

Business Results

for the Year Ended March 31, 2018

May 15, 2018 (Tue.)
NH Foods Ltd.

Contents

- I. Consolidated Business Results for FY2018/3**
- II. Outlook for FY2019/3**
- III. Consolidated Financial Results for FY2018/3**

I. Consolidated Business Results for FY2018/3

- 1. Operating Segment Data: 4Q (Jan.-Mar.)**
- 2. Operating Segment Data: Full Year (Apr.-Mar.)**
- 3. Operating Segment Data: Processed Foods Business Division**
- 4. Operating Segment Data: Fresh Meats Business Division**
- 5. Operating Segment Data: Affiliated Business Division**
- 6. Operating Segment Data: Overseas Business Division**
- 7. External Customer Net Sales Results in Major Overseas Geographical Areas**

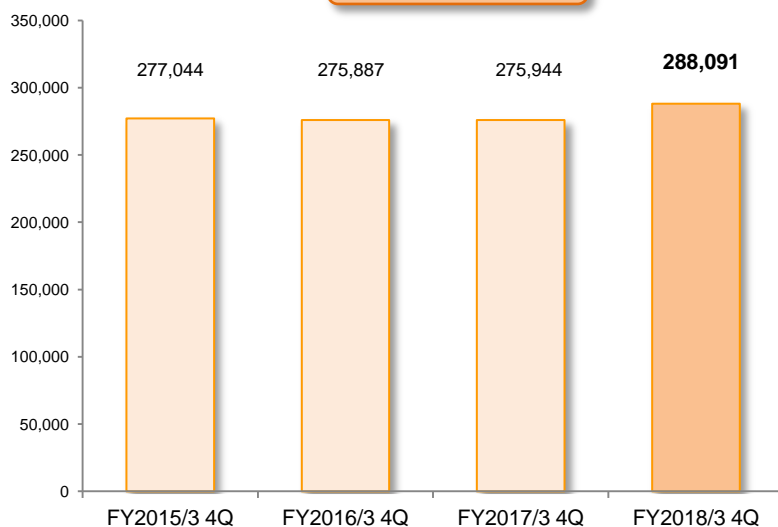
1. Operating Segment Data: 4Q (Jan.-Mar.)

(¥ million)

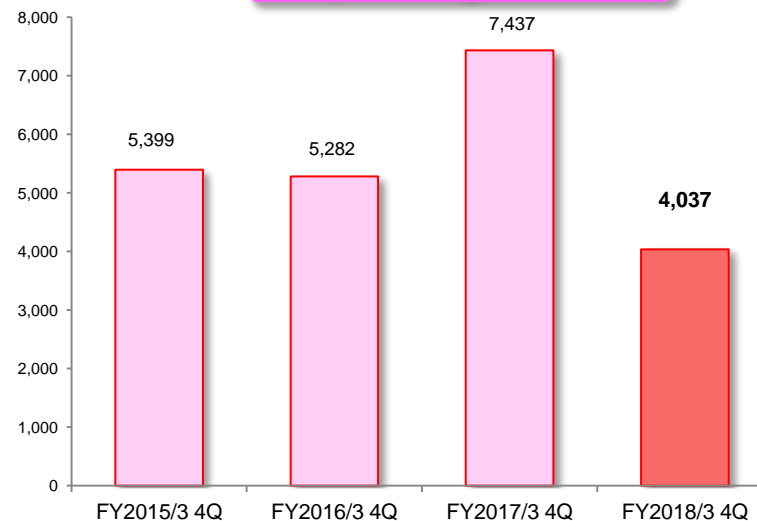
| | | FY2015/3 4Q | FY2016/3 4Q | FY2017/3 4Q | FY2018/3 4Q | Variance | Variance (%) |
|--------------------------------------|------------------|-------------|-------------|-------------|--------------------|----------|--------------|
| Processed Foods Business Division | Net sales | 75,216 | 75,616 | 78,462 | 80,789 | 2,327 | 3.0 |
| | Operating income | (2,724) | (896) | (651) | (1,257) | (606) | - |
| Fresh Meats Business Division | Net sales | 169,825 | 171,172 | 171,331 | 177,144 | 5,813 | 3.4 |
| | Operating income | 7,042 | 6,726 | 9,116 | 8,041 | (1,075) | (11.8) |
| Affiliated Business Division | Net sales | 33,186 | 34,308 | 34,534 | 35,111 | 577 | 1.7 |
| | Operating income | (599) | 228 | 126 | (709) | (835) | - |
| Overseas Business Division | Net sales | 55,366 | 51,153 | 50,178 | 60,748 | 10,570 | 21.1 |
| | Operating income | 1,387 | (850) | (899) | (1,820) | (921) | - |
| Eliminations, adjustments and others | Net sales | (56,549) | (56,362) | (58,561) | (65,701) | (7,140) | - |
| | Operating income | 293 | 74 | (255) | (218) | 37 | - |
| Consolidated | Net sales | 277,044 | 275,887 | 275,944 | 288,091 | 12,147 | 4.4 |
| | Operating income | 5,399 | 5,282 | 7,437 | 4,037 | (3,400) | (45.7) |

 (¥ million)
 (consolidated)

Net Sales


 (¥ million)
 (consolidated)

Operating Income

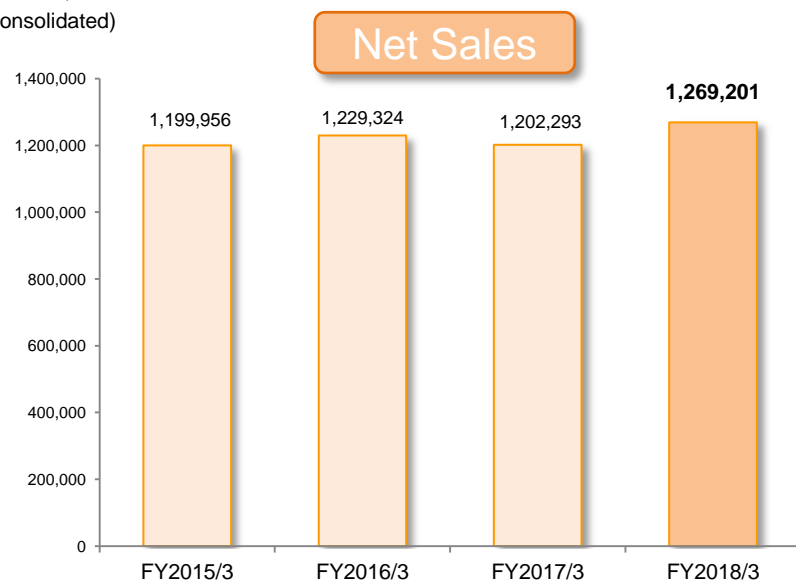
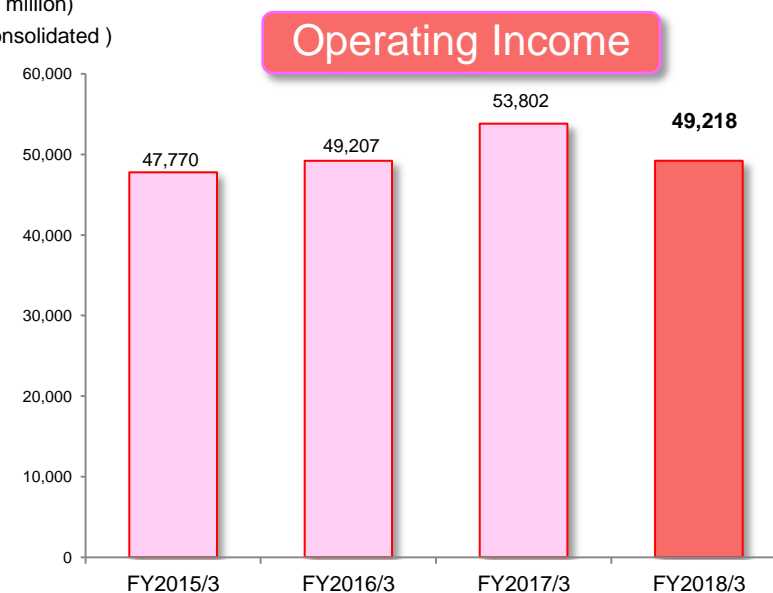


- Net sales by operating segment and net sales (by category) on page 26 of this presentation do not necessarily correspond (due to intersegment transactions).
- Net sales for each segment include intersegment sales.

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

(¥ million)

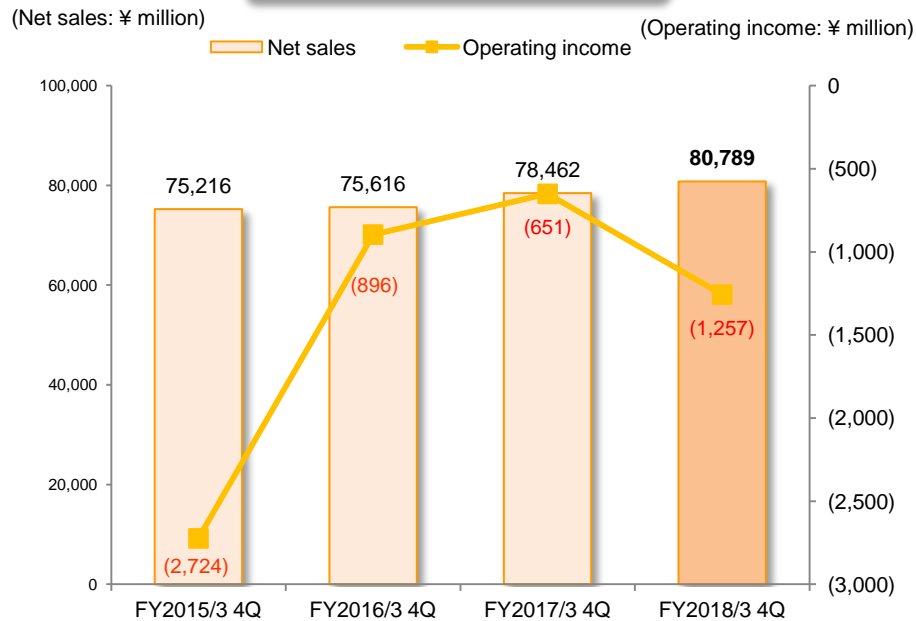
| | | FY2015/3 | FY2016/3 | FY2017/3 | FY2018/3 | Variance | Variance (%) |
|--------------------------------------|------------------|-----------|-----------|-----------|------------------|----------|--------------|
| Processed Foods Business Division | Net sales | 343,472 | 338,125 | 348,253 | 355,498 | 7,245 | 2.1 |
| | Operating income | 2,180 | 3,898 | 7,911 | 5,867 | (2,044) | (25.8) |
| Fresh Meats Business Division | Net sales | 726,713 | 753,934 | 741,565 | 778,417 | 36,852 | 5.0 |
| | Operating income | 33,022 | 38,969 | 43,898 | 46,154 | 2,256 | 5.1 |
| Affiliated Business Division | Net sales | 154,621 | 158,661 | 159,041 | 163,548 | 4,507 | 2.8 |
| | Operating income | 265 | 2,241 | 3,746 | 1,612 | (2,134) | (57.0) |
| Overseas Business Division | Net sales | 240,262 | 244,694 | 214,384 | 253,841 | 39,457 | 18.4 |
| | Operating income | 11,677 | 3,565 | (1,251) | (4,742) | (3,491) | - |
| Eliminations, adjustments and others | Net sales | (265,112) | (266,090) | (260,950) | (282,103) | (21,153) | - |
| | Operating income | 626 | 534 | (502) | 327 | 829 | - |
| Consolidated | Net sales | 1,199,956 | 1,229,324 | 1,202,293 | 1,269,201 | 66,908 | 5.6 |
| | Operating income | 47,770 | 49,207 | 53,802 | 49,218 | (4,584) | (8.5) |

 (¥ million)
 (consolidated)

 (¥ million)
 (consolidated)


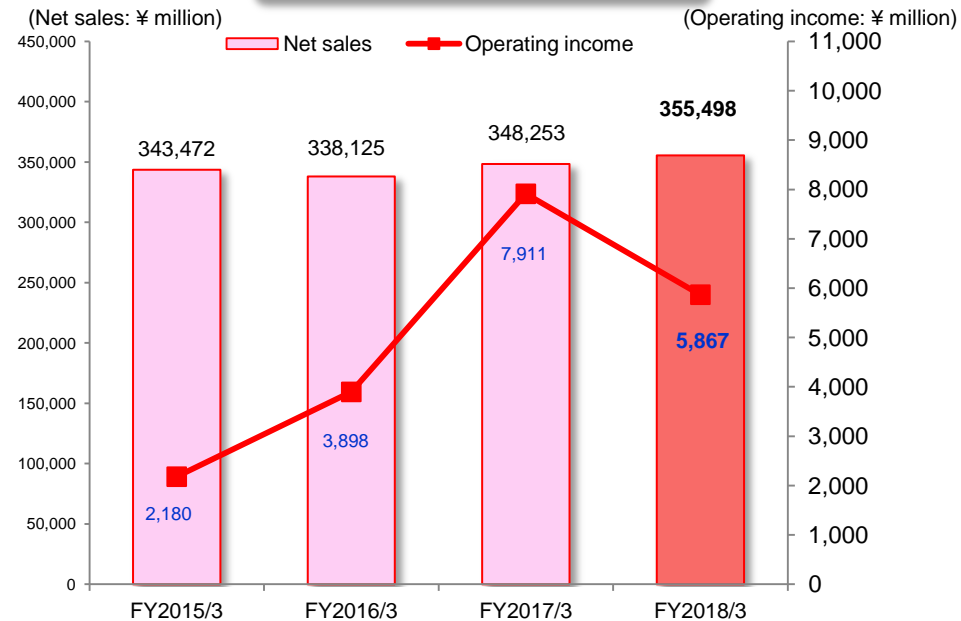
- Net sales by operating segment and net sales (by category) on page 26 of this presentation do not necessarily correspond (due to intersegment transactions).
- Net sales for each segment include intersegment sales.

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

4Q Results (Jan.-Mar.)



Full Year Results (Apr.-Mar.)



(¥ million)

| | FY2017/3 4Q | FY2018/3 4Q | Variance | Variance (%) |
|------------------------|-------------|-------------|----------|--------------|
| Net sales | 78,462 | 80,789 | 2,327 | 3.0 |
| Operating income | (651) | (1,257) | (606) | - |
| Operating income ratio | (0.8)% | (1.6)% | - | - |

(¥ million)

| | FY2017/3 | FY2018/3 | Variance | Variance (%) |
|------------------------|----------|----------|----------|--------------|
| Net sales | 348,253 | 355,498 | 7,245 | 2.1 |
| Operating income | 7,911 | 5,867 | (2,044) | (25.8) |
| Operating income ratio | 2.3% | 1.7% | - | - |

Net Sales in FY2018/3 Full year

- Hams, sausages, and deli and processed foods
Sales of consumer products fell below the previous year result due to intensified competition, despite the emphasis put on television commercials and expanded items. Sales of commercial-use products grew thanks to the active introduction of new products, but remained on par with the previous year due to struggling consumer products.
- Developing businesses
The vendor business, logistics business, and consumer frozen foods business grew from last year thanks to the introduction of new products and capturing new customers.

Operating Income in FY2018/3 Full year

Operating income decreased due to reduced gross profit from soaring raw material prices and intensified competition, as well as increased personnel expenses against the backdrop of labor shortages, despite contributions from structural reform in sales operations.

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

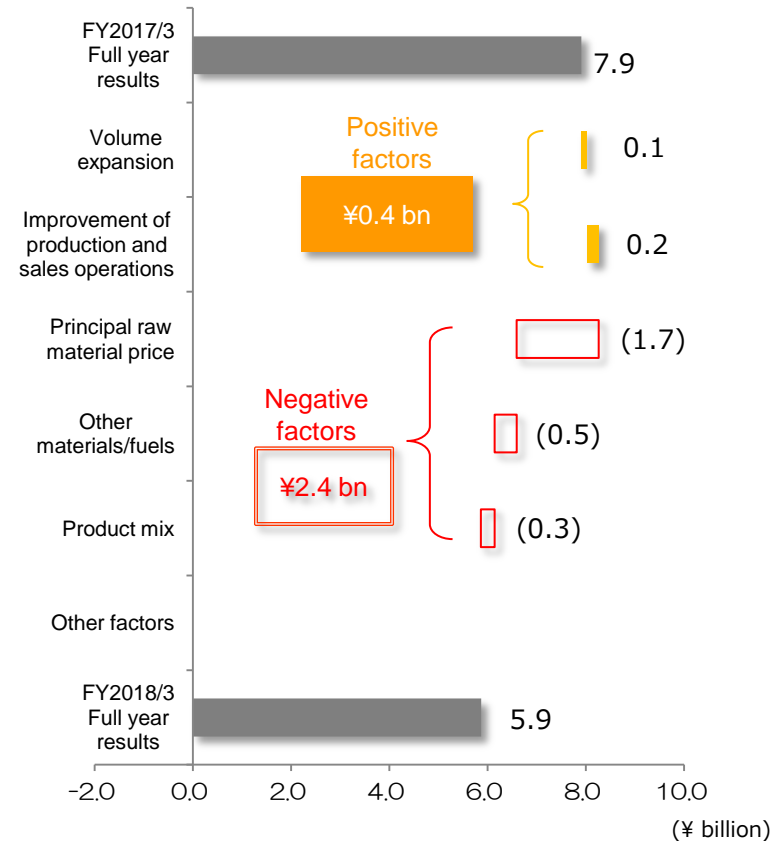
Factor Analysis: Changes in operating income

(¥ billion)

| | FY2018/3 | | | | |
|--|---------------|------------|---------------------|-------------------|----------|
| | 1Q-3Q results | 4Q results | Full year forecasts | Full year results | Variance |
| Volume expansion | 0.4 | (0.3) | 0.4 | 0.1 | (0.3) |
| Profit margin improvement | (1.8) | (0.4) | (1.9) | (2.2) | (0.2) |
| <i>External factors</i> | (1.3) | (0.8) | (2.2) | (2.1) | 0.1 |
| Principal raw material price | (1.1) | (0.6) | (1.8) | (1.7) | 0.1 |
| Other materials/fuels | (0.3) | (0.2) | (0.5) | (0.5) | 0.0 |
| <i>Internal factors</i> | (0.5) | 0.4 | 0.3 | 0.0 | (0.3) |
| Product mix (product renewal) | (0.5) | 0.2 | (0.2) | (0.3) | (0.1) |
| Improvement of production and sales operations | 0.1 | 0.2 | 0.4 | 0.2 | (0.2) |
| Other factors | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | (1.4) | (0.6) | (1.5) | (2.0) | (0.5) |

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

Factor Analysis Graph: Changes in results (full year)



● Forecasts Variation Factor Analysis (full year)

- Volume expansion: Operating income fell short of the forecast, despite enhanced sales promotions and proposals, as they did not link to improvement of domestic plant operating rates.
- Product mix: Sales of high-unit-priced items were sluggish and fell short of the forecast.
- Improvement of production and sales operations: Despite enhanced sales in sales units, increased expenses due to factors such as soaring personnel expenses resulted in falling short of forecasts.

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

● Gift product sales results

- FY2018/3 year-end gift-giving season results: Year on year, unit basis: 93%
Utsukushi-no-Kuni gifts: Year on year, unit basis: 101% (Sales ratio at 26%)
- FY2018/3 results: Year on year, unit basis: 95%
Utsukushi-no-Kuni gifts: Year on year, unit basis: 102% (Sales ratio at 26%)

FY2018/3 Gift product unit sales (Unit: thousands)

| | | FY2017/3 results | FY2018/3 results | |
|---------------------------------------|----------------------------|------------------|------------------|----------|
| | | Units | Units | Variance |
| Summer gift-giving season (results) | Overall unit sales | 1,997 | 1,979 | 99% |
| | <i>(Utsukushi-no-Kuni)</i> | 513 | 538 | 105% |
| Year-end gift-giving season (results) | Overall unit sales | 4,189 | 3,889 | 93% |
| | <i>(Utsukushi-no-Kuni)</i> | 998 | 1,006 | 101% |
| Total (results) | Overall unit sales | 6,186 | 5,868 | 95% |
| | <i>(Utsukushi-no-Kuni)</i> | 1,511 | 1,544 | 102% |
| | Sales ratio | 24% | 26% | - |

● Major brands sales results

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


 This year we continue to aim for higher sales volume of *Hojun coarse-ground wieners*

Ishigama Kobo series, recovering thanks to TV commercials

| Hams and sausages | FY2018/3 results | | | Deli and processed foods | FY2018/3 results | | |
|--|------------------|-------------|-------------|--------------------------------|------------------|-------------|------------|
| | 1st half | 2nd half | Full year | | 1st half | 2nd half | Full year |
| <i>SCHAU ESSEN</i> | 100% | 100% | 100% | <i>Ishigama Kobo</i> | 93% | 94% | 94% |
| <i>Mori-no-Kaori + Hojun coarse-ground wieners</i> | 145% | 138% | 142% | <i>Chuka Meisai</i> | 96% | 103% | 99% |
| Loin hams | 88% | 97% | 92% | Prefried | 100% | 97% | 99% |
| Bacon | 96% | 93% | 95% | Hamburg and meatball | 100% | 107% | 103% |
| Yakibutas | 100% | 102% | 101% | Curries | 106% | 105% | 105% |
| Consumer products total | 100% | 100% | 100% | Consumer products total | 96% | 100% | 98% |

● Sales results by channel

1) Consumer products

In hams and sausages, sales were on par year on year due to struggling sales for loin hams and bacon centered on *Irodori Kitchen*, despite strong performance by *SCHAU ESSEN*, in addition to efforts to bolster sales of *Hojun coarse-ground wieners*. In deli and processed foods, sales fell below the previous year due to struggling sales for *Ishigama Kobo*, despite a recovery trend for *Chuka Meisai* in the second half.

2) Commercial-use products

In hams and sausages, sales fell below the previous year partly due to decline in sales of overseas products, despite the introduction of regular products to major restaurant chains. Sales of deli and processed foods exceeded the previous year thanks to growing sales of overseas products, and active introduction of new products to major restaurant chains and major CVS chains.

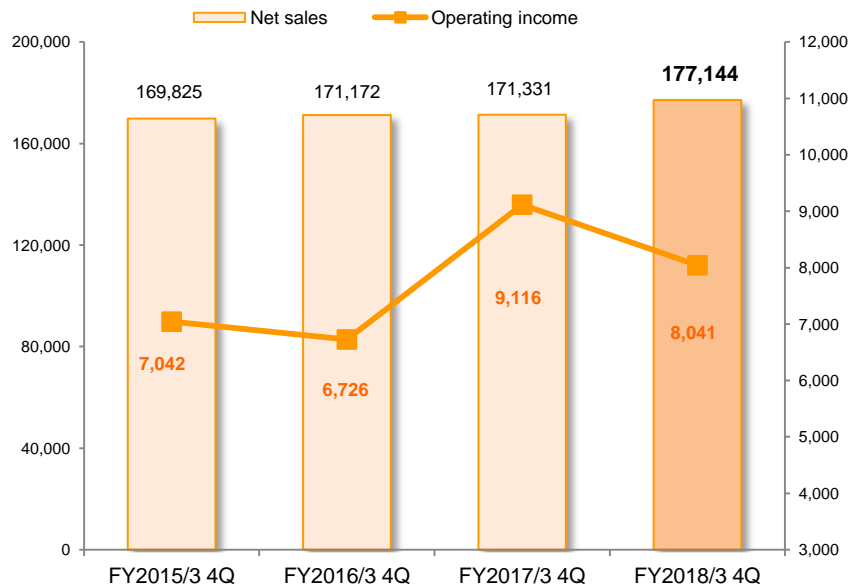
Reference: Full year year-on-year growth in sales by channel

| | | Volume | Amount |
|--------------------------|----------------|-------------|-------------|
| Hams and sausages | Consumer | 103% | 100% |
| | Commercial-use | 102% | 98% |
| | Total | 102% | 99% |
| Deli and processed foods | Consumer | 100% | 98% |
| | Commercial-use | 107% | 108% |
| | Total | 103% | 103% |

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

4Q Results (Jan.-Mar.)

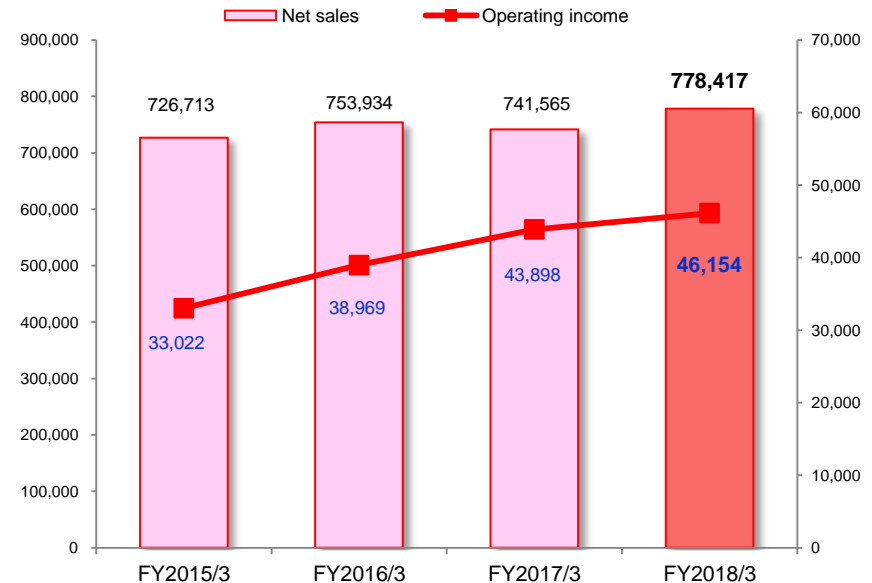
(Net sales: ¥ million) (Operating income: ¥ million)



| | FY2017/3 4Q | FY2018/3 4Q | Variance | Variance (%) |
|------------------------|-------------|-------------|----------|--------------|
| Net sales | 171,331 | 177,144 | 5,813 | 3.4 |
| Operating income | 9,116 | 8,041 | (1,075) | (11.8) |
| Operating income ratio | 5.3% | 4.5% | - | - |

Full Year Results (Apr.-Mar.)

(Net sales: ¥ million) (Operating income: ¥ million)



| | FY2017/3 | FY2018/3 | Variance | Variance (%) |
|------------------------|----------|----------|----------|--------------|
| Net sales | 741,565 | 778,417 | 36,852 | 5.0 |
| Operating income | 43,898 | 46,154 | 2,256 | 5.1 |
| Operating income ratio | 5.9% | 5.9% | - | - |

Net Sales in FY2018/3 Full Year

Unit sales prices rose higher than the previous year due to higher market prices mainly for pork and chicken. Increased sales volume of domestic chicken as well as domestic and imported pork contributed to growth in revenue throughout the year.

Operating Income in FY2018/3 Full Year

Operating income increased due to market prices for domestic chicken and pork exceeding the previous year throughout the year and growing sales of branded fresh meats, such as *Sakurahime* and *Mugikomachi*, despite sales of imported beef and pork struggled due to declining market conditions.

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

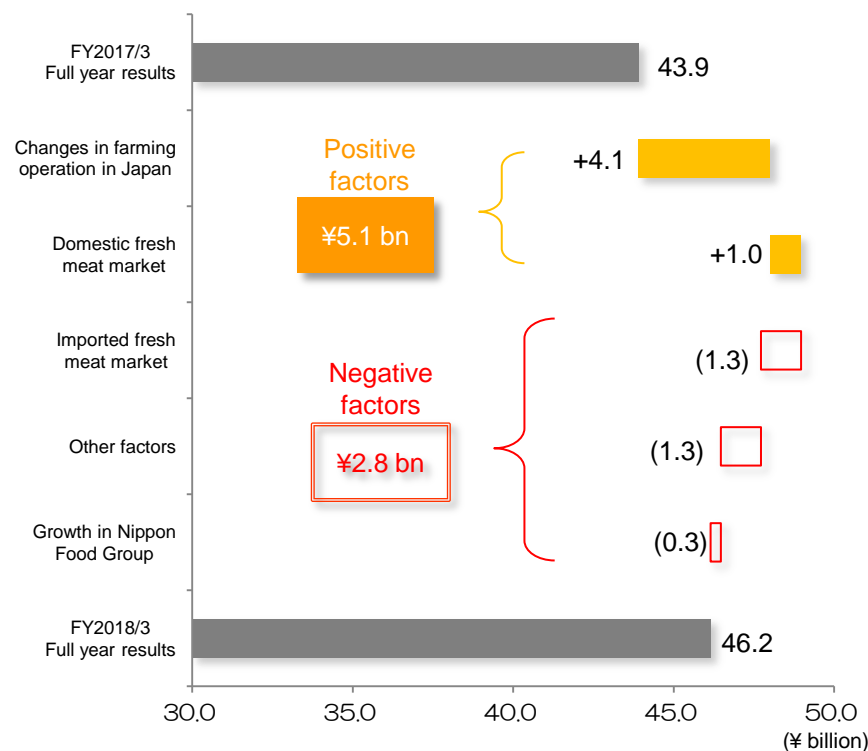
Factor Analysis: Changes in operating income

(¥ billion)

| | FY2018/3 | | | | |
|---------------------------------------|---------------|--------------|---------------------|-------------------|--------------|
| | 1Q-3Q results | 4Q results | Full year forecasts | Full year results | Variance |
| Imported fresh meat market | (0.5) | (0.8) | (1.0) | (1.3) | (0.3) |
| Domestic fresh meat market | 0.7 | 0.3 | 0.7 | 1.0 | 0.2 |
| Changes in farming operation in Japan | 4.4 | (0.3) | 4.8 | 4.1 | (0.7) |
| Growth in Nippon Food Group | (0.1) | (0.2) | (0.1) | (0.3) | (0.2) |
| Other factors | (1.1) | (0.1) | (0.9) | (1.3) | (0.3) |
| Total | 3.3 | (1.1) | 3.5 | 2.3 | (1.3) |

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

Factor Analysis Graph: Changes in results (full year)



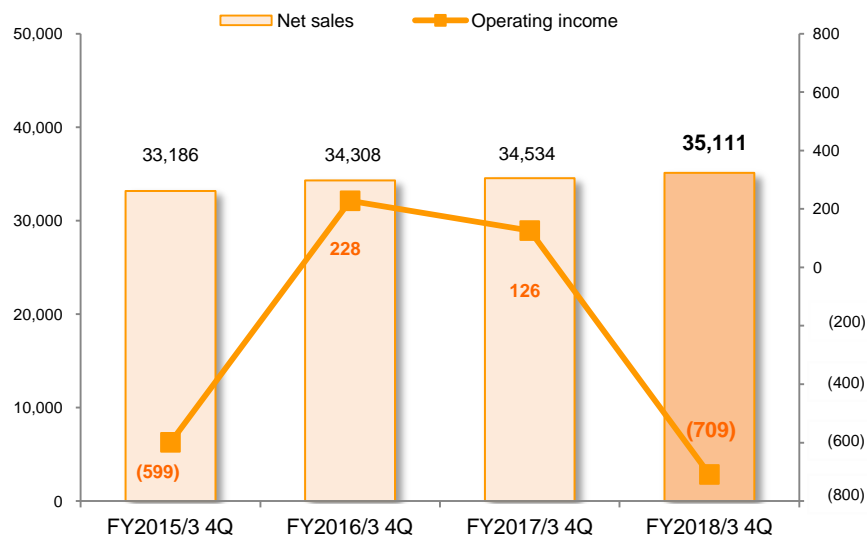
● Forecasts Variation Factor Analysis (Full Year)

- Imported fresh meat market: Operating income fell short of forecasts due to recovery of market prices for imported chicken and beef coming later than expected.
- Domestic fresh meat market: Operating income exceeded forecasts due to increased sales volume of chicken and an improved sales environment for pork resulted from calming market prices through the second half.
- Changes in farming operations in Japan: Operating income fell short of forecasts due to falling market prices for pork after the beginning of 2018, despite high market prices for chicken throughout the entire year.

5. Operating Segment Data: Affiliated Business Division

4Q Results (Jan.-Mar.)

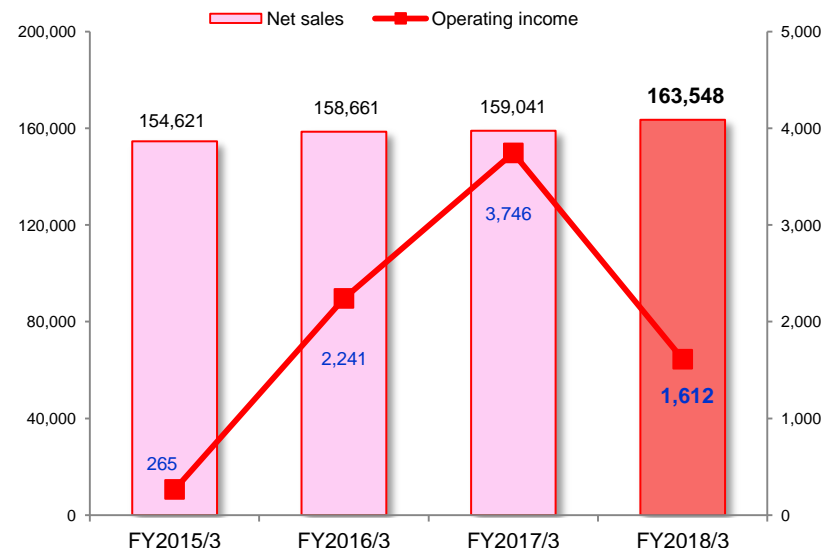
(Net sales: ¥ million)



(Operating income: ¥ million) (Net sales: ¥ million)

Full Year Results (Apr.-Mar.)

(Operating income: ¥ million)



(¥ million)

| | FY2017/3 4Q | FY2018/3 4Q | Variance | Variance (%) |
|------------------------|-------------|-------------|----------|--------------|
| Net sales | 34,534 | 35,111 | 577 | 1.7 |
| Operating income | 126 | (709) | (835) | - |
| Operating income ratio | 0.4% | (2.0)% | - | - |

(¥ million)

| | FY2017/3 | FY2018/3 | Variance | Variance (%) |
|------------------------|----------|----------|----------|--------------|
| Net sales | 159,041 | 163,548 | 4,507 | 2.8 |
| Operating income | 3,746 | 1,612 | (2,134) | (57.0) |
| Operating income ratio | 2.4% | 1.0% | - | - |

Net Sales in FY2018/3 Full Year

- Marine products business

Although sales volume fell short of the previous year amid the harsh environment caused by soaring fish prices, media reports on Anisakis and other factors, revenue increased due to rising sales prices.

- Dairy products business

Although sales of yogurt remained on par with the previous year amid a slowdown trend in the market, revenue was up due to growth in both sales volume and quantity for lactic probiotic beverages and cheese.

Operating Income in FY2018/3 Full Year

- Marine products business

Despite shifting soaring raw material prices to sales prices, this could not absorb the cost and resulted in a decrease in operating income.

- Dairy products business

Operating income decreased due to soaring raw material prices for both cheese and yogurt.

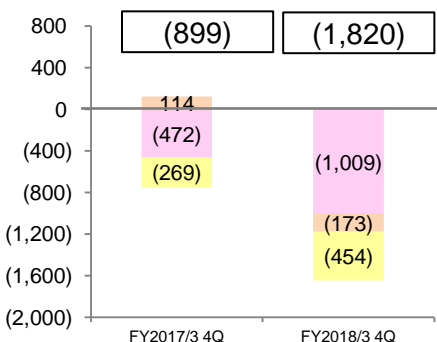
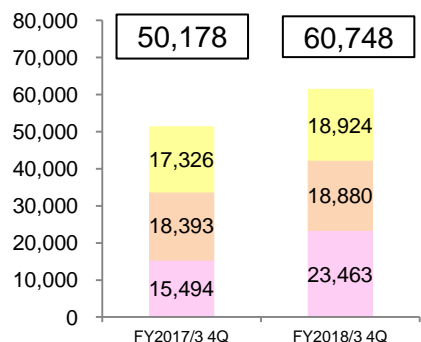
6. Operating Segment Data: Overseas Business Division (1)

4Q Results (Jan.-Mar.)

[Net Sales]

[Operating Income]

(¥ million) Australia Americas Asia & Europe

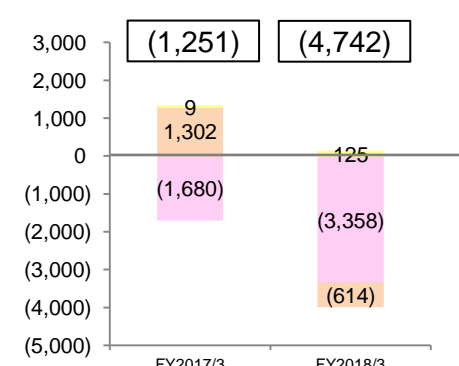
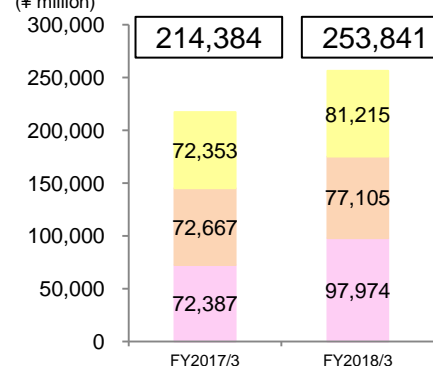


Full Year Results (Apr.-Mar.)

[Net Sales]

[Operating Income]

(¥ million) Australia Americas Asia & Europe



| | | FY2017/3 4Q | FY2018/3 4Q | Variance | Variance (%) |
|-------------------------------|------------------|-------------|-------------|----------|--------------|
| Overseas total | Net sales | 50,178 | 60,748 | 10,570 | 21.1 |
| | Operating income | (899) | (1,820) | (921) | - |
| Australia (including Uruguay) | Net sales | 15,494 | 23,463 | 7,969 | 51.4 |
| | Operating income | (472) | (1,009) | (537) | - |
| Americas | Net sales | 18,393 | 18,880 | 487 | 2.6 |
| | Operating income | 114 | (173) | (287) | - |
| Asia & Europe | Net sales | 17,326 | 18,924 | 1,598 | 9.2 |
| | Operating income | (269) | (454) | (185) | - |

| | | FY2017/3 | FY2018/3 | Variance | Variance (%) |
|-------------------------------|------------------|----------|----------|----------|--------------|
| Overseas total | Net sales | 214,384 | 253,841 | 39,457 | 18.4 |
| | Operating income | (1,251) | (4,742) | (3,491) | - |
| Australia (including Uruguay) | Net sales | 72,387 | 97,974 | 25,587 | 35.3 |
| | Operating income | (1,680) | (3,358) | (1,678) | - |
| Americas | Net sales | 72,667 | 77,105 | 4,438 | 6.1 |
| | Operating income | 1,302 | (614) | (1,916) | - |
| Asia & Europe | Net sales | 72,353 | 81,215 | 8,862 | 12.2 |
| | Operating income | 9 | 125 | 116 | - |

* Net sales and operating income amounts are prior to consolidation adjustments. (The figures for all overseas segments do not match the overseas total, due to elimination of intersegment transactions.)

Net Sales in FY2018/3 Full Year

- Australia operations
Net sales in the Australia operations are nearly the same as the previous year because the number of cattle processed remains flat. Revenue in the Uruguay was up as BPU became a consolidated subsidiary.
- Americas operations
Revenue was up due to expansion of sales offices in the United States and an increase in the volume of fresh meat sales.
- Asia & Europe operations
Net sales increased due to growing production volume at Ege-Tav in Turkey.

Operating Income in FY2018/3 Full Year

- Australia operations
Operating income decreased due to rising costs of livestock procurement and sluggish market prices. Livestock procurement costs rose for BPU, suppressing operating income.
- Americas operations
Operating income decreased in export operations due to soaring fresh meat procurement prices. Operating income also decreased in processed foods due to a surge in raw material prices.
- Asia & Europe operations
Operating income increased due to strong sales prices at Ege-Tav in Turkey.

6. Operating Segment Data: Overseas Business Division (2)

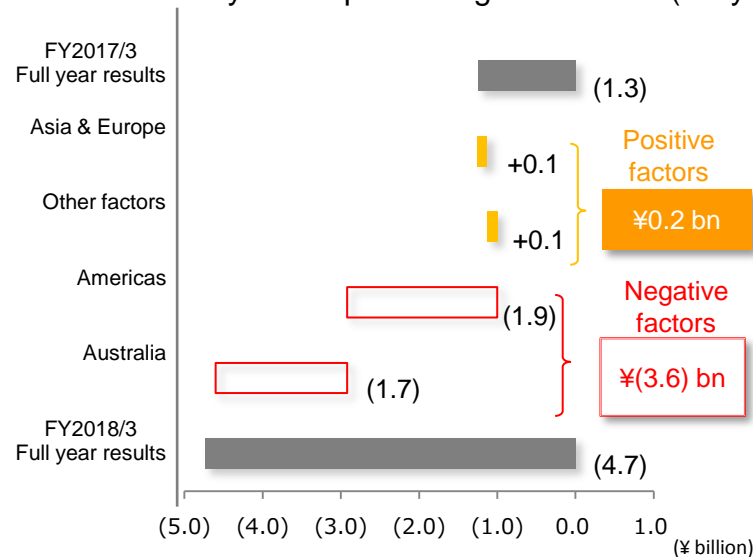
Factor Analysis: Changes in operating income

(¥ billion)

| | FY2018/3 | | | | |
|---------------|---------------|--------------|---------------------|-------------------|--------------|
| | 1Q-3Q results | 4Q results | Full year forecasts | Full year results | Variance |
| Australia | (1.1) | (0.5) | (1.1) | (1.7) | (0.6) |
| Americas | (1.6) | (0.3) | (2.0) | (1.9) | 0.0 |
| Asia & Europe | 0.3 | (0.2) | 0.3 | 0.1 | (0.1) |
| Other factors | (0.1) | 0.1 | (0.2) | 0.0 | 0.1 |
| Total | (2.6) | (0.9) | (3.0) | (3.5) | (0.5) |

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

Factor Analysis Graph: Changes in results (full year)



Forecasts Variation Factor Analysis

● Australia operations

Australia operations fell short of forecasts due to rising livestock procurement costs and sluggish market prices, as well as the increasingly strong Australian dollar.

● Americas operations

Despite soaring raw materials prices in North America and the rise of raw materials procurement costs for the marine products business in South America, performance was almost exactly as expected.

● Asia & Europe operations

Forecasts were not reached due to the increasingly strong Thai baht and the soaring pork procurement costs in Europe.

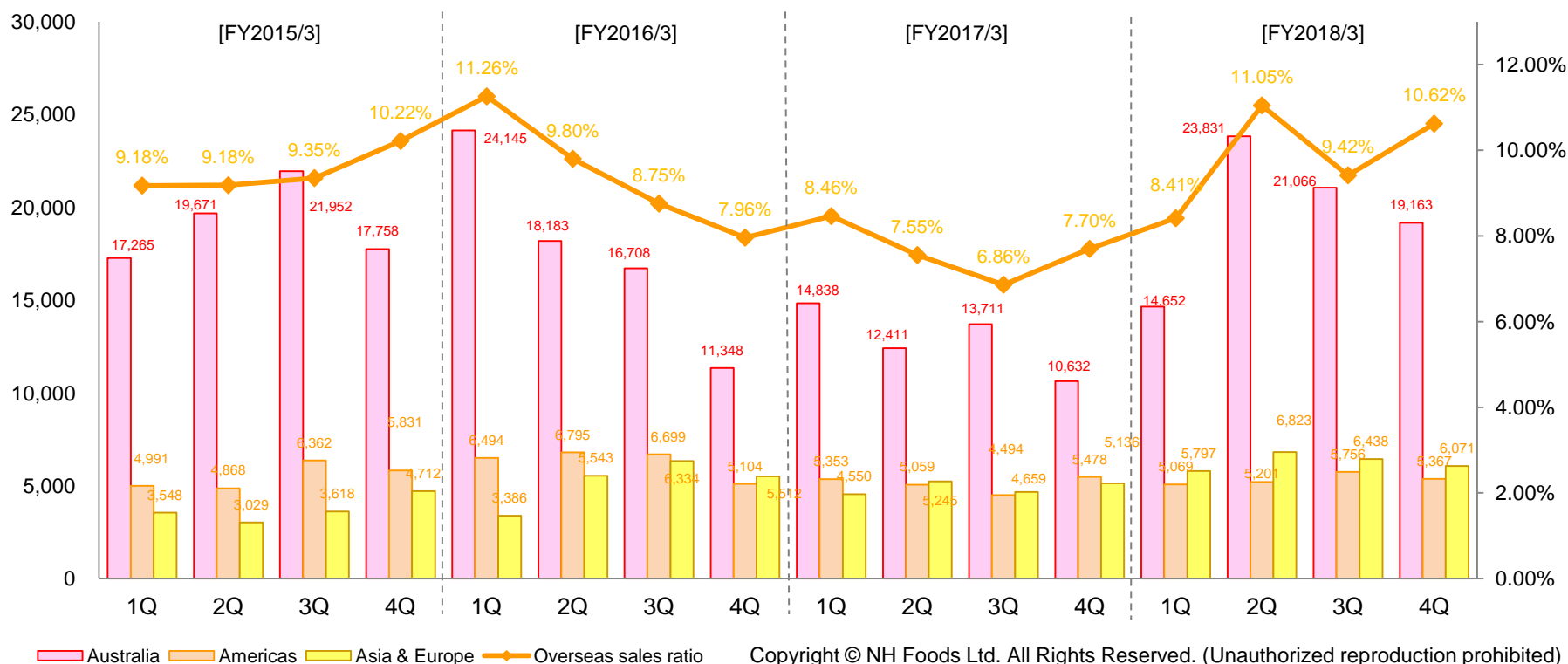
7. External Customer Net Sales Results in Major Overseas Geographical Areas

(¥ million, %)

| | FY2015/3 | FY2016/3 | FY2017/3 | | | | | FY2018/3 | | | | |
|----------------------|-----------|-----------|----------|--------|--------|--------|-----------|----------|--------|--------|--------|-----------|
| | Full year | Full year | 1Q | 2Q | 3Q | 4Q | Full year | 1Q | 2Q | 3Q | 4Q | Full year |
| Australia | 76,646 | 70,384 | 14,838 | 12,411 | 13,711 | 10,632 | 51,592 | 14,652 | 23,831 | 21,066 | 19,163 | 78,712 |
| Americas | 22,052 | 25,092 | 5,353 | 5,059 | 4,494 | 5,478 | 20,384 | 5,069 | 5,201 | 5,756 | 5,367 | 21,393 |
| Asia & Europe | 14,907 | 20,775 | 4,550 | 5,245 | 4,659 | 5,136 | 19,590 | 5,797 | 6,823 | 6,438 | 6,071 | 25,129 |
| Overseas total | 113,605 | 116,250 | 24,742 | 22,713 | 22,866 | 21,245 | 91,566 | 25,518 | 35,855 | 33,260 | 30,601 | 125,234 |
| Overseas sales ratio | 9.47% | 9.46% | 8.46% | 7.55% | 6.86% | 7.70% | 7.62% | 8.41% | 11.05% | 9.42% | 10.62% | 9.87% |

*Net sales figures represent net sales to external customers.

(¥ million, %)

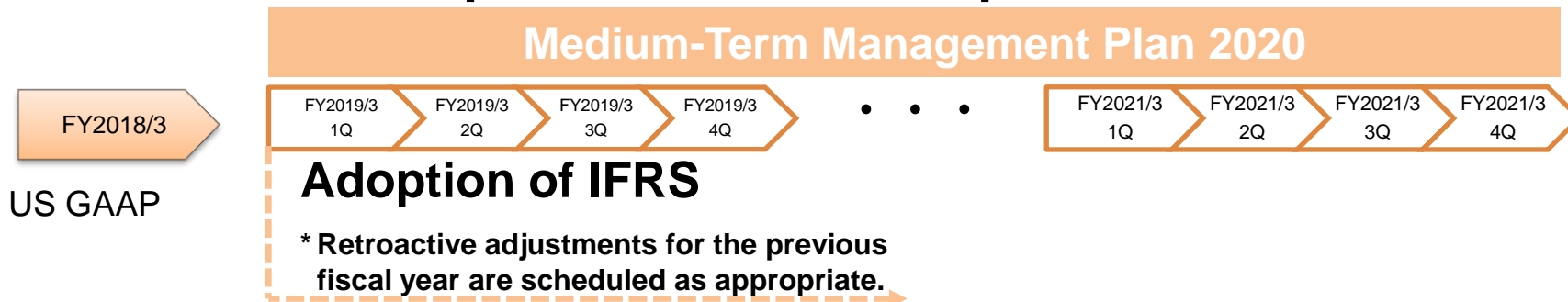


II. Outlook for FY2019/3

- 1. Schedule of the Adoption of IFRS and its Impact**
- 2. FY2019/3 Operating Income Forecasts**
- 3. Processed Foods Business Division: Outlook**
- 4. Fresh Meats Business Division: Outlook**
- 5. Affiliated Business Division: Outlook**
- 6. Overseas Business Division: Outlook**
- 7. Eliminations, Adjustments and Others: Outlook**

➤ Schedule of the adoption of IFRS

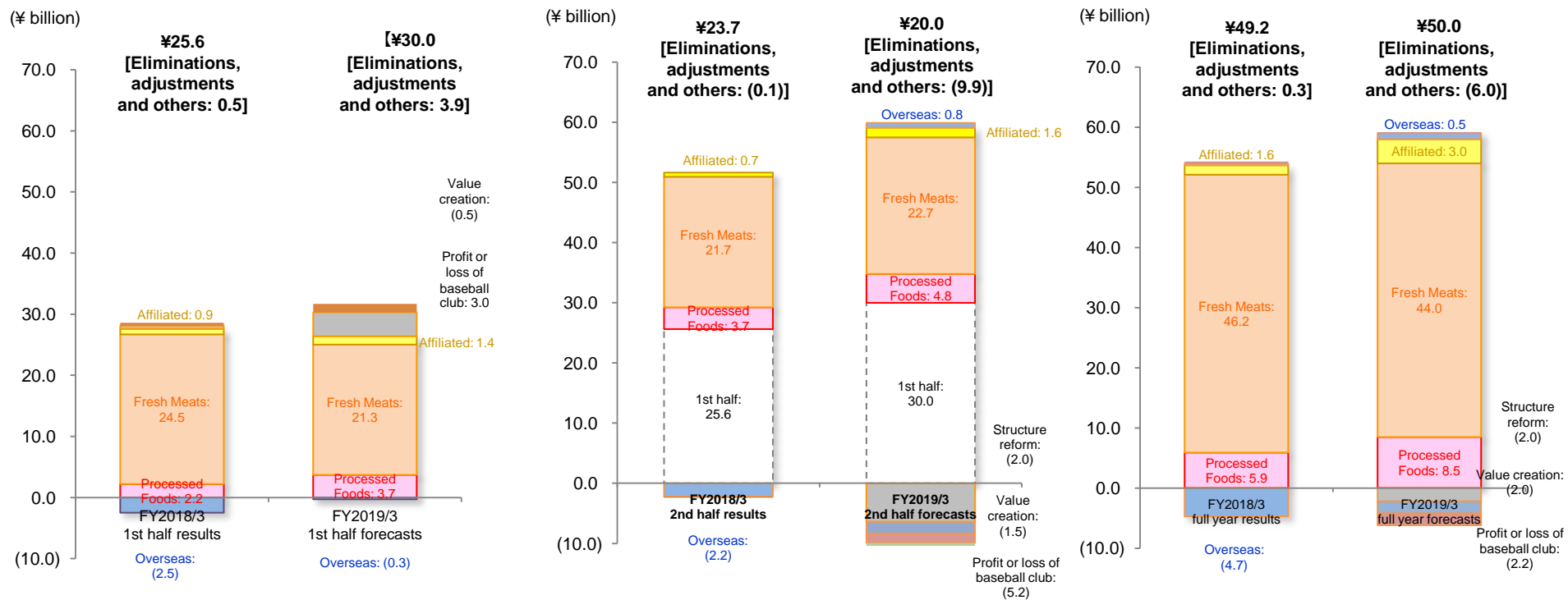
IFRS has been adopted since the first quarter of FY2019/3



➤ Impact of the adoption of IFRS on major disclosure matters

| Items | Impact |
|--|--|
| Recording of foreign exchange gains (losses) with respect to business transactions | •Not reflected on operating income |
| Accounting treatment of biological assets | •Fair value measurement gains (losses) of the biological assets held mainly in the fresh meat production business are reflected on operating income. (Under US GAAP, valuation loss alone is recorded through lower-of-cost-or-market valuation of inventories) |
| Unification of fiscal years | •The Group companies not closing in March are subjected to provisional settlement, thereby unifying fiscal years for consolidation purpose. |

2. FY2019/3 Operating Income Forecasts



| | FY2019/3 1Q | | | FY2019/3 1st half | | | FY2019/3 2nd half | | | FY2019/3 full year | | |
|---|----------------------|-------------|--------------|---------------------------|-------------|------------|---------------------------|-------------|--------------|----------------------------|-------------|------------|
| | FY2018/3 1 Q results | Forecasts | Variance | FY2018/3 1st half results | Forecasts | Variance | FY2018/3 2nd half results | Forecasts | Variance | FY2018/3 full year results | Forecasts | Variance |
| Processed Foods Business Division | 0.9 | 1.5 | 0.6 | 2.2 | 3.7 | 1.5 | 3.7 | 4.8 | 1.1 | 5.9 | 8.5 | 2.6 |
| Fresh Meats Business Division | 12.9 | 9.5 | (3.4) | 24.5 | 21.3 | (3.2) | 21.7 | 22.7 | 1.0 | 46.2 | 44.0 | (2.2) |
| Affiliated Business Division | 0.5 | 0.4 | (0.1) | 0.9 | 1.4 | 0.5 | 0.7 | 1.6 | 0.9 | 1.6 | 3.0 | 1.4 |
| Overseas Business Division | (0.5) | (0.3) | 0.2 | (2.5) | (0.3) | 2.2 | (2.2) | 0.8 | 3.0 | (4.7) | 0.5 | 5.2 |
| Eliminations, adjustments and others | 0.2 | 1.9 | 1.7 | 0.5 | 3.9 | 3.4 | (0.1) | (9.9) | (9.8) | 0.3 | (6.0) | (6.3) |
| of which structural reform expenses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (2.0) | (2.0) | 0.0 | (2.0) | (2.0) |
| of which value creation expenses | 0.0 | 0.0 | 0.0 | 0.0 | (0.5) | (0.5) | 0.0 | (1.5) | (1.5) | 0.0 | (2.0) | (2.0) |
| of which profit or loss of baseball club (consolidated) | 0.0 | 1.9 | 1.9 | 0.0 | 3.0 | 3.0 | 0.0 | (5.2) | (5.2) | 0.0 | (2.2) | (2.2) |
| of which others | 0.2 | 0.0 | (0.2) | 0.5 | 1.4 | 0.9 | (0.1) | (1.2) | (1.1) | 0.3 | 0.2 | (0.1) |
| Total | 13.9 | 13.0 | (0.9) | 25.6 | 30.0 | 4.4 | 23.7 | 20.0 | (3.7) | 49.2 | 50.0 | 0.8 |

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

3. Processed Foods Business Division: Outlook (1)

● Measures

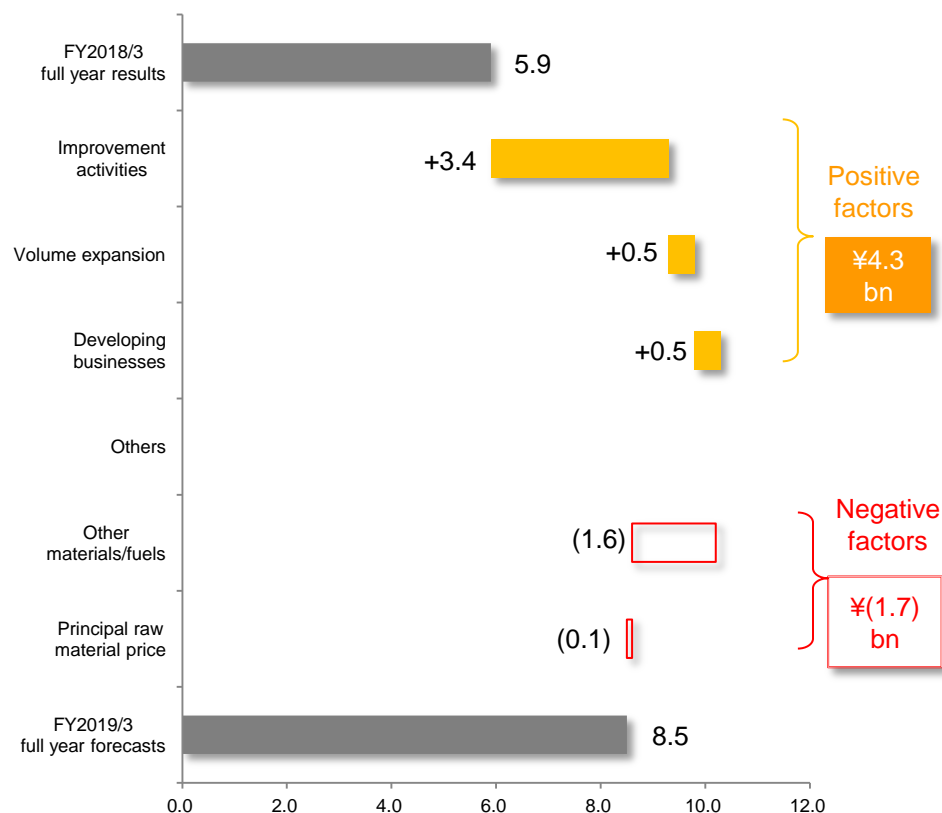
- Work to improve revenue and profit by increasing the composition ratio of profitable products, such as sales expansion of core brands and introduction of new products.
- Enhance cost competitiveness by saving on manpower and increasing capital investment to streamline operations.
- Make improvements on developing businesses with a focus on the vendor business.

Factor Analysis: Changes in operating income

(¥ billion)

| | FY2019/3 forecasts | | |
|----------------------------------|--------------------|--------------------|---------------------|
| | 1st half forecasts | 2nd half forecasts | Full year forecasts |
| Total existing businesses | 1.3 | 0.9 | 2.1 |
| <i>External factors</i> | (0.9) | (0.8) | (1.7) |
| Principal raw material price | (0.5) | 0.4 | (0.1) |
| Other materials/fuels | (0.4) | (1.2) | (1.6) |
| <i>Internal factors</i> | 2.2 | 1.6 | 3.8 |
| Volume expansion | 0.2 | 0.2 | 0.5 |
| Improvement activities | 2.0 | 1.4 | 3.4 |
| Developing businesses | 0.2 | 0.3 | 0.5 |
| Others | 0.0 | 0.0 | 0.0 |
| Total | 1.5 | 1.1 | 2.6 |

Factor Analysis Graph: Changes in forecasts (full year)

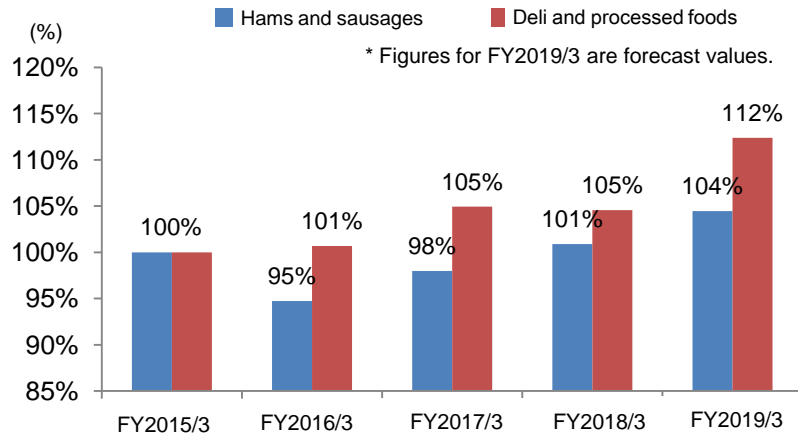


* Due to rounding, item tallies in each division may not match totals.

3. Processed Foods Business Division: Outlook (2)

● Measures to promote consumer products sales

Consumer Products: Comparison by Year of Sales Volume with FY2015/3, as the Reference



- Utilize advertising expenses linked to store presence enhancements
- Acquire new fans through a tie-up campaign with a popular animation
 - Acquire fans by introducing area targeted commercials and carrying out in-store sales promotions for *SCHAU ESSEN* and *Hojun*.
 - Standardize health-conscious products.
 - Standardize *Ishigama Kobo* and *Chuka Meisai* by utilizing TV commercials and enhance operating rates by expanding items with new products, etc.



SCHAU ESSEN



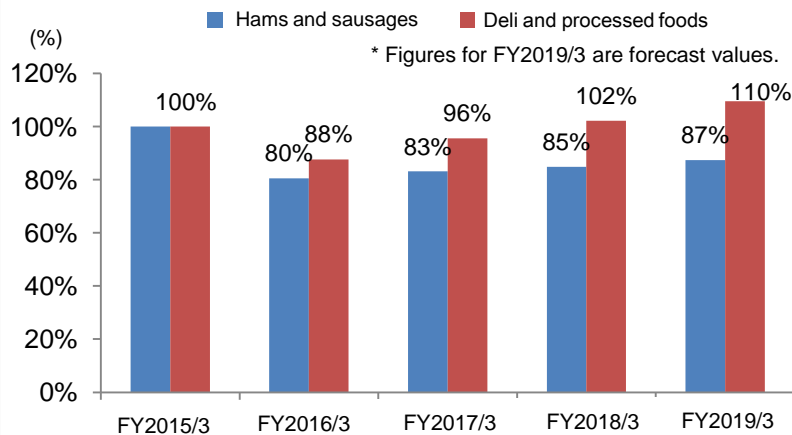
Chuka Meisai series



The new product
Teritama Hamburg

● Measures to promote commercial-use products sales

Commercial-Use Products: Comparison by Year of Sales Volume with FY2015/3, as the Reference



- In the CVS channel, in addition to products manufactured overseas which continue to perform strongly, enhance our product development.
- In the restaurant channel, focusing on deli and processed foods, introduce campaigns to major restaurant chains and suggest products which help with customers' problems, thereby improving the domestic plant operations.
- For the delicatessen channel, work to meet the market needs by category and introduce products that solve the problems of customers.



Kijimaki Wiener Kushi



Chicken Cheese Oba

4. Fresh Meats Business Division: Outlook (1)

● Measures

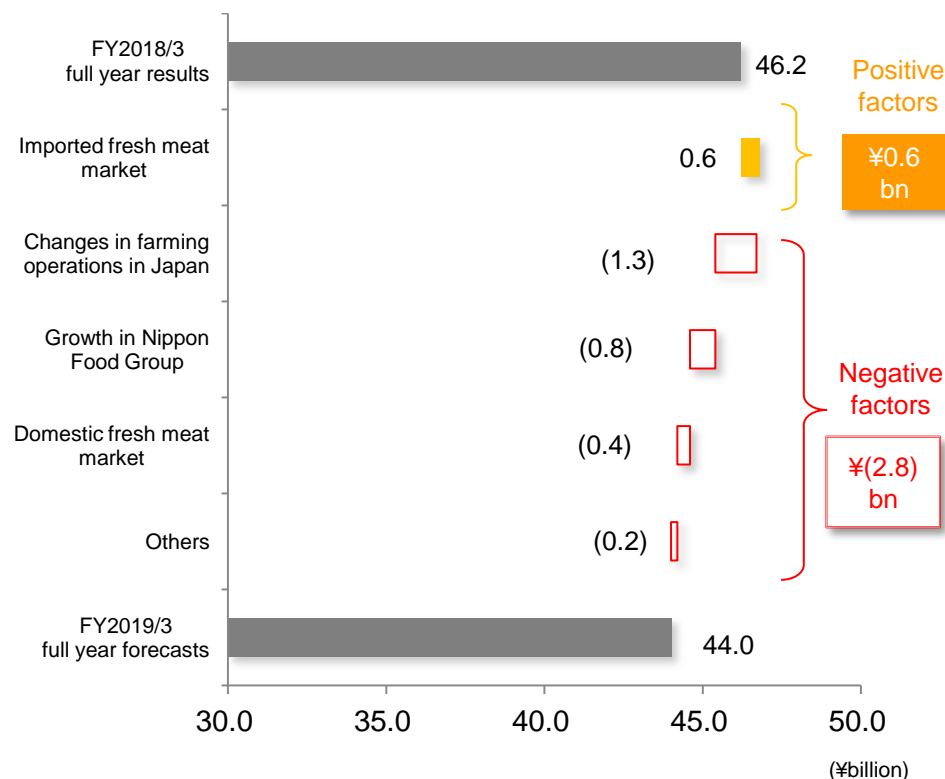
- Domestic production: The market prices of fresh meats are expected to weaken compared to last year, so operating income will decrease for both pork and chicken.
- Domestic fresh meats: Operating income is expected to decrease due to the weakened market prices of fresh meats and an increase of imported meats.
- Imported fresh meats: Excess inventory of imported chicken is expected to be eliminated in the first half of the year, with recovery from the second half of the year.
- Nippon Food Group: Operating income is expected to decrease due to increasing expenses and continuing weak performance of fresh meats market prices from last year.

Factor Analysis: Changes in operating income (¥ billion)

| | FY2019/3 forecasts | | |
|--|--------------------|--------------------|---------------------|
| | 1st half forecasts | 2nd half forecasts | Full year forecasts |
| Imported fresh meat market | (1.5) | 2.1 | 0.6 |
| Domestic fresh meat market | (0.2) | (0.3) | (0.4) |
| Changes in farming operations in Japan | (1.2) | (0.1) | (1.3) |
| Growth in Nippon Food Group | (0.2) | (0.7) | (0.8) |
| Other factors | (0.2) | 0.0 | (0.2) |
| Total | (3.2) | 1.1 | (2.2) |

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

Factor Analysis Graph: Changes in forecasts (full year)



4. Fresh Meats Business Division: Outlook (2)

● Domestic production business

- Feed prices are up in 1Q, due to an upward trend in both corn and soybean meal prices.
- Production of pork is stabilizing. Work to improve performance by reducing accidents through disease countermeasures, etc.
- While the number of chickens is increasing nationwide, work to improve productivity in chicken production.

● Domestic fresh meat market

- There is no major change in the supply and demand balance of beef, and prices are expected to remain on par with the previous year.
- Pork is expected to remain weak compared to the previous year, and some instability is expected depending on outbreaks of disease such as PED.
- Chicken is expected to have strong demand mainly for breast meat, but is expected to perform weaker than last year, when prices remained high throughout the year.

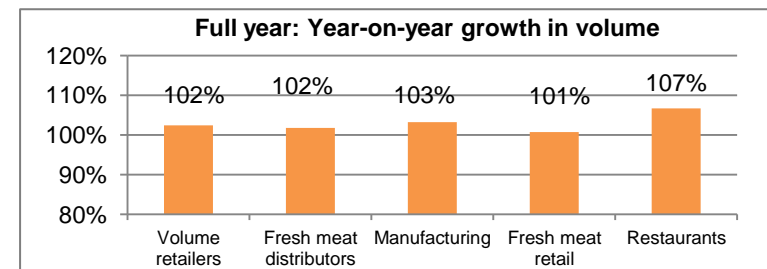
● Imported fresh meat market

- While safeguards has been removed for beef, attention must be given to trends in U.S. beef because local offer prices remain high.
- Pork is expected to weaken due to the impact of increased production of U.S. pork.
- Market inventories of chicken are considerably ample, and the elimination of the inventories is expected to take the whole first half.

● Fresh meat sales (food companies)

- Place sales personnel solely responsible for restaurants and enhance proposals for branded fresh meats, etc. to continue expanding sales in restaurant channels.
- Increase sales by enhancing promotions that increase consumer's awareness of branded fresh meats.

Full Year Results: Overall volume growth of 103%



5. Affiliated Business Division: Outlook

● Measures in marine products business

(Marine Foods)

- Expand proprietary procurement routes for raw materials and build a procurement network capable of sustainable transactions.
- Enhance profitability by optimizing the product mix and enhancing high value-added products at the Mie Plant* mainly for ultra-high-pressure processed products and heated steam processed products.

(Hoko)

- Improve profitability of shelf stable food products business through structural reform such as review of production lines and optimization of product mix.

● Measures in dairy products business

(Cheese)

- In consumer products, increase sales volume of baby cheese, for which a structure to increase production has been developed with expanded lines.
- In commercial products, work to increase the market share by developing new customers.

(Yogurt)

- Increase sales by actively developing promotions of *Vanilla Yogurt*, which will mark the 25th anniversary.
- Build a structure to increase production by establishing the new Takasaki Plant.

● Trends in the prices of principal raw materials and other materials

- In marine products raw materials, prices are expected to remain high due to continuing reduction in supply owing to shrinking catches and growing global demand.
- Raw material prices remain high for cheese due to the impact of robust purchases by China.
- In yogurt, prices are also expected to remain high for the principal raw material of skim milk powder.



The ultra-high-pressure processed product
Bukkake Kaisen Donburi Ran'o Shoyu Dare



Saba Mizuni
(Water boiled mackerel)
made with mackerel caught in Japan



The new product
Rolf Otona-no Baby Cheese (Grilled Pork)



Vanilla Yogurt, celebrating the 25th anniversary of its launch

6. Overseas Business Division: Outlook

● Australia

- Fattening: Revenue and profit are expected to improve due to falling livestock procurement costs.
- Slaughter: Costs are expected to fall due to improved production efficiency.
- Sales: While sales prices are rising, attention must be paid due to increased production of beef in the United States.

⇒ Aim for improved revenue and profit, expecting costs to fall due to recovering sales prices and improved productivity.

● Americas

- The fresh meat export environment is expected to improve as pork procurement costs decrease.
- Aim to improve profitability of processed foods by improving productivity through capital investment.

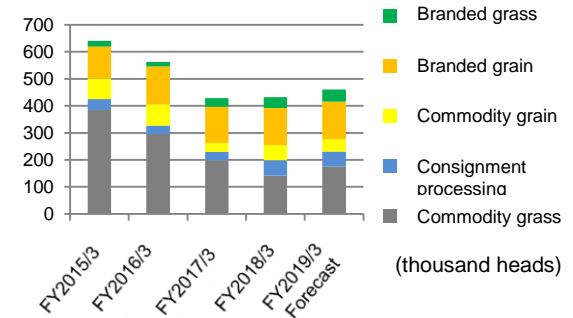
● Asia & Europe

- Revenue and profits are expected to worsen in Turkey due to the imbalance of supply and demand and soaring feed costs.
- Although pork procurement costs in Europe are falling slower than expected, an increase in sales volume and improved profitability are expected because of the expansion of procurement area.

Reference: FY2018/3 full year Australia operations sales results

| Major countries for sales | Volume (ratio breakdown) | Volume (variance year on year) |
|---------------------------|--------------------------|--------------------------------|
| Japan | 28% | 99% |
| United States | 12% | 103% |
| South Korea | 10% | 78% |
| China | 10% | 159% |
| Taiwan | 4% | 87% |
| Australia | 23% | 106% |
| Others | 14% | 82% |
| Total | 100% | 103% |

Number of cattle processed per year in Australia



FY2019/3 Forecasts of factors for changes in operating income

| | 1st half forecasts | 2nd half forecasts | Full year forecasts |
|---------------|--------------------|--------------------|---------------------|
| Australia | 1.8 | 1.8 | 3.6 |
| Americas | 0.7 | 0.5 | 1.2 |
| Asia & Europe | (0.2) | 0.7 | 0.5 |
| Other factors | 0.0 | 0.0 | 0.0 |
| Total | 2.2 | 3.0 | 5.2 |

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

FY2019/3 Operating income forecasts

| | 1st half | | | 2nd half | | | Full year | | |
|---------------|------------------|--------------------|------------|------------------|--------------------|------------|------------------|--------------------|------------|
| | FY2018/3 results | FY2019/3 forecasts | Variance | FY2018/3 results | FY2019/3 forecasts | Variance | FY2018/3 results | FY2019/3 forecasts | Variance |
| Australia | (2.0) | (0.2) | 1.8 | (1.4) | 0.4 | 1.8 | (3.4) | 0.2 | 3.6 |
| Americas | (0.5) | 0.2 | 0.7 | (0.2) | 0.3 | 0.5 | (0.6) | 0.6 | 1.2 |
| Asia & Europe | 0.3 | 0.1 | (0.2) | (0.2) | 0.5 | 0.7 | 0.1 | 0.6 | 0.5 |
| Other factors | (0.5) | (0.5) | 0.0 | (0.4) | (0.4) | 0.0 | (0.9) | (0.9) | 0.0 |
| Total | (2.5) | (0.3) | 2.2 | (2.2) | 0.8 | 3.0 | (4.7) | 0.5 | 5.2 |

(¥ billion)

7. Eliminations, Adjustments and Others: Outlook

● Breakdown of eliminations, adjustments and others

(¥ billion)

| | | FY2019/3 full year forecasts |
|--------------------|---|---|
| Main components | Structural reform expenses | (2.0) |
| | Value creation expenses | (2.0) |
| | Profit or loss of baseball club (consolidated) | (2.2) |

◆ Structural reform expenses *Scheduled to be recorded at each business division
 Measures such as reduction of working hours and pursuing equal treatment

◆ Value creation expenses

- Acquire advanced animal husbandry technology and that for food product production and development
- Improve collection, accumulation and analysis capabilities of information for consumer understanding
- Execute the five priority CSR tasks
- Build a network to realize these goals

◆ Profit or loss of baseball club (consolidated)

Up to FY2018/3: Allocate to each business division as corporate expenses

FY2019/3 and after: Not allocate to each business division and record under “eliminations, adjustments and others”

III. Consolidated Financial Results for FY2018/3

- 1. FY2018/3 Business Results at a Glance and FY2019/3 Forecasts**
- 2. Selling, General and Administrative Expenses / Other Operating Costs and Expenses / Other Income**
- 3. Balance Sheets / Capital Expenditures / Depreciation and Amortization**
- 4. Cash Flows**

1. FY2018/3 Business Results at a Glance and FY2019/3 Forecasts

(¥ million, %)

| | FY2018/3 results (U.S. accounting standards) | | | | | |
|--|--|----------|----------|----------|-----------|----------|
| | 1st half | Variance | 2nd half | Variance | Full year | Variance |
| Net sales | 627,880 | 5.9 | 641,321 | 5.3 | 1,269,201 | 5.6 |
| Hams and sausages | 67,537 | (1.1) | 72,826 | (0.3) | 140,363 | (0.7) |
| Processed foods | 116,293 | 2.6 | 123,848 | 7.2 | 240,141 | 4.9 |
| Fresh meats | 362,669 | 8.1 | 358,718 | 6.0 | 721,387 | 7.1 |
| Beef | 147,780 | 8.5 | 146,993 | 12.2 | 294,773 | 10.3 |
| Pork | 114,140 | 4.3 | 114,876 | 2.4 | 229,016 | 3.3 |
| Chicken | 87,338 | 13.0 | 86,505 | 5.7 | 173,843 | 9.2 |
| Other fresh meats | 13,411 | 7.1 | 10,344 | (22.8) | 23,755 | (8.4) |
| Marine products | 45,635 | 4.8 | 49,519 | 2.9 | 95,154 | 3.8 |
| Dairy products | 17,962 | 9.0 | 17,889 | 5.8 | 35,851 | 7.4 |
| Others | 17,784 | 11.1 | 18,521 | 8.1 | 36,305 | 9.6 |
| Cost of goods sold | 510,758 | 6.2 | 522,597 | 7.1 | 1,033,355 | 6.6 |
| Gross profit | 117,122 | 4.6 | 118,724 | (2.2) | 235,846 | 1.1 |
| Gross profit ratio | 18.7% | - | 18.5% | - | 18.6% | - |
| SG&A expenses | 91,563 | 3.5 | 95,065 | 4.5 | 186,628 | 4.0 |
| Operating income | 25,559 | 9.1 | 23,659 | (22.1) | 49,218 | (8.5) |
| Income before income taxes | 22,326 | 2.1 | 28,129 | 3.3 | 50,455 | 2.7 |
| Income taxes | 5,245 | (27.5) | 8,860 | 21.4 | 14,105 | (2.9) |
| Tax rate | 23.5% | - | 31.5% | - | 28.0% | - |
| Net income attributable to NH Foods Ltd. | 17,377 | 17.8 | 19,770 | (2.4) | 37,147 | 6.1 |

| FY2019/3 forecasts (IFRS) | | | | | | | | |
|---------------------------|----------|--------------------|----------|----------|--------------------|-----------|----------|--------------------|
| 1st half | Variance | Volume growth rate | 2nd half | Variance | Volume growth rate | Full year | Variance | Volume growth rate |
| 650,000 | - | - | 660,000 | - | - | 1,310,000 | - | - |
| 67,700 | - | 4.7 | 72,700 | - | 3.9 | 140,400 | - | 4.3 |
| 118,100 | - | 6.9 | 125,200 | - | 7.5 | 243,300 | - | 7.2 |
| 370,300 | - | 5.8 | 374,600 | - | 4.9 | 744,900 | - | 5.4 |
| 154,200 | - | 12.6 | 158,300 | - | 8.7 | 312,500 | - | 10.7 |
| 115,400 | - | 3.1 | 114,800 | - | 1.8 | 230,200 | - | 2.4 |
| 87,800 | - | 3.5 | 90,000 | - | 4.8 | 177,800 | - | 4.2 |
| 12,900 | - | 2.1 | 11,500 | - | 9.2 | 24,400 | - | 5.1 |
| 46,100 | - | 2.9 | 50,500 | - | 7.8 | 96,600 | - | 5.4 |
| 18,200 | - | 5.4 | 18,000 | - | 5.6 | 36,200 | - | 5.5 |
| 29,600 | - | - | 19,000 | - | - | 48,600 | - | - |
| 30,000 | - | - | 20,000 | - | - | 50,000 | - | - |
| 28,000 | - | - | 18,000 | - | - | 46,000 | - | - |
| 8,300 | - | - | 5,400 | - | - | 13,700 | - | - |
| 29.6% | - | - | 30.0% | - | - | 29.8% | - | - |
| 19,500 | - | - | 12,500 | - | - | 32,000 | - | - |

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

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

2. Selling, General and Administrative Expenses / Other Operating Costs and Expenses / Other Income

(¥ million, %)

| | SG&A expenses | FY2017/3 | FY2018/3 | | |
|------|--|-------------------|-------------------|--------------|----------|
| | | Full year results | Full year results | Variance (%) | Variance |
| ★(1) | Selling, general and administrative expenses | 179,496 | 186,628 | 4.0 | 7,132 |
| | Personnel | 69,318 | 70,348 | 1.5 | 1,030 |
| | Advertising | 10,233 | 10,515 | 2.8 | 282 |
| ★(2) | Logistics | 54,726 | 58,027 | 6.0 | 3,301 |
| | Others | 45,219 | 47,738 | 5.6 | 2,519 |

Major reasons for increase/decrease

★(1) **SG&A expenses:** Although SG&A expenses increased by approximately ¥7.1 billion, the ratio of SG&A expenses decreased by 0.2 points from 14.9% to 14.7%.

★(2) **Logistics:** Higher transportation costs caused logistics expenses to rise by approximately ¥3.3 billion.

(¥ million)

| | | FY2017/3 | FY2018/3 | |
|------|---|-------------------|-------------------|----------|
| | | Full year results | Full year results | Variance |
| ★(1) | Other operating costs and expenses (income) - net | 5,320 | (66) | (5,386) |
| | Fixed assets | 2,427 | (102) | (2,529) |
| | Special retirement expenses | 2,895 | 36 | (2,859) |
| | Others | (2) | - | 2 |
| | Other income (expenses) - net | 1,770 | 70 | (1,700) |
| | Interest and dividends income | 1,162 | 1,131 | (31) |
| | Foreign exchange gains (losses) | 106 | (128) | (234) |
| | Others | 502 | (933) | (1,435) |
| | Transfer fee for a professional baseball player | - | 2,273 | 2,273 |
| | Interest expense | 1,140 | 1,172 | 32 |

Major reasons for increase/decrease

★(1) **Other operating costs and expenses (income) - net:** Decreased by approximately ¥5.4 billion due to factors including the elimination of special retirement payment for the transferred employees incurred in the previous fiscal year and sales of old plants due to rebuilding.

3. Balance Sheets / Capital Expenditures / Depreciation and Amortization

(¥ million, %)

| Consolidated balance sheets | | FY2017/3 Year-end | FY2018/3 Year-end | Variance (%) | Variance |
|-----------------------------|--|----------------------|----------------------|--------------|----------|
| ★(1) | Total assets | 720,276 | 755,076 | 4.8 | 34,800 |
| ★(2) | Cash and cash equivalents | 82,639 | 60,335 | (27.0) | (22,304) |
| | Trade notes and accounts receivable | 128,579 | 151,420 | 17.8 | 22,841 |
| | Inventories | 132,697 | 127,905 | (3.6) | (4,792) |
| | Property, plant and equipment - at cost, less accumulated depreciation | 283,364 | 307,558 | 8.5 | 24,194 |
| | Investments and other assets | 45,172 | 59,859 | 32.5 | 14,687 |
| | Deferred income taxes - non-current | 7,627 | 13,509 | 77.1 | 5,882 |
| | Total liabilities | 311,920 | 308,937 | (1.0) | (2,983) |
| | Trade notes and accounts payable | 101,857 | 113,654 | 11.6 | 11,797 |
| ★(3) | Interest-bearing debt | 138,284 | 110,948 | (19.8) | (27,336) |
| | Liability under retirement and severance program | 13,268 | 13,655 | 2.9 | 387 |
| | Total NH Foods Ltd. Shareholders' equity | 404,126 | 440,793 | 9.1 | 36,667 |
| | Noncontrolling interests | 4,230 | 5,346 | 26.4 | 1,116 |
| | Total equity | 408,356 | 446,139 | 9.3 | 37,783 |

Major reasons for increase/decrease

- ★(1) **Total assets:** Increased by approximately ¥34.8 billion mainly in tangible fixed assets, due to increased capital investment, mergers and acquisitions.
- ★(2) **Inventories:** Decreased by approximately ¥22.0 billion due mainly to capital investment and loan repayments.
- ★(3) **Interest-bearing debt:** Decreased by approximately ¥27.3 billion due mainly to redemption of ordinary corporate bonds and conversion of convertible bonds to shares.

(¥ million, %)

| Capital expenditures, depreciation and amortization | FY2017/3 | FY2018/3 | | | | FY2019/3 |
|---|-------------------|---------------------|-------------------|--------------|----------|---------------------|
| | Full year results | Full year forecasts | Full year results | Variance (%) | Variance | Full year forecasts |
| Capital expenditures | 43,742 | 40,000 | 41,466 | (5.2) | (2,276) | 89,900 |
| Processed Foods Business Division | 11,306 | 14,700 | 13,789 | 22.0 | 2,483 | 19,900 |
| Fresh Meats Business Division | 22,125 | 14,000 | 15,575 | (29.6) | (6,550) | 38,900 |
| Affiliated Business Division | 3,847 | 6,550 | 6,439 | 67.4 | 2,592 | 12,100 |
| Overseas business facilities | 3,568 | 4,000 | 4,823 | 35.2 | 1,255 | 15,300 |
| Others | 2,896 | 750 | 840 | (71.0) | (2,056) | 3,700 |
| Depreciation and amortization | 19,501 | 21,000 | 21,234 | 8.9 | 1,733 | 24,000 |

4. Cash Flows

(¥ million)

| Consolidated statements of cash flows | FY2017/3 | FY2018/3 | | FY2019/3 |
|--|-------------------|-------------------|----------|---------------------|
| | Full year results | Full year results | Variance | Full year forecasts |
| ★(1) Cash flow from operating activities | 65,254 | 54,626 | (10,628) | 52,700 |
| ★(2) Cash flow from investing activities | (38,271) | (49,006) | (10,735) | (85,500) |
| ★(3) Cash flow from financing activities | (11,439) | (27,508) | (16,069) | 32,800 |

Major reasons for increase/decrease

- ★(1) **Cash flow from operating activities:** Although notes and accounts receivable-trade increased, increases in net income, depreciation and amortization, and an increase in notes and accounts payable-trade led to a cash inflow of approximately ¥54.6 billion.
- ★(2) **Cash flow from investing activities:** Cash used in investing activities was approximately ¥49.0 billion due mainly to capital expenditures and the acquisition of BPU in Uruguay.
- ★(3) **Cash flow from financing activities:** Repayment of debts and payment of dividends resulted in a cash outflow of approximately ¥27.5 billion.

Contact
Public & Investor Relations Office
NH Foods Ltd.
ThinkParkTower
2-1-1 Osaki, Shinagawa-ku, Tokyo 141-6014
Tel: +81-3-4555-8024 Fax: +81-3-4555-8189

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.