



Business Results

for the First Quarter of FY2021/3

July 31, 2020 (Fri.)

NH Foods Ltd.

I



Consolidated Business Results for FY2021/3 1Q

P. 3

II



Outlook for FY2021/3

P. 13

III



Consolidated Financial Results for FY2021/3 1Q

P. 20

- * The Company has adopted International Financial Reporting Standards (“IFRS”) since FY2019/3.
- * Due to rounding, numbers may not match totals.
- * As our former Affiliated Business Division and the extract/primary meat processing business (Nippon Pure Food, Inc.) has been integrated into the Processed Foods Business Division in FY2021/3, business profit is shown in a breakdown. In addition, figures before FY2020/3 have been retroactively adjusted. (According to NH Foods calculations, but not audited.)

I



**Consolidated Business
Results for FY2021/3 1Q**

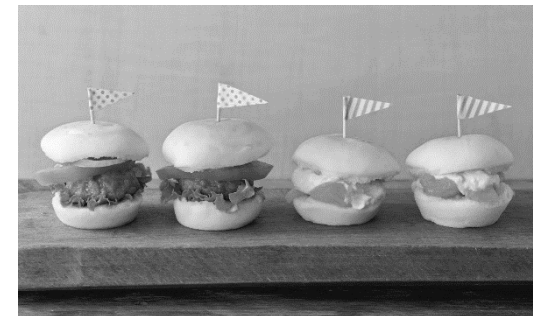
1. Consolidated Business Results for 1Q (Apr.-Jun.)
2. Segment Data: Processed Foods Business Division
3. Segment Data: Fresh Meats Business Division
4. Segment Data: Overseas Business Division
5. External Customer Net Sales Results in Major Overseas Geographical Areas

II



Outlook for FY2021/3

III



**Consolidated Financial
Results for FY2021/3 1Q**

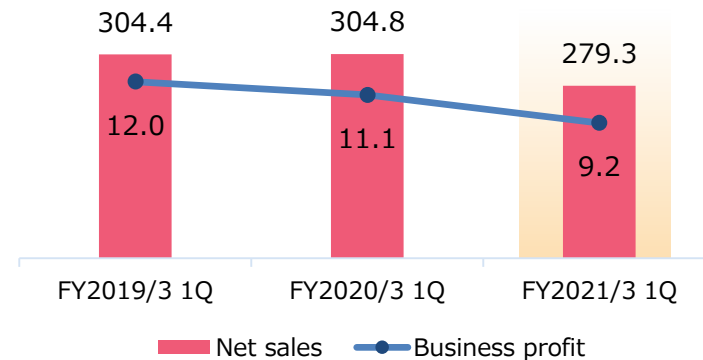
Results Summary

Decreased sales and profit in 1Q

- Reason for decreased sales: Sales environment of domestic commercial-use channels and Overseas Business deteriorated due to COVID-19
- Reason for decreased profit: Deterioration of sales/purchase environment in our Overseas Business and postponement of the start of the professional baseball season

1Q Results

(¥ billion)



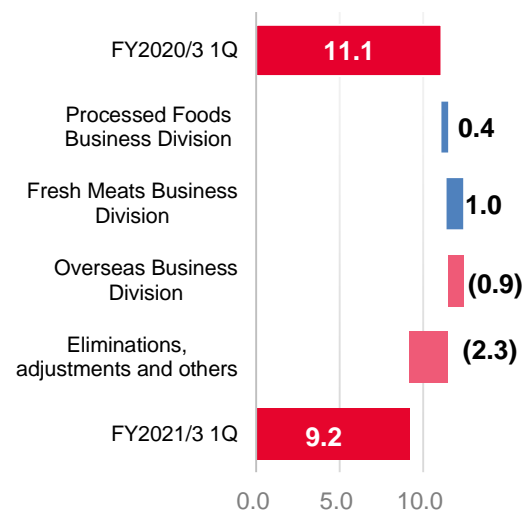
1Q Results (Apr.-Jun.)

(¥ billion)

		FY2019/3 1Q	FY2020/3 1Q	FY2021/3 1Q	Variance	Variance (%)
Processed Foods Business Division	Net sales	129.9	126.5	122.5	(4.1)	(3.2)
	Business profit	1.7	2.4	2.7	0.4	15.2
Fresh Meats Business Division	Net sales	185.4	188.9	179.9	(9.0)	(4.7)
	Business profit	9.4	7.5	8.5	1.0	13.1
Overseas Business Division	Net sales	64.2	64.8	55.8	(9.0)	(13.8)
	Business profit	(0.1)	0.8	(0.1)	(0.9)	—
Eliminations, adjustments and others	Net sales	(75.1)	(75.5)	(78.9)	(3.5)	—
	Business profit	0.9	0.4	(1.9)	(2.3)	—
Consolidated	Net sales	304.4	304.8	279.3	(25.5)	(8.4)
	Business profit	12.0	11.1	9.2	(1.8)	(16.7)
	Business profit ratio	3.9%	3.6%	3.3%	(0.3)	—

Changes in business profit (1Q)

(¥ billion)



Factor Analysis: Changes in business profit [Processed Foods Business Division]

Consumer products performed well. Commercial-use products struggled.

[Fresh Meats Business Division]

Domestic fresh meat production performed well.

[Overseas Business Division]

Profit decreased in Australia and Asia & Europe.

[Eliminations, adjustments and others]

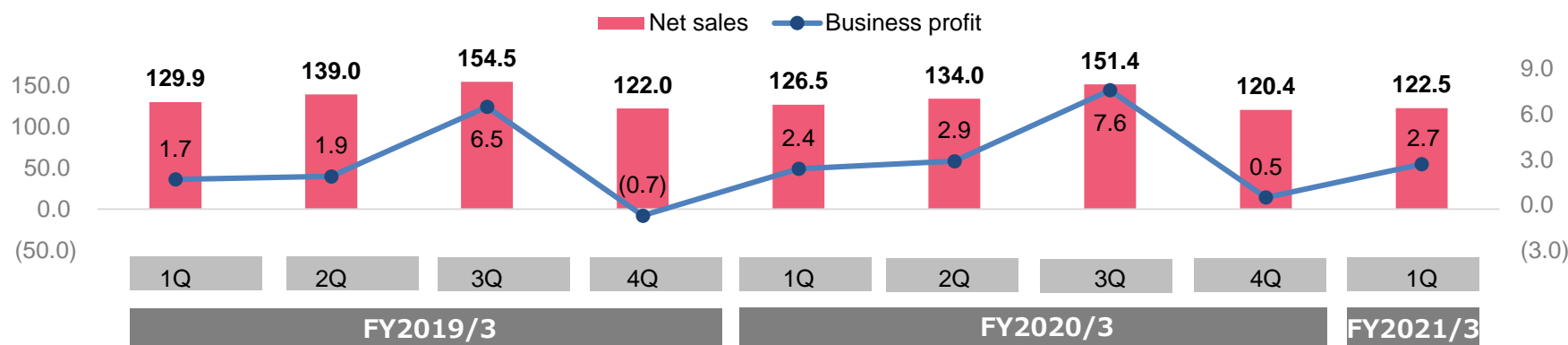
Postponement of the start of the professional baseball season

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

Although sales decreased for commercial-use, profits increased due to improved product mix through growth of main brands and efficient cost management.

(¥ billion)

	1Q				
	FY2019/3	FY2020/3	FY2021/3	Variance	Variance (%)
Net sales	129.9	126.5	122.5	(4.1)	(3.2)%
Business profit	1.7	2.4	2.7	0.4	15.2%
of which marine/dairy product, extract, etc.	0.5	0.2	(0.3)	(0.5)	-
Business profit ratio	1.3%	1.9%	2.2%	0.3	-



Net Sales in FY2021/3 1Q

Hams and sausages, deli and processed foods

- Consumer: Strong sales for mainstay brands
- Commercial-use: Sales to restaurants and convenience stores declined

Marine/dairy products and extract/primary processing

- Consumer: Sales of core dairy products and new products were strong
- Commercial-use: Sales to restaurants decreased, but is on a recovery trend since June

Business Profit in FY2021/3 1Q

Hams and sausages, deli and processed foods

- Gross profit: Product mix improved due to growth in core brand
- Expenses: Reduction of labor costs through mechanization and scaled-back frequency of discount sales

Marine/dairy products and extract/primary processing

- Gross profit: Gross profit down due to decreased sales of marine products and extract/primary processed products

Consumer products including processed foods and easily prepared products grew due to changes in lifestyle during the COVID-19 crisis.

Sales results by channel

1) Consumer products

- Hams and sausages:

Increased consumption due to stay-at-home → Growth in wiener and bacon products
Loin ham products were down year-on-year due to struggling PB products

- Deli and processed foods:

Increased consumption due to stay-at-home → Chilled bakery, chilled dish and hamburg products grew
Expansion of stock demand → Shelf-stable products grew

2) Commercial-use products:

Sales to restaurants and convenience stores declined

Year-on-year growth in sales by channel

		Volume	Amount
Hams and sausages	Consumer	110%	111%
	Commercial-use	83%	83%
	Total	104%	106%
Deli and processed foods	Consumer	112%	113%
	Commercial-use	79%	80%
	Total	97%	99%

Year-on-year sales comparison of consumer products

Consumer products		Consumer products			
Hams and sausages	Wieners	110%	Deli and processed foods	Chilled bakery	117%
	Loin hams	97%		Chilled dish	112%
	Bacon	120%		Fried chicken	98%
	Yakibutas	102%		Hamburg and meatball	124%
	Total	111%		Total	113%

Major brands sales results

Growth in core brands due to changes in lifestyle



Consumers want to enjoy food at home during self-restraint period

Response to the growing trend to save money

Marine/dairy products and extract/primary processing sales results

- (1) Marine: Sales of commercial-use sushi toppings and other items decreased due to struggles in restaurant channels
- (2) Dairy: Sales of commercial-use cheese products decreased
In yogurt, in addition to strong sales of *Vanilla Yogurt*, our newly released *Ísey SKYR* created new markets
- (3) Extract, primary meat processing: Sales decreased due to struggles in restaurant channels including ramen shops and izakaya chains

Ísey SKYR™, a high-protein milk product landing Japan for the first time



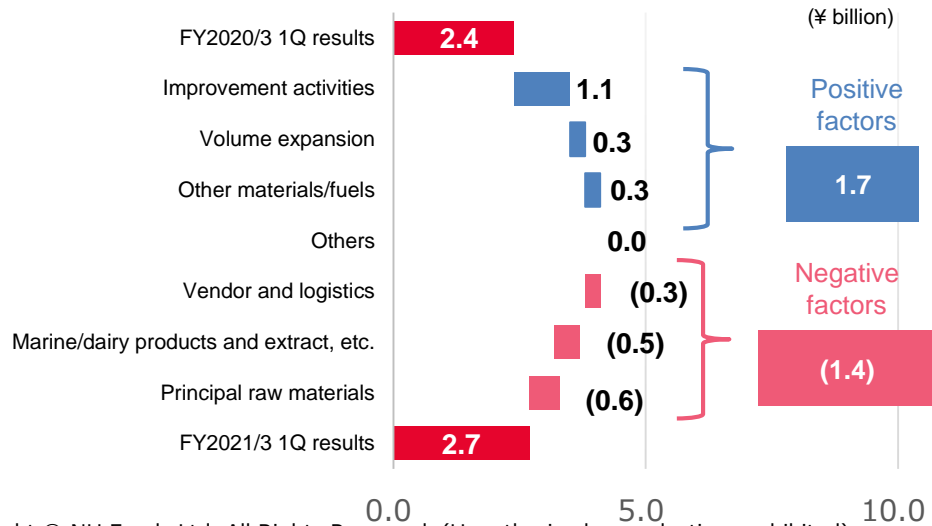
Factor Analysis: Changes in business profit

(¥ billion)

		FY2021/3
		1Q results
Hams and sausages, deli and processed foods		1.1
	External factors	(0.3)
	Principal raw material price	(0.6)
	Other materials/fuels	0.3
	Internal factors	1.4
	Volume expansion	0.3
	Improvement activities	1.1
Vendor and logistics		(0.3)
Marine/dairy products and extract/primary processing		(0.5)
Others		0.0
Total		0.4

Factor Analysis Graph: Changes in business profit results (1Q)

(¥ billion)



Variation Factor Analysis (1Q)

[External factors] ¥(0.3) billion

Principal raw material price:

Raw material prices for pork and beef rose.

Other materials/fuels:

Prices of sheep casings and fuel improved.

[Internal factors] ¥1.4 billion

Volume expansion:

Growth in consumer products.

Improvement activities:

Made improvements, especially to product mix and labor costs.

[Vendor and logistics] ¥(0.3) billion

Vendor:

Sales decreased due to COVID-19.

Logistics:

Labor costs rose due to increased logistics.

[Marine/dairy products and extract/primary processing] ¥(0.5) billion

Marine, extract/primary processing, dairy products (cheese):

As commercial-use ratio is high, gross profit decreased due to decreased sales.

Dairy products (yogurt):

Vanilla Yogurt performed strongly.

New product *Ísey SKYR* created new markets.

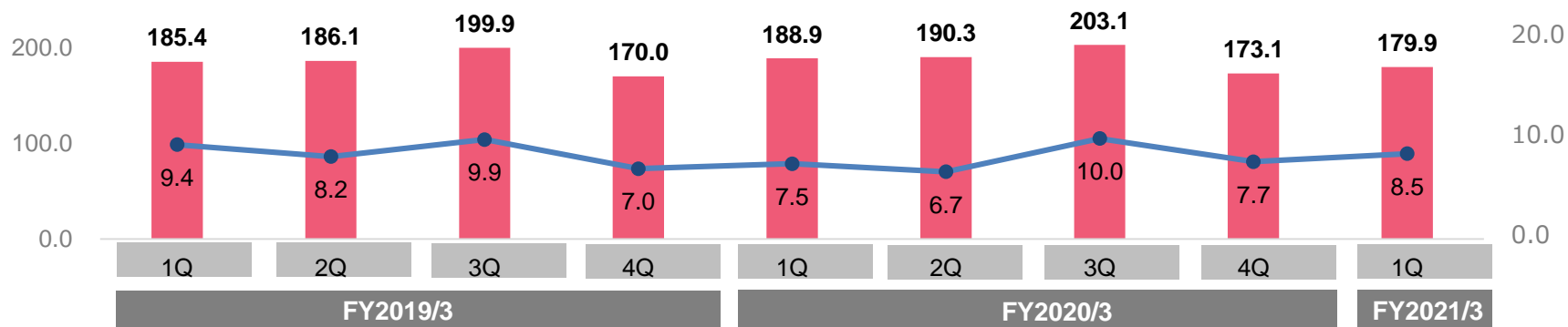
3. Segment Data: Fresh Meats Business Division (1)

Net sales fell but profit increased due to strong domestic pork and chicken sales, and growth of brand meat.

(¥ billion)

	1Q				
	FY2019/3	FY2020/3	FY2021/3	Variance	Variance (%)
Net sales	185.4	188.9	179.9	(9.0)	(4.7)%
Business profit	9.4	7.5	8.5	1.0	13.1%
Business profit ratio	5.1%	4.0%	4.7%	0.7	-

Net sales Business profit



Net Sales in FY2021/3 1Q

- Sales → Sales in volume retailer channels grew
Sales in commercial-use channels decreased significantly mainly in the Tokyo metropolitan area

Business Profit in FY2021/3 1Q

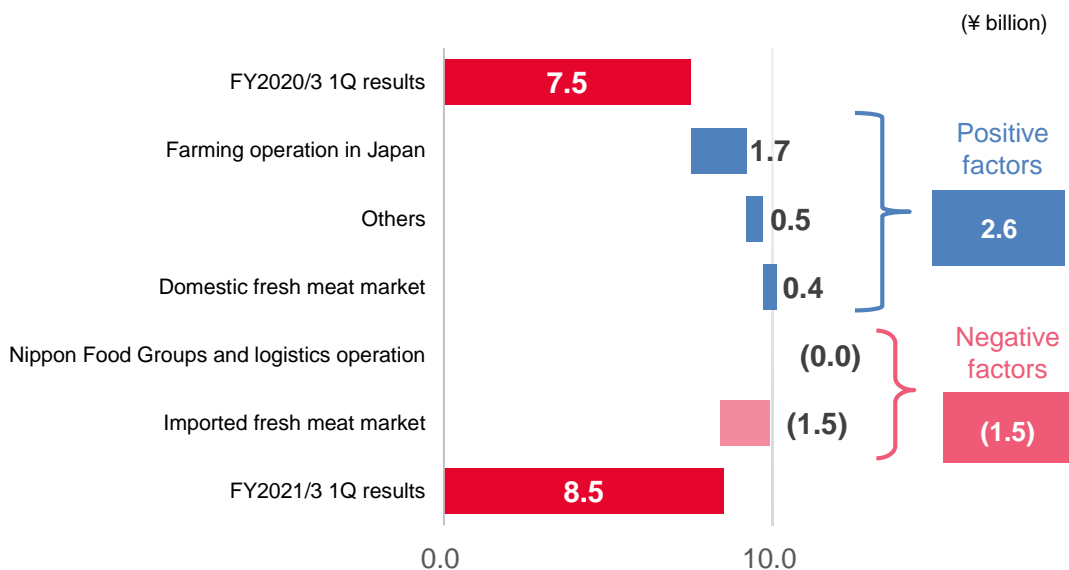
- Production → Market price of domestic pork and chicken rose.
Productivity of chicken production improved.
- Sales → Sales of domestic brand meat expanded.

Factor Analysis: Changes in business profit

(¥ billion)

	FY2021/3
	1Q results
Imported fresh meat market	(1.5)
Domestic fresh meat market	0.4
Farming operation in Japan	1.7
Nippon Food Group and logistics operation	(0.0)
Others	0.5
Total	1.0

Factor Analysis Graph: Changes in business profit results (1Q)



Variation Factor Analysis (1Q)

[Imported fresh meat market] ¥(1.5) billion

Chicken:

Sales of Brazilian chicken struggled due to decrease in demand for commercial-use products.

[Domestic fresh meat market] ¥0.4 billion

Beef:

Gross profit increased due to favorable procurement environment caused by drop in market prices.

Chicken:

Sales volume increased due to expansion of demand for home meals.

[Farming operation in Japan] ¥1.7 billion

Domestic pork and chicken market performed strongly. Productivity improved mainly in chicken production.

[Nippon Food Group and logistics operation] ¥(0.0) billion

Sales:

Gross profit was secured through sales expansion of domestic brand meat for volume retailers. This offset the decrease in sales of commercial-use products and profit increased.

Logistics:

Profit decreased due to stagnant cargo movement caused by decreased demand for commercial-use products.

4. Segment Data: Overseas Business Division (1)

Sales and profit both fell due to the deterioration of the sales environment caused by the decline in global beef demand and soaring livestock prices in Australia.

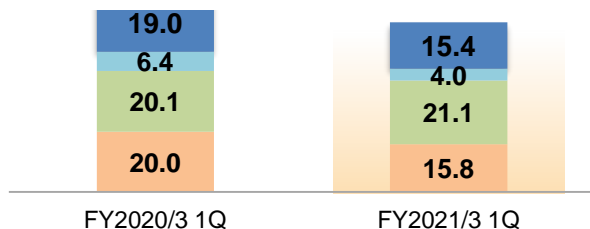
1Q Results (Apr.-Jun.)

[Net Sales]

(¥ billion)

	FY20/3	FY21/3	Variance	Variance (%)
Overseas total	64.8	55.8	(9.0)	(13.8)%
Australia	19.0	15.4	(3.6)	(19.0)%
Uruguay	6.4	4.0	(2.4)	(37.7)%
Americas	20.1	21.1	1.1	5.4%
Asia & Europe	20.0	15.8	(4.2)	(20.9)%

■ Australia ■ Uruguay ■ Americas ■ Asia & Europe

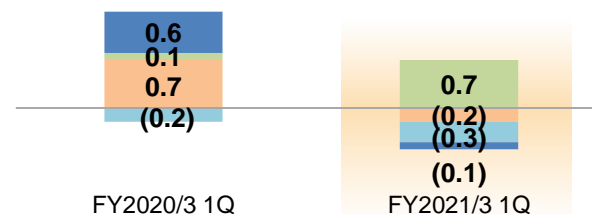


[Business Profit]

(¥ billion)

	FY20/3	FY21/3	Variance	Variance (%)
Overseas total	0.8	(0.1)	(0.9)	-
Australia	0.6	(0.1)	(0.6)	-
Uruguay	(0.2)	(0.3)	(0.1)	-
Americas	0.1	0.7	0.7	-
Asia & Europe	0.7	(0.2)	(0.9)	-

■ Australia ■ Uruguay ■ Americas ■ Asia & Europe



* Net sales and business profit figures are amounts before the elimination of intersegment sales.
(The sum of figures for each region does not match the "overseas total," due to the elimination of intersegment transactions.)

Net Sales in FY2021/3 1Q

Australia Business

- Australia → Decreased number of cattle processed.
- Uruguay → Sales to China, Europe and Americas struggled.

Americas Business

→ Processing business in North America was strong.

Asia & Europe

→ Thailand) Sales of commercial-use products for Japan were weak.

Business Profit in FY2021/3 1Q

Australia Business

- Australia → Cost increase due to surge in livestock price, and sales price decrease.

Uruguay

→ Rise in livestock price and decrease in sales price.

Americas Business

→ Stabilized price of chicken raw materials for processed foods and improved production efficiency.

Asia & Europe

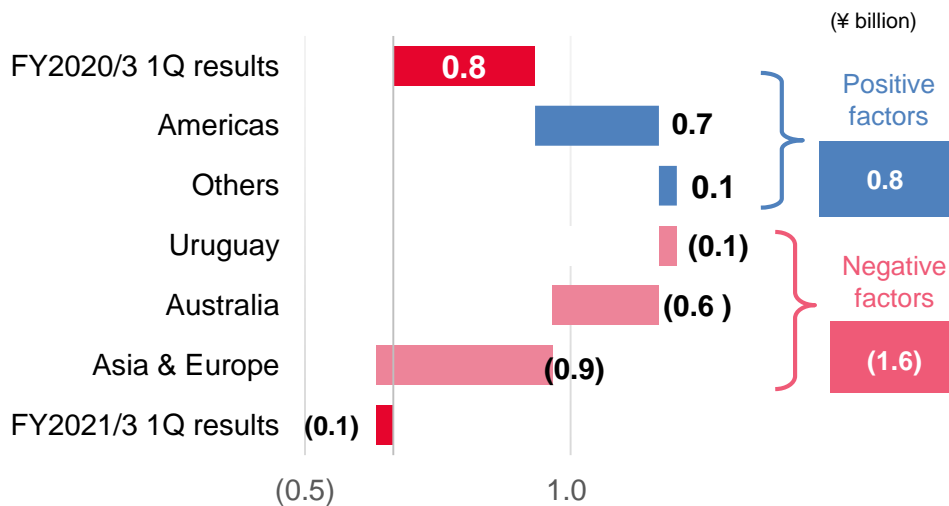
→ Turkey) Rise in feed prices and sluggish sales price.

Factor Analysis: Changes in business profit

(¥ billion)

	FY2021/3
	1Q results
Australia	(0.6)
Uruguay	(0.1)
Americas	0.7
Asia & Europe	(0.9)
Others	0.1
Total	(0.9)

Factor Analysis Graph: Changes in business profit results (1Q)



Variation Factor Analysis (1Q)

[Australia] ¥(0.6) billion

- Procurement: Procurement prices have surged due to fewer livestock raised in Australia.
- Sales: Sales prices fell due to a deterioration in global supply-demand balance.

[Uruguay] ¥(0.1) billion

- Procurement: Due to fewer cattle supplied by producers, the price of livestock has risen since May.
- Sales: Sales prices fell due to a deterioration in sales environment caused by a disruption of global supply-demand balance and weak currency in neighboring countries.

[Americas] ¥0.7 billion

- North American processing business:
 - Raw material prices stabilized and productivity improved.
 - Sales remained strong due to high home meal demand triggered by the spread of COVID-19.

[Asia & Europe] ¥(0.9) billion

- Cost of chicken production increased due to higher feed prices caused by the weak Turkish lira.
- Sales price declined due to reduced demand for chicken caused by the lockdown in Turkey in response to the spread of COVID-19.

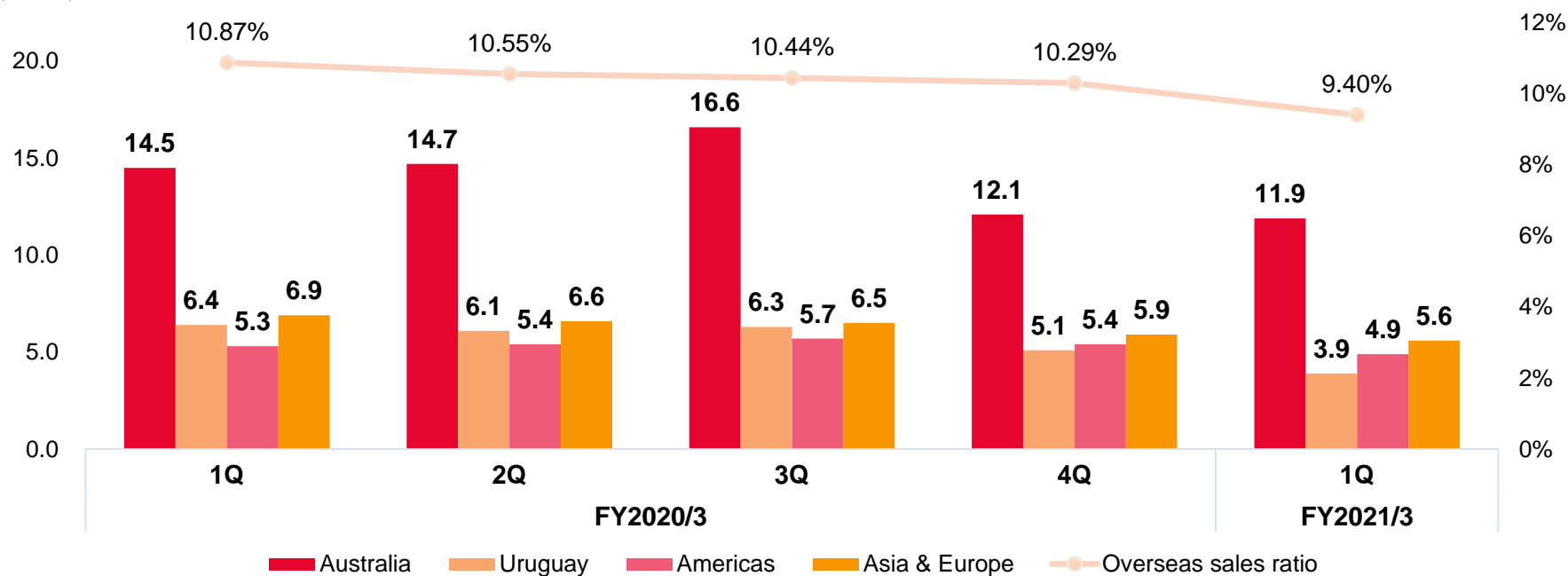
5. External Customer Net Sales Results in Major Overseas Geographical Areas

(¥ billion)

	FY2020/3					FY2021/3
	1Q	2Q	3Q	4Q	Full year	1Q
Australia	14.5	14.7	16.6	12.1	58.0	11.9
Uruguay	6.4	6.1	6.3	5.1	23.8	3.9
Americas	5.3	5.4	5.7	5.4	21.9	4.9
Asia & Europe	6.9	6.6	6.5	5.9	26.0	5.6
Overseas total	33.1	32.9	35.1	28.6	129.6	26.2
Overseas sales ratio	10.87%	10.55%	10.44%	10.29%	10.54%	9.40%

* Net sales figures represent net sales to external customers.

(¥ billion)



I



**Consolidated Business
Results for FY2021/3 1Q**

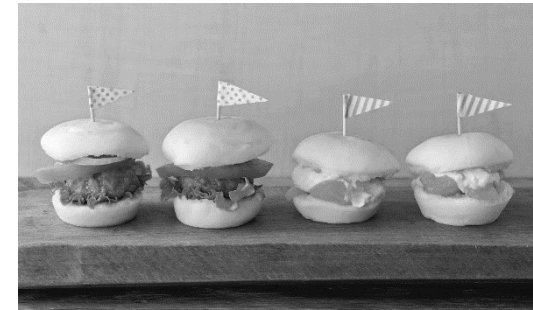
II



Outlook for FY2021/3

1. FY2021/3 Business Profit Forecasts
2. Processed Foods Business Division:
Outlook
3. Fresh Meats Business Division:
Outlook
4. Overseas Business Division: Outlook

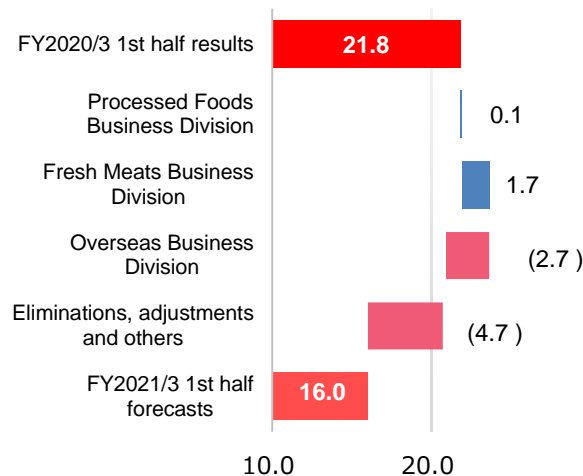
III



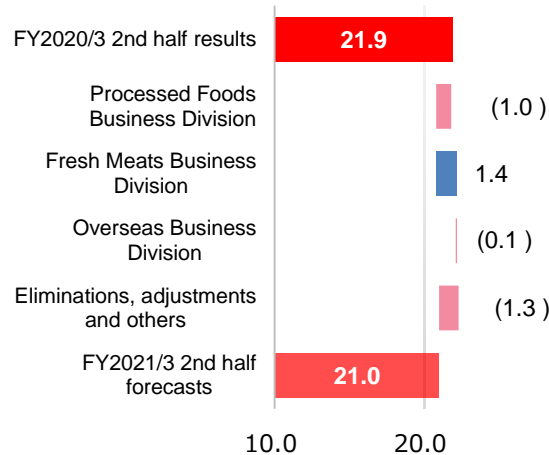
**Consolidated Financial
Results for FY2021/3 1Q**

1. FY2021/3 Business Profit Forecasts (1)

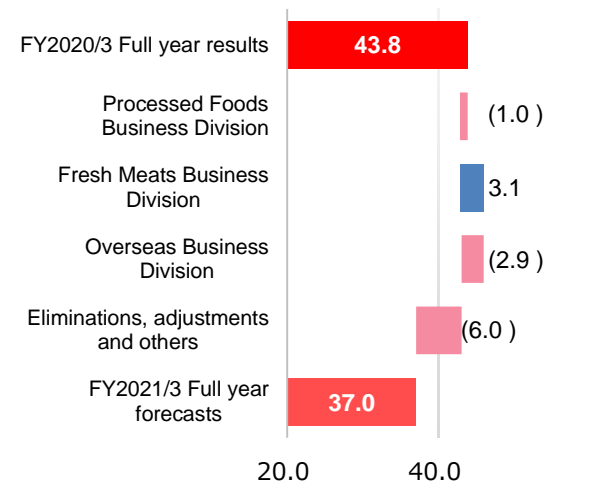
Changes in 1st half forecasts



Changes in 2nd half forecasts



Changes in full year forecasts



	FY2021/3 1st half			FY2021/3 2nd half			FY2021/3 Full year		
	FY2020/3 1st half results	Forecasts	Variance	FY2020/3 2nd half results	Forecasts	Variance	FY2020/3 Full year results	Forecasts	Variance
Processed Foods Business Division	5.2	5.3	0.1	8.1	7.0	(1.0)	13.3	12.3	(1.0)
of which marine/dairy product, extract, etc.	0.8	(0.5)	(1.2)	1.4	0.6	(0.8)	2.2	0.1	(2.0)
Fresh Meats Business Division	14.2	15.9	1.7	17.7	19.1	1.4	31.9	35.0	3.1
Overseas Business Division	1.9	(0.8)	(2.7)	(0.1)	(0.2)	(0.1)	1.8	(1.0)	(2.9)
Eliminations, adjustments and others	0.4	(4.3)	(4.7)	(3.7)	(5.0)	(1.3)	(3.3)	(9.3)	(6.0)
of which value creation expenses	(0.2)	(1.1)	(1.0)	(0.4)	(1.4)	(1.0)	(0.6)	(2.5)	(2.0)
of which profit or loss of baseball club (consolidated)	1.0	(2.5)	(3.5)	(3.1)	(3.5)	(0.4)	(2.1)	(6.0)	(3.9)
of which others	(0.4)	(0.7)	(0.3)	(0.2)	(0.1)	0.1	(0.7)	(0.8)	(0.1)
Total	21.8	16.0	(5.8)	21.9	21.0	(1.0)	43.8	37.0	(6.7)

1. FY2021/3 Business Profit Forecasts (2)

Revised the full year forecast upward to ¥37.0 billion based on 1Q results and 2Q forecast revisions.

Changes from initial business profit forecasts

(¥ billion)

	FY2021/3 1Q	FY2021/3 2Q	FY2021/3 1st half			FY2021/3 2nd half			FY2021/3 Full year		
	Results	Forecasts	Initial forecasts	Forecasts	Variance	Initial forecasts	Forecasts	Variance	Initial forecasts	Forecasts	Variance
Processed Foods Business Division	2.7	2.6	4.4	5.3	0.8	7.0	7.0	0.0	11.5	12.3	0.8
of which marine/dairy product, extract, etc.	(0.3)	(0.2)	(1.1)	(0.5)	0.6	0.6	0.6	0.0	(0.5)	0.1	0.6
Fresh Meats Business Division	8.5	7.4	13.4	15.9	2.5	19.1	19.1	0.0	32.5	35.0	2.5
Overseas Business Division	(0.1)	(0.7)	(0.8)	(0.8)	0.0	(0.2)	(0.2)	0.0	(1.0)	(1.0)	0.0
Eliminations, adjustments and others	(1.9)	(2.4)	(4.0)	(4.3)	(0.3)	(5.0)	(5.0)	0.0	(9.0)	(9.3)	(0.3)
of which value creation expenses	(0.5)	(0.6)	(1.1)	(1.1)	0.0	(1.4)	(1.4)	0.0	(2.5)	(2.5)	0.0
of which profit or loss of baseball club (consolidated)	(1.1)	(1.4)	(2.5)	(2.5)	0.0	(3.5)	(3.5)	0.0	(6.0)	(6.0)	0.0
of which others	(0.3)	(0.4)	(0.4)	(0.7)	(0.3)	(0.1)	(0.1)	0.0	(0.5)	(0.8)	(0.3)
Total	9.2	6.8	13.0	16.0	3.0	21.0	21.0	0.0	34.0	37.0	3.0

Factor Analysis: Business profit forecasts

(¥ billion)

Processed Foods Business Division

	2Q	1st half			Full year		
	Forecasts	Initial forecasts	Forecasts	Variance	Initial forecasts	Forecasts	Variance
Hams and sausages, deli and processed foods	0.5	1.2	1.6	0.4	1.0	1.3	0.4
External factors	(0.6)	(1.1)	(0.9)	0.2	(2.3)	(2.1)	0.2
Principal raw material price	(0.8)	(1.4)	(1.4)	0.0	(2.7)	(2.7)	0.0
Other materials/fuels	0.2	0.3	0.5	0.2	0.5	0.6	0.2
Internal factors	1.1	2.3	2.5	0.2	3.2	3.4	0.2
Volume expansion	0.0	0.0	0.3	0.3	0.0	0.3	0.3
Improvement activities	1.1	2.3	2.2	(0.2)	3.2	3.1	(0.2)
Vendor and logistics	(0.0)	(0.2)	(0.3)	(0.1)	(0.2)	(0.2)	(0.1)
Marine/dairy products and extract/primary processing	(0.7)	(1.9)	(1.2)	0.6	(2.7)	(2.0)	0.6
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	(0.4)	(0.8)	0.1	0.8	(1.8)	(1.0)	0.8

Fresh Meats Business Division

	2Q	1st half			Full year		
	Forecasts	Initial forecasts	Forecasts	Variance	Initial forecasts	Forecasts	Variance
Imported fresh meat market	(0.1)	(2.0)	(1.6)	0.4	(0.6)	(0.2)	0.4
Domestic fresh meat market	1.1	1.9	1.4	(0.5)	2.1	1.6	(0.5)
Farming operation in Japan	0.6	1.1	2.3	1.2	1.2	2.4	1.2
Nippon Food Group and logistics operation	(0.6)	(1.6)	(0.6)	1.0	(1.9)	(1.0)	1.0
Others	(0.4)	(0.4)	0.1	0.5	(0.3)	0.2	0.5
Total	0.7	(0.9)	1.7	2.5	0.6	3.1	2.5

Overseas Business Division

	2Q	1st half			Full year		
	Forecasts	Initial forecasts	Forecasts	Variance	Initial forecasts	Forecasts	Variance
Australia	(1.0)	(1.7)	(1.7)	0.0	(2.9)	(2.9)	0.0
Australia	(0.8)	(1.5)	(1.5)	0.0	(3.0)	(3.0)	0.0
Uruguay	(0.1)	(0.3)	(0.3)	0.0	0.1	0.1	0.0
Americas	(0.8)	(0.2)	(0.2)	0.0	(0.3)	(0.3)	0.0
Asia & Europe	(0.2)	(1.1)	(1.1)	0.0	(0.6)	(0.6)	0.0
Others	0.2	0.3	0.3	0.0	0.9	0.9	0.0
Total	(1.8)	(2.7)	(2.7)	0.0	(2.9)	(2.9)	0.0

(Business profit forecasts)

	2Q	1st half			Full year		
	Forecasts	Initial forecasts	Forecasts	Variance	Initial forecasts	Forecasts	Variance
Australia	(0.4)	(0.8)	(0.8)	0.0	(1.4)	(1.4)	0.0
Australia	(0.0)	(0.1)	(0.1)	0.0	(0.3)	(0.3)	0.0
Uruguay	(0.3)	(0.7)	(0.7)	0.0	(1.1)	(1.1)	0.0
Americas	(0.5)	0.3	0.3	0.0	0.4	0.4	0.0
Asia & Europe	0.1	(0.1)	(0.1)	0.0	0.2	0.2	0.0
Others	(0.0)	(0.3)	(0.3)	0.0	(0.3)	(0.3)	0.0
Total	(0.7)	(0.8)	(0.8)	0.0	(1.0)	(1.0)	0.0

Make product proposals tailored to the new norm, and take initiatives to create synergies

Efforts in Hams and Sausages, and Deli and Processed Foods

(1) Consumer/Gifts → Proposals of meals that closely follow changes in consumer mindset and behavior

- Proposals of existing brand products according to lifestyle scenes
- Introduction of products that respond to a growing awareness of preventive hygiene
- Strengthen sales activities to new markets (drug stores, DIY stores, EC)

Products tailored to growing trend of at-home dining

- Core brand
"SCHAU ESSEN" series



- Ready meal
"CHUKA MEISAI OZARA STYLE"



Room temperature gift products that can be sent by post

"Gourmet Letter"



Net sales forecasts by channel (year-on-year comparison)

	Channel	Full year forecast
Hams and sausages	Consumer	107%
	Commercial-use	85%
	Total	102%
Deli and processed foods	Consumer	110%
	Commercial-use	85%
	Total	100%

Net sales forecasts of consumer products (year-on-year comparison)

Hams and sausages	Category	Full year	Deli and processed foods	Category	Full year
	Wieners	104%		Chilled bakery	107%
	Loin hams	93%		Chilled dish	104%
	Bacons	101%		Fried chicken	101%
	Yakibutas	102%		Hamburg and meatball	108%
Total	107%	Total	110%		

(2) Commercial-use → Support for categories with rising demand

- Propose new ingredients/items centered on restaurants and growth chains
- Strengthen proposals of new ingredients and health-oriented items for convenience stores and deli products

Efforts in marine/dairy products and extract/primary processing

- (1) Marine → Strengthen proposals of sushi toppings for restaurants and volume retailers. Expand consumer products centered on salmon in response to the rising demand for at-home dining.
- (2) Dairy products → In yogurt, cultivate a new market using Ísey SKYR. In cheese, develop products for the consumer channels. Develop new sales channels.
- (3) Extract, primary meat processing → Strengthen development and sales of consumer products in response to the expansion of home meal demand.

Efforts for synergy effects

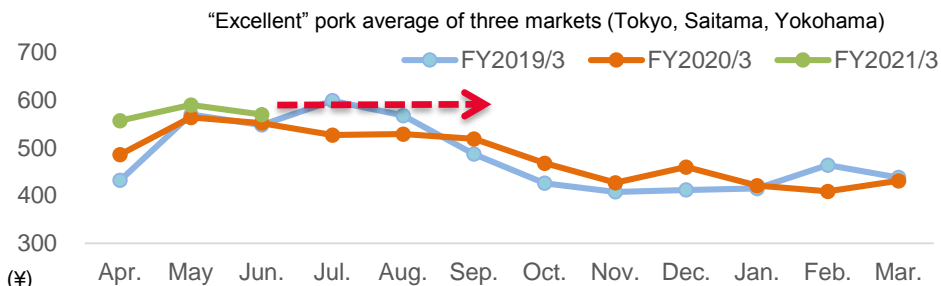
- Promote product development and expand sales in response to the expansion of home meal demand, in collaboration with the development and sales departments of the Processed Foods Business Division, which has its strength in consumer products.
- Expand sales of existing products by leveraging each company's strengths (products, channels).

Aim for stable supply leveraging our strengths in domestic production and overseas procurement to meet expanded at-home consumption

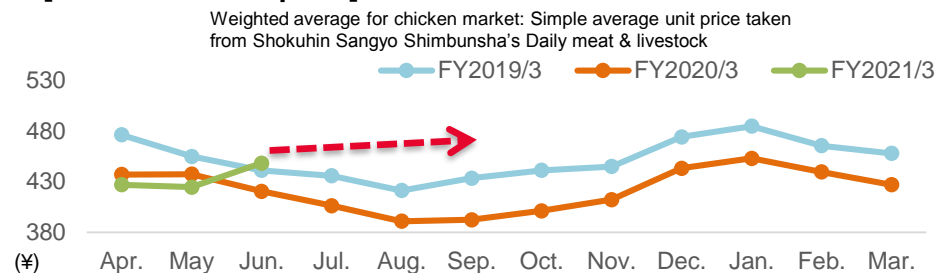
Domestic fresh meat market

- Pork) Strengthen efforts to reduce disease and secure a stable supply.
- Chicken) Maintain the supply system capable of responding to steady demand by increasing the number of chickens and further improving productivity.

[Pork market price]



[Chicken market price]



Home meal demand is expected to continue to increase. Domestic pork and chicken markets for the first half of the year is expected to exceed the previous year. Attention must be paid from the second half of the year.

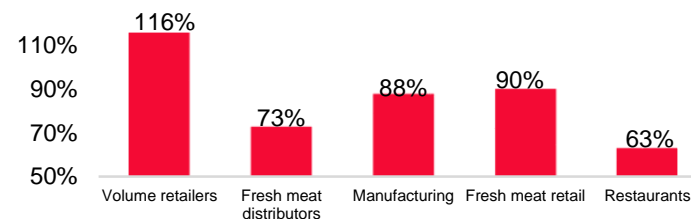
Imported fresh meat market

- Beef) The cost of Australian beef will remain high due to rising livestock prices. Meanwhile, production of US beef has recovered, and a stable supply is expected.
- Pork) Although market prices rose temporarily because of a decrease in North American beef due to COVID-19, production is recovering. Future production will be stable.
 - ➔Strengthen cooperation with local packers. Strive for a stable supply, through means such as development of new suppliers.
- Chicken) Although Brazilian chicken production has been declining, market development is weak due to lackluster consumption in Japan.
 - ➔Close attention must be paid to future domestic and overseas demand.

Fresh meats sales (Nippon Food Group)



FY2021/3 1Q Sales Results:
Overall volume growth of 96%



Implement proposals to acquire staple items in volume retail channels.

- Strengthen sales and proposals of high-value-added brand meat for home meals.
- Provide added value by making proposal-based sales using brand meat in response to growing demand for ready-made meals.
- Flexibly set up a sales system to meet customer needs even during the COVID-19 crisis.

Strive to improve profitability with stronger branding and internal improvements in a difficult external environment

[Asia & Europe]

Turkey) Domestic demand is gradually recovering.
 ➔ Keep improving productivity and strengthen domestic sales.

Thailand) Continued decrease in exports of commercial-use products for Japan.
 ➔ Strengthen cooperation with the Processed Foods Business Division.

[Americas]

Processed foods) Strong domestic consumption is expected to continue.
 ➔ Strengthen sales such as through development of new products, and improve productivity.

Export) Stable purchase prices due to recovery of production in America.
 ➔ Strengthen exports to Japan.

* However, supply-demand balance may change depending on Chinese buyers.

[Australia]

In the first half of the year, rising livestock prices and difficulty in collection will continue. From the second half onwards, recovery is expected compare to the first half.
 ➔ Secure profits through internal improvements and strengthening sales of branded beef to Japan.
 Build a stable purchasing system by strengthening relationships with producers.
 * Feed plant in full operation. Implement efforts to reduce feed costs.

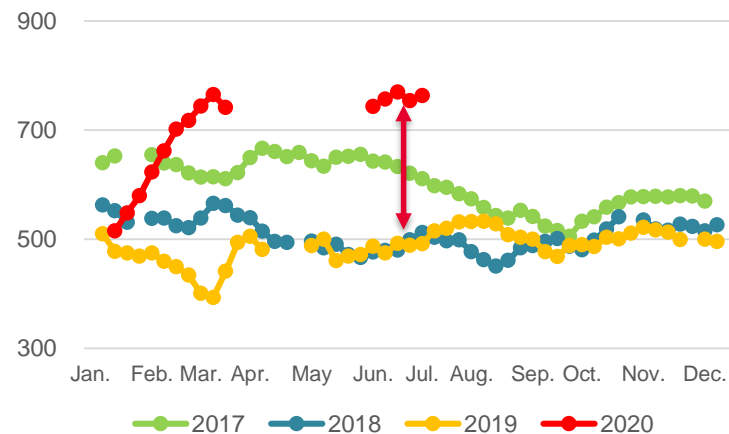
[Uruguay]

Uncertain global demand and struggling sales caused by weak currency in neighboring countries.
 ➔ Continue internal improvement.

- Refine livestock purchase methods
- Diversify suppliers and strengthen the marketing and sales system
- Improve operation

Global supply-demand balance for fresh meats will deteriorate due to changes in consumer behavior caused by COVID-19. In particular, beef is expected to take some time to recover due to a decline in global demand and the high price of livestock due to rainfall in Australia.

Source: MLA (Australia ¢/kg)
 Livestock Price Index in Australia (EYCI)



I



Consolidated Business Results for FY2021/3 1Q

II



Outlook for FY2021/3

III



Consolidated Financial Results for FY2021/3 1Q

1. FY2020/3 Business Results at a Glance and FY2021/3 Forecasts
2. Balance Sheets / Capital Expenditures / Depreciation and Amortization
3. Cash Flows

1. FY2020/3 Business Results at a Glance and FY2021/3 Forecasts

(¥ million, %)

	FY2020/3 results			FY2021/3 results and forecasts								
	1Q results	1st half results	Full year results	1Q results	Variance	Volume growth rate	1st half forecasts	Variance	Volume growth rate	Full year forecasts	Variance	Volume growth rate
(1) Net sales	304,760	616,266	1,229,826	279,305	(8.4)	-	580,000	(5.9)	-	1,200,000	(2.4)	-
Hams and sausages	30,332	63,394	130,982	31,704	4.5	2.7	64,700	2.1	0.8	133,100	1.6	1.4
Processed foods	55,713	114,059	228,833	53,045	(4.8)	(3.7)	109,900	(3.6)	(3.7)	223,700	(2.2)	(2.5)
Fresh meats	179,247	357,962	711,753	162,267	(9.5)	(6.4)	332,100	(7.2)	(5.5)	689,500	(3.1)	(1.8)
Beef	76,311	152,689	296,913	61,464	(19.5)	(14.0)	128,500	(15.8)	(11.7)	267,600	(9.9)	(9.7)
Pork	55,643	112,645	226,612	56,547	1.6	(3.6)	115,200	2.3	(3.0)	231,600	2.2	0.4
Chicken	41,677	81,504	166,032	39,750	(4.6)	(2.2)	78,900	(3.2)	(2.5)	169,800	2.3	1.8
Other fresh meats	5,616	11,124	22,196	4,506	(19.8)	(32.1)	9,500	(14.6)	(21.3)	20,500	(7.6)	(10.3)
Marine products	18,162	38,433	80,724	15,842	(12.8)	(10.4)	36,100	(6.1)	(6.0)	78,400	(2.9)	(2.7)
Dairy products	8,506	16,908	33,614	8,000	(5.9)	(4.0)	16,700	(1.2)	(1.3)	33,200	(1.2)	(1.0)
Others	12,800	25,510	43,920	8,447	(34.0)	-	20,500	(19.6)	-	42,100	(4.1)	-
(2) Cost of goods sold	251,384	511,628	1,024,296	229,069	(8.9)	-						
Gross profit	53,376	104,638	205,530	50,236	(5.9)	-						
Gross profit ratio	17.5%	17.0%	16.7%	18.0%	-	-						
(3) SG&A expenses	40,836	81,161	166,030	38,797	(5.0)	-						
Other income and expenses	5	(7,939)	(11,198)	1,069	-	-	0	-	-	(4,200)	-	-
Finance income and costs	(267)	(862)	(2,618)	411	-	-	(700)	-	-	(2,300)	-	-
Share of profit (loss) in investments accounted for using the equity method	66	287	1,355	116	75.8	-	200	(30.3)	-	500	(63.1)	-
Profit before tax	12,344	14,963	27,039	13,035	5.6	-	17,000	13.6	-	30,000	11.0	-
Income tax expense	3,591	4,469	8,106	3,972	10.6	-	5,000	11.9	-	9,000	11.0	-
Tax rate	29.1%	29.9%	30.0%	30.5%	-	-	29.4%	-	-	30.0%	-	-
Profit attributable to owners of parent	8,651	10,331	19,214	9,384	8.5	-	12,500	21.0	-	22,000	14.5	-
(4) Operating income (1)-(2)-(3)	12,540	23,477	39,500	11,439	(8.8)	-	17,500	(25.5)	-	36,000	(8.9)	-
(5) Foreign exchange gains (losses)	(512)	(1,005)	(2,202)	(516)	-	-	-	-	-	-	-	-
(6) Adjustments in accordance with IFRS and others	1,978	2,650	(2,070)	2,725	-	-	-	-	-	-	-	-
Business profit (4)-(5)-(6)	11,074	21,832	43,772	9,230	(16.7)	-	16,000	(26.7)	-	37,000	(15.5)	-

Consolidated balance sheets

(¥ million, %)

	FY2020/3	FY2021/3	Variance (%)	Variance
	Year-end	1Q		
Total assets	768,861	769,247	0.1	386
(1) Cash and cash equivalents	72,399	62,296	(14.0)	(10,103)
Trade and other receivables	130,213	123,039	(5.5)	(7,174)
Inventories	114,520	125,687	9.8	11,167
Property, plant and equipment	284,060	288,111	1.4	4,051
Right-of-use assets	35,545	34,521	(2.9)	(1,024)
Other financial assets - non-current	32,647	35,549	8.9	2,902
Deferred tax assets	29,745	27,932	(6.1)	(1,813)
Total liabilities	352,264	349,417	(0.8)	(2,847)
(2) Trade and other payables	99,802	100,151	0.3	349
Interest-bearing liabilities	176,493	173,751	(1.6)	(2,742)
Total equity attributable to owners of the parent	404,414	407,922	0.9	3,508
Non-controlling interests	12,183	11,908	(2.3)	(275)
Total equity	416,597	419,830	0.8	3,233

Major reasons for increase/decrease

(1) Inventories

Increased in fresh meats, mainly pork and chicken.

(2) Interest-bearing liabilities

Due primarily to a decrease in short-term bank loans.

Capital expenditures, depreciation and amortization

(¥ million, %)

	FY2020/3	FY2021/3		FY2021/3
	1Q	1Q	Variance (%)	Variance
Capital expenditures	5,827	10,547	81.0%	4,720
Processed Foods Business Division	2,519	4,388	74.2%	1,869
Fresh Meats Business Division	1,579	1,683	6.6%	104
Overseas Business Division	1,066	1,186	11.3%	120
Other facilities	663	3,290	396.2%	2,627
Depreciation and amortization	8,032	8,388	4.4%	356
				Full year forecasts
				104,400
				27,900
				31,800
				6,900
				37,800
				34,400

Consolidated statements of cash flows

(¥ million)

		FY2020/3	FY2021/3		FY2021/3
		1Q results	1Q results	Variance	Full year forecasts
(1)	Cash flows from operating activities	17,973	18,053	80	73,400
(2)	Cash flows from investing activities	(9,779)	(13,712)	(3,933)	(84,500)
(3)	Cash flows from financing activities	(5,317)	(14,628)	(9,311)	(10,300)

Major reasons for increase/decrease

(1) Cash flows from operating activities

Net cash provided by operating activities amounted to ¥18.1 billion, mainly due to profit before tax of ¥13.0 billion, depreciation and amortization expense of ¥8.4 billion and a decrease in trade and other receivables of ¥7.5 billion, despite an increase in inventories of ¥10.7 billion.

(2) Cash flows from investing activities

Net cash used in investing activities amounted to ¥13.7 billion, mainly due to the acquisition of fixed assets of ¥13.5 billion.

(3) Cash flows from financing activities

Net cash used in financing activities amounted to ¥14.6 billion, mainly due to cash dividends of ¥9.3 billion and repayments of debts of ¥8.5 billion, despite proceeds from debt of ¥9.3 billion.

Contact

Public & Investor Relations Department

NH Foods Ltd.

ThinkParkTower

2-1-1 Osaki, Shinagawa-ku, Tokyo 141-6013

Tel: +81-3-4555-8024

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.