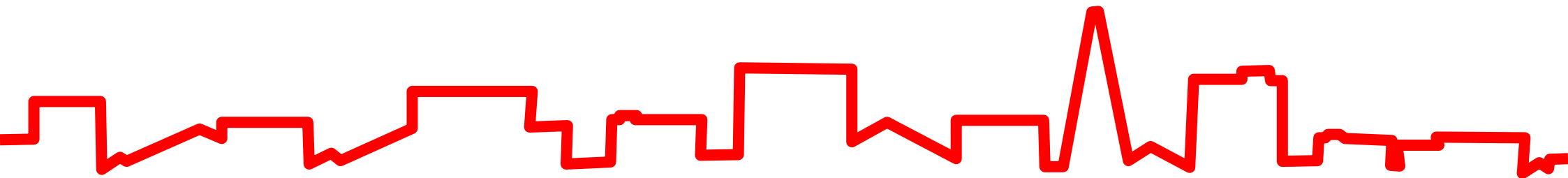


New Medium-Term Management Plan Part 5

Creating a stable business model through reform

May 13, 2015
NH Foods Ltd.



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1. Review of the New Medium-Term Management Plan Part 4

Key figures

(¥ billion)

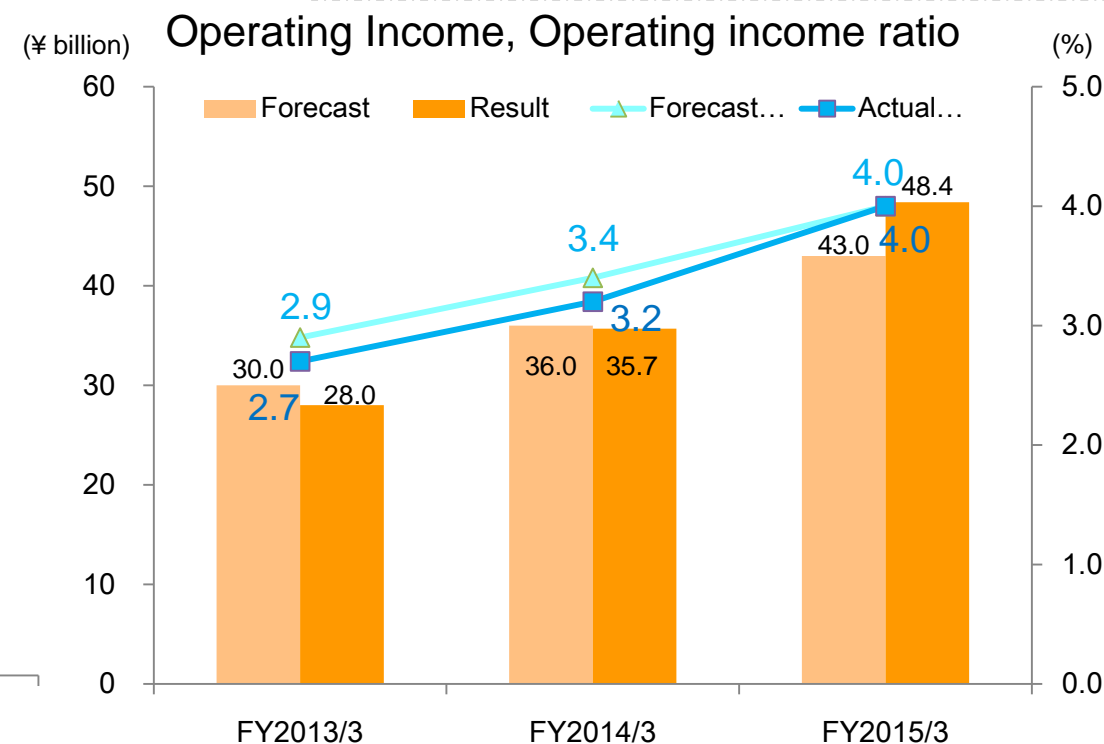
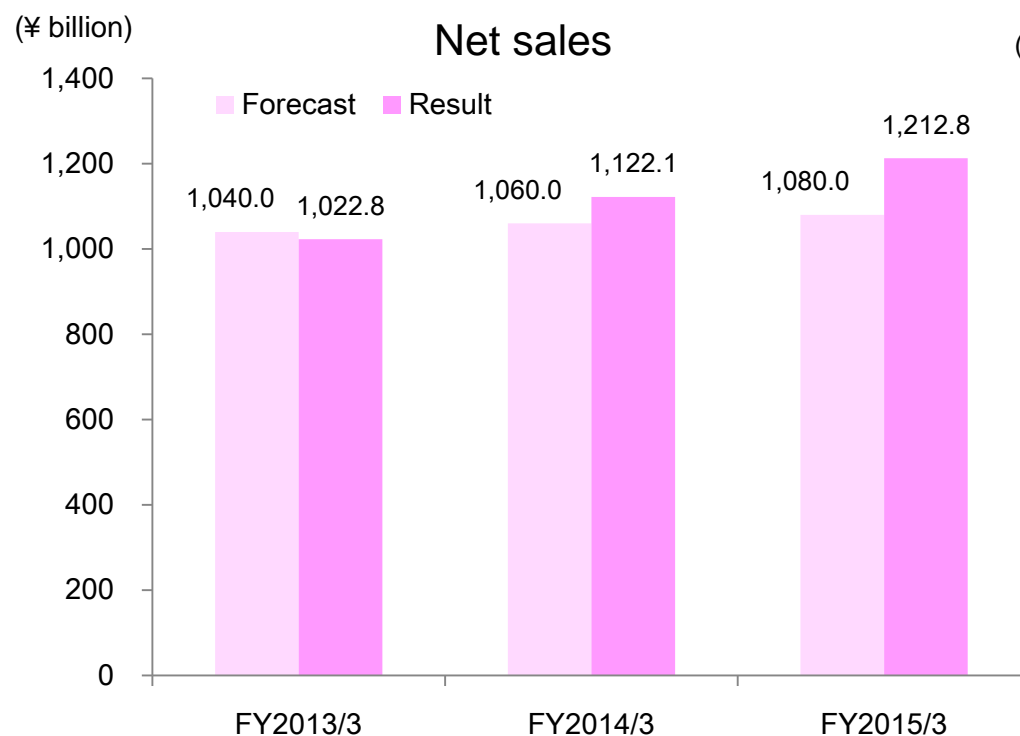
		FY2013/3	FY2014/3	FY2015/3	3-year cumulative
Net sales	Forecasts	1,040.0	1,060.0	1,080.0	3,180.0
	Results	1,022.8	1,122.1	1,212.8	3,357.7
Operating income	Forecasts	30.0	36.0	43.0	109.0
	Results	28.0	35.7	48.4	112.2
Operating income ratio	Forecasts	2.9%	3.4%	4.0%	3.4%
	Results	2.7%	3.2%	4.0%	3.3%

Net sales

In the first year, we came short of ¥17.2 billion, but from the second year onwards we achieved our forecasts. Cumulative net sales for the three years also surpassed the forecast by ¥177.7 billion.

Operating Income

Our forecast was accomplished by substantial profits from our Fresh Meats Business. (The final year showed record profits) Cumulative operating income for the three years also surpassed the forecast by ¥3.2 billion.



Key figures

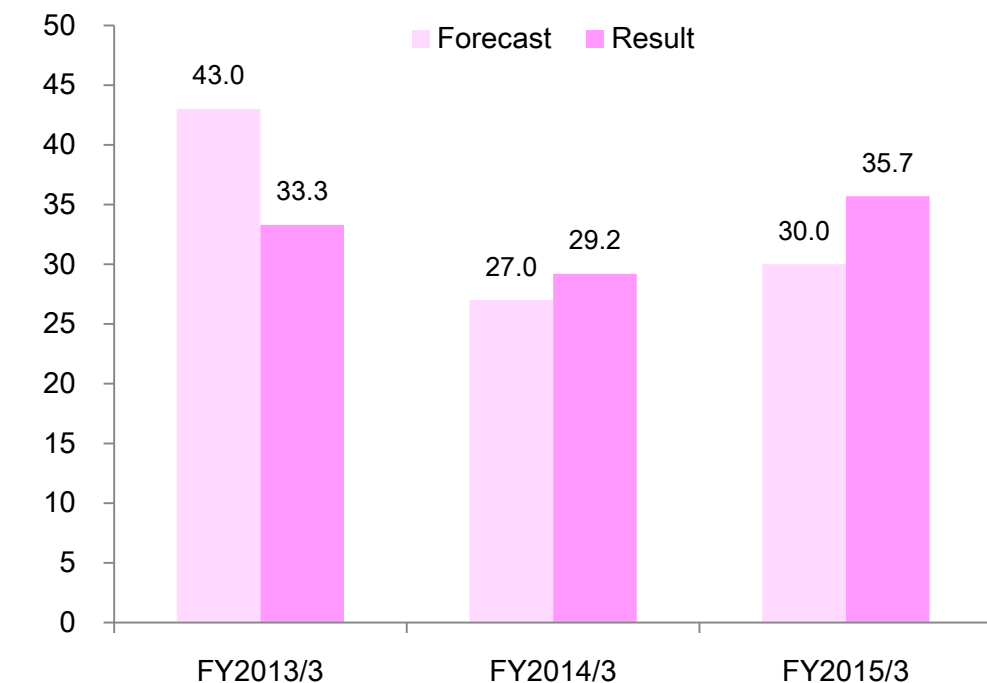
(¥ billion)

		FY2013/3	FY2014/3	FY2015/3	3-year cumulative
Capital expenditures	Forecasts	43.0	27.0	30.0	100.0
	Results	33.3	29.2	35.7	98.1
Depreciation and amortization	Forecasts	22.0	24.0	24.0	70.0
	Results	19.3	18.6	19.0	56.9

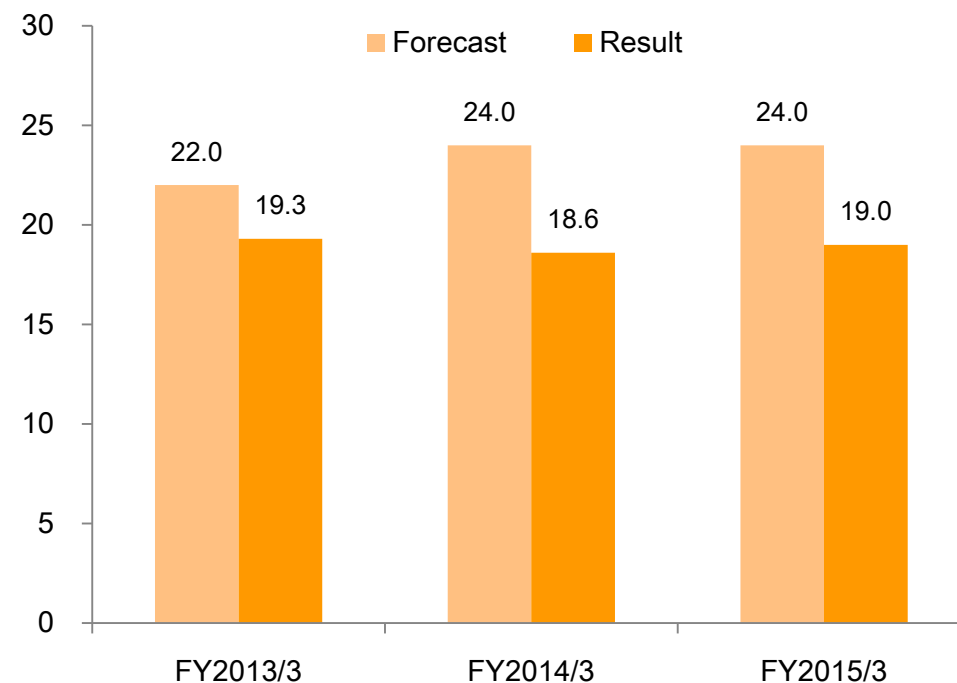
capital expenditures

Cumulative amount of ¥100.0 billion for the three years was set as a forecast for aggressive investment in future growth and efficiency. Actual capital expenditures made of a cumulative ¥98.1 billion. There were some delays due to the earthquake, but investment went almost exactly according to forecast over the 3 year cumulative.

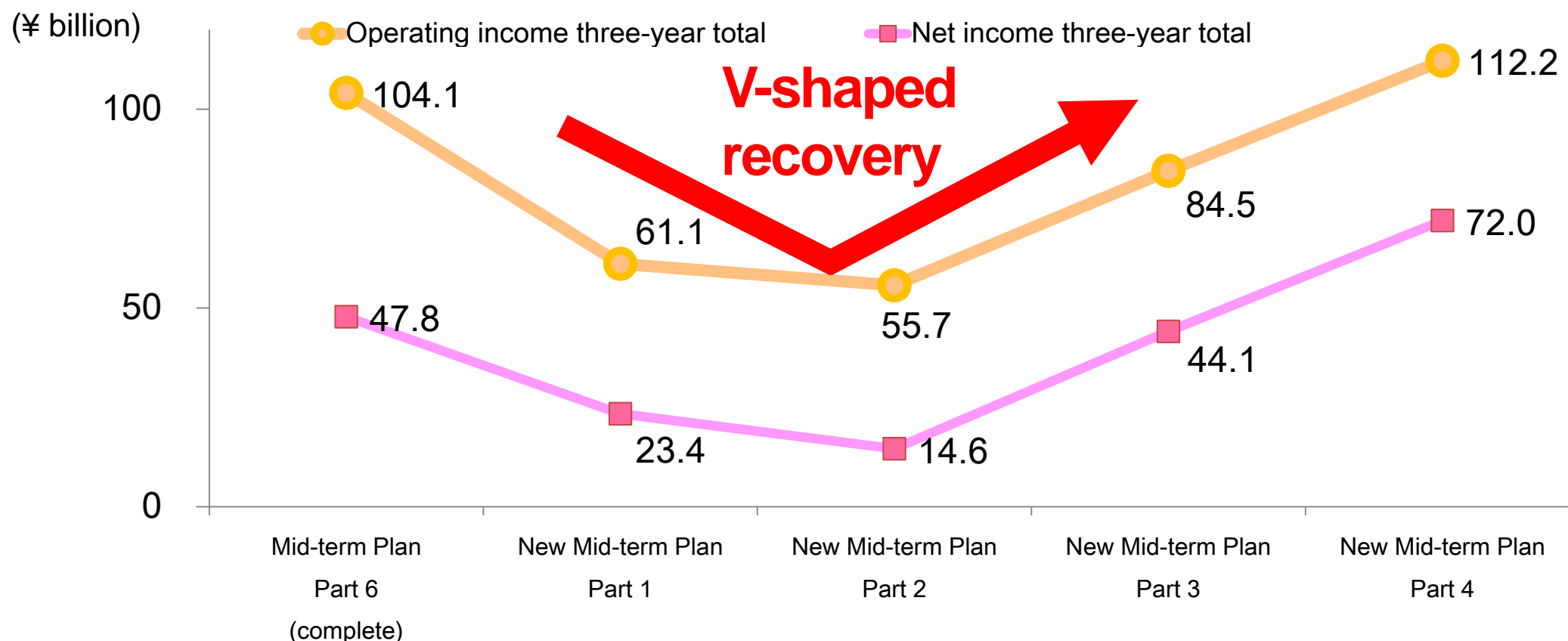
(¥ billion) Capital expenditures



(¥ billion) Depreciation and amortization



Changes in New Medium-Term Management Plan Parts 1-4



	Medium-Term Management Plan Part 6 (FY2001/3-FY2003/3)	New Medium-Term Management Plan Part 1 (FY2004/3-FY2006/3)	New Medium-Term Management Plan Part 2 (FY2007/3-FY2009/3)	New Medium-Term Management Plan Part 3 (FY2010/3-FY2012/3)	New Medium-Term Management Plan Part 4 (FY2013/3-FY2015/3)
Net Sales	¥2,765.7 billion	¥2,821.9 billion	¥3,033.6 billion	¥2,960.7 billion	¥3,357.7 billion
Operating Income	¥104.1 billion	¥61.1 billion	¥55.7 billion	¥84.5 billion	¥112.2 billion
Net Income	¥47.8 billion	¥23.4 billion	¥14.6 billion	¥44.1 billion	¥72.0 billion

Results compared to forecast figures

Management Targets

	Part 4 Final Year Forecast
Net sales	¥1,080.0 bn
Operating income	¥43.0 bn
Operating income ratio	4.0%
ROE (Return on equity)	7.0%

Reference Indicator

	Part 4 Final Year Forecast
Overseas sales ratio	10 % or more
Total assets	¥610.0 bn
Interest-bearing debt	¥120.6 bn
Total shareholder's equity	¥325.2 bn

	Part 4 Forecast (3-year cumulative)
Cash flows from operating activities	¥134.0 bn
Cash flows from investing activities	¥(113.0 bn)
Free cash flow	¥21.0 bn
Capital expenditures	¥100.0 bn
Depreciation and amortization	¥70.0 bn

Part 4 Final Year Performance	Results	Achievements and Challenges
¥1,212.8 bn	Achieved	Overseas sales ratio exceeded 10%
¥48.4 bn	Achieved	Achieved by growth of the Fresh Meats Business
4.0%	Achieved	Achieved by growth of the Fresh Meats Business
9.2%	Achieved	Achieved by earnings growth exceeding the forecast

Part 4 Final Year Performance	Main Reasons
10.4%	Overseas sales increased due to substantial improvement of Australian businesses
¥661.6 bn	Increased both working capital and fixed assets
¥136.8 bn	Increased both working capital and fixed assets
¥353.7 bn	Increased by earnings growth exceeding the forecast

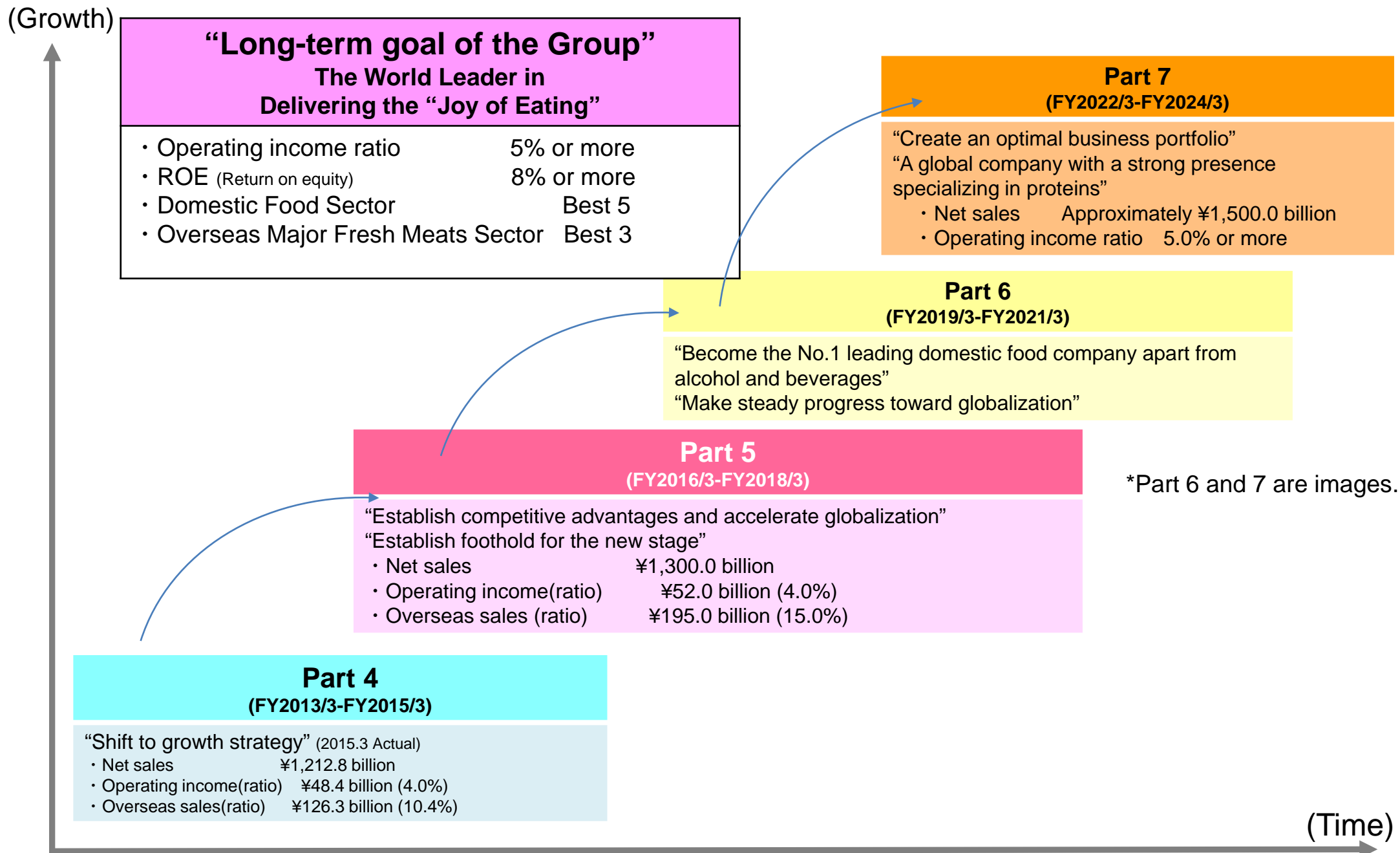
Part 4 Performance (3-year cumulative)	Main Reasons
¥100.0 bn	Because of increased inventories
¥(80.9 bn)	Because of delayed, unused investment policy
¥19.1 bn	Because of decreased cash flows from operating activities
¥98.1 bn	Almost exactly according to the forecast
¥56.9 bn	

Summary

	Results	Challenges
1. Strengthening of business bases and aggressive development of overseas business	<ul style="list-style-type: none"> • Introduction of high-capacity/high-speed line, expansion of farms for fresh meats and enhancement of procurement ability • Expansion of business domain, strengthening of overseas bases (Overseas sales ratio exceeded 10%) 	<ul style="list-style-type: none"> • Vulnerability of business model to high raw material costs, fresh meat prices, and foreign exchange rates • Cultivation of brands directly linked to competitive advantages in an early stage • Further expansion of overseas sales ratio • Manifestation of the effects of already invested projects
2. Procurement and cultivation of human resources	<ul style="list-style-type: none"> • Building of role model of human resource • 3 phase overseas training for human resource development • Management seminars, business leader training, women's business college, etc. 	<ul style="list-style-type: none"> • Training, discovery, and acquisition of human resources that will propel the Group expansion and global management
3. Strengthening of R&D and Quality Assurance systems	<ul style="list-style-type: none"> • Start of R&D Center new testing unit TAP • Development of medical use collagen imidazole dipeptide • Establish Nippon Ham Foundation (support and research for food allergy, etc.) 	<ul style="list-style-type: none"> • Further use of research findings • Further strengthening of the global quality assurance systems
4. Promotion of group brand management	<ul style="list-style-type: none"> • Group brand renewal • Systematization of the corporate brand and change of the English company name • Increased awareness at Group Fairs and overseas exhibitions 	<ul style="list-style-type: none"> • Promotion of organic integration of brands for the Group, companies and products • Cultivation of brand awareness internally
5. Enhancement of capital efficiency and optimization of efficient use of funds	<ul style="list-style-type: none"> • Ensure ROE management and optimal capital structure • Issue of convertible bonds and purchases of treasury stocks • Cancellation of treasury stocks • Dividend policy based on the consolidated business performance 	<ul style="list-style-type: none"> • Improvement of capability to generate cash flow from operating activities • Improvement of efficiency for invested capital

2. Overview of the New Medium-Term Management Plan Part 5

“Long-term goal of the Group” and positioning Part 5



Management Policies

<Theme>

Creating a stable business model through reform

<Management Policies>

1. Establish competitive advantages of domestic businesses

- Establish No. 1 brand supported by customers
- Continue to improve profitability
- Strengthen Group synergies

2. Accelerate to a global company

- Globalize integration
- Expand area of deployment
- Expand business domains

Top-notch management for No.1 quality that promotes the growth strategy

- Enhancement of quality of “products,” “management,” and “human resources”
- Continuous strengthening compliance and corporate governance
- Pursuit of social responsibility

Points regarding Reform

1. Pursuit of a business model invulnerable to high raw material costs and fresh meat prices

- Manifestation of effects of capital expenditures (high-capacity/high-speed line)
- Expansion of new businesses and reinforce and enhance product development structure

2. Expansion of overseas net sales at an early stage

- Strengthen marketing in local and emerging nations markets and utilize Group synergies
- Aim for 15% in Part 5 with 20% ten years in view

3. Organic integration and evolution of brands (the Group, companies, products)

- Strategic brandings (effective utilization of brand assets)
- Cultivate brands that are chosen by customers, and develop these differentiations from other companies

4. Set ROIC as a new management indicator for business divisions in addition to ROE

- Continue to use ROE, aiming at 8% or more
- Set ROIC to pursue efficiency of invested capital

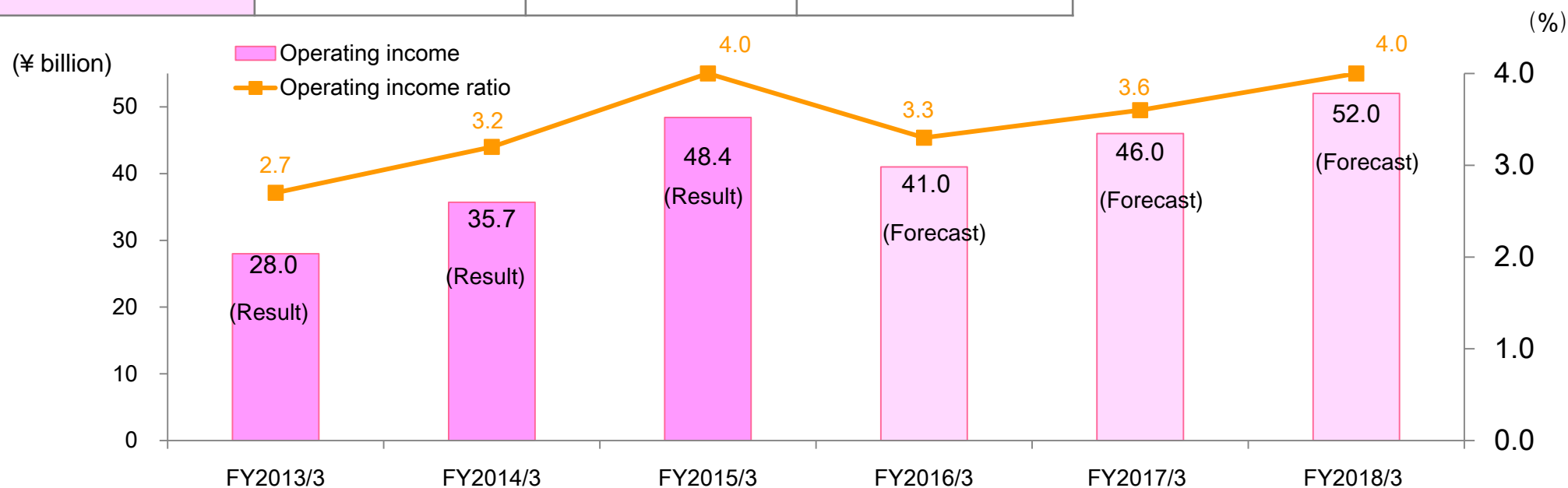
P/L and financial targets

	FY2016/3 forecasts	FY2017/3 forecasts	FY2018/3 forecasts	(¥ billion)
Net sales	1,240.0	1,270.0	1,300.0	
Operating income	41.0	46.0	52.0	
Operating income ratio	3.3%	3.6%	4.0%	
ROE (Return on equity)	→	→	8% or more	

● Record high operating income and attempt at exceeding ¥50.0 billion (The past record was ¥48.4 billion in March 2015)

(Reference Figures)

Income before income taxes	39.0	42.0	50.0
Net income	27.0	29.0	33.0



Net sales and operating income forecasts by business segment

(¥billion)

		FY2015/3 results
Processed Foods Business	Net sales	360.0
	Operating income	2.1
	Operating income ratio	0.6%
Fresh Meats Business	Net sales	850.8
	Operating income	45.2
	Operating income ratio	5.3%
Affiliated Business	Net sales	155.2
	Operating income	0.3
	Operating income ratio	0.2%
Eliminations, adjustments and others	Net sales	(153.1)
	Operating income	0.9
Consolidated	Net sales	1,212.8
	Operating income	48.4
	Operating income ratio	4.0%



FY2016/3 forecasts	FY2017/3 forecasts	FY2018/3 forecasts	
			Growth from FY2015/3
368.0	380.0	390.0	108.3%
4.0	6.5	9.0	428.6%
1.1%	1.7%	2.3%	-
868.0	883.0	900.0	105.8%
36.0	38.0	41.0	90.7%
4.1%	4.3%	4.6%	-
158.0	161.0	164.0	105.7%
1.0	1.5	2.0	666.7%
0.6%	0.9%	1.2%	-
(154.0)	(154.0)	(154.0)	-
0	0	0	-
1,240.0	1,270.0	1,300.0	107.2%
41.0	46.0	52.0	107.4%
3.3%	3.6%	4.0%	-

Consolidated net sales forecasts by geographic segment

Consolidated net sales by geographic segment

	FY2015/3 results	FY2016/3 forecasts	
Japan	1,087.8	1,096.0	
Overseas	253.0	283.0	
	Americas	88.1	90.0
	Australia	99.6	107.5
Asia and other regions	73.3	85.5	
Eliminations, adjustments and others	(128.0)	(139.0)	
Consolidated net sales	1,212.8	1,240.0	

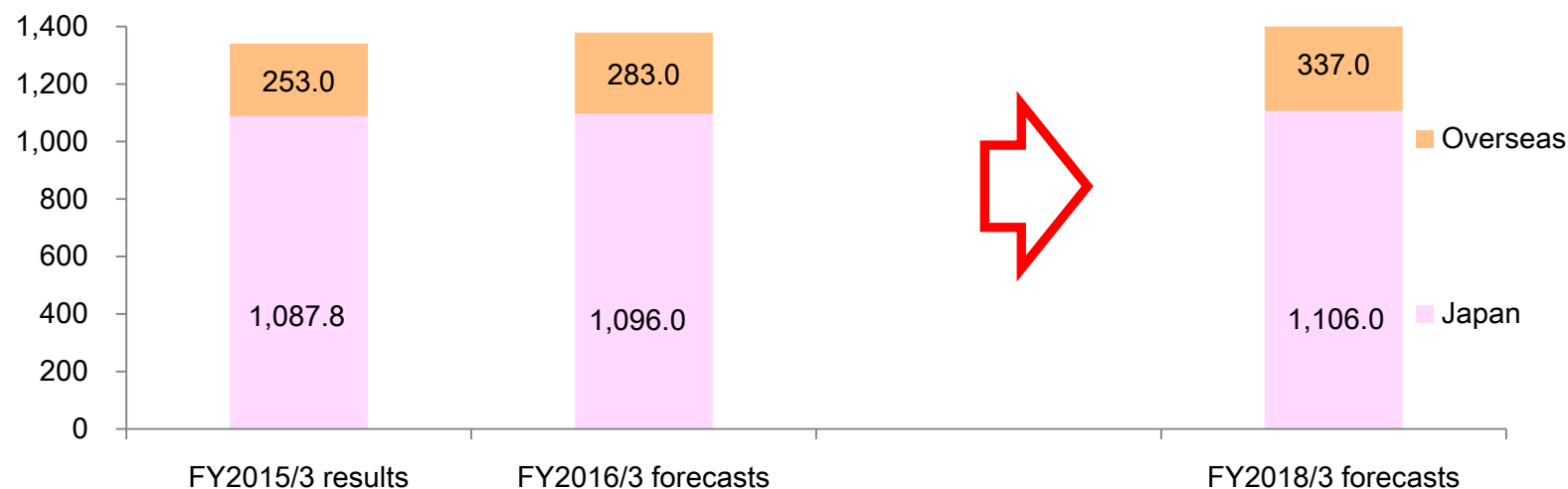
(¥billion)

FY2018/3 forecasts
1,106.0
337.0
100.5
124.0
112.5
(143.0)
1,300.0

Note: Net sales by geographic segment are before intersegment elimination.
 Note: Because of intersegment transactions, overseas and total of each region do not match.

	FY2015/3 result	FY2016/3 forecast
Overseas sales	126.3	145.0

Note: Overseas sales are sales to external customers by overseas affiliates (including sales to Japan)



FY2018/3 forecast
195.0

We aim for an overseas sales ratio of **15%** in the final year of Part 5.

Consolidated operating income targets by geographic segment

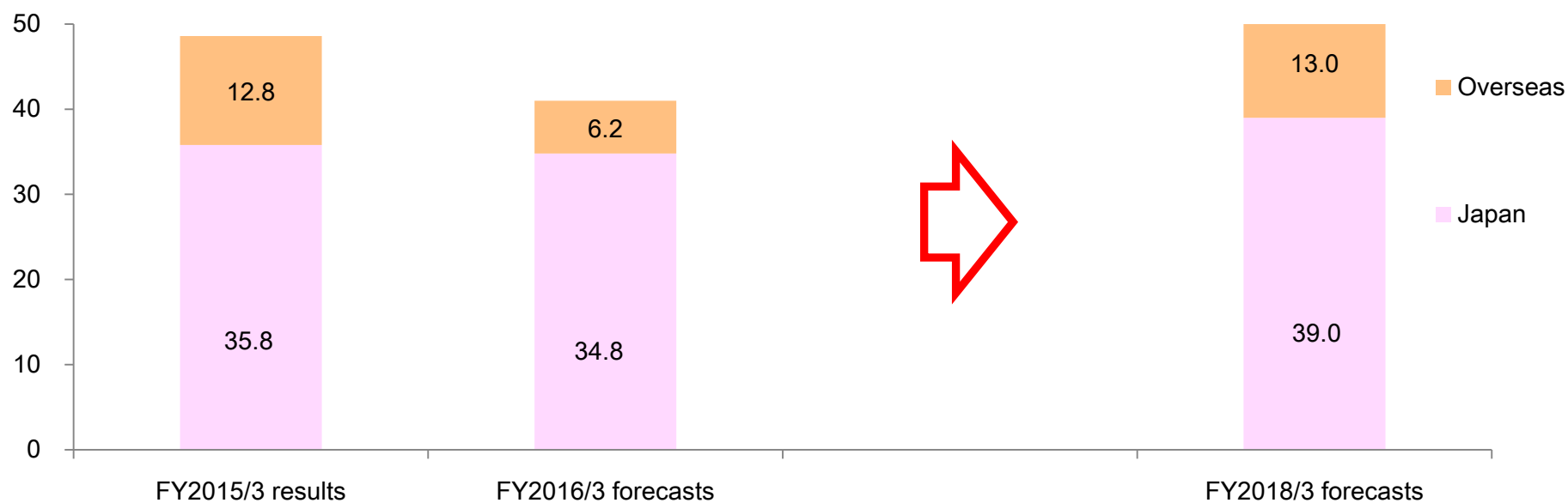
Consolidated operating income by geographic segment

(¥billion)

	FY2015/3 results	FY2016/3 forecasts	FY2018/3 forecasts	
Japan	35.8	34.8	39.0	
Overseas	12.8	6.2	13.0	
	Americas	1.5	0.3	3.0
	Australia	11.3	4.9	5.0
Asia and other regions	0.2	1.0	5.0	
Eliminations, adjustments and others	(0.2)			
Consolidated operating income	48.4	41.0	52.0	



Note: Because of intersegment transactions, overseas and total of each region do not match.

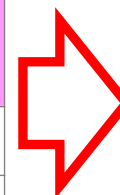


B/S, cash flow, capital expenditures and depreciation

	FY2015/3 results
Total assets	¥661.6bn
Interest-bearing debt	¥136.8bn
Total shareholders' equity	¥353.7bn
ROIC(NOPAT)	6.4%
D/E Ratio	0.39

	FY2018/3 forecasts
Total assets	¥789.0bn
Interest-bearing debt	¥165.0bn
Total shareholders' equity	¥417.0bn
ROIC(NOPAT)	6% or more
D/E Ratio	0.40-0.50

	New Mid-term Plan Part 4 results (3-year cumulative)
Cash flow from operating activities	¥100.0bn
Cash flow from investing activities	¥(80.9bn)
Free cash flow	¥19.1bn



	New Mid-term Plan Part 5 forecasts (3-year cumulative)
Cash flow from operating activities	¥160.0bn
Cash flow from investing activities	¥(148.0bn)
Free cash flow	¥12.0bn

	New Mid-term Plan Part 4 results (3-year cumulative)
Capital expenditures	¥98.1bn
Depreciation and amortization	¥56.9bn

	New Mid-term Plan Part 5 forecasts (3-year cumulative)
Capital expenditures	¥147.0bn
Depreciation and amortization	¥66.5bn

$$\boxed{\text{ROIC}} = \frac{\text{Net sales}}{\text{Invested capital}} * \frac{\text{Operating income}}{\text{Net sales}} * \boxed{\text{After-tax}}$$

$$\text{FY2018/3 Projections } 6.1\% = \text{Turnover } 2.24 \text{ (times)} * \text{Profit ratio } 4.0\% * \text{1-tax rate } 0.68$$

*Invested capital:
Total shareholders' equity
+ Interest-bearing debt

Cash flow forecasts

New Medium-Term Management Plan Part 4 results (FY2013/3-FY2015/3 3-year cumulative)

	(¥billion)
Net income	72.6
Depreciation and amortization	58.3
Others	(30.9)
Cash flow from operating activities	100.0
Capital expenditures	(87.1)
Others	6.2
Cash flow from investing activities	(80.9)
Cash dividend	(16.4)
Purchase of treasury stock	(46.1)
Others	(25.0)
Cash flow from financing activities	(37.5)
Effect of foreign exchange on cash and cash equivalents	5.1
Net decrease in cash and cash equivalents	(13.3)



Free cash flow	19.1
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New Medium-Term Management Plan Part 5 forecasts (FY2016/3-FY2018/3 3-year cumulative)

	(¥billion)
Net income	91.6
Depreciation and amortization	68.0
Others	0.4
Cash flow from operating activities	160.0
Capital expenditures	(126.4)
Others	(21.6)
Cash flow from investing activities	(148.0)
Cash dividend	(26.5)
Purchase of treasury stock	
Others	20.0
Cash flow from financing activities	(6.5)
Effect of foreign exchange on cash and cash equivalents	
Net increase in cash and cash equivalents	5.5

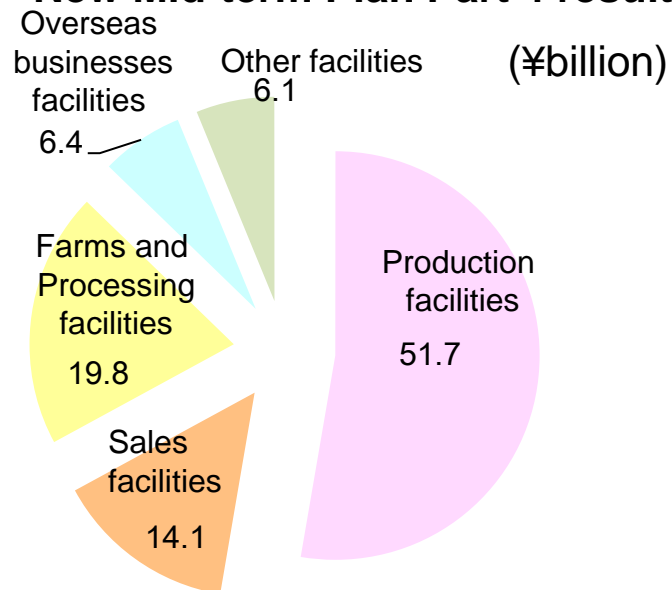
Free cash flow	12.0
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*Others of cash flow from investing activities includes ¥30.0 billion for investment policy.

*Cash dividends are based on the profit forecast in the New Medium-Term Management Plan Part 5, and is not a fixed amount.

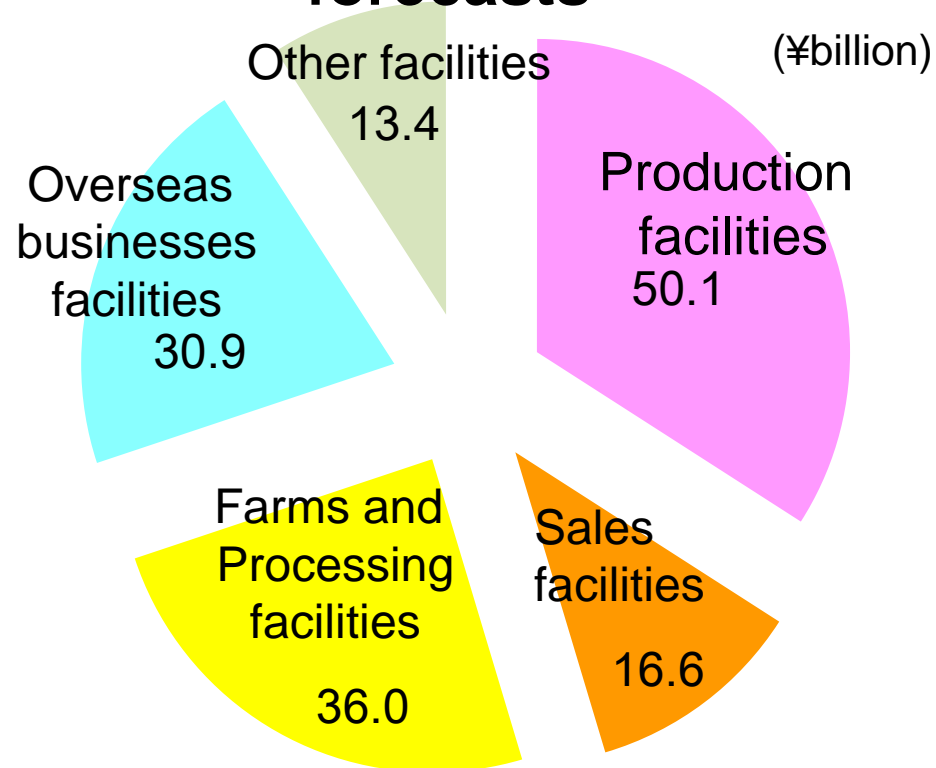
Capital expenditures plan

New Mid-term Plan Part 4 results



Total Capital Expenditures (Part 4 Cumulative)
¥98.1 billion

New Mid-term Plan Part 5 forecasts



Total Capital Expenditures (Part 5 Cumulative)
¥147.0 billion
(Difference from Part 4 + ¥48.9 billion)

Point of increases from Part 4 to Part 5

- Overseas businesses facilities...+ ¥24.5 billion
(Primarily Asia and Australia)
- Farms and processing facilities...+ ¥16.2 billion

3. Management Strategies in the New Medium-Term Management Plan Part 5

Management Strategies

Management Strategies

1. Continuous strengthening of profitability in domestic businesses

- Further strengthening of procurement ability and integration.
- Expansion of market share by active investment in growth markets.

2. Expansion of overseas net sales at an early stage

- Further advance into large markets and emerging nations.
- Overseas expansion of a diversity of top brand products.

3. Promotion of strategic branding

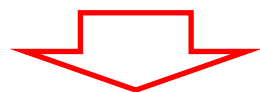
- Promotion of marketing and branding across the group, strengthening of organic integration of brands between the Group, companies, and products.

4. Reinforcement of cross-Group corporate functions

- Procurement and cultivation of human resources responsible for global and management.
- Introduction of ROIC as a business division performance indicator.

1) Further reinforcement of the domestic “integration system”

- Strengthen processing capabilities and procurement capabilities, including direct management, contracts, and external, to ensure stable supply and revenue corresponding to environmental changes, such as supply and demand trends and market trends, soaring raw material and fuel costs, and livestock epidemics.
- Rebuilding the production and sales system, corresponding to supply and demand trends due to progress of the Australian EPA and TPP.
- Enhanced development of high added value hams and sausages, deli and processed foods using integration, and enhance the synergistic effect with branded fresh meats.



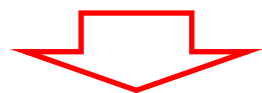
Strengthen procurement capability and the production and sales system corresponding to environmental changes, and further enlarge the scale of business



(Picture) Nippon White Farm
Shiretoko Factory Aerial Photo

2) Reinforce and expand existing businesses through proactive capital expenditures as well as selectivity and focus

- Establish optimal production system by reconstruction of infrastructure with the future in mind as well as acceleration and automation of the production, thereby reducing the cost of production.
- Expand market share by proactively investing in growth markets, while also reevaluating items handled and enhancing efficiency of production and sales.
- Improve group cooperation towards capturing channels such as retail chains, CVS, food service, and commercial-use.



Reconstruct existing businesses with the future in mind, and establish a cost competitive advantage



(Picture) Nippon Ham Factory's new building of Ibaraki Plant

3) Establish a product development structure that makes maximum use of links with customers and their needs

- Analyze consumer trends, develop products that provide a new scene for use or experience, conscious of presenting experiences from our products, and create strong NB products.
- Construct a development, production, and sales system that can swiftly reflect the voices and needs of customers, further strengthening partnerships with said customers.

4) Expand new business domains by cultivating and utilizing new technologies

- Prepare an incubation (cultivation) function for the commercialization of the technology seeds in the R&D Center, and build the mechanisms of the commercialization process.



An approach towards establishing strong product development capability and expanding into new business domains



(Picture) TAP(Tsukuba Analytical Plaza)

1) Expand area of deployment and enhance the “integration system”

- Expand the area of rollout overseas to include the huge markets in North America and the EU, or emerging nations where demand for foodstuffs is rapidly increasing, such as ASEAN countries and the rest of Asia.
- Regarding the integrated system of Australia and Americas, strengthen the global supply and sales system to expand into new markets and tripartite trade.
- Promote collaboration with companies that already have a local production system and sales system to advance into new, larger markets and emerging nations.



(Picture) Australian businesses, Whyalla Feedlot



(Picture) Australian businesses, Oakey Beef Exports Pty. Ltd.

Management strategies: 2. Expansion of overseas net sales at an early stage (2)

2) Expand sales in global markets by strengthening the overseas production and sales structure

- For production bases, build development and production systems not only for Japan, but also local sales and third countries.
- For sales bases, strengthen collaboration with other companies and strengthen the cooperation system within each area of the group, and build the internal sales system.

3) Strengthen promotion of overseas businesses from the Group's perspective

- Prepare a foreign business promotion system from the perspective of group synergy, and build an organizational cooperation system for each area that goes beyond business divisions.
- Strengthen foreign strategic functions, such as survey and analysis, negotiations with business partners, and development of plans for advance.

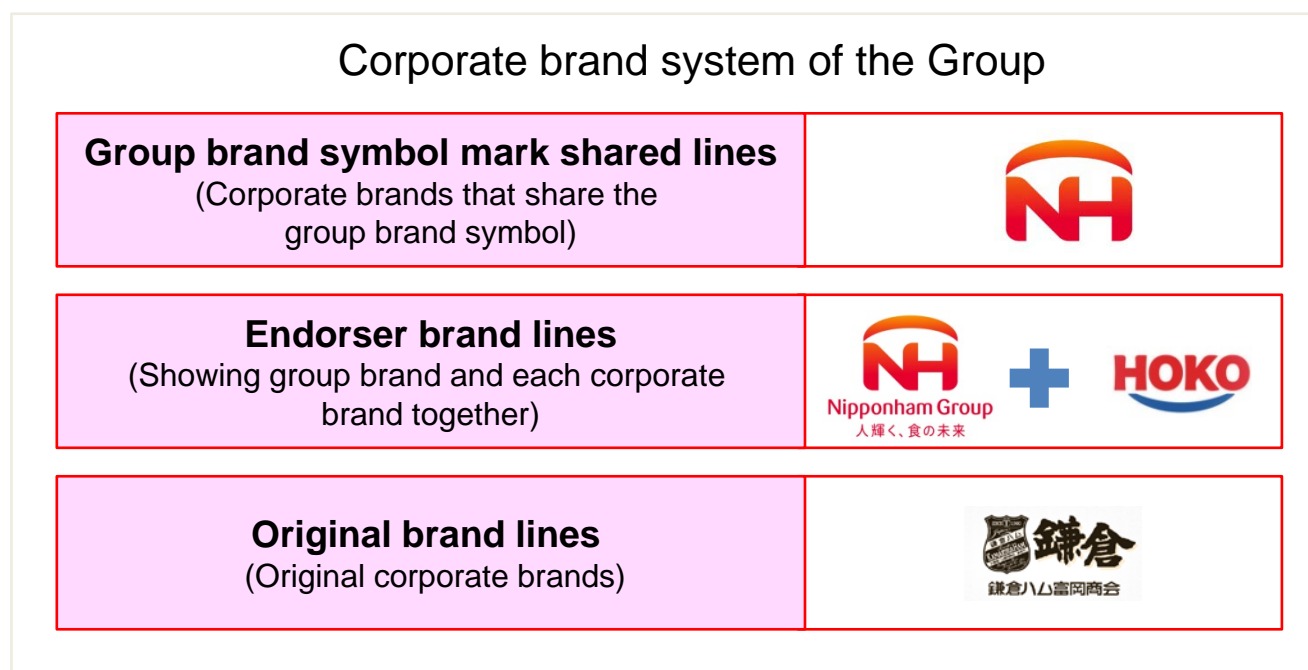


Globally expand procurement capability, production capability, and sales capability, which are our overwhelming strengths

Management strategies: 3. Promotion of strategic branding (1)

1) Strengthen company-wide marketing and branding functions

- Promote marketing and branding across the Group, and enhance initiatives, information gathering, and communicativity from the Group's perspective.
- Reinforce the organic integration of brands for the Group, companies and products utilizing the Group's brand symbol mark to receive trust and assurance from customers.
- Develop marketing that appeals products and services from the perspective of consumers.



Management strategies: 3. Promotion of strategic branding (2)

2) Improvement of logistics channel strategy

- While sharing the marketing strategies of each business division, which complement each other, strengthen output (promotions, products, PR, etc.) as the Group.
- Strengthen our approach to various channels, such as proposing menus to channels, in order to strengthen our branded fresh meats.

3) Cultivation of brand consciousness (brand awareness)

- Strengthen communication of information both in and outside the group, and heighten awareness of and pride in the group, making the group one solid monolith.
- Build mechanisms that make group brand evangelists out of each and every employee.

4) Promotion of social branding

* “Social Branding” = Activities that raise the value of the group brand by contributing to society using the strengths of the Nipponham Group, to solve social problems.

- Work on CSR as a management issue, and improve the brand and corporate value.
- Survey and analyze the mid to long term food market, communicate information to society, and strengthen product development and marketing activities.

1) Acquire and cultivate global human resources and management human resources

- Promote acquisition and cultivation of global personnel and management personnel, and prepare an HR database.
- Develop a cultivation plan for managers and young leaders of the next generation, promote activity of female employees. Implementation of strategic deployment and transfer of expatriate and local proper employees.

2) Promote the Group's collaborations and reform of the organizational culture

- Establish an M&A system that strongly promotes from the planning stage to the execution stage.
- Strengthen the planning function of new businesses, smoothly commercializing customer's needs.
- Reform the organizational culture in order to improve "ambition", "foresight", and "creativity".

3) Establish a global business management structure

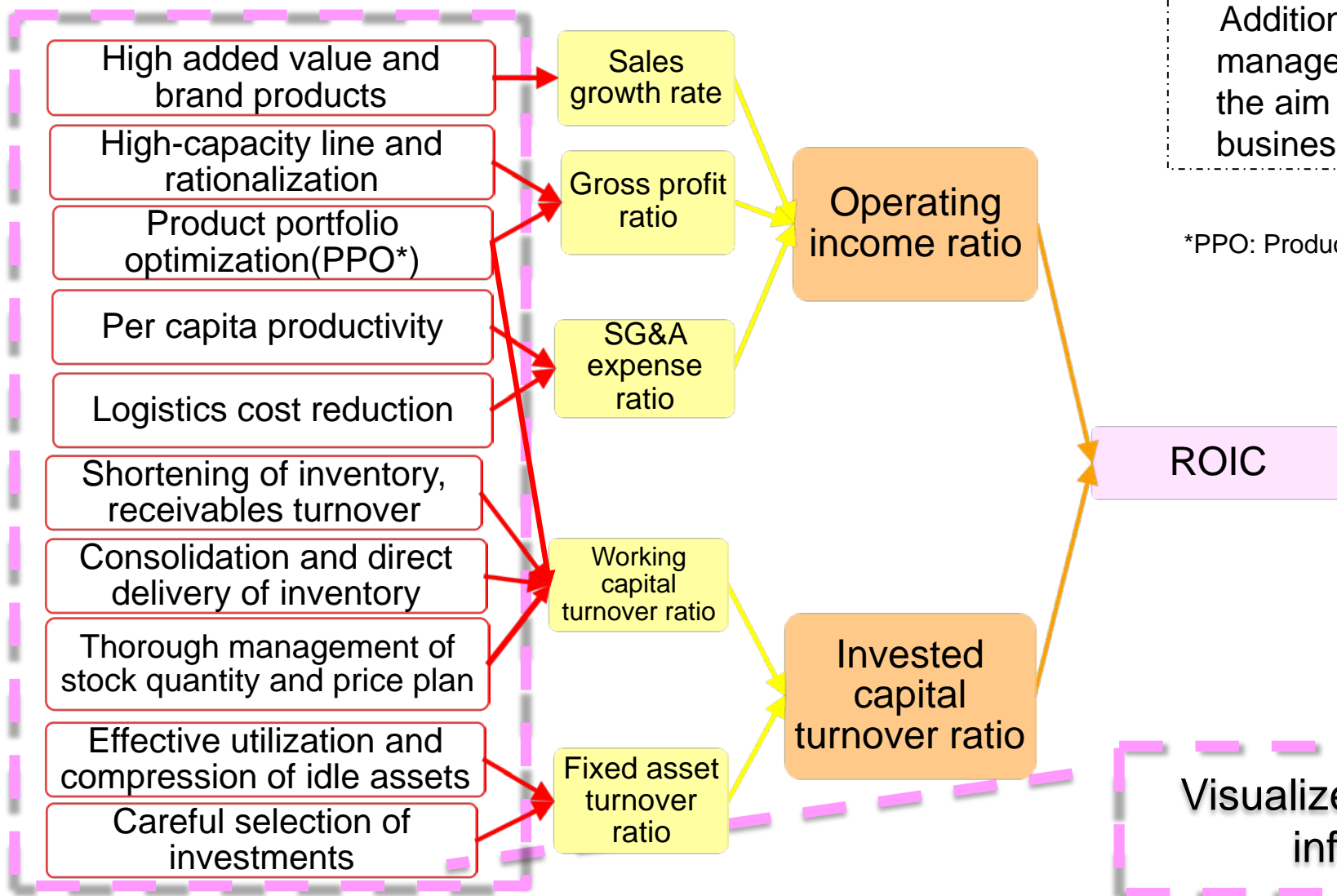
- Promote the cross department model, reform the organizational structure, and construct area umbrella organizations.
- Develop group global policies and construct a quality management system and compliance system.

4) Strengthen corporate finance function

- Carefully examine the optimal funding and invested funds that support our growth strategy and global strategy and promote improvement of capital efficiency and expansion of cash flow from operating activities.
- Continue to pursuit profit sharing by consolidated dividend payout ratio, improved total returns ratio and optimal capital structure (debt-to-equity ratio). (Ongoing consolidated dividend payout ratio of 30%)
- Continue use of ROE as an operating indicator, and raise asset turnover ratio in addition to the profit ratio, promoting improvement of ROE. (Aim for 8% or above)
- Include ROIC (Return On Invested Capital) as a new management indicator for business departments, promoting improved efficiency of invested capital.

Measures to improve ROIC (1)

• Reverse ROIC tree



Addition of ROIC to management indicators with the aim of building an optimal business portfolio.

*PPO: Product(s) Portfolio Optimize

Visualize management information

Measures to improve ROIC (2)

Processed Foods Business

High added value and brand products : Expansion of sales and share of important brands, such as *SHAU ESSEN*. Creation of new categories of product such as chilled pack prepared foods.

Product portfolio optimization(PPO)

High-capacity line and rationalization

: Pursuit of product portfolio optimization and introduction of high-capacity lines such as the New Hyogo Plant.

Shortening of inventory turnover

: Establishment of a management structure by collaboration of “production” “sales” and “logistics” in marketing plans.

Fresh Meats Business

High added value and brand products : Expansion of sales of 7 major fresh meat brands (*Sakurahime, Mugikomachi, Whyalleaf, etc.*).

High-capacity line and rationalization

: Rationalization of production line by establishment of automated meat processing plants such as Nippon Food Packer Tsugaru.

Shortening of inventory turnover

: Expanded timely procurement and direct delivery.

Affiliated Business

High added value and brand products : Expanded sales of high added value in-house production products such as Marine Foods and Hoko.

High-capacity line and rationalization

: Increased production capacity by introduction of high-capacity lines such as Hoko’s New Yamato Factory (cheese) and new production line in Hachinohe Factory (canned foods)

Shortening of inventory turnover

: Procurement of raw materials in a stable manner and reduction of inventories.

4. Strategy for Each Business Division in the New Medium-Term Management Plan Part 5

Processed Foods Business

Key measures

1) Establish competitive advantages of domestic businesses	<ul style="list-style-type: none"> ◆ Cultivate brands directly linked to competitive advantages in an early stage ◆ Introduce high-capacity lines such as Ibaraki and New Hyogo Plant, increasing the cost competitiveness
2) Expand into new areas	<ul style="list-style-type: none"> ◆ Expand the business domains of frozen foods for consumer-use, OEM, and Logistics and expand each area
3) Accelerate overseas businesses	<ul style="list-style-type: none"> ◆ Shift from export to Japan to sales in overseas local markets in existing overseas bases. Promote the expansion of overseas sales ◆ Expand domestic top brand products into overseas
4) Promote collaboration on production, sales, and logistics	<ul style="list-style-type: none"> ◆ Maximize revenue through visualization of management information ◆ Promote product portfolio optimization (PPO), improvement of utilization rate of high-capacity production lines and appropriate levels of inventories
5) Top-notch management for No.1 quality that promotes the growth strategy	<ul style="list-style-type: none"> ◆ Upgrade the quality of product, management, and human resources, and promote a growth strategy

Fresh Meats Business

Key measures

1) Expand sales volume	<ul style="list-style-type: none"> ◆ Customer's standpoint /solution sales capabilities ◆ Reinforcement of fresh meat brands ◆ Aim for 25% of share
2) Reinforce production and procurement capabilities associated with product competitiveness	<ul style="list-style-type: none"> ◆ Expansion of capital expenditures and supply amount ◆ Improvement of quality level
3) Strengthen cost competitiveness	<ul style="list-style-type: none"> ◆ Feed cost reduction ◆ Rationalization of manufacturing ◆ Efficiency and reduction of sales cost
4) Reinforce logistics structure	<ul style="list-style-type: none"> ◆ Shortening of lead time and strengthening of logistics functions ◆ Construction of urban delivery system
5) Develop overseas businesses toward "worldwide trader"	<ul style="list-style-type: none"> ◆ Shift of the business centered on exports to Japan ◆ Development of sales channels and expansion of services
6) Reform personnel and organization	<ul style="list-style-type: none"> ◆ Human resources that take challenges and development of organization

Affiliated Business

Key measures

1) Expand scale of domestic businesses, and strengthen cost competitiveness through reinforcement of production and procurement capabilities

- ◆ Enhancement of the production capacity by rationalization and the introduction of high-capacity equipment
- ◆ Stabilization of raw material procurement by the development of the supplier and enhanced cooperation

2) Increase profitability by improving the in-house manufactured goods ratio

- ◆ Development and sale of high-value-added products that respond to customer needs (In-house manufactured goods ratio)
FY2015/3 about 30%
⇒ FY2018/3 34.5%

3) Reinforce the foundation for capturing overseas markets

- ◆ Dispatch of human resources to overseas companies
- ◆ Expansion of domestic sales of overseas companies
- ◆ Expansion of exports from Japan and trilateral trade

4) Reinforce the management base through utilization of Group synergies

- ◆ Promotion of Group collaboration for capturing each channel such as volume retailers
- ◆ Promotion of brand management

Assumed prices in New Medium-Term Management Plan Part 5

(¥/kg)

		2016.03	2017.03	2018.03
Beef	Wagyu steers (Tokyo A4)	1,888	1,888	1,888
	Dairy fattening cattle (Tokyo and Osaka B2)	774	782	782
Pork	High-quality dressed carcass (Three Markets)	470	465	460
Chicken	Breast and thigh (weighted average)	481	474	474

Exchange rates	US dollar/yen	120.0	120.0	120.0
	Australian dollar/yen	98.0	98.0	98.0
	Australian dollar/ US dollar	0.817	0.817	0.817

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Forward-looking statement

Forecasts and targets in this presentation are based on information available at the current time and certain assumptions about the future which we consider reasonable. Because they are subject to numerous external risks and uncertainties, we cannot guarantee that these forecasts will be reached or earnings generally meet expectations.

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

The Nipponham Group is under no limitations or obligations of any kind regarding future revisions of the plan, regardless of future information that may emerge or future events or their consequences.