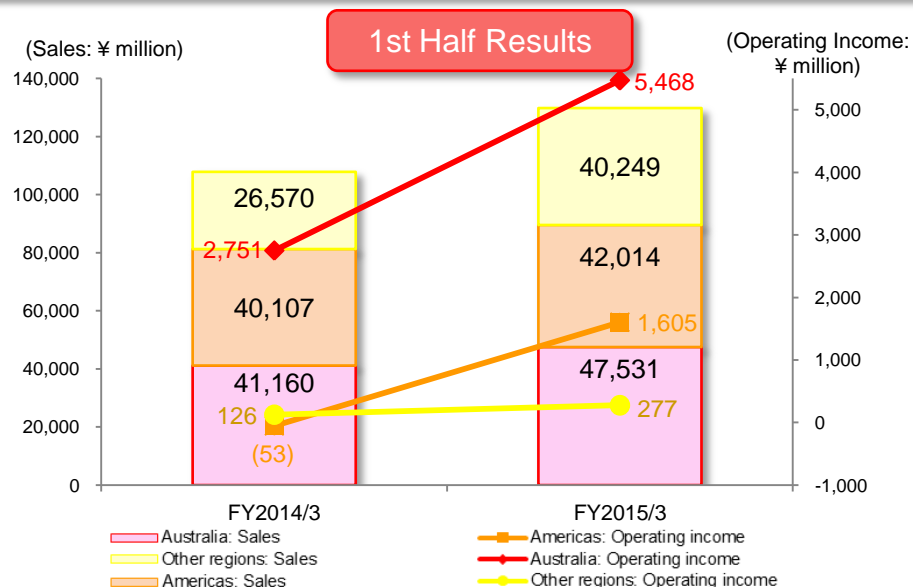
- Sales and revenue increased thanks to an improvement in sales prices, amid rising purchasing prices.

(Americas)

- Sales and revenue rose due to the continued favorable market prices of pork reflecting firm demand.

(Other regions)

- Sales and revenue were up due to higher sales volumes in China, Thailand and Europe, etc.



		FY2014/3 1st half	FY2015/3 1st half	Variance	Variance (%)
Overseas total	Sales	105,424	126,369	20,945	19.9
	Operating income	2,765	7,195	4,430	160.2
Australia	Sales	41,160	47,531	6,371	15.5
	Operating income	2,751	5,468	2,717	98.8
Americas	Sales	40,107	42,014	1,907	4.8
	Operating income	(53)	1,605	1,658	-
Other regions	Sales	26,570	40,249	13,679	51.5
	Operating income	126	277	151	119.8

FY2015/3 1st half (Apr. - Sept.)

(Australia)

- Sales and revenue increased, reflecting firm exports to the U.S.A., ASEAN and Europe.

(Americas)

- Sales and revenue rose due to an improvement in productivity in the farming operations and the favorable market prices of pork in the U.S.A.

(Other regions)

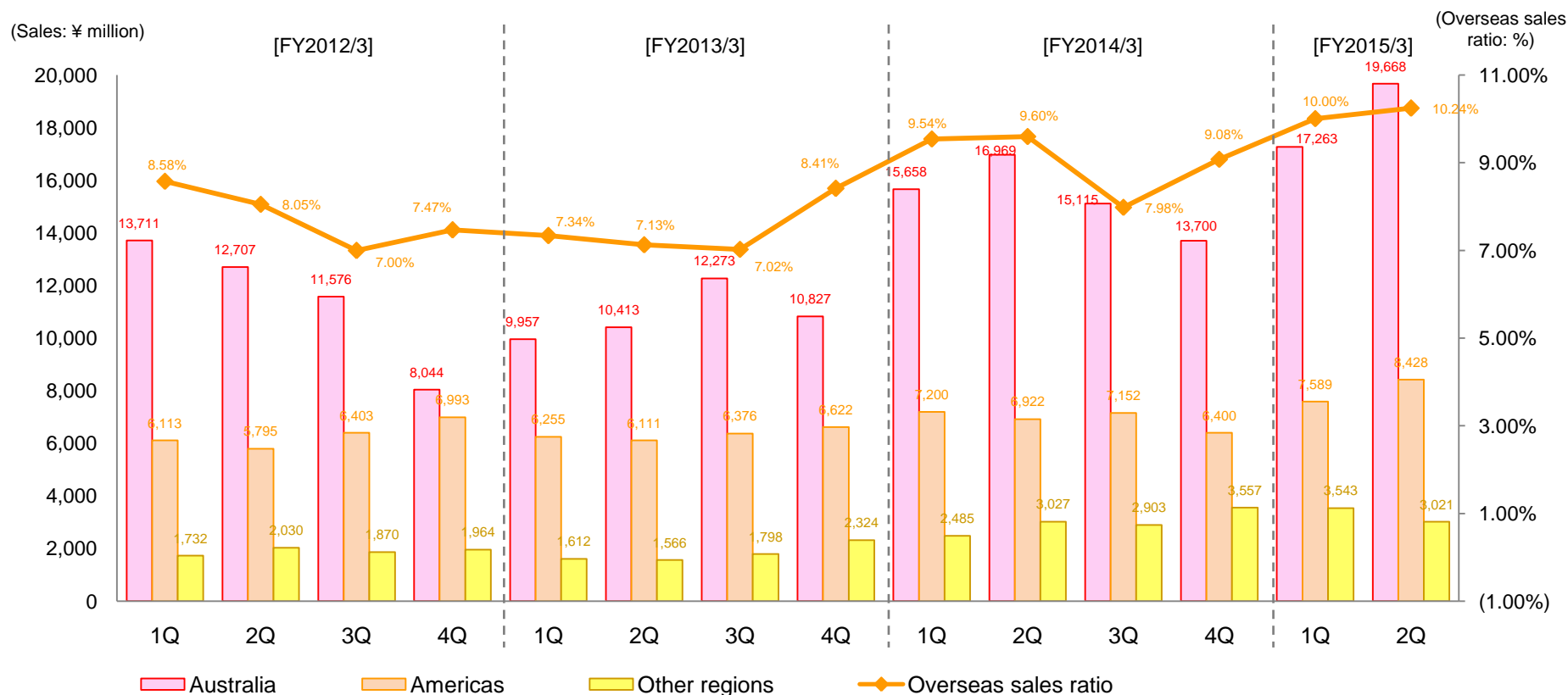
- Sales and revenue were up due to higher sales volumes mainly in Asia.

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

(¥ million)

	FY2012/3	FY2013/3	FY2014/3					FY2015/3	
	Full year	Full year	1Q	2Q	3Q	4Q	Full year	1Q	2Q
Australia	46,038	43,470	15,658	16,969	15,115	13,700	61,442	17,263	19,668
Americas	25,304	25,364	7,200	6,922	7,152	6,400	27,674	7,589	8,428
Other regions	7,596	7,300	2,485	3,027	2,903	3,557	11,972	3,543	3,021
Overseas total	78,938	76,134	25,343	26,918	25,170	23,657	101,088	28,395	31,117
Overseas sales ratio	7.76%	7.44%	9.54%	9.60%	7.98%	9.08%	9.01%	10.00%	10.24%

* The sales amount is net sales for external customers.

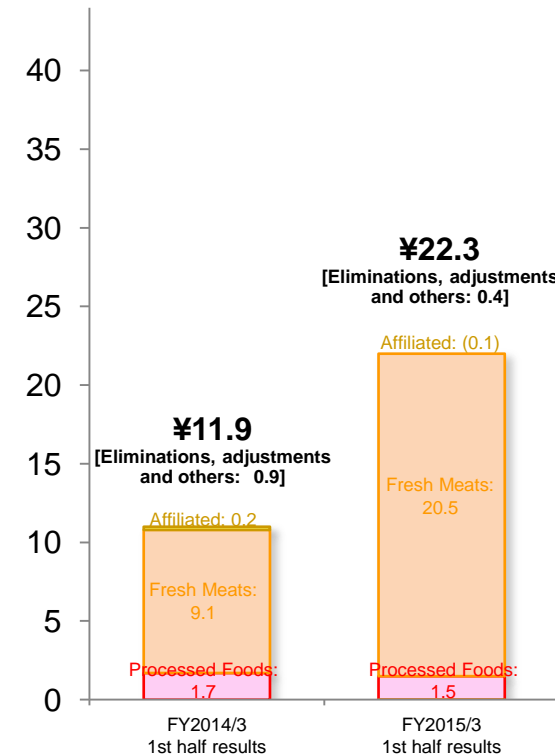


II. Outlook for FY2015/3

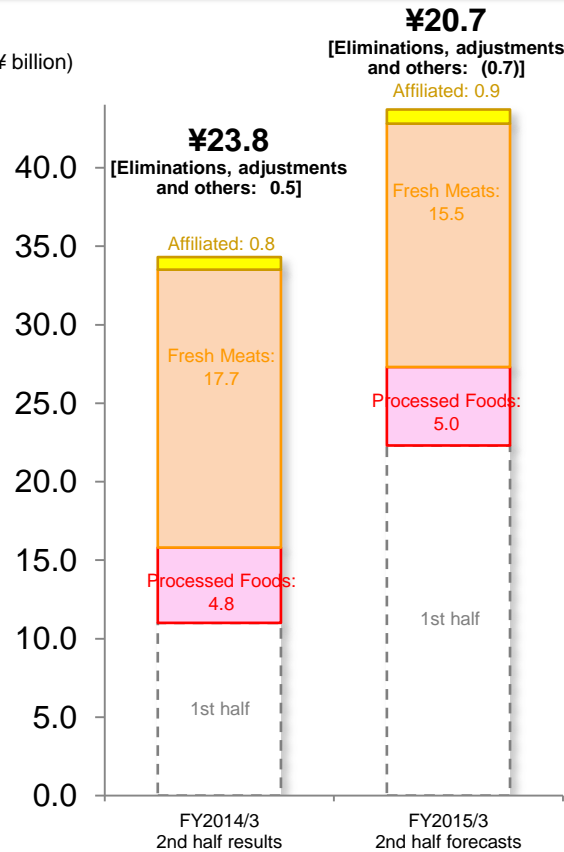
- 1. FY2015/3 Operating Income Forecasts**
- 2. Processed Foods Business Division: Outlook**
- 3. Fresh Meats Business Division: Outlook**
- 4. Affiliated Business Division: Outlook**

1. FY2015/3 Operating Income Forecasts (1)

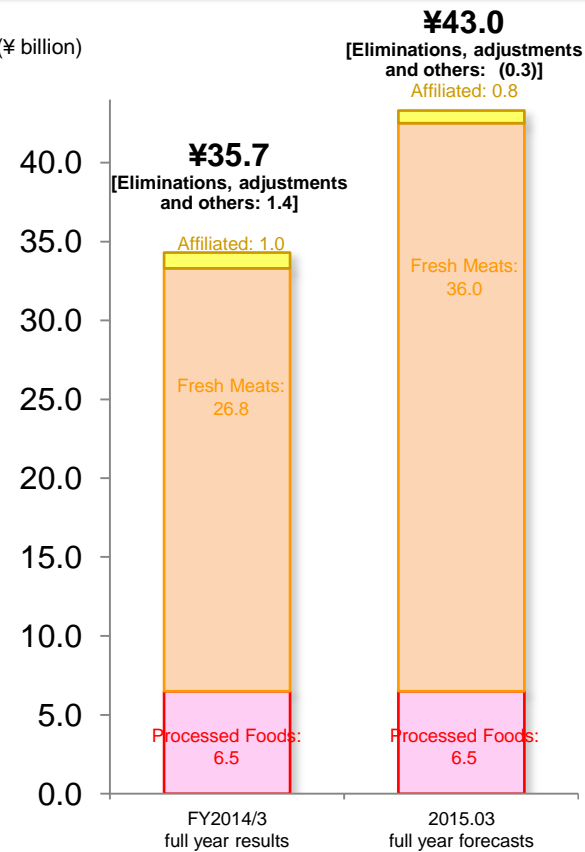
(¥ billion)



(¥ billion)



(¥ billion)



(¥ billion)	FY2015/3 1st half results			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	1.5	(0.2)	4.8	5.0	0.2	6.5	6.5	0.0
Fresh Meats Business Division	9.1	20.5	11.4	17.7	15.5	(2.2)	26.8	36.0	9.2
Affiliated Business Division	0.2	(0.1)	(0.2)	0.8	0.9	0.1	1.0	0.8	(0.2)
Eliminations, adjustments and others	0.9	0.4	(0.6)	0.5	(0.7)	(1.2)	1.4	(0.3)	(1.7)
Total	11.9	22.3	10.4	23.8	20.7	(3.1)	35.7	43.0	7.3

1. FY2015/3 Operating Income Forecasts (2)

Revision of forecast and variance as of 1Q

* Revision of 3Q, 4Q and full year forecasts after 2Q

(¥ billion)

	FY2015/3 1st half results			FY2015/3 3Q forecasts			FY2015/3 4Q forecasts			FY2015/3 full year forecasts		
	Forecasts announced at 1Q		Variance	Forecasts announced at 1Q		Variance	Forecasts announced at 1Q		Variance	Forecasts announced at 1Q		Variance
Processed Foods Business Division	2.2	1.5	(0.7)	6.7	5.3	(1.4)	0.1	(0.3)	(0.4)	9.0	6.5	(2.5)
Fresh Meats Business Division	17.0	20.5	3.5	9.0	12.3	3.3	3.5	3.2	(0.3)	29.5	36.0	6.5
Affiliated Business Division	0.2	(0.1)	(0.3)	1.6	1.1	(0.5)	(0.3)	(0.2)	0.1	1.5	0.8	(0.7)
Eliminations, adjustments and others	0.6	0.4	(0.2)	(0.3)	(0.3)	0.0	(0.3)	(0.4)	(0.1)	0.0	(0.3)	(0.3)
Total	20.0	22.3	2.3	17.0	18.4	1.4	3.0	2.3	(0.7)	40.0	43.0	3.0

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

Factor Analysis: Changes in operating income forecasts

Processed Foods Business Division	Revision of forecast and variance as of 1Q					
	3Q		4Q		Full year	
	Forecast	Variance	Forecast	Variance	Forecast	Variance
Price-revision effect	0.6	0.0	0.6	0.0	2.7	0.0
Cost-cutting effect	1.2	(0.9)	0.8	(0.3)	4.5	(1.7)
Supply Chain Management (SCM) effect	0.3	0.0	0.3	0.0	1.2	(0.1)
Principal raw/other material prices	(2.3)	(0.4)	(1.3)	(0.2)	(8.3)	(0.8)
Principal raw material prices	(1.9)	(0.4)	(1.1)	(0.2)	(6.6)	(0.8)
Other materials/fuels	(0.4)	0.0	(0.2)	0.0	(1.7)	0.0
Other factors	0.0	0.0	0.0	0.0	(0.1)	0.0
Total	(0.2)	(1.4)	0.4	(0.4)	0.0	(2.5)

Fresh Meats Business Division	Revision of forecast and variance as of 1Q					
	3Q		4Q		Full year	
	Forecast	Variance	Forecast	Variance	Forecast	Variance
Changes in farming operations in Japan	0.0	0.5	0.0	0.5	2.0	1.4
Imported fresh meat market	0.4	0.2	0.0	(0.2)	3.3	0.9
Changes in overseas operations	0.6	1.9	(3.1)	(0.5)	1.9	2.2
Growth in the Nippon Food Group	0.3	0.1	0.0	0.0	1.6	0.6
Domestic fresh meat market	0.3	0.5	(0.6)	(0.2)	0.9	1.3
Other factors	(0.1)	0.1	0.0	0.1	(0.5)	0.1
Total	1.5	3.3	(3.7)	(0.3)	9.2	6.5

* 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 perform for “*Utsukushi-no-Kuni*” range (TV commercials and adverts in magazines)

(Reference)

- Sales of “*Utsukushi-no-Kuni*” are targeted at an increase of 20% or more year on year.

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

		FY2014/3 results	FY2015/3 results and forecasts	
		Units	Units	Variance FY2014/3
Summer gift sets (result)	Overall sales volume (“ <i>Utsukushi-no-Kuni</i> ”)	2,075	2,116	102%
		378	431	114%
Year-end gift sets (forecasts)	Overall sales volume (“ <i>Utsukushi-no-Kuni</i> ”)	4,675	4,816	103%
		781	937	120%
Total (forecasts)	Overall sales volume (“ <i>Utsukushi-no-Kuni</i> ”)	6,750	6,932	103%
	(Sales ratio)	17.2%	19.7%	118%

● Measures for expanding sales of major brands

1) Hams and sausages

- Establish a crucial lead by exhaustively reinforcing sales for “*SCHAU ESSEN*,” which is to commemorate its 30th anniversary

2) Delicatessen

- Boost sales of main products in a focused manner by strengthening sales promotions of “*Chuka Meisai*” and other products.

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

Hams and sausages	FY2015/3 full year forecasts	Delicatessen	FY2015/3 full year forecasts
<i>SCHAU ESSEN</i>	110%	<i>Ishigama Kobo</i>	102%
<i>Mori-no-Kaori coarse-ground wieners</i>	94%	<i>Chuka Meisai</i>	98%
Hams	106%	Prefried	98%
Bacons	103%	Hamburg and meatball offerings	102%
Yakibutas	92%	Curries	103%

● Measures to expand sales by channel

1) Consumer-use

- Enhance sales by concentrating on sales of main products for both hams and sausages and delicatessen.

2) Commercial-use

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

Reference: Year-on-year growth in sales by channel (Year-on-year growth in sales by channel)

FY2015/3 full year forecasts		Amount
Hams and sausages	Consumer-use	108%
	Commercial-use	102%
	Total	106%
Delicatessen	Consumer-use	101%
	Commercial-use	99%
	Total	100%

3. Fresh Meats Business Division: Outlook

● Production businesses in Japan

1) Feed prices

- Feed prices are forecast to fall slightly, given stabilized overseas grain market prices, despite the effects of the weaker yen.

2) Farming operations in Japan

- Pork market prices will trend higher due to a smaller supply as a result of higher prices on imported pork and the effect of PED in early spring.
- Poultry market prices are expected to remain high in part due to a surge in pork prices, despite the increasing import volume.

● Overseas businesses

1) Australia

- Strengthen sales of Australian beef in the U.S., ASEAN, China, the Middle East and Europe.
- Improve the income ratio by increasing productivity and expanding sales of branded products.

2) Americas

- Pork market prices are expected to stay firm as the supply of beef is still tight, although a fall in grain market prices in the Americas would affect local pork market prices.

3) Others (Europe and Asia)

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

Reference: FY2015/3 1st half Australian business sales result

Major countries for sales	Volume (ratio breakdown)	Volume (variance year on year)
Japan	20%	95%
United States	24%	140%
South Korea	10%	95%
China	7%	70%
Taiwan	5%	107%
Australia	22%	105%
Others*	12%	97%
Total	100%	101%

* Others: Russia, EU, Indonesia, the Middle East, etc.

● Domestic Fresh meat (Japan-produced), Imported fresh meat, Nippon Food Group (meat product marketing companies)

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



4. Affiliated Business Division: Outlook

● Measures to increase marine product sales

(Marine Foods Corporation)

- Strengthen sales promotion at retailers by developing items with high profitability produced in-house as well as sushi toppings and proposal of 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) products business, strengthen sales from its Hachinohe Factory by bolstering product development and sales promotions.



Vegetable Delicacy
"Shio koji salmon"



Kushiro Marusui's
"Umami Tako"

● Measures to increase dairy product sales

(Cheese)

- Boost sales of consumer-use products by expanding "ROLF Baby Cheese" items.
- Grow sales in commercial channels by strengthening detailed proposals to our clients.

(Yogurt)

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

● Trends in principal raw and other materials

- The prices of cheese ingredients are expected to be weak in foreign currency terms due to a pause in purchases from China and among others.
- Prices of yogurt ingredients are expected to remain high due to a fall in the domestic production volume.



Nippon Luna's "Yogurt &
Mix Granola"



ROLF "Baby Cheese for
Adults (Tomato & Basil)"

III. Consolidated Financial Results for First Half of FY2015/3

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

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

(¥ million, %)

	FY2014/3 results						FY2015/3 results and forecasts					
	1st half results	Variance	2nd half results	Variance	Full year results	Variance	1st half results	Variance	2nd half forecasts	Variance	Full year forecasts	Variance
Net Sales	546,191	10.0	575,906	9.5	1,122,097	9.7	587,623	7.6	572,377	(0.6)	1,160,000	3.4
Hams and sausages	67,393	0.1	76,097	4.7	143,490	2.5	73,608	9.2	77,892	2.4	151,500	5.6
Processed foods	102,695	2.2	105,389	1.0	208,084	1.6	105,285	2.5	105,715	0.3	211,000	1.4
Fresh meats	304,067	15.5	315,266	13.2	619,333	14.4	332,163	9.2	315,337	0.0	647,500	4.5
Beef	125,741	26.9	123,844	17.1	249,585	21.8	133,108	5.9	123,892	0.0	257,000	3.0
Pork	107,240	8.6	111,048	9.3	218,288	9.0	116,964	9.1	111,536	0.4	228,500	4.7
Chicken	60,921	9.4	70,471	13.3	131,392	11.5	69,845	14.6	70,655	0.3	140,500	6.9
Other fresh meats	10,165	5.0	9,903	11.6	20,068	8.1	12,246	20.5	9,254	(6.6)	21,500	7.1
Marine products	43,040	7.1	48,769	11.8	91,809	9.5	44,592	3.6	48,908	0.3	93,500	1.8
Dairy products	13,242	3.7	13,011	5.0	26,253	4.4	14,495	9.5	14,005	7.6	28,500	8.6
Others	15,754	23.0	17,374	17.8	33,128	20.2	17,480	11.0	10,520	(39.4)	28,000	(15.5)
Cost of goods sold	451,165	11.5	467,139	10.6	918,304	11.0	481,482	6.7				
Gross profit	95,026	3.2	108,767	4.9	203,793	4.1	106,141	11.7				
Gross profit ratio	17.4%	-	18.9%	-	18.2%	-	18.1%	-				
SG&A expenses	83,091	1.0	85,002	(0.6)	168,093	0.2	83,796	0.8				
Operating Income	11,935	21.3	23,765	30.7	35,700	27.4	22,345	87.2	20,655	(13.1)	43,000	20.4
Income before income taxes	10,689	34.5	24,614	22.5	35,303	25.9	20,947	96.0	17,053	(30.7)	38,000	7.6
Net income attributable to NH Foods Ltd.	7,620	96.3	16,904	34.4	24,524	49.0	15,067	97.7	10,933	(35.3)	26,000	6.0

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

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

Growth Rate by Sales Category

Category	FY2014/3 (Year-on-year comparison)				FY2015/3 (Year-on-year comparison)			
	2Q		1st half		2Q		1st half	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Hams and sausages	(2.3)	(0.2)	(1.5)	0.1	3.3	7.8	5.3	9.2
Processed foods	1.2	1.6	2.3	2.2	1.8	1.5	(0.1)	2.5
Fresh meats	1.8	17.0	2.3	15.5	(3.1)	11.0	(4.7)	9.2
Beef	15.3	27.9	16.7	26.9	(3.7)	8.9	(6.1)	5.9
Pork	(1.5)	10.7	(2.2)	8.6	(9.3)	11.0	(11.7)	9.1
Chicken	(3.8)	9.9	(2.2)	9.4	3.8	13.7	4.1	14.6
Other fresh meats	(4.9)	8.7	(4.8)	5.0	14.2	21.7	8.7	20.5

(%)

Geographical Segment

	FY2014/3 results			FY2015/3 results and forecasts					
	1st half	2nd half results	Full year results	1st half results	Variance	2nd half forecasts	Variance	Full year forecasts	Variance
Domestic sales	494,479	527,543	1,022,022	528,673	6.9	520,927	(1.3)	1,049,600	2.7
External customers	493,930	527,079	1,021,009	528,111	6.9	520,389	(1.3)	1,048,500	2.7
Intersegment	549	464	1,013	562	2.4	538	15.9	1,100	8.6
Operating income	9,187	19,317	28,504	15,306	66.6	18,694	(3.2)	34,000	19.3
Operating income ratio	1.9%	3.7%	2.8%	2.9%	-	3.6%	-	3.2%	-
Overseas sales	105,424	103,764	209,188	126,369	19.9	111,131	7.1	237,500	13.5
External customers	52,261	48,827	101,088	59,512	13.9	51,988	6.5	111,500	10.3
Intersegment	53,163	54,937	108,100	66,857	25.8	59,143	7.7	126,000	16.6
Operating income	2,765	4,492	7,257	7,195	160.2	1,805	(59.8)	9,000	24.0
Operating income ratio	2.6%	4.3%	3.5%	5.7%	-	1.6%	-	3.8%	-

(¥ million, %)

* 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 1st half results	1st half results	FY2015/3 Variance (%)	Variance
★(1) Selling, general and administrative expenses	83,091	83,796	0.8	705
Personnel	32,479	32,674	0.6	195
★(2) Advertising	5,413	5,589	3.3	176
★(3) Logistics	24,573	24,914	1.4	341
Others	20,626	20,619	(0.0)	(7)

Major reasons for increases/decrease

- ★(1) **SG&A expenses:** The ratio of SG&A expenses to sales decreased 0.9 point from 15.2% to 14.3%.
- ★(2) **Advertising:** Advertising expenses increased ¥200 million due mainly to sales promotion expenses.
- ★(3) **Logistics:** Logistics costs increased ¥300 million due chiefly to higher transportation expense as a result of an upswing in sales volume.

(¥ million)

	FY2014/3 1st half results	FY2014/3 Full year results	FY2015/3 1st half results	Variance (%)
Other operating costs and expenses (income) - net	1,212	686	353	(859)
Fixed assets	1,188	543	353	(835)
Others	24	143	-	(24)
★(1) Other income (expenses) - net	750	1,791	(319)	(1,069)
Interest and dividends income	559	1,095	611	52
Foreign exchange gains (losses)	527	1,063	(962)	(1,489)
Others	(336)	(367)	32	368
Interest expenses	784	1,502	726	(58)

Major reasons for increases/decrease

- ★(1) **Other income (expenses) - net:** Worsened by approximately ¥300 million due mainly to foreign exchange gains and losses.

4. Balance Sheets / Property, Plant and Equipment / Depreciation and Amortization

(¥ million, %)

	Consolidated balance sheets	FY2014/3 year-end	FY2015/3 End of Sept.	Variance (%)	Variance
★(1)	Total assets	627,220	668,721	6.6	41,501
	Cash and cash equivalents	74,928	56,735	(24.3)	(18,193)
★(2)	Trade notes and accounts receivable	118,141	124,810	5.6	6,669
★(3)	Inventories	122,115	159,878	30.9	37,763
	Property, plant and equipment - at cost, less accumulated depreciation	236,669	243,594	2.9	6,925
	Investments and other assets	34,267	36,441	6.3	2,174
	Deferred income taxes - non-current	10,091	9,959	(1.3)	(132)
	Total liabilities	303,245	334,741	10.4	31,496
	Trade notes and accounts payable	97,353	112,475	15.5	15,122
★(4)	Interest-bearing debt	144,963	156,794	8.2	11,831
	Liability under retirement and severance programs	12,584	12,862	2.2	278
	Total NH Foods Ltd. shareholders' equity	320,984	331,067	3.1	10,083
	Noncontrolling interests	2,991	2,913	(2.6)	(78)
	Total equity	323,975	333,980	3.1	10,005

Major reasons for increases/decrease

- ★(1) **Total assets:** Increased by approximately ¥41.5 billion including (2) and (3)
- ★(2) **Trade notes and accounts receivables:** Increased by approximately ¥6.7 billion from the end of the previous fiscal year due to higher sales and a consumption tax increase.
- ★(3) **Inventories:** Increase of about 37.8 billion yen from the end of the previous term mainly owing to increase in fresh meats.
- ★(4) **Interest-bearing debt:** Increased by approximately ¥11.8 billion from the end of the previous fiscal year due to higher short-term bank loans.

(¥ million, %)

Capital expenditures and depreciation	FY2014/3 1st half results	FY2015/3 1st half results	FY2015/3 Variance (%)	FY2015/3 Variance	FY2015/3 Full year forecasts
Capital expenditure	8,891	15,732	76.9	6,841	49,200
Production facilities	4,549	10,168	123.5	5,619	25,000
Marketing and logistics facilities	1,109	1,106	(0.3)	(3)	6,600
Farms and processing facilities	1,950	2,562	31.4	612	10,500
Overseas businesses facilities	522	1,129	116.3	607	4,500
Other facilities	761	767	0.8	6	2,600
Depreciation and amortization	9,212	9,372	1.7	160	19,700

5. Cash Flows

(¥ million)

Consolidated statement of cash flows	FY2014/3	FY2015/3		FY2015/3
	1st half results	1st half results	Variance	Full year forecasts
Cash flow from operating activities	1,237	1,446	209	47,400
★(1) Cash flow from investing activities	(16,357)	(20,732)	(4,375)	(78,300) *1
★(2) Cash flow from financing activities	5,669	728	(4,941)	10,400

*1 Including political investments measures.

Major reasons for increases/decrease

★(1) Breakdown of major cash flows items from investing activities

	FY2014/3	FY2015/3	
	1st half results	1st half results	Variance
Capital expenditures	(11,581)	(20,014)	(8,433)
Decrease (increase) in time deposits	(7,672)	(1,249)	6,423

★(2) Breakdown of major items of cash flows from financing activities

	FY2014/3	FY2015/3	
	1st half results	1st half results	Variance
Cash dividend paid	(4,854)	(7,619)	(2,765)

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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.