

Business Results

for the Year Ended March 31, 2015

May 13, 2015 (Wed.)
NH Foods Ltd.

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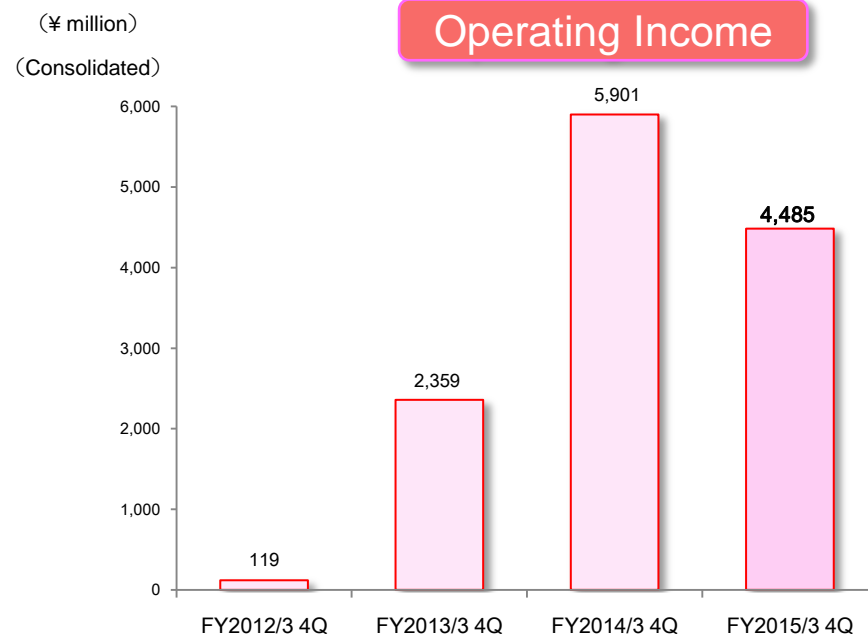
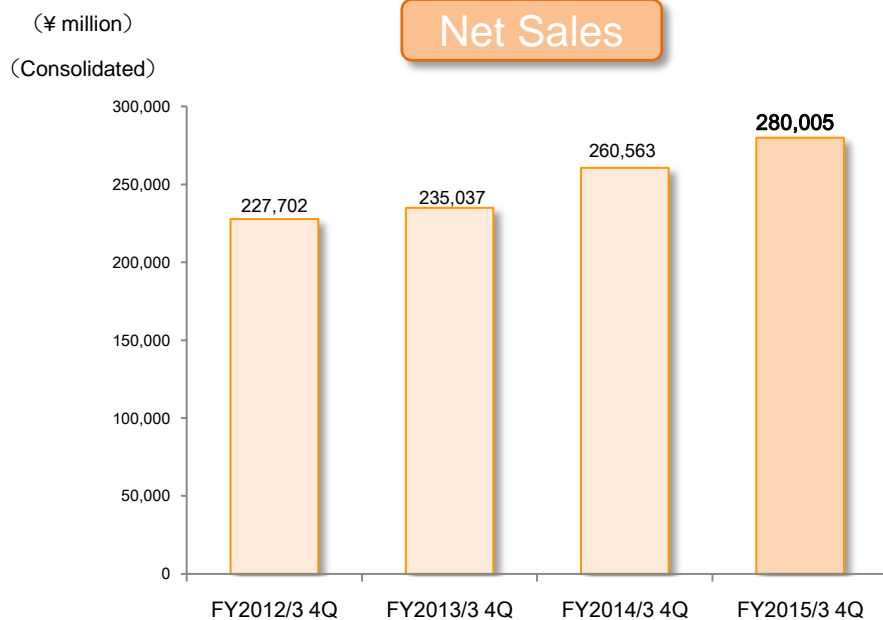
I. Consolidated Business Results for FY2015/3

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1. Operating Segment Data: 4Q (Jan.–Mar.)

(¥ million)

		FY2012/3 4Q	FY2013/3 4Q	FY2014/3 4Q	FY2015/3 4Q	Variance	Variance (%)
Processed Foods Business Division	Net sales	75,351	76,050	79,663	79,517	(146)	(0.2)
	Operating income	(247)	(305)	(757)	(2,896)	(2,139)	-
Fresh Meats Business Division	Net sales	147,958	157,820	180,814	200,324	19,510	10.8
	Operating income	371	2,861	6,875	7,722	847	12.3
Affiliated Business Division	Net sales	29,958	29,422	33,214	33,362	148	0.4
	Operating income	(299)	(228)	(440)	(584)	(144)	-
Eliminations, adjustments and others	Net sales	(25,565)	(28,255)	(33,128)	(33,198)	(70)	-
	Operating income	294	31	223	243	20	-
Consolidated	Net sales	227,702	235,037	260,563	280,005	19,442	7.5
	Operating income	119	2,359	5,901	4,485	(1,416)	(24.0)



- Net sales by operating segment and net sales (by category) on page 22 of this presentation do not necessarily correspond (due to intersegment transactions)
- Net sales for each segment include intersegment sales

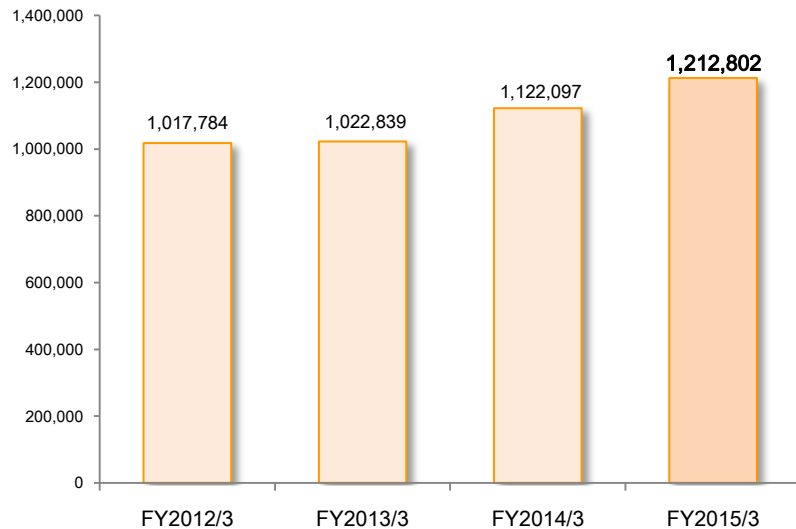
2. Operating Segment Data: Full Year (Apr.–Mar.)

(¥ million)

		FY2012/3	FY2013/3	FY2014/3	FY2015/3	Variance	Variance (%)
Processed Foods Business Division	Net sales	342,186	338,966	351,994	359,988	7,994	2.3
	Operating income	8,030	9,565	6,481	2,064	(4,417)	(68.2)
Fresh Meats Business Division	Net sales	666,668	673,686	766,509	850,759	84,250	11.0
	Operating income	16,191	15,560	26,815	45,208	18,393	68.6
Affiliated Business Division	Net sales	135,189	137,645	148,138	155,164	7,026	4.7
	Operating income	1,960	1,527	998	287	(711)	(71.2)
Eliminations, adjustments and others	Net sales	(126,259)	(127,458)	(144,544)	(153,109)	(8,565)	-
	Operating income	332	1,369	1,406	885	(521)	-
Consolidated	Net sales	1,017,784	1,022,839	1,122,097	1,212,802	90,705	8.1
	Operating income	26,513	28,021	35,700	48,444	12,744	35.7

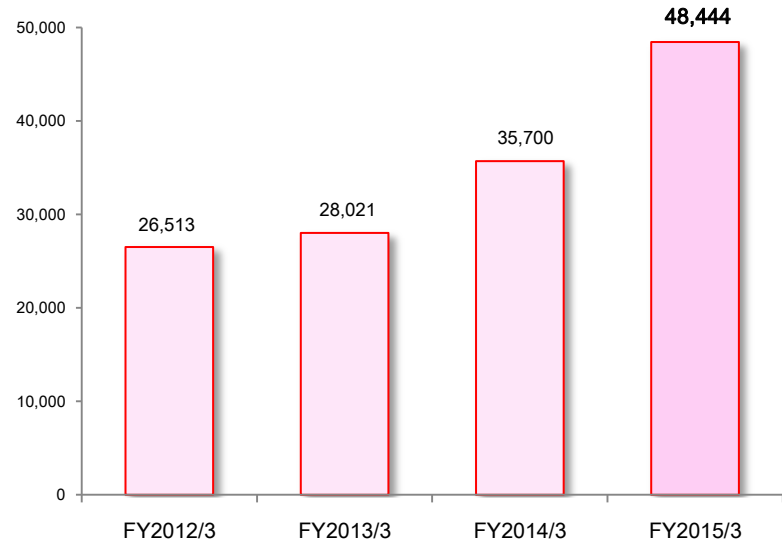
(¥ million)
(Consolidated)

Net Sales



(¥ million)
(Consolidated)

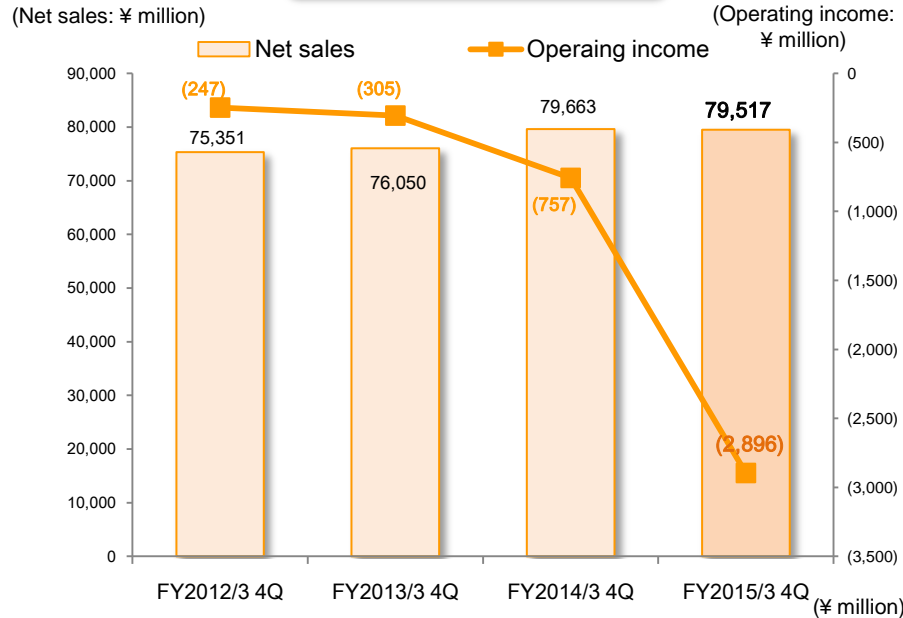
Operating Income



- Net sales by operating segment and net sales (by category) on page 22 of this presentation do not necessarily correspond (due to intersegment transactions)
- Net sales for each segment include intersegment sales

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

4Q Results (Jan.–Mar.)



	FY2014/3 4Q	FY2015/3 4Q	Variance	Variance (%)
Net sales	79,663	79,517	(146)	(0.2)
Operating income	(757)	(2,896)	(2,139)	-
Operating income ratio	(1.0)%	(3.6)%	-	-

FY2015/3 4Q (Jan.–Mar.)

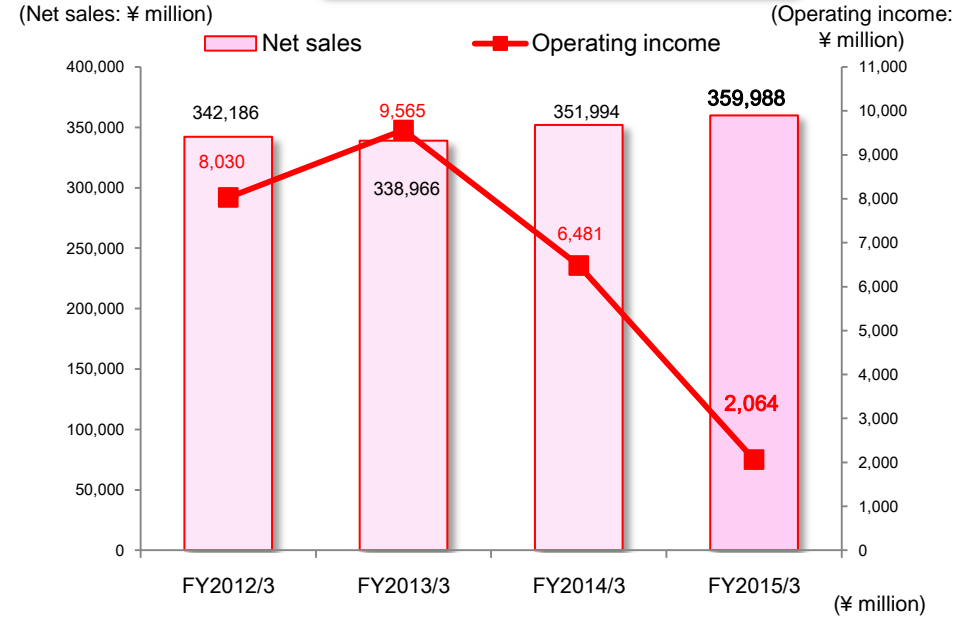
(Net sales)

- Revenues decreased due to a falling-off in NB products and commercial-use products, despite growth in *SCHAU ESSEN*.

(Operating income)

- Operating income fell due to an increase in raw material costs and a decline in sales volume that could not be covered by cost reductions.

Full Year Results (Apr.–Mar.)



	FY2014/3	FY2015/3	Variance	Variance (%)
Net sales	351,994	359,988	7,994	2.3
Operating income	6,481	2,064	(4,417)	(68.2)
Operating income ratio	1.8%	0.6%	-	-

FY2015/3 Full year (Apr.–Mar.)

(Net sales)

- Commercial-use products and deli and processed foods had a tough time in terms of sales volume, but revenues increased due to expansion of *SCHAU ESSEN* sales and improvement of unit prices.

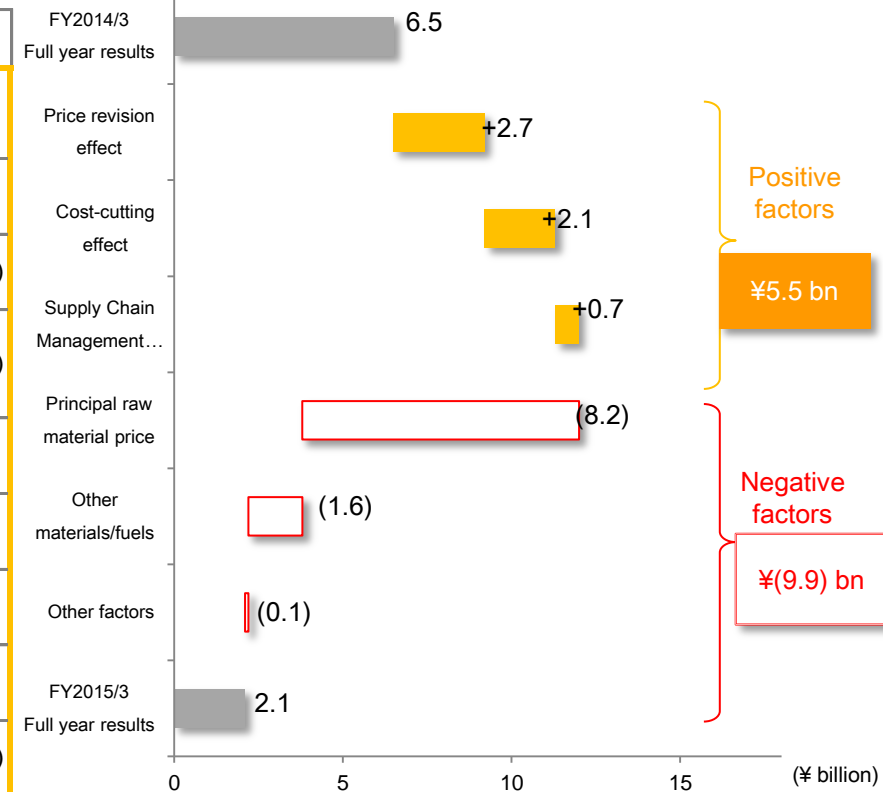
(Operating income)

- Operating income decreased as raw material costs increased more than expected, and sales volume did not grow, despite implementation of a price revision and cost reductions.

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

Factor Analysis: Changes in operating income (¥ billion) Factor Analysis Graph: Changes in results (full year)

	FY2015/3				
	1Q-3Q results	4Q results	Full year forecasts	Full year results	Variance
Price revision effect	2.1	0.6	2.7	2.7	0.0
Cost-cutting effect	2.6	(0.5)	2.8	2.1	(0.7)
Supply Chain Management (SCM) effect	0.7	0.0	0.9	0.7	(0.2)
Principal raw/other material prices	(7.6)	(2.2)	(9.8)	(9.8)	0.0
Principal raw material price	(6.2)	(2.0)	(8.2)	(8.2)	0.0
Other materials/fuels	(1.4)	(0.2)	(1.7)	(1.6)	0.0
Other factors	(0.1)	0.0	(0.1)	(0.1)	0.0
Total	(2.3)	(2.1)	(3.5)	(4.4)	(0.9)



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

● Forecasts Variation Factor Analysis (FY2015/3 full year)

- Raw material costs exceeded the initial forecast as principal raw material prices were higher than expected and yen depreciation progressed.
- Sales volume fell below the forecast, and cost-cutting effects and Supply Chain Management (SCM) effects fell short of the forecast.

(Unit: thousands)

● Gift product sales results (full year)

- FY2015/3 results:
year on year, unit basis: 97%
- *Utsukushi-no-Kuni* gifts:
year on year, unit basis: 109%
(Sales ratio increased to 19%)

		FY2014/3 results	FY2015/3 results	
		Units	Units	Variance
Summer gift-giving season	Overall unit sales	2,075	2,116	102%
	(<i>Utsukushi-no-Kuni</i>)	378	431	114%
Year-end gift-giving season	Overall unit sales	4,675	4,442	95%
	(<i>Utsukushi-no-Kuni</i>)	780	826	106%
Total	Overall unit sales	6,750	6,558	97%
	(<i>Utsukushi-no-Kuni</i>)	1,158	1,257	109%

● 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			Deli and processed foods	FY2015/3 results		
	1st half	2nd half	Full year		1st half	2nd half	Full year
<i>SCHAU ESSEN</i>	118%	113%	115%	<i>Ishigama Kobo</i>	100%	103%	102%
<i>Mori-no-Kaori</i> coarse-ground wieners	92%	72%	82%	<i>Chuka Meisai</i>	91%	98%	94%
Hams	104%	105%	104%	Prefried	96%	91%	93%
Bacons	105%	98%	101%	Hamburg and meatball	99%	98%	98%
Yakibutas	86%	91%	88%	Curries	109%	90%	100%

● Sales results by channel

Reference: FY2015/3 Full year (year-on-year growth in sales by channel)

1) Consumer products

Sales of hams and sausages were firm for *SCHAU ESSEN*, although other NB products had a tough time. In deli and processed foods, sales of *Chuka Meisai*, etc., failed to reach the forecast.

2) Commercial-use products

Sales were tough in terms of sales volume for hams and sausages, and deli and processed foods, particularly in the second half.

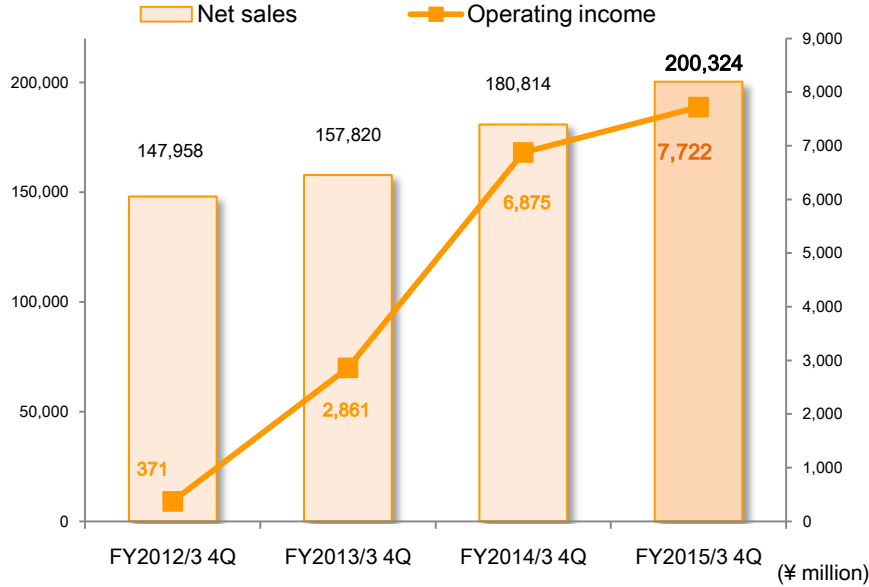
		Volume	Amount
Hams and sausages	Consumer-use	105%	109%
	Commercial-use	92%	96%
	Total	101%	105%
Deli and processed foods	Consumer-use	97%	99%
	Commercial-use	94%	99%
	Total	95%	99%

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

(Net sales: ¥ million)

4Q Results (Jan.–Mar.)

(Operating income: ¥ million)



	FY2014/3 4Q	FY2015/3 4Q	Variance	Variance (%)
Net sales	180,814	200,324	19,510	10.8
Operating income	6,875	7,722	847	12.3
Operating income ratio	3.8%	3.9%	-	-

FY2015/3 4Q (Jan.–Mar.) (Net sales)

- Revenues grew due to improved sales prices amid higher market prices for all types of livestock.

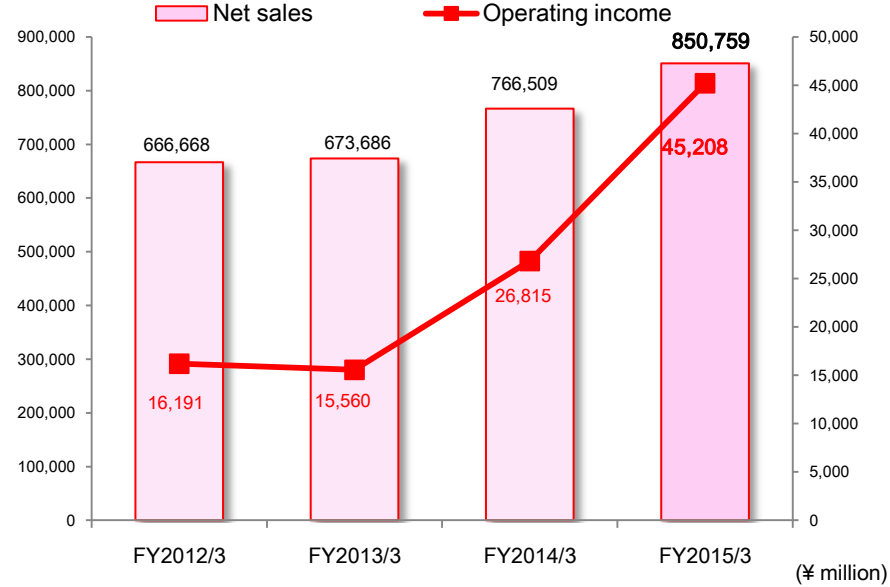
(Operating income)

- Operating income increased due to favorable performance in domestic farm operations.

(Net sales: ¥ million)

Full Year Results (Apr.–Mar.)

(Operating income: ¥ million)



	FY2014/3	FY2015/3	Variance	Variance (%)
Net sales	766,509	850,759	84,250	11.0
Operating income	26,815	45,208	18,393	68.6
Operating income ratio	3.5%	5.3%	-	-

FY2015/3 Full year (Apr.–Mar.) (Net sales)

- Revenues grew due to improved sales prices amid higher market prices for all types of livestock.

(Operating income)

- Operating income 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.

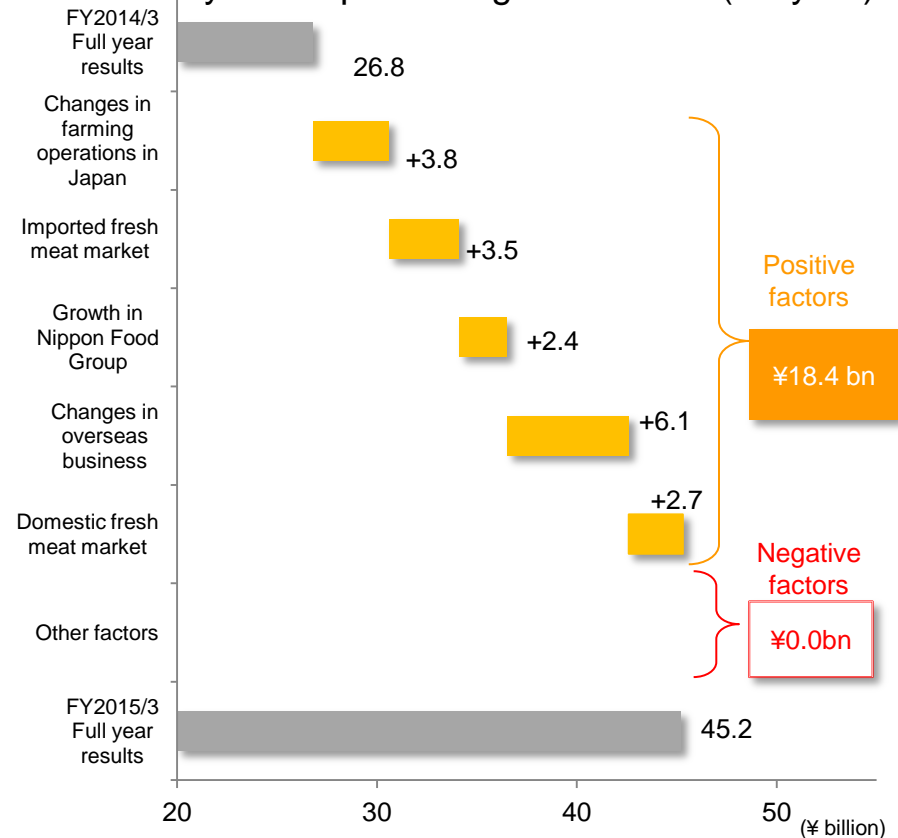
Factor Analysis: Changes in operating income

(¥ billion)

	FY2015/3				
	1Q-3Q results	4Q results	Full year forecasts	Full year results	Variance
Changes in farming operations in Japan	2.6	1.2	2.5	3.8	1.2
Imported fresh meat market	2.8	0.7	2.5	3.5	1.0
Growth in Nippon Food Group	2.1	0.2	1.9	2.4	0.5
Changes in overseas business	8.5	(2.4)	6.9	6.1	(0.8)
Domestic fresh meat market	2.0	0.7	1.7	2.7	1.1
Other factors	(0.5)	0.5	(0.6)	0.0	0.6
Total	17.5	0.9	14.9	18.4	3.5

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

Factor Analysis Graph: Changes in results (full year)



● Forecasts Variation Factor Analysis (FY2015/3 full year)

[Growth in Nippon Food Group business and domestic fresh meat market]

- Operating income exceeded the forecast on all types of livestock, due to initiatives to improve the sales price and expand established markets.

[Growth in domestic farm operations]

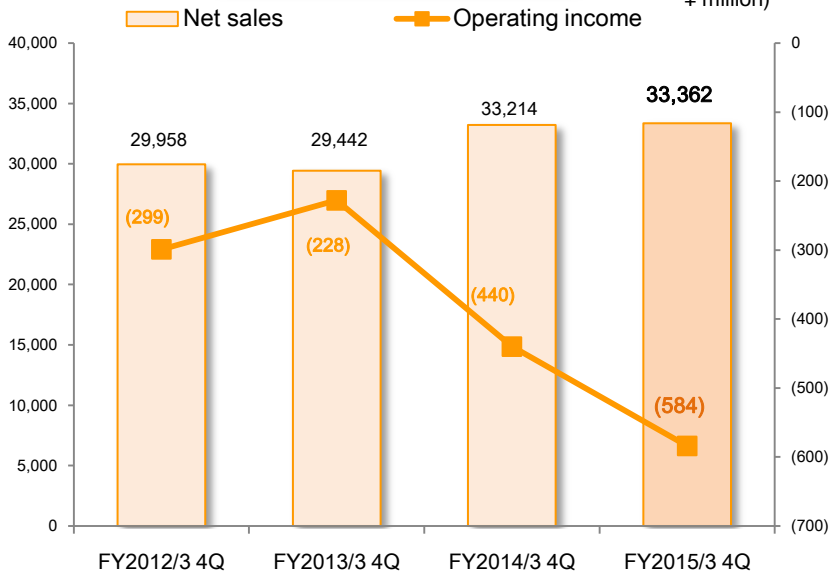
- Operating income exceeded the forecast due to improved productivity in the farm operations and strong domestic markets

5. Operating Segment Data: Affiliated Business Division

4Q Results (Jan.–Mar.)

(Net sales: ¥ million)

(Operating income: ¥ million)



(¥ million)

	FY2014/3 4Q	FY2015/3 4Q	Variance	Variance (%)
Net sales	33,214	33,362	148	0.4
Operating income	(440)	(584)	(144)	-
Operating income ratio	(1.3)%	(1.8)%	-	-

FY2015/3 4Q (Jan.–Mar.)

(Net sales)

- In marine products, revenues decreased due to a decline in sales to restaurants. In dairy products, revenues increased due to strong performance in yogurt.

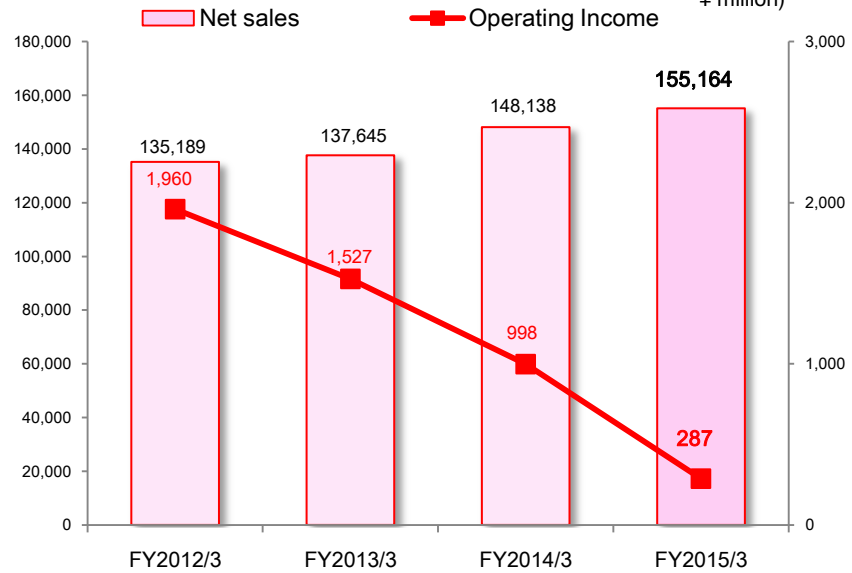
(Operating income)

- In marine products, operating income declined due to a decrease in sales to restaurants. In dairy products, operating income decreased as a result of high material prices for cheese products and a decline in sales volume.

Full Year Results (Apr.–Mar.)

(Net sales: ¥ million)

(Operating income: ¥ million)



(¥ million)

	FY2014/3	FY2015/3	Variance	Variance (%)
Net sales	148,138	155,164	7,026	4.7
Operating income	998	287	(711)	(71.2)
Operating income ratio	0.7%	0.2%	-	-

FY2015/3 Full year (Apr.–Mar.)

(Net sales)

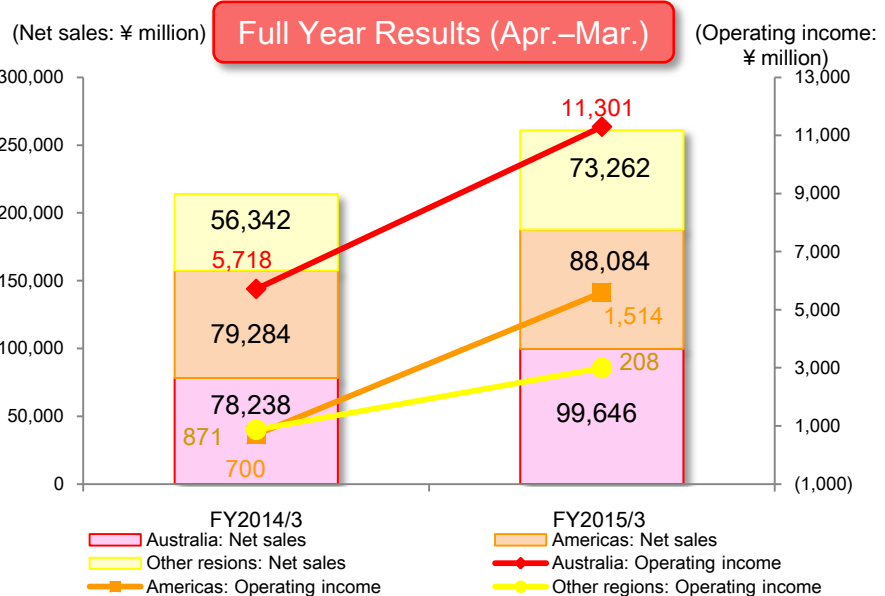
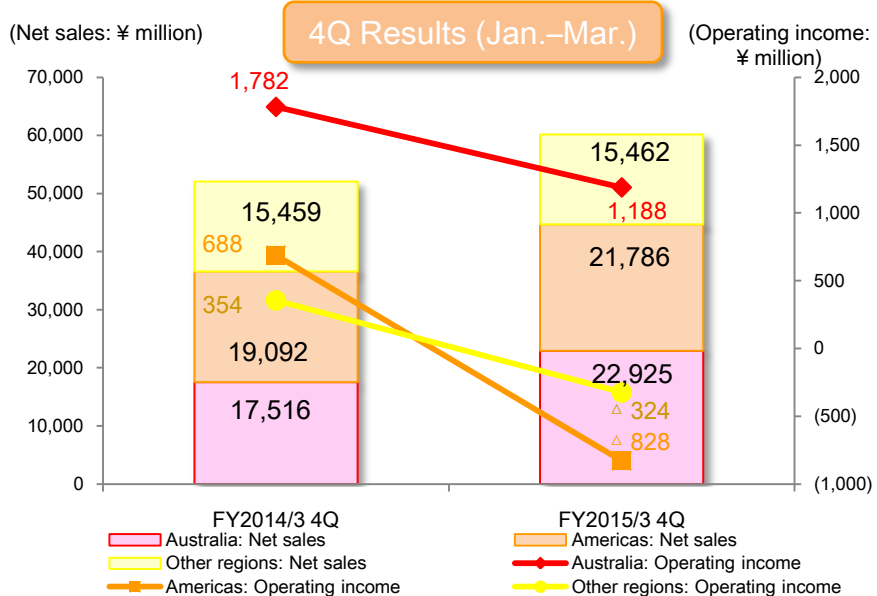
- Sales were unchanged year on year due to a decrease in sales volume for the mainstay marine products including salmon, despite higher sales prices for marine products. In dairy products, sales increased due to strong sales of yogurt products.

(Operating income)

- In marine products, operating income fell due to a decline in sales volume for the mainstay marine products.
- In dairy products, operating income decreased as a result of lower sales volumes in cheese products.

6. Business Results in Major Overseas Geographical Areas

- Sales revenues 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 4Q	FY2015/3 4Q	Variance	Variance (%)
Overseas total	Net Sales	50,883	58,288	7,405	14.6
	Operating income	2,820	80	(2,740)	(97.2)
Australia	Net Sales	17,516	22,925	5,409	30.9
	Operating income	1,782	1,188	(594)	(33.3)
Americas	Net Sales	19,092	21,786	2,694	14.1
	Operating income	688	(828)	(1,516)	-
Other regions	Net Sales	15,459	15,462	3	0.0
	Operating income	354	(324)	(678)	-

		FY2014/3	FY2015/3	Variance	Variance (%)
Overseas total	Net Sales	209,188	252,985	43,797	20.9
	Operating income	7,257	12,835	5,578	76.9
Australia	Net Sales	78,238	99,646	21,408	27.4
	Operating income	5,718	11,301	5,583	97.6
Americas	Net Sales	79,284	88,084	8,800	11.1
	Operating income	700	1,514	814	116.3
Other regions	Net Sales	56,342	73,262	16,920	30.0
	Operating income	871	208	(663)	(76.1)

FY2015/3 4Q (Jan.-Mar.)

(Australia)

- Operating income decreased due to higher purchasing costs.

(Americas)

- Operating income decreased due to a drop in market prices of pork, reflecting recovery in the number of pigs shipped

(Other regions)

- Sales were unchanged year on year due to growth in Asia, despite tough conditions in Europe.

FY2015/3 Full year (Apr.-Mar.)

(Australia)

- Sales and operating income increased, reflecting firm exports to the USA.

(Americas)

- Sales and operating income rose due to an improvement in productivity in the farm operations and the favorable market prices of pork in the USA.

(Other regions)

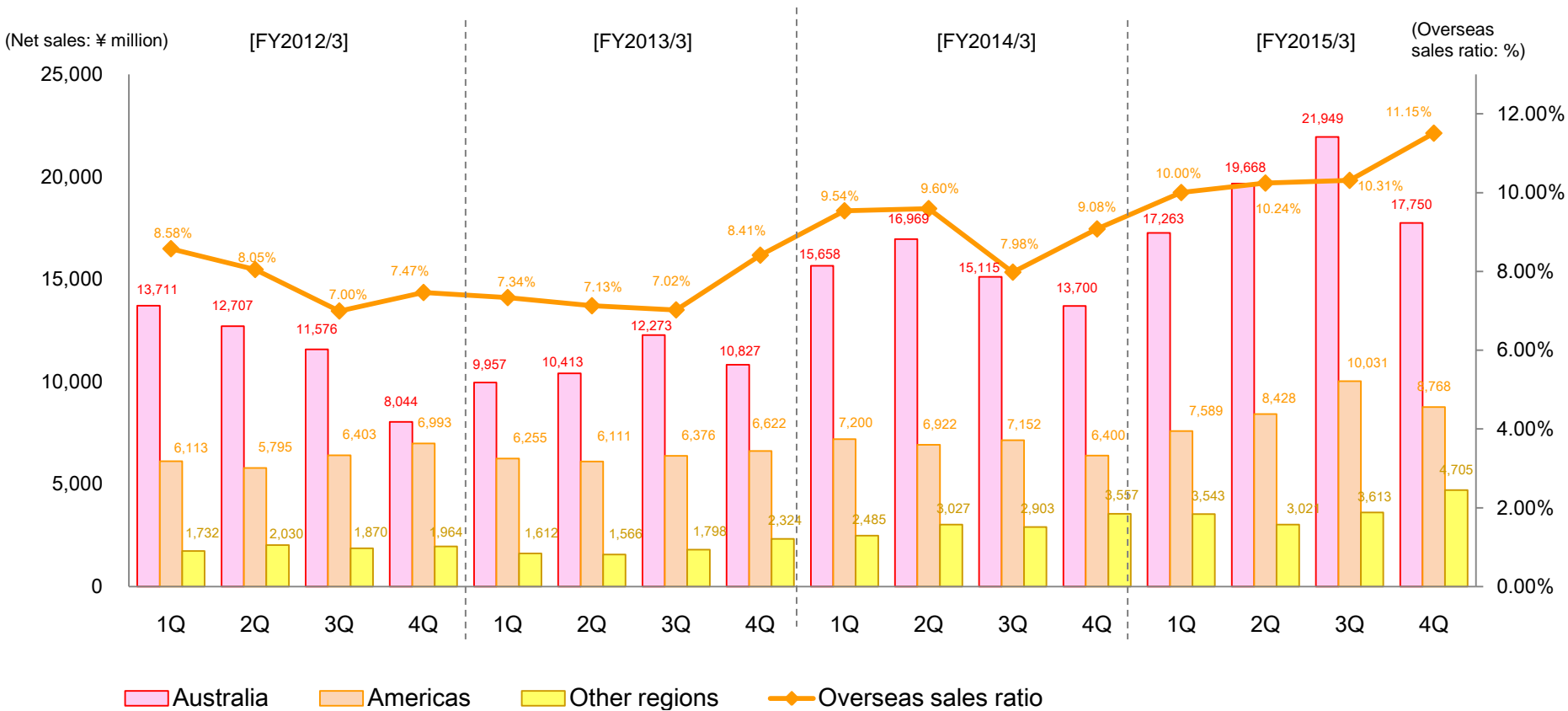
- Although sales grew, operating income decreased due to tough conditions in the Asia region.

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

(¥ million)

	2012	2013	FY2014/3					FY2015/3				
	Full year	Full year	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year
Australia	46,038	43,470	15,658	16,969	15,115	13,700	61,442	17,263	19,668	21,949	17,750	76,630
Americas	25,304	25,364	7,200	6,922	7,152	6,400	27,674	7,589	8,428	10,031	8,768	34,816
Other regions	7,596	7,300	2,485	3,027	2,903	3,557	11,972	3,543	3,021	3,613	4,705	14,882
Overseas total	78,938	76,134	25,343	26,918	25,170	23,657	101,088	28,395	31,117	35,593	31,223	126,328
Overseas sales ratio	7.76%	7.44%	9.54%	9.60%	7.98%	9.08%	9.01%	10.00%	10.24%	10.31%	11.15%	10.42%

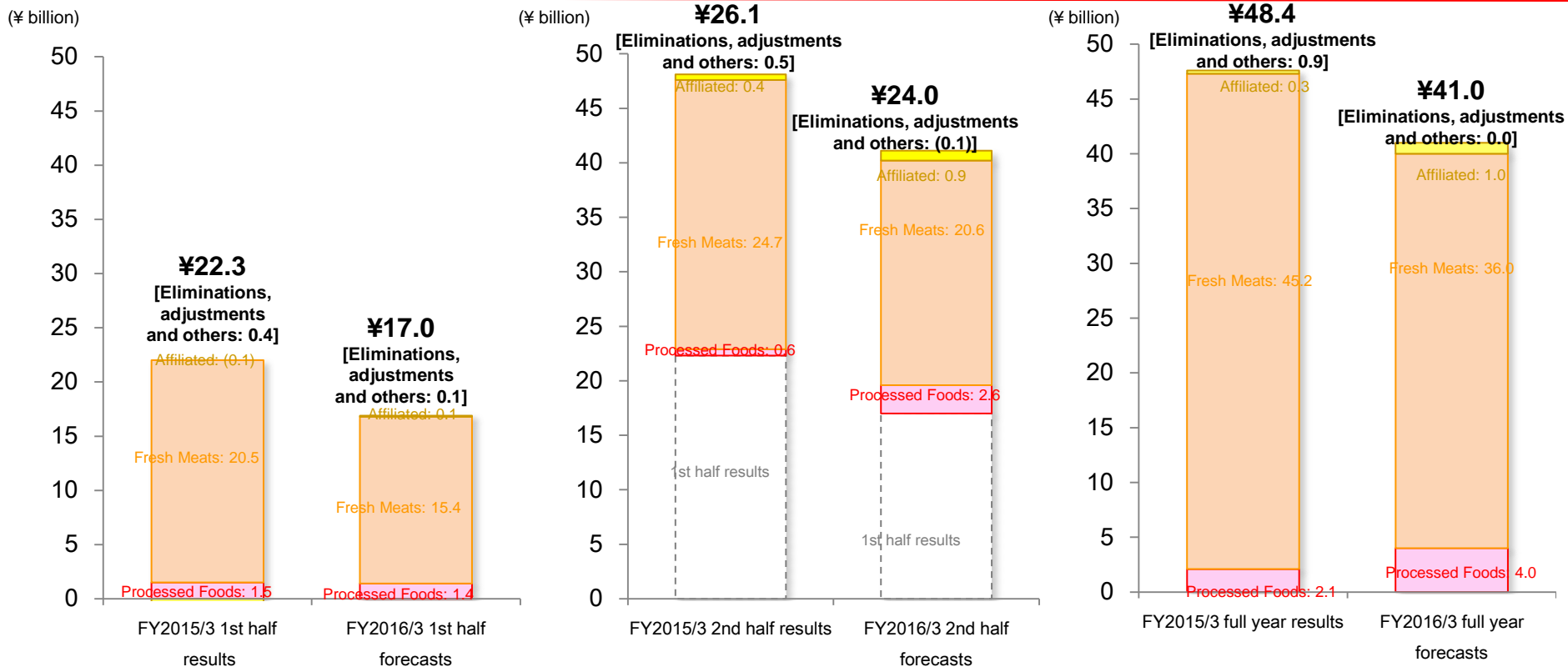
*Net sales figures represent net sales to external customers.



II. Outlook for FY2016/3

- 1. FY2016/3 Operating Income Forecasts**
- 2. Processed Foods Business Division: Outlook**
- 3. Fresh Meats Business Division: Outlook**
- 4. Affiliated Business Division: Outlook**

1. FY2016/3 Operating Income Forecasts



	FY2016/3 1st half forecasts			FY2016/3 2nd half forecasts			FY2016/3 full year forecasts		
	FY2015/3 1st half results		Variance	FY2015/3 2nd half results		Variance	FY2015/3 full year results		Variance
Processed Foods Business Division	1.5	1.4	(0.1)	0.6	2.6	2.0	2.1	4.0	1.9
Fresh Meats Business Division	20.5	15.4	(5.1)	24.7	20.6	(4.1)	45.2	36.0	(9.2)
Affiliated Business Division	(0.1)	0.1	0.2	0.4	0.9	0.6	0.3	1.0	0.7
Eliminations, adjustments and others	0.4	0.1	(0.3)	0.5	(0.1)	(0.6)	0.9	0.0	(0.9)
Total	22.3	17.0	(5.3)	26.1	24.0	(2.1)	48.4	41.0	(7.4)

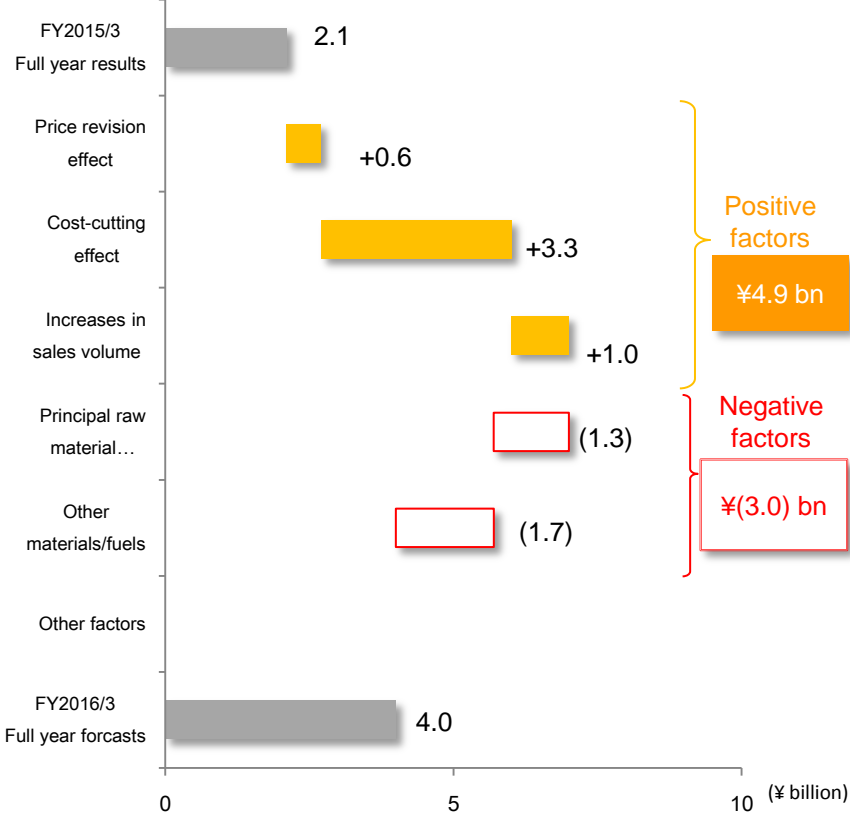
2. Processed Foods Business Division: Outlook (1)

- Measures
 - Brush up NB products. (Develop products that are No. 1 in their categories)
 - Secure competitive advantage by reducing production costs. (Realize the cost reduction effects of the Ibaraki Plant, etc.)
 - Expand businesses in new domains of “consumer frozen foods,” “overseas local sales,” and “logistics business” in addition to efforts to develop and expand existing domains.
 - Improve profitability in OEM businesses.

Factor Analysis: Changes in operating income (¥ billion)

	FY2016/3 forecasts				
	1Q forecasts	2Q forecasts	3Q forecasts	4Q forecasts	Full year forecasts
Price revision effect	0.6	0.0	0.0	0.0	0.6
Cost-cutting effect	1.1	1.0	0.8	0.4	3.3
Increases in sales volume	0.1	0.4	0.4	0.1	1.0
Principal raw/other material prices	(2.4)	(0.9)	0.1	0.2	(3.0)
Principal raw material price	(1.9)	(0.4)	0.5	0.5	(1.3)
Other materials/fuels	(0.5)	(0.5)	(0.4)	(0.3)	(1.7)
Other factors	0.0	0.0	0.0	0.0	0.0
Total	(0.6)	0.5	1.3	0.7	1.9

Factor Analysis Graph: Changes in forecasts (full year)



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

2. Processed Foods Business Division: Outlook (2)

- **Measures to expand sales of Gift products**
 - Target 103% sales in both summer and year-end gifts (year-on-year, unit basis)
 - Capture volume zones through strengthened product capabilities
 - Increase loyalty for flagship brand *Utsukushi-no-Kuni*. (target 120% year-on-year sales for *Utsukushi-no-Kuni*)

(Unit: thousands)

		FY2015/3 results		FY2016/3 forecasts	
		Units	Variance	Units	Variance
Summer gift-giving season	Overall unit sales	2,116	102%	2,180	103%
	(Utsukushi-no-Kuni)	431	114%	518	120%
Year-end gift-giving season	Overall unit sales	4,442	95%	4,575	103%
	(Utsukushi-no-Kuni)	826	106%	990	120%
Total	Overall unit sales	6,558	97%	6,755	103%
	(Utsukushi-no-Kuni)	1,257	109%	1,508	120%

- **Measures to expand sales of major brands**
 - 1) Hams and sausages
 - Establish *SCHAU ESSEN* market share and brush up and strengthen sales for priority brands *Mori-no-Kaori* and *Irodori Kitchen*.
 - 2) Deli and processed foods
 - Boost sales of core products in a focused manner by proposing new eating occasions using new *Ishigama Kobo* products, and by carrying out strengthened sales promotions for *Chuka Meisai* and other products.

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

Hams and sausages	FY2016/3 full-year forecasts	Deli and processed foods	FY2016/3 full-year forecasts
<i>SCHAU ESSEN</i>	100%	<i>Ishigama Kobo</i>	105%
<i>Mori-no-Kaori coarse-ground wieners</i>	145%	<i>Chuka Meisai</i>	105%
Hams	105%	Prefried	102%
Bacons	105%	Hamburg and meatball	104%
Yakibutas	102%	Curries	105%

- **Measures to expand sales by channel**
 - 1) Consumer products
 - Expand sales of major brands in hams and Sausages, and deli and processed foods
 - 2) Commercial-use products
 - Boost sales mainly for convenience stores and restaurant chains through menu proposals for priority category products.

Reference: Year-on-year sales targets by channel

FY2016/3 full year forecasts		Amount
Hams and sausages	Consumer	101%
	Commercial-use	103%
	Total	102%
Deli and processed foods	Consumer	104%
	Commercial-use	106%
	Total	105%

3. Fresh Meats Business Division: Outlook (1)

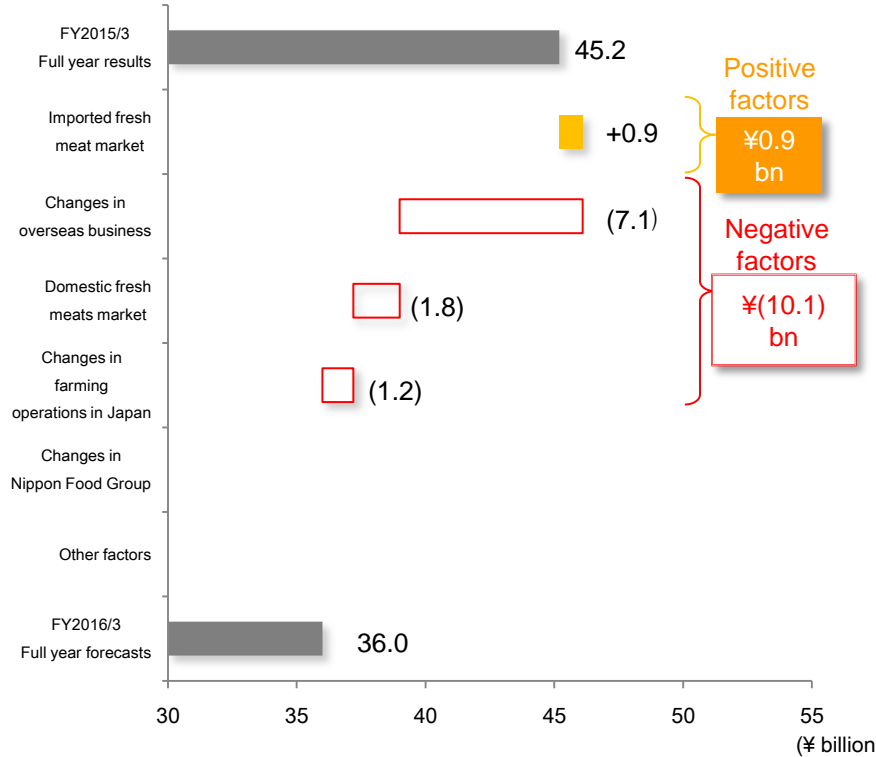
● Measures

[Domestic production]	Strengthen upstream businesses and raise cost competitiveness by reducing production costs.
[Imported fresh meats]	Expand sales volume and market share through proactive sales of branded fresh meats and other products.
[Overseas business]	Bolster market development leveraging cooperation among overseas bases and Group brands.
[Nippon Food Group business]	Increase sales and expand market share and revenues of proprietary products and branded products through proposal-based marketing.
[Domestic fresh meats]	Expand sales volume by increasing sales in parts of meat with low demand is small and boosting external procurement capabilities.

Factor Analysis: Changes in operating income (¥ billion) Factor Analysis Graph: Changes in forecasts (full year)

	FY2016/3 forecasts				
	1Q	2Q	3Q	4Q	Full year
Imported fresh meat market	(0.3)	(0.1)	0.4	0.9	0.9
Changes in overseas business	(2.2)	(2.5)	(2.8)	0.3	(7.1)
Domestic fresh meat market	0.1	(0.5)	(0.8)	(0.6)	(1.8)
Changes in farming operations in Japan	0.1	0.3	(0.6)	(1.1)	(1.2)
Growth in Nippon Food Group	0.2	(0.1)	(0.1)	0.1	0.0
Othe factors	0.0	(0.1)	0.0	0.1	0.0
Total	(2.1)	(3.0)	(3.9)	(0.2)	(9.2)

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



3. Fresh Meats Business Division: Outlook (2)

● Production businesses in Japan

1) Feed prices

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

2) Domestic farm businesses

- Pork market prices are expected to decrease from the previous year, reflecting recovery in the number of pigs shipped among other factors.
- Chicken market prices are expected to progress on a higher note than the previous year during the first half, but are expected to decrease year on year in the second half.

● Overseas businesses

1) Australia

- The situation with regard to securing beef livestock from Australian farms is expected to be difficult.
- Deals from the USA for Australian beef remain strong.

2) Americas

- Strengthen local sales including marine products and processed products by opening new sales bases in Seattle.
- Market prices are expected to fall due to recovery in the number of pigs shipped.

3) Others (Asia and Europe)

- Strengthen procurement of branded pork from Europe. Cultivate customers in Asia.

Reference: FY2015/3 Full year Australian business sales results

Major countries for sales	Volume (ratio breakdown)	Volume (variance year on year)
Japan	20%	101%
United States	26%	153%
South Korea	11%	103%
China	6%	66%
Taiwan	5%	105%
Australia	19%	85%
Others*	13%	127%
Total	100%	106%

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

● Domestic and imported fresh meat sales (food companies)

- Implement Group sales strategy for 7 priority brands in fresh meat.

[Domestic products] *Megumi no Kuni* (Beef), *Mugikomachi* (Pork), *Sakurahime* (Chicken)

[Imported products] *Whyalleaf*, *Cody's Beef* (Beef), *Sukoyaka Sangen Pork*, *Dolce Porco* (Pork)



4. Affiliated Business Division: Outlook

● Measures to expand sales of marine products business

(Marine Foods)

- Develop proprietary products based on customer viewpoint, and develop and expand sales of individual meals, instant meals, and easy-to-cook products for the elderly and single-person households.
- Strengthen promotions, menu proposals and so on in retail stores.
- Strengthen full-year stable operations at Kushiro Marusui Co., Ltd. and procurement of raw materials through the company; set up “Hokkaido product” stations and hold “Hokkaido fairs” at volume retailers, etc.



Kushiro Marusui
“Hokusen Saba Shimesaba”

(Hoko)

- Increase production of products at Hachinohe Factory and strengthen sales promotion, particularly of canned mackerel.

● Measures to expand sales of dairy products business

(Cheese)

- Increase sales of products for consumers by introducing new items in baby cheese and increasing production of smoked cheese, etc.
- Capture the needs of commercial-use customers through accurate proposals and gathering of information.



Nippon Luna
“Coconut-yogurt Bowl”



ROLF
“Baby Cheese for Adults with raw ham”

(Yogurt)

- Strengthen proposals for new ways of eating and product promotion using retail stores, the web, etc.
- Develop of products for CVS channels.

● Domestic fresh meat, Imported fresh meat, Nippon food Group (meat product marketing companies)

- Contract unit prices for cheese ingredients are expected to trend downward toward the second half of the fiscal year as production expansion in countries of origin and demand growth in emerging countries settles down. Domestic ingredient prices are rising due to a shortage of raw milk.
- Prices for yogurt ingredients are expected to remain high due to a shortage of raw milk in Japan despite weakening in overseas markets.

III. Consolidated Financial Results for FY2015/3

- 1. FY2015/3 Business Results at a Glance and FY2016/3 Forecasts**
- 2. Growth Rate by Sales Category and Geographical Segment Information**
- 3. Selling, General and Administrative Expenses / Other Operating Costs and Expenses / Other Income**
- 4. Balance Sheets / Capital Expenditures / Depreciation and Amortization**
- 5. Cash Flows**

1. FY2015/3 Business Results at a Glance and FY2016/3 Forecasts

(¥ million, %)

	FY2015/3 results						FY2016/3 forecasts					
	1st half results	Variance	2nd half results	Variance	Full year results	Variance	1st half forecasts	Variance	2nd half forecasts	Variance	full year forecasts	Variance
Net Sales	587,623	7.6	625,179	8.6	1,212,802	8.1	600,000	2.1	640,000	2.4	1,240,000	2.2
Hams and sausages	73,608	9.2	76,495	0.5	150,103	4.6	74,000	0.5	79,000	3.3	153,000	1.9
Processed foods	105,285	2.5	107,128	1.7	212,413	2.1	109,000	3.5	112,000	4.5	221,000	4.0
Fresh meats	332,163	9.2	358,909	13.8	691,072	11.6	337,000	1.5	363,000	1.1	700,000	1.3
Beef	133,108	5.9	144,565	16.7	277,673	11.3	135,000	1.4	146,000	1.0	281,000	1.2
Pork	116,964	9.1	123,696	11.4	240,660	10.2	116,000	(0.8)	123,000	(0.6)	239,000	(0.7)
Chicken	69,845	14.6	77,358	9.8	147,203	12.0	74,000	5.9	81,000	4.7	155,000	5.3
Other fresh meats	12,246	20.5	13,290	34.2	25,536	27.2	12,000	(2.0)	13,000	(2.2)	25,000	(2.1)
Marine products	44,592	3.6	49,804	2.1	94,396	2.8	46,000	3.2	51,000	2.4	97,000	2.8
Dairy products	14,495	9.5	14,069	8.1	28,564	8.8	15,000	3.5	15,000	6.6	30,000	5.0
Others	17,480	11.0	18,774	8.1	36,254	9.4	19,000	8.7	20,000	6.5	39,000	7.6
Cost of goods sold	481,482	6.7	511,541	9.5	993,023	8.1						
Gross profit	106,141	11.7	113,638	4.5	219,779	7.8						
Gross profit ratio	18.1%	-	18.2%	-	18.1%	-						
SG&A expenses	83,796	0.8	87,539	3.0	171,335	1.9						
Operating Income	22,345	87.2	26,099	9.8	48,444	35.7	17,000	(23.9)	24,000	(8.0)	41,000	(15.4)
Income before income taxes	20,947	96.0	23,597	(4.1)	44,544	26.2	16,000	(23.6)	23,000	(2.5)	39,000	(12.4)
Net income attributable to NH Foods Ltd.	15,067	97.7	15,981	(5.5)	31,048	26.6	11,000	(27.0)	16,000	0.1	27,000	(13.0)

* 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 Geographical Segment Information

Growth Rate by Sales Category

(%)

Category	FY2014/3 (Year-on-year comparison)				FY2015/3 (Year-on-year comparison)			
	4Q		Full year		4Q		Full year	
	Sales volume	Amount	Sales volume	Amount	Sales volume	Amount	Sales volume	Amount
Hams and sausages	9.0	8.8	0.2	2.5	(8.9)	(2.0)	(0.1)	4.6
Processed foods	0.8	2.8	(0.2)	1.6	(5.2)	0.3	(1.9)	2.1
Fresh meats	(1.9)	14.0	(0.4)	14.4	(1.3)	12.8	(2.7)	11.6
Beef	2.3	16.8	8.4	21.8	(9.6)	16.1	(5.3)	11.3
Pork	(7.6)	10.4	(4.8)	9.0	(3.4)	9.7	(8.0)	10.2
Chicken	1.3	14.0	(1.2)	11.5	5.6	9.4	4.3	12.0
Other fresh meats	11.7	25.8	(4.0)	8.1	27.0	32.1	18.3	27.2

Geographical Segment

(¥ million, %)

	FY2015/3 results			FY2016/3 forecasts					
	1st half results	2nd half results	Full year results	1st half forecasts	Variance	2nd half forecasts	Variance	Full year forecasts	Variance
Domestic sales	528,673	559,159	1,087,832	531,600	0.6	564,400	0.9	1,096,000	0.8
External customers	528,111	558,363	1,086,474	531,100	0.6	563,900	1.0	1,095,000	0.8
Intersegment	562	796	1,358	500	(11.0)	500	(37.2)	1,000	(26.4)
Operating income	15,306	20,463	35,769	14,200	(7.2)	20,600	0.7	34,800	(2.7)
Operating income ratio	2.9%	3.7%	3.3%	2.7%	-	3.6%	-	3.2%	-
Overseas sales	126,369	126,616	252,985	141,800	12.2	141,200	11.5	283,000	11.9
External customers	59,512	66,816	126,328	68,900	15.8	76,100	13.9	145,000	14.8
Intersegment	66,857	59,800	126,657	72,900	9.0	65,100	8.9	138,000	9.0
Operating income	7,195	5,640	12,835	2,800	(61.1)	3,400	(39.7)	6,200	(51.7)
Operating income ratio	5.7%	4.5%	5.1%	2.0%	-	2.4%	-	2.2%	-

* Sales by geographical 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 / Other Income

(¥ million, %)

	FY2014/3	FY2015/3		
	Full year results	Full year results	Variance (%)	Variance
★(1) Selling, general and administrative expenses	168,093	171,335	1.9	3,242
Personnel	65,315	66,132	1.3	817
Advertising	11,221	11,187	(0.3)	(34)
★(2) Logistics	49,741	51,280	3.1	1,539
Others	41,816	42,736	2.2	920

Major reasons for increase/decrease

★(1) **SG&A expenses:** The ratio of SG&A expenses to net sales decreased 0.9 point from 15.0% to 14.1%.

★(2) **Logistics:** Logistics costs increased ¥1.5 billion mainly due to higher transportation expenses resulting from an upswing in sales volume.

(¥ million)

	FY2014/3	FY2015/3	
	Full year results	Full year results	Variance
★(1) Other operating costs and expenses (income) - net	686	4,231	3,545
Fixed assets	543	4,239	3,696
Others	143	(8)	(151)
Other income (expenses) - net	1,791	1,678	(113)
Interest and dividends income	1,095	1,151	56
Foreign exchange gains (losses)	1,063	(88)	(1,151)
Others	(367)	615	982
Interest expense	1,502	1,347	(155)

Major reasons for increase/decrease

★(1) **Other income (expenses) - net:** Increased due to related losses associated with relocation of the NH Factory (Hyogo Plant)

4. Balance Sheets / Capital Expenditure / Depreciation and Amortization

Consolidated balance sheets		FY2014/3 year-end	FY2015/3 year-end	Variance (%)	Variance
★(1)	Total assets	627,220	661,567	5.5	34,347
	Cash and cash equivalents	74,928	57,404	(23.4)	(17,524)
★(2)	Trade notes and accounts receivable	118,141	127,273	7.7	9,132
★(3)	Inventories	122,115	143,107	17.2	20,992
	Property, plant and equipment - at cost, less accumulated depreciation	236,669	252,537	6.7	15,868
	Investments and other assets	34,267	41,170	20.1	6,903
	Deferred income taxes - non-current	10,091	7,067	(30.0)	(3,024)
	Total liabilities	303,245	305,143	0.6	1,898
	Trade notes and accounts payable	97,353	94,212	(3.2)	(3,141)
★(4)	Interest-bearing debt	144,963	136,806	(5.6)	(8,157)
	Liability under retirement and severance program	12,584	12,075	(4.0)	(509)
	Total NH Foods Ltd. shareholders' equity	320,984	353,664	10.2	32,680
	Noncontrolling interests	2,991	2,760	(7.7)	(231)
	Total equity	323,975	356,424	10.0	32,449

Major reasons for increase/decrease

- ★(1) **Total assets:** Increased by approximately ¥34.3 billion including (2) and (3)
- ★(2) **Trade notes and accounts receivable:** Increased by approximately ¥9.1 billion from the end of the previous fiscal year due to higher sales and a consumption tax increase.
- ★(3) **Inventories:** Increased by approximately ¥21.0 billion from the end of the previous fiscal year mainly owing to an increase in fresh meats.
- ★(4) **Interest-bearing debt:** Decreased by approximately ¥8.2 billion from the end of the previous fiscal year due to repayment of short-term and long-term bank loans.

Capital expenditures and depreciation	FY2014/3	FY2015/3				FY2016/3
	Full year results	Full year forecasts	Full year results	Variance (%)	Variance	Forecasts
Capital expenditure	29,152	49,200	35,694	22.44	6,542	59,100
Production facilities	18,768	25,000	21,762	15.95	2,994	20,700
Marketing and logistics facilities	2,518	6,600	2,586	2.70	68	8,100
Farms and processing facilities	4,670	10,500	6,943	48.67	2,273	12,500
Overseas businesses facilities	1,509	4,500	2,764	83.17	1,255	13,400
Other facilities	1,687	2,600	1,639	(2.85)	(48)	4,400
Depreciation and amortization	18,649	19,700	18,951	1.62	302	21,000

(¥ million)

Consolidated statements of cash flows	FY2014/3	FY2015/3		FY2016/3
	Full year results	Full year results	Variance	Full year forecasts
★(1) Cash flow from operating activities	32,952	29,681	(3,271)	60,000
★(2) Cash flow from investing activities	(27,021)	(31,517)	(4,496)	(65,300)
Cash flow from financing activities	(9,373)	(17,187)	(7,814)	17,100

Major reasons for increases/decrease

★(1) Breakdown of major items of cash flow from operating activities

(¥ million)

	FY2014/3	FY2015/3	
	Full year results	Full year results	Variance
Decrease (increase) in trade notes and accounts receivable	6,339	(8,929)	(15,268)
Decrease (increase) in inventories	(8,215)	(20,259)	(12,044)

★(2) Breakdown of major items of cash flow from investing activities

(¥ million)

	FY2014/3	FY2015/3	
	Full year results	Full year results	Variance
Capital expenditures	(22,690)	(34,519)	(11,829)

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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.

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