

(TRANSLATION)

Security Code: 2282
June 3, 2015

To the Shareholders:

Notice of the 70th Ordinary General Meeting of Shareholders

Please take notice that the 70th Ordinary General Meeting of Shareholders of NH Foods Ltd. will be held as described below and you are cordially invited to be present at such meeting.

Since you can exercise your voting rights in writing even if you are not present at the meeting, please review the “Reference Document for the General Meeting of Shareholders” set forth below and send us by 5:00 p.m., June 24 (Wednesday), 2015, the enclosed voting form indicating your approval or disapproval of the propositions.

Yours very truly,

Juichi Suezawa
President and
Representative Director

NH Foods Ltd.
4-9, Umeda 2-chome,
Kita-ku, Osaka

Description

1. Date and hour of the meeting:

June 25 (Thursday), 2015, at 10:00 a.m.
(Reception is scheduled to start at 9:00 a.m.)

2. Place of the meeting:

Sankei Hall Breeze, 7F Breeze Tower,
4-9, Umeda 2-chome, Kita-ku, Osaka

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3. Matters forming the objectives of the meeting:

Matters to be reported:

1. Report on the business report, the consolidated financial statements, and the financial statements for the 70th fiscal year (from April 1, 2014 to March 31, 2015)
2. Report on the results of audit of the consolidated financial statements for the 70th fiscal year by the Accounting Auditors and the Audit & Supervisory Board

Matters for resolution:

- | | |
|--------------------|---|
| Proposition No. 1: | Partial Amendment to the Articles of Incorporation |
| Proposition No. 2: | Election of 10 Directors |
| Proposition No. 3: | Election of 4 Audit & Supervisory Board Members |
| Proposition No. 4: | Election of 1 Substitute Audit & Supervisory Board Member |
| Proposition No. 5: | Continued Introduction of a Defense Plan Against a Large Purchase Action of Shares of NH Foods Ltd. (Takeover Defense Plan) |

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To the Shareholders

I am Juichi Suezawa, and I was appointed President of NH Foods Ltd. on April 1 of this year. Enclosed is a notice of the 70th Ordinary General Meeting of Shareholders of NH Foods Ltd. The Group seeks to increase corporate value through a wide range of measures with the aim of realizing “The Brilliance of People for the Future of Food.” Thanks to the support of our shareholders, we were able to achieve the targets of the “New Medium-Term Management Plan Part 4” (from April 1, 2012 to March 31, 2015). I would like to once again offer my appreciation for your support.

The Group is committed to working as a fully united group to achieve the targets of the “New Medium-Term Management Plan Part 5” (from April 1, 2015 to March 31, 2018), which starts this fiscal year.

We look forward to our shareholders’ ongoing support.

June 2015

Juichi Suezawa
President and Representative Director

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Reference Document for the General Meeting of Shareholders

1. Propositions and explanatory information relating thereto:

Proposition No. 1: Partial Amendment to the Articles of Incorporation

1. Reason for Proposal

Following the enforcement of the Act for Partial Revision of the Companies Act (Act No. 90 of 2014), the paragraph number of the provision on which an Article of the Articles of Incorporation concerning the appointment of a Substitute Audit & Supervisory Board Member is based has been changed. Accordingly, a necessary amendment is proposed.

2. Details of Amendment

Details of the amendment are as follows.

(The underline shows the amendments)

Existing article	Proposed amendment
(Appointment of Audit & Supervisory Board Members) Article 29. 2. In order to continuously keep a statutory minimum number of Audit & Supervisory Board Members at all times, NH Foods Ltd., in accordance with the provision of Article 329, <u>Paragraph 2</u> of the Companies Act, may appoint a Substitute Audit & Supervisory Board Member.	(Appointment of Audit & Supervisory Board Members) Article 29. 2. In order to continuously keep a statutory minimum number of Audit & Supervisory Board Members at all times, NH Foods Ltd., in accordance with the provision of Article 329, <u>Paragraph 3</u> of the Companies Act, may appoint a Substitute Audit & Supervisory Board Member.

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Proposition No. 2: Election of 10 Directors

The term of office of all 9 Directors currently in office will expire at the closing of this General Meeting of Shareholders, and Mr. Takahiko Shinohara retired as Director due to his passing away on December 25, 2014. It is therefore proposed that 10 Directors be elected.

The candidates for Directors are as follows. Among the candidates for Directors, the candidates for Outside Directors satisfy the requirements for independent officer as stipulated by Tokyo Stock Exchange, Inc. NH Foods Ltd. has determined that the candidates for Outside Directors are deemed to be independent of NH Foods Ltd., having checked them against the “Criteria on Independence of Outside Officers” described on page 15.

Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
1	Juichi Suezawa (March 20, 1954) <10,000 shares> (Reappointment)	April 1976 April 1997 May 1997 May 1999 April 2002 June 2003 June 2004 April 2011 April 2012 June 2012 April 2014 April 2015	Joined Nippon Meat Packers, Inc. Seconded to Nippon Food Kanto Hokuriku Co., Ltd.; General Manager of Nippon Food Kanto Hokuriku Co., Ltd. Director of Nippon Food Kanto Hokuriku Co., Ltd. Representative Director and Managing Executive of Nippon Food Kanto Hokuriku Co., Ltd. President and Representative Director of Nippon Food, Inc. Representative Director and Senior Managing Executive of Hoko Co., Ltd. President and Representative Director of Hoko Co., Ltd. Executive Officer, General Manager of Overseas Fresh Meats Operations Division, Fresh Meats Business Division, General Manager of Operations Management Office, Overseas Fresh Meats Operation Division, and General Manager of Operations Management, Asia and EU of Nippon Meat Packers, Inc. Managing Executive Officer, General Manager of Fresh Meats Business Division of Nippon Meat Packers, Inc. Director and Managing Executive Officer, General Manager of Fresh Meats Business Division of Nippon Meat Packers, Inc. Director and Senior Managing Executive Officer, General Manager of Fresh Meats Business Division of Nippon Meat Packers, Inc. President and Representative Director (President and CEO) of NH Foods Ltd., to date

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Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
2	Yoshihide Hata (May 20, 1958) <14,000 shares> (Reappointment)	April 1981 March 2003 March 2007 April 2008 April 2009 April 2011 June 2011 April 2012 April 2015	Joined Nippon Meat Packers, Inc. Assistant General Manager of Accounting Department Deputy General Manager of Accounting Department, Corporate Planning Division of Nippon Meat Packers, Inc. General Manager of Accounting & Finance Department of Nippon Meat Packers, Inc. Executive Officer, General Manager of Accounting & Finance Department of Nippon Meat Packers, Inc. Executive Officer, General Manager of Accounting & Finance Department and in charge of IT Planning Department of Nippon Meat Packers, Inc. Director and Executive Officer, General Manager of Accounting & Finance Department and in charge of IT Planning Department of Nippon Meat Packers, Inc. Director and Managing Executive Officer, General Manager of Corporate Management Division, in charge of Accounting & Finance Department and IT Strategy Department of Nippon Meat Packers, Inc. Vice President and Representative Director (Executive Vice President), General Manager of Corporate Management Division of NH Foods Ltd., to date
3	Koji Kawamura (January 17, 1961) <10,000 shares> (Reappointment)	April 1983 March 2004 April 2004 April 2007 April 2008 April 2009 April 2010 June 2010 April 2015	Joined Nippon Meat Packers, Inc. Assistant General Manager of Corporate Planning Department of Nippon Meat Packers, Inc. Assistant General Manager of Corporate Planning Department, Corporate Planning Division of Nippon Meat Packers, Inc. General Manager of Corporate Planning Department, Corporate Planning Division of Nippon Meat Packers, Inc. General Manager of Corporate Planning Department, Corporate Management Division of the Group of Nippon Meat Packers, Inc. Executive Officer, General Manager of Corporate Planning Department, Corporate Management Division of the Group of Nippon Meat Packers, Inc. Executive Officer, General Manager of Affiliated Business Division of Nippon Meat Packers, Inc. Director and Executive Officer, General Manager of Affiliated Business Division of Nippon Meat Packers, Inc. Representative Director and Senior Managing Executive Officer, General Manager of Processed Foods Business Division of NH Foods Ltd., to date

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Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
4	Hiroji Okoso (January 7, 1956) <1,071,259 shares> (Reappointment)	April 1980 March 1990 June 1990 March 1991 June 1992 June 1994 July 1994 June 1995 June 1996 August 2002 April 2003 August 2003 April 2005 December 2005	Joined Nippon Meat Packers, Inc. Assistant General Manager of Sales Planning Department of Nippon Meat Packers, Inc. Director, General Manager of Market Development Office, General Manager of Sales Planning Department of Nippon Meat Packers, Inc. Director, General Manager of Sales Planning Department of Nippon Meat Packers, Inc. Executive Managing Director, General Manager of Sales Planning Department of Nippon Meat Packers, Inc. Senior Executive Managing Director, General Manager of Sales Planning Department of Nippon Meat Packers, Inc. Senior Executive Managing Director, General Manager of Marketing Division of Nippon Meat Packers, Inc. Senior Executive Managing Director, General Manager of Kinki Area Business Division, General Manager of Marketing Division of Nippon Meat Packers, Inc. President and Representative Director of Nippon Meat Packers, Inc. Senior Executive Managing Director, General Manager of Tokyo Branch Office of Nippon Meat Packers, Inc. Director and Managing Executive Officer, General Manager of Tokyo Branch Office, General Manager of Affiliated Business Division of Nippon Meat Packers, Inc. Representative Director of Hokkaido Nippon-Ham Fighters Baseball Club Co., Ltd. Director and Managing Executive Officer, General Manager of Affiliated Business Division of Nippon Meat Packers, Inc. Director and Managing Executive Officer, General Manager of Operations Management Department, General Manager of Affiliated Business Division of Nippon Meat Packers, Inc.

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Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
4	Hiroji Okoso (January 7, 1956) <1,071,259 shares> (Reappointment)	April 2006	Director and Managing Executive Officer, General Manager of Affiliated Business Division of Nippon Meat Packers, Inc.
		April 2007	Director and Senior Managing Executive Officer, General Manager of Affiliated Business Division of Nippon Meat Packers, Inc.
		April 2008	Director and Senior Managing Executive Officer, in charge of Quality Assurance Department, Customer Communications Department and Research & Development Center, General Manager of Tokyo Branch Office of Nippon Meat Packers, Inc.
		April 2009	Director and Senior Managing Executive Officer, in charge of Quality Assurance Department, Customer Communications Department and Research & Development Center, General Manager of Tokyo Branch Office of Nippon Meat Packers, Inc.
		April 2011	Director and Senior Managing Executive Officer, in charge of Quality Assurance Department, Customer Communications Department and Audit Department, General Manager of Tokyo Branch Office of Nippon Meat Packers, Inc.
		April 2014	Director and Senior Managing Executive Officer, in charge of Quality Assurance Department and Customer Communications Department, and General Manager of Tokyo Branch Office of Nippon Meat Packers, Inc.
		April 2015	Director and Senior Managing Executive Officer, in charge of Quality Assurance Department, Customer Service Department, and General Manager of Tokyo Branch Office of NH Foods Ltd., to date

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Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
5	Toshiko Katayama (June 3, 1953) <- shares> (Candidate for Outside Director) (Independent Officer) (Reappointment)	August 1977 Appointed as Legal Clerk for Osaka Family Court April 1980 Appointed as Legal Secretary for Family Division of Osaka Family Court April 1988 Registered with the Osaka Bar Association April 1993 Established Katayama Toshiko Law Office July 2005 Established Katayama, Kuroki and Hiraizumi Law Office (current Katayama and Hiraizumi Law Office), to date June 2008 Director of Nippon Meat Packers, Inc., to date (Important concurrent office) Attorney at law of Katayama and Hiraizumi Law Office Vice Chairperson of Kansai Consumer's Support Organization Auditor of Sumitomo Life Welfare and Culture Foundation Auditor of National Cerebral and Cardiovascular Center	
	• Number of years in office of Director (as at the closing of this General Meeting of Shareholders): 7 years • Number of meetings of the Board of Directors attended / Number of meetings of the Board of Directors held: 19/19 • Reason for selection and reason for judging that candidate will be able to perform duties properly as Outside Director: Ms. Katayama, with a professional standpoint supported by a wealth of experience and knowledge particularly in the area of consumer issues, is believed capable enough to appropriately perform her duties as Outside Director. In addition, she attended meetings of the Compensation Committee as a chairman, the Executive Appointments Committee as a member and the Compliance Committee as a member and actively gave opinions.		

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Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
6	Iwao Taka (March 10, 1956) <- shares> (Candidate for Outside Director) (Independent Officer) (Reappointment)	September 1991 April 1994 April 2001 April 2002 June 2005 April 2007 April 2008 April 2009 June 2010	Fisher-Smith Visiting Fellow of the Wharton School of Business, University of Pennsylvania Full-time lecturer of Faculty of International Economics, Reitaku University Professor of Faculty of International Economics (Current Faculty of Economics), Reitaku University, to date Professor of School of International Economics (Current School of Economics), Graduate School, Reitaku University, to date Outside Director of Mitsui Sumitomo Insurance Company, Ltd. Visiting Professor of Business Management Graduate School, Kyoto University Outside Director of Mitsui Sumitomo Insurance Group Holdings, Inc. Dean of Faculty of Economics Reitaku University Director of Nippon Meat Packers, Inc., to date (Important concurrent office) Professor of Faculty of Economics, Reitaku University Professor of School of Economics, Graduate School, Reitaku University Outside Statutory Auditor of Mitsubishi Estate Company, Limited (scheduled to assume office on June 26, 2015)
	- Number of years in office of Director (as at the closing of this General Meeting of Shareholders): 5 years - Number of meetings of the Board of Directors attended / Number of meetings of the Board of Directors held: 19/19 - Reason for selection and reason for judging that candidate will be able to perform duties properly as Outside Director: Mr. Taka, with years of experience in the research of corporate ethics and CSR, along with a broad-based insight into the international economic issues, is believed capable enough to appropriately perform his duties as Outside Director. In addition, he attended meetings of the Executive Appointments Committee as a chairman, the Compensation Committee as a member and the Corporate Value Evaluation Committee as a member and actively gave opinions.		

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Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
7	Katsumi Inoue (January 16, 1956) <4,110 shares> (New appointment)	April 1978 January 1985 April 2003 June 2004 October 2004 April 2006 April 2007 April 2012 April 2013 February 2015 April 2015	Joined Nippon Meat Packers, Inc. Seconded to Nippon Meat Packers Australia Pty. Ltd. Executive Officer of Nippon Meat Packers, Inc., Vice President and Director, General Manager of Production Management of Nippon Meat Packers Australia Pty. Ltd. Executive Officer of Nippon Meat Packers, Inc., Vice President and Director, General Manager of Production Management of Nippon Meat Packers Australia Pty. Ltd., President and Director of M.Q.F. Pty. Ltd. Executive Officer of Nippon Meat Packers, Inc., Vice President and Director of Nippon Meat Packers Australia Pty. Ltd., President and Director of M.Q.F. Pty. Ltd. Executive Officer, General Manager of Production Management, Australia, Fresh Meats Business Division of Nippon Meat Packers, Inc., Vice President and Director of Nippon Meat Packers Australia Pty. Ltd. Executive Officer, General Manager of Operations Management, Australia, Fresh Meats Business Division of Nippon Meat Packers, Inc., President and Director of Nippon Meat Packers Australia Pty. Ltd. Executive Officer, in charge of Special Mission, Fresh Meats Business Division of Nippon Meat Packers, Inc. Executive Officer, General Manager of Imported Fresh Meats Sales Division, Fresh Meats Business Division of Nippon Meat Packers, Inc. Executive Officer, General Manager of Imported Fresh Meats Sales Division, Chilled Beef Department and Frozen Beef Department, Fresh Meats Business Division of NH Foods Ltd. Senior Managing Executive Officer, General Manager of Fresh Meats Business Division of NH Foods Ltd., to date

(TRANSLATION)

Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
8	Kazunori Shinohara (September 25, 1954) <7,000 shares> (New appointment)	April 1979 March 2001 April 2003 March 2004 April 2004 April 2005 April 2006 April 2007 July 2007 April 2008 April 2010 April 2012 April 2014 April 2015	Joined Nippon Meat Packers, Inc. General Manager of Business Reform Office, Processed Foods Business Division of Nippon Meat Packers, Inc. Assistant General Manager of Corporate Planning Department of Nippon Meat Packers, Inc. Deputy General Manager of Corporate Planning Department of Nippon Meat Packers, Inc. Deputy General Manager of Corporate Planning Department, Corporate Planning Division of Nippon Meat Packers, Inc. General Manager of China Business Promotion Office, International Affairs Department of Nippon Meat Packers, Inc. General Manager of Shanghai Office, International Affairs Department of Nippon Meat Packers, Inc. General Manager of Shanghai Office, Overseas Business Strategy Department of Nippon Meat Packers, Inc. Assistant General Manager of Corporate Strategy Office, Corporate Planning Division of Nippon Meat Packers, Inc. General Manager of Corporate Strategy Office, Corporate Management Division of Nippon Meat Packers, Inc. Executive Officer, General Manager of Corporate Planning Department, Corporate Management Division of Nippon Meat Packers, Inc. Executive Officer, General Manager of Administrative Division, Fresh Meats Business Division of Nippon Meat Packers, Inc. Executive Officer, General Manager of Administrative Division and Business Planning Office, Fresh Meats Business Division of Nippon Meat Packers, Inc. Executive Officer, General Manager of Affiliated Business Division of NH Foods Ltd., to date

(TRANSLATION)

Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
9	Tetsuhiro Kito (February 9, 1960) <7,000 shares> (New appointment)	April 1982 March 2002 September 2002 March 2007 April 2009 April 2011 April 2013 April 2015	Joined Nippon Meat Packers, Inc. Assistant General Manager of Imported Broiler Department, Fresh Meats Business Division of Nippon Meat Packers, Inc. General Manager of Imported Broiler Department, Fresh Meats Business Division of Nippon Meat Packers, Inc. General Manager of Imported Fresh Meats Sales Division, Fresh Meats Business Division of Nippon Meat Packers, Inc. General Manager of Food Services Division, Sales & Marketing Division, Processed Foods Business Division of Nippon Meat Packers, Inc. Executive Officer, General Manager of Food Services Division, Sales & Marketing Division, Processed Foods Business Division of Nippon Meat Packers, Inc. Executive Officer, General Manager of General Merchandising Division, Sales & Marketing Division, Processed Foods Business Division of Nippon Meat Packers, Inc. Executive Officer, General Manager of Sales & Marketing Division, Processed Foods Business Division of NH Foods Ltd., to date

(TRANSLATION)

Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
10	Hajime Takamatsu (June 16, 1957) <4,000 shares> (New appointment)	April 1981 April 2005 April 2007 April 2008 October 2008 April 2012 April 2013 April 2014 April 2015	Joined Nippon Meat Packers, Inc. Assistant General Manager of Marketing Office, Processed Foods Business Division of Nippon Meat Packers, Inc. General Manager of Distribution Development Office, Administrative Division, Processed Foods Business Division of Nippon Meat Packers, Inc. Assistant General Manager of Corporate Strategy Office, Corporate Management Division of Nippon Meat Packers, Inc. General Manager of Corporate Strategy Office, Corporate Management Division of Nippon Meat Packers, Inc. Executive Officer, General Manager of General Affairs Department, in charge of Human Resources Department and Legal Affairs Department of Nippon Meat Packers, Inc. Executive Officer, in charge of General Affairs Department, Human Resources Department, Legal Affairs Department and Engineering Department of Nippon Meat Packers, Inc. Executive Officer, General Manager of Corporate Planning Department, Corporate Management Division, in charge of Research & Development Center of Nippon Meat Packers, Inc. Executive Officer, General Manager of Corporate Planning Department, in charge of CSR Department and IT Strategy Department, Corporate Management Division, and in charge of Research & Development Center of NH Foods Ltd., to date

- (Notes)
1. No candidates for Directors have a special relation of interest with NH Foods Ltd.
 2. Liability limitation agreement with Outside Directors:
NH Foods Ltd., to allow it to hire useful human resources as candidates for Outside Directors, provides in its Articles of Incorporation currently in effect that it may enter into an agreement with any Outside Directors to limit the liability to NH Foods Ltd. for any damage to a certain extent. Accordingly, NH Foods Ltd. has entered into such liability limitation agreement with candidates for Outside Director Ms. Toshiko Katayama and Mr. Iwao Taka.
The outline of the content of such agreement is as follows:
 - If any Outside Director is liable to NH Foods Ltd. for any damage arising from a default in his/her duties, he/she shall be liable within the minimum liability amount as provided for in Article 425, Paragraph 1 of the Companies Act of Japan.
 - The above-mentioned liability limitation shall apply only if and when the Outside Director is in good faith and with no gross negligence in the performance of his/her duties that caused such liability.
 3. With approval at the 69th Ordinary General Meeting of Shareholders held on June 26, 2014, NH Foods Ltd. changed its English corporate name from “Nippon Meat Packers, Inc.” to “NH Foods Ltd.” on the same day. In addition, “Nippon Meat Packers Australia Pty. Ltd.” changed its corporate name to “NH Foods Australia Pty. Ltd.” in May 2014.

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(Reference)

Establishment of “Criteria on Independence of Outside Officers”

NH Foods Ltd. has established the “Criteria on Independence of Outside Officers” based on the resolution at the meeting of the Board of Directors held on May 13, 2013, in consideration of the results of a study conducted by the Executive Appointments Committee—an advisory body to the Board of Directors—for the purpose of clarifying the criteria on independence for recognizing Outside Directors and Outside Audit & Supervisory Board Members as independent officers of NH Foods Ltd. The content of the Criteria is as follows.

Establishment of “Criteria on Independence of Outside Officers”

NH Foods Ltd. determines that an Outside Officer or a candidate for Outside Officer of NH Foods Ltd. is independent of NH Foods Ltd. in cases where said Outside Officer or said candidate is deemed to satisfy all of the following requirements:

1. He/she has never been a director (excluding outside director; the same shall apply below), audit & supervisory board member (excluding outside audit & supervisory board member; the same shall apply below), accounting advisor, executive, executive officer, manager, or any other significant employee (Note 1) (“director, etc.”) of NH Foods Ltd. or any subsidiaries or associated company of NH Foods Ltd. (the “Group”);
2. He/she is not a relative within the third degree of kinship to a director, etc., of the Group;
3. He/she is not a major shareholder (Note 2) or a director, etc., of the major shareholder entity, or a director, etc., of an entity of which the Group is a major shareholder;
4. He/she is not a director, etc., of a principal business partner (Note 3) of the Group;
5. He/she is not a recipient of a donation in the amount of 10 million yen or more in the year ended March 31, 2015 from the Group (in cases where said recipient is a corporation, association, or any other organization, this shall mean a person who belongs to such organization or a person who had belonged to such organization in the last five years);
6. He/she is not an attorney at law, certified public accountant, consultant of various types, or any other professional service provider who received a fee of 10 million yen or more in the year ended March 31, 2015, other than compensation of Director or Audit & Supervisory Board Member from the Group (in cases where said service provider is a corporation, association, or any other organization, this shall mean a person who belongs to such organization or a person who had belonged to such organization in the last five years); and
7. NH Foods Ltd. in which he/she serves as director, etc., and the Group are not engaged in the “reciprocal appointment of outside officers” (Note 4).

- (Notes)
1. “Significant employee” refers to an employee in the position of General Manager or a higher position.
 2. “Major shareholder” refers to a direct or indirect holder of voting rights accounting for no less than 10% of all voting rights.
 3. “Principal business partner” refers to a company whose amount of payment or receipt in transactions with the Group accounts for 2% or more of the consolidated net sales of the Group or the business partner.
 4. “Reciprocal appointment of outside officers” refers to accepting an outside officer from a company in which a director, etc., of the Group currently serves as an outside officer.

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Proposition No. 3: Election of 4 Audit & Supervisory Board Members

The term of office of incumbent Audit & Supervisory Board Members, Messrs. Katsutoshi Nishio, Fumio Motoi and Akira Otsuka, will expire at the closing of this General Meeting of Shareholders, and Audit & Supervisory Board Member Mr. Tamio Morimoto will retire at the same time. It is therefore proposed that four Audit & Supervisory Board Members be elected. With respect to the submission of this proposition, consent has been obtained from the Audit & Supervisory Board beforehand.

The candidates for Audit & Supervisory Board Members are as follows. Among the candidates for Audit & Supervisory Board Members, the candidates for Outside Audit & Supervisory Board Members satisfy the requirements for independent officer as stipulated by Tokyo Stock Exchange, Inc. NH Foods Ltd. has determined that the candidates for Outside Audit & Supervisory Board Members are deemed to be independent of NH Foods Ltd., having checked them against the “Criteria on Independence of Outside Officers” described on page 15.

Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
1	Akira Otsuka (April 1, 1949) <- shares> (Candidate for Outside Audit & Supervisory Board Member) (Independent Officer) (Reappointment)	April 1973 May 1977 June 1977 July 1988 April 1994 April 2001 October 2003 April 2004 April 2005 April 2008 March 2011 June 2011 (Important concurrent office) Attorney at law of Kobe Kyoruchi Law Firm Maritime Counselor Maritime Arbitrator of The Japan Shipping Exchange, Inc. Kobe City Education Board Member Outside Auditor of Kobe Port Terminal Corporation (scheduled to retire on June 29, 2015) Reserve Auditor of Noritz Corporation	Registered with Kobe Bar Association (current Hyogo-ken Bar Association) Established Kobe Law Office Registered as Maritime Counselor Maritime Arbitrator of The Japan Shipping Exchange, Inc., to date Civil Law Mediator of Kobe Summary Court, President of Hyogo-ken Bar Association Kobe City Education Board Member, to date Vice President of the Japan Federation of Bar Associations Visiting Professor of Kobe Gakuin University, Graduate School of Law Practices Established Kobe Kyoruchi Law Firm, to date Professor of Kobe Gakuin University, Graduate School of Law Practices Reserve Auditor of Noritz Corporation, to date Audit & Supervisory Board Member of Nippon Meat Packers, Inc., to date

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Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history
		● Number of years in office of Audit & Supervisory Board Member (as at the closing of this General Meeting of Shareholders): 4 years ● Number of meetings of the Board of Directors attended / Number of meetings of the Board of Directors held: 19/19 ● Number of meetings of the Audit & Supervisory Board attended / Number of meetings of the Audit & Supervisory Board held: 15/15 ● Reason for selection and reason for judging that candidate will be able to perform duties properly as Outside Audit & Supervisory Board Member: Mr. Otsuka, with a professional standpoint supported by a wealth of experience as attorney at law, is believed capable enough to appropriately perform his duties as Outside Audit & Supervisory Board Member.

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Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
2	Koichi Nishihara (September 28, 1956) <5,000 shares> (New appointment)	April 1975 March 2002 March 2003 April 2003 August 2003 April 2008 March 2009 April 2012 March 2015	Joined Nippon Meat Packers, Inc. Deputy General Manager of Public Relations Office of Nippon Meat Packers, Inc. General Manager of Public Relations Office of Nippon Meat Packers, Inc. General Manager of Public Relations Office, Management Division of Nippon Meat Packers, Inc. General Manager of Public Relations Department, Management Division of Nippon Meat Packers, Inc. General Manager of Public & Investor Relations Department, Corporate Management Division of Nippon Meat Packers, Inc. General Manager of General Affairs Department of Nippon Meat Packers, Inc. Executive Officer, General Manager of Compliance Department, in charge of Environmental & Social Responsibility Office of Nippon Meat Packers, Inc. Special Advisor of NH Foods Ltd., to date

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Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history
3	Akihiko Shiba (March 30, 1967) <- shares> (Candidate for Outside Audit & Supervisory Board Member) (Independent Officer) (New appointment)	April 1991 Joined National Police Agency January 1993 Associate Professor of National Police Academy July 1996 Manager of Foreign Affairs Division, Security Department of Kanagawa Prefectural Police Headquarters July 1998 Assistant Manager of Foreign Affairs Division, Security Bureau of National Police Agency October 2004 Registered with Daini Tokyo Bar Association April 2010 Joined T.Kunihiro & Co. Attorneys-at-Law April 2010 Representative of Shiba Management Legal Office, to date May 2010 Outside Corporate Auditor of Fukuda Denshi Co. Ltd., to date June 2010 Outside Director of Veriserve Corporation, to date June 2011 Substitute Audit & Supervisory Board Member of Nippon Meat Packers, Inc., to date June 2011 Outside Corporate Auditor of Okamoto Glass Co., Ltd., to date June 2013 Outside Corporate Auditor of AIRPORT FACILITIES CO., LTD., to date December 2013 Outside Director of Minnano Wedding Co., Ltd., to date (Important concurrent office) Representative of Shiba Management Legal Office Outside Director of Veriserve Corporation Outside Director of Minnano Wedding Co., Ltd. Outside Corporate Auditor of Fukuda Denshi Co. Ltd. Outside Corporate Auditor of Okamoto Glass Co., Ltd. Outside Corporate Auditor of AIRPORT FACILITIES CO., LTD.
		- Reason for selection and reason for judging that candidate will be able to perform duties properly as Outside Audit & Supervisory Board Member: Mr. Shiba, with a professional standpoint supported by a wealth of experience as attorney at law, is believed capable enough to appropriately perform his duties as Outside Audit & Supervisory Board Member. He has served as a member of NH Foods Ltd.'s Corporate Value Evaluation Committee since 2011, contributing to establishing compliance-based management in the Group, as well as enhancing its corporate value. - The fact of any wrongful conduct in the execution of business at other company where a candidate for Outside Audit & Supervisory Board Member has served the office of outside director or outside corporate auditor in the past five years, and the actions the candidate carried out in response to such fact for prevention of the recurrence thereof, or as remedies thereto: In November 2014, Minnano Wedding, Co., Ltd., for which Mr. Akihiko Shiba concurrently serves as an outside director, was found to have carried out inappropriate accounting under the initiative of its representative director. Mr. Shiba had been monitoring to check whether the business was executed legally and appropriately by his peer directors at Minnano Wedding, Co., Ltd., through participating in the deliberation of matters to be resolved and matters reported at the monthly board of directors meeting. The aforementioned fact of inappropriate accounting had been discovered and pointed out by its accounting auditor, before the relevant accounting report was presented to the board of directors of Minnano Wedding, Co., Ltd. Mr. Shiba, as a member of the internal investigation team, has been engaged in the follow-up internal inquiry and has been performing his duties, including investigating the facts and making suggestions on recurrence prevention measures.

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Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history
4	Atsushi Iwasaki (January 9, 1959) <- shares> (Candidate for Outside Audit & Supervisory Board Member) (Independent Officer) (New appointment)	November 1990 Joined Century Audit Corporation (current Ernst & Young ShinNihon LLC) March 1991 Registered as certified public accountant March 1997 Registered as real estate appraiser August 2005 Retired from ShinNihon Audit Firm (current Ernst & Young ShinNihon LLC) September 2005 Head of Iwasaki Certified Public Accountant Office, to date June 2013 Outside Director of ISEKI & CO., LTD., to date (Important concurrent office) Head of Iwasaki Certified Public Accountant Office Outside Director of ISEKI & CO., LTD.
		- Reason for selection and reason for judging that candidate will be able to perform duties properly as Outside Audit & Supervisory Board Member: Mr. Atsushi Iwasaki, with qualification of certified public accountant supported by knowledge about finance and accounting, is believed capable enough to appropriately perform his duties as Outside Audit & Supervisory Board Member. Although NH Foods Ltd. has transactions with Iwasaki Certified Public Accountant Office headed by Mr. Iwasaki, the transaction amount was ¥2.9 million (Note) in the year ended March 31, 2015. Given the relative immaterialness of the transaction amount, it is still believed that he can appropriately perform his duties as Outside Audit & Supervisory Board Member and as an independent officer. (Note) NH Foods Ltd. terminated the agreement on transactions with Iwasaki Certified Public Accountant Office on March 31, 2015. There has been no business connections therewith since April 1, 2015. - The fact of any wrongful conduct in the execution of business at other company where a candidate for Outside Audit & Supervisory Board Member has served the office of outside director or outside corporate auditor in the past five years, and the actions the candidate carried out in response to such fact for prevention of the recurrence thereof, or as remedies thereto: On November 19, 2013, the Japan Fair Trade Commission (JFTC) carried out an onsite inspection based on the Anti-monopoly Act at ISEKI & CO., LTD., for which Mr. Iwasaki concurrently serves as an outside director, in connection with a bidding for facilities construction work. On March 26, 2015, ISEKI & CO., LTD. received from the JFTC a cease and desist order along with a surcharge payment order also based on the Anti-monopoly Act. Prior to this development, Mr. Iwasaki had been making suggestions at ISEKI & CO., LTD.'s board of directors meetings, with respect to compliance and internal control. After the revelation of facts, he has been performing his duties, urging thorough discipline in all aspects of business and further reinforcement of corporate ethics, in a follow-up effort to prevent recurrence.

(TRANSLATION)

- (Notes)
1. No candidates for Audit & Supervisory Board Members have a special relation of interest with NH Foods Ltd.
 2. Liability limitation agreement with Outside Audit & Supervisory Board Members:
NH Foods Ltd., to allow it to hire useful human resources as candidates for Outside Audit & Supervisory Board Members, provides in its Articles of Incorporation currently in effect that it may enter into an agreement with any Outside Audit & Supervisory Board Member to limit the liability to NH Foods Ltd. for any damage to a certain extent. Accordingly, NH Foods Ltd. has entered into such liability limitation agreement with a candidate for Outside Audit & Supervisory Board Member Mr. Akira Otsuka. Also, Messrs. Akihiko Shiba and Atsushi Iwasaki are scheduled to enter into the liability limitation agreement with NH Foods Ltd., once their appointments under this proposition are approved.

The outline of the content of such agreement is as follows:
 - If any Outside Audit & Supervisory Board Member is liable to NH Foods Ltd. for any damage arising from a default in his/her duties, he/she shall be liable within the minimum liability amount as provided for in Article 425, Paragraph 1 of the Companies Act of Japan.
 - The above-mentioned liability limitation shall apply only if and when the Outside Audit & Supervisory Board Member is in good faith and with no gross negligence in the performance of his/her duties that caused such liability.
 3. With approval at the 69th Ordinary General Meeting of Shareholders held on June 26, 2014, NH Foods Ltd. changed its English corporate name from “Nippon Meat Packers, Inc.” to “NH Foods Ltd.” on the same day.

(TRANSLATION)

Proposition No. 4: Election of 1 Substitute Audit & Supervisory Board Member

The appointment of incumbent Substitute Audit & Supervisory Board Member Mr. Akihiko Shiba elected at the 66th Ordinary General Meeting of Shareholders held on June 24, 2011 will become ineffective upon the commencement of this General Meeting of Shareholders. In order to continuously keep a statutory minimum number of Audit & Supervisory Board Members at all times, it is proposed that one Substitute Audit & Supervisory Board Member be elected. NH Foods Ltd. has obtained consent from the candidate that he shall be prepared to become Audit & Supervisory Board Member, in the event of a failure to keep up the statutory minimum number of Audit & Supervisory Board Members due to mid-term resignation of one of the Audit & Supervisory Board Members.

The election under this proposition shall only be effective until he assumes office, and his appointment may be cancelled by the resolution of the Board of Directors subject to the consent of the Audit & Supervisory Board.

In submitting this proposition, consent of the Audit & Supervisory Board has been obtained beforehand.

The candidate for Substitute Outside Audit & Supervisory Board Member is as follows. In the event that he assumes the office of Audit & Supervisory Board Member, he shall also be designated and registered as an independent officer as required by the Tokyo Stock Exchange, Inc. NH Foods Ltd. has determined that the candidate for Substitute Outside Audit & Supervisory Board Member is deemed to be independent of NH Foods Ltd., having checked him against the “Criteria on Independence of Outside Officers” described on page 15.

Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history
Kazumasa Otsuka (January 18, 1971) <- shares> (Candidate for Substitute Outside Audit & Supervisory Board Member) (Independent Officer) (New appointment)	April 1999 Registered with Daini Tokyo Bar Association October 2002 Managing member of Special Committee for Corporate Code of Conduct, The Tokyo Chamber of Commerce and Industry June 2005 Inspector of The Nohgaku Performers' Association, to date April 2006 Part-time Lecturer of Meiji Gakuin University Graduate Law School July 2011 Established Nijubashi Partners, Representative Partner of Nijubashi Partners, to date July 2013 Outside Auditor of CDG Co., Ltd., to date (Important concurrent office) Representative Partner of Nijubashi Partners Outside Auditor of CDG Co., Ltd. Inspector of The Nohgaku Performers' Association
• Reason for selection and reason for judging that candidate will be able to perform duties properly as Outside Audit & Supervisory Board Member: Mr. Otsuka, with a professional standpoint supported by a wealth of experience as attorney at law, is believed capable enough to appropriately perform his duties as Outside Audit & Supervisory Board Member.	

(TRANSLATION)

(Notes) 1. The candidate for Substitute Audit & Supervisory Board Member has no special relation of interest with NH Foods Ltd.

2. Liability limitation agreement with the candidate for Substitute Outside Audit & Supervisory Board Member:

NH Foods Ltd., to allow it to hire useful human resources as candidates for Outside Audit & Supervisory Board Members, provides in its Articles of Incorporation currently in effect that it may enter into an agreement with any Outside Audit & Supervisory Board Member to limit the liability to NH Foods Ltd. for any damage to a certain extent. Accordingly, Mr. Kazumasa Otsuka is scheduled to enter into the liability limitation agreement with NH Foods Ltd., in the event that he assumes the office of Outside Audit & Supervisory Board Member.

The outline of the content of such agreement is as follows:

- If any Outside Audit & Supervisory Board Member is liable to NH Foods Ltd. for any damage arising from a default in his/her duties, he/she shall be liable within the minimum liability amount as provided for in Article 425, Paragraph 1 of the Companies Act of Japan.
- The above-mentioned liability limitation shall apply only if and when the Outside Audit & Supervisory Board Member is in good faith and with no gross negligence in the performance of his/her duties that caused such liability.

(TRANSLATION)

Proposition No. 5: Continued Introduction of the Defense Plan Against a Large Purchase Action of Shares of NH Foods Ltd. (Takeover Defense Plan)

NH Foods Ltd., upon approval of the shareholders at the 69th Ordinary General Meeting of Shareholders held on June 26, 2014, has introduced the “Defense Plan Against a Large Purchase Action of Shares of NH Foods Ltd. (Takeover Defense Plan)” (“Year 2014 Plan”). NH Foods Ltd., at the meeting of the Board of Directors held on May 11, 2015, determined the continuation of the Year 2014 Plan (the plan to be continued shall be referred to as the “Plan”), with the revision of its effective period from one year to three years, on the condition that the Plan will become effective upon the approval by a majority of the total number of voting rights of the shareholders present (including those shareholders exercising their voting rights through voting forms; the same shall apply in this proposition) at this General Meeting of Shareholders.

Since the introduction of the “Defense Plan Against a Large Purchase Action of Shares of NH Foods Ltd.” in June 2006, NH Foods Ltd. has submitted proposals on the renewal of the plan and changes in the content thereof to the shareholders for their approval every year, while having instituted a “Corporate Value Evaluation Committee (Note 1)” to ensure its appropriate administration and convened meetings of the committee every three months, in principle. To the Corporate Value Evaluation Committee, NH Foods Ltd. has offered explanations on its quarterly business results, the analyses of the factors thereof and the continuous measures and initiatives for enhancing corporate value to provide information to allow the committee to evaluate any proposal for the purchase of the shares of NH Foods Ltd. and give recommendations promptly and adequately to the Board of Directors of NH Foods Ltd. as to whether or not the proposal will apparently threaten to injure the corporate value of the Group and the common interest of the shareholders. In the meantime, the members of the committee provide beneficial considerations and proactive recommendations for the Group’s sustained growth and the fulfillment of its social responsibilities (please refer to page 41 for more details of the activities of the Corporate Value Evaluation Committee under the “Year 2014 Plan”).

With regard to the renewal of the Plan, NH Foods Ltd. has continued to carefully examine the appropriateness and ideal state of the Plan as a means to maintain and enhance the corporate value of the Group and the common interests of the shareholders. In April 2015, NH Foods Ltd. commenced a new medium-term management plan “New Medium-Term Management Plan Part 5” for the three-year period from April 1, 2015 through March 31, 2018. The three-year period for the New Medium-Term Management Plan Part 5 is positioned to solidify its foundation of the Group for a new stage as a milestone for the Group to reach its ideal form in a long-range course to follow for the coming ten years. For the final fiscal year of the New Medium-Term Management Plan Part 5, the Group intends to focus its all management resources on attaining ¥1,300.0 billion of consolidated net sales, ¥52.0 billion of operating income, 4.0% of operating income ratio and an 8% ROE.

To materialize the targets, it is proposed that the Plan be renewed with the change of its effective period to three years to correspond to the three-year period of the New Medium-Term Management Plan Part 5.

Except for changes in the effective period and wording as a matter of form, the content of the Plan is virtually the same as the Year 2014 Plan. Given the importance of the

(TRANSLATION)

Plan, however, NH Foods Ltd. requests the shareholders to approve this proposition to reflect the opinions of the shareholders as a whole.

Note 1: NH Foods Ltd. will change the name of the Corporate Value Evaluation Committee to a “Corporate Value Enhancement Committee” to clarify its position of “providing recommendations to the Board of Directors of NH Foods Ltd. for the enhancement of the corporate value of the Group and the common interest of the shareholders from the independent standpoint with no vested interest in NH Foods Ltd.” described in the Year 2014 Plan, to ensure that it will function in a still more effective way.

1. Reasons for the Proposition

NH Foods Ltd. believes that the sources that may allow the Group to enhance its corporate value and the common interests of its shareholders in a medium and long term lie in the Group’s prompt and stable availability of foods through its integrated system covering production, breeding, processing, manufacturing, distribution and marketing of livestock and other products and its established quality assurance system in and outside of Japan.

These sources have developed based on strategic and continued investments from medium and long term perspectives, the Group’s long-nurtured experiences and know-how and the relationships of mutual trust with the people, such as customers, clients and employees, connected with the Group. Specifically, in the business management of the Group that includes the process of rearing living things and providing the living things so reared as foods, it is essential to have full understanding of what forms the sources of its corporate value, such as the relationships with agricultural and stock farming industries in the areas where the Group is doing business and it is an important factor to maintain and further strengthen such relationships.

In the event that a Large Purchase Action (Note 3) of share certificates, etc. of NH Foods Ltd. (“shares of NH Foods Ltd.”) (Note 2) is taken, the Board of Directors of NH Foods Ltd. believes that it is important for its Board of Directors to acquire sufficient information on the Large Purchase Action from the Large Purchaser (Note 4) and provide such information to the shareholders on a timely and appropriate manner to assess whether or not the proposal of the Large Purchaser will enhance the Group’s corporate value and the common interests and whether the value for the acquisition of the shares of NH Foods Ltd. proposed by the Large Purchaser is appropriate. Hence it is proposed that the Plan be renewed with a view to secure a time period during which the Board of Directors of NH Foods Ltd. will collect information and deliberate on the Large Purchase Action, as well as an opportunity to negotiate with the Large Purchaser or present an alternative proposal of the Board of Directors of NH Foods Ltd. Furthermore, in the event that it is objectively and reasonably assumed that such Large Purchase Action will inevitably impair the Group’s corporate value and the common interests of its shareholders, the Plan stipulates that NH Foods Ltd. may implement proper and adequate measures against the Large Purchase Action.

Note 2: Share certificates, etc. of NH Foods Ltd. means “share certificates, etc.” as defined under Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act.

Note 3: Defined in 2. (1) below; the same applies in this proposition.

Note 4: A person including legal entity executing a Large Purchase Action

(TRANSLATION)

2. Content of the Plan

Outline of Defense Measure

Components of the scheme of the Plan	Summary of the components in the left column
Introduction and renewal	Resolution of the Board of Directors and the general meeting of shareholders (ordinary resolution)
Purchase action under the Plan	Large Purchase Action
Organ to deliberate on the purchase proposal related to the large purchase action	“Corporate Value Enhancement Committee” comprising not less than three and not more than five members independent of NH Foods Ltd.
Period of response as to information provision	60 days (which can be extended up to 30 more days)
Deliberation period	60 days (in case of consideration being limited to cash in Japanese yen) or 90 days (in any other case)
Organ to determine whether or not to trigger a defense measure	Board of Directors (or the general meeting of shareholders in the event that the Corporate Value Enhancement Committee offers a recommendation to confirm the intentions of the shareholders)
Means of the defense measure	Gratis allotment of stock acquisition rights with company’s partial call option
Summary of the requirements for triggering the defense measure	1) The proposal threatens to clearly injure the corporate value and the common interest (so-called type 4 of the Tokyo High Court) 2) A Large Purchaser does not comply with the Necessary Information Providing Procedure or otherwise commences a Large Purchase without any prior notice. 3) Two-tier coercive purchase proposal. 4) It is objectively and reasonably assumed that the corporate values and the common interests might be impaired to substantially the same extent as set forth in items 1) to 3) above by the Large Purchase Proposal. (For more details of the requirements for triggering defense measures, please refer to “Requirements for Triggering Defense Measure” in 3. below.)
Effective period	3 years (until the close of the Ordinary General Meeting of Shareholders of NH Foods Ltd. scheduled to be held in June 2018)

The details of the Plan are made available for inspection on the website of NH Foods Ltd. (URL: <http://www.nipponham.co.jp/ir/index.html>)

(TRANSLATION)

In the event that any Large Purchase Action is going to be commenced with regard to NH Foods Ltd.'s shares, NH Foods Ltd. must deliberate on and determine whether or not such Large Purchase Action may impair NH Foods Ltd.'s corporate value and the common interests of its shareholders and whether or not NH Foods Ltd. should trigger a defense measure to prevent it.

To collect information necessary for such deliberation and determination, the Board of Directors of NH Foods Ltd. shall ask the Large Purchaser to provide information including the general description of the Large Purchaser and the Large Purchase Proposal (Note 5) in accordance with the procedure prescribed under the Plan, which then shall be subjected to deliberation by the Board of Directors and the Corporate Value Enhancement Committee, which comprises independent third party members with no vested interest in NH Foods Ltd., established to ensure the appropriate operation of the Takeover Defense Plan. The Board of Directors shall, based on the results of such deliberation, carefully formulate and publish its opinion on the Large Purchase Action and shall, if necessary, negotiate with the Large Purchaser and present an alternative proposal to the shareholders.

As a result of such deliberation, the Corporate Value Enhancement Committee will determine whether or not the Requirements set forth below for Triggering or Not Triggering the Defense Measure are met with regard to the Large Purchase Action and recommend the Board of Directors of NH Foods Ltd. for or against triggering the defense measure, and then the Board of Directors will make a decision on triggering or not triggering the defense measure upon respecting to the full extent the recommendation. In the event that the Corporate Value Enhancement Committee recommends the Board of Directors to confirm the intentions of the shareholders as to the triggering or not triggering of the defense measure, the Board of Directors will convene a General Meeting of Shareholders to confirm the intentions of the shareholders as to the triggering of the defense measure and determine whether or not to trigger it.

(1) Large Purchase Action under the Plan

A "Large Purchase Action" under the Plan means purchase of the shares of NH Foods Ltd. for the purpose of holding or resulting in holding 20% or more of voting rights (Note 7) of NH Foods Ltd. by the Specified Shareholder Group (Note 6), including the Large Purchaser ("Large Purchasers").

Note 5: Any purchase proposal pertaining to a Large Purchase Action; the same applies in this proposition.

Note 6: A Specified Shareholder Group means (i) a holder(s) (as defined under Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act and includes a person deemed the holder under Paragraph 3 of the same Article thereof) of shares of NH Foods Ltd. and a common holder(s) as defined under Article 27-23, Paragraph 5 of thereof (including a holder(s) deemed common holder(s) under Paragraph 6 of the same Article thereof), or (ii) a person(s) conducting purchase, etc. (as defined under Article 27-2, Paragraph 1 and including those made at the exchange in a securities market) of shares certificates, etc. (as defined under Article 27-2, Paragraph 1 thereof) of NH Foods Ltd. and specially connected person(s) (as defined under Article 27-2, Paragraph 7 thereof).

(TRANSLATION)

Note 7: Voting rights means (i) in the case of Note 6 (i) above, share certificates etc. percentage (as defined under Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act, in which case the number of shares held by a common holder as defined under the same paragraph shall be added), or (ii) in the case of Note 6 (ii) below, total owning ratio of share certificates etc. of the person(s) conducting purchase and specially interested person(s) (meaning the number of shares and the like as defined under Article 27-2, Paragraph 8 thereof).

(2) Necessary Information Providing Procedure

1) Submission of Large Purchase Proposal

Large Purchaser must submit a Large Purchase Proposal to the Board of Directors of NH Foods Ltd. prior to commencing the Large Purchase Action.

2) Necessary Information Providing Period

The Board of Directors of NH Foods Ltd. will disclose the fact that a Large Purchaser has made a Large Purchase Proposal immediately after it becomes aware of the fact. The Board of Directors will also present to the Large Purchaser a list of necessary information ("Necessary Information") set forth in the Plan additionally to be submitted to the Board of Directors by the Large Purchaser within 10 days following the submission of the Purchase Proposal. Upon presentation of the list, the Large Purchaser shall provide to the Board of Directors of NH Foods Ltd., from time to time, additional Necessary Information as requested by the Board of Directors so that the Necessary Information Providing Procedure shall be completed within, in principle, 60 days (which can be extended by maximum 30 days) following the presentation of the list of Necessary Information by the Board of Directors of NH Foods Ltd. to the Large Purchaser ("Necessary Information Providing Period"). In the event that the Board of Directors should request that additional information be submitted by the Large Purchaser, to which the Large Purchaser indicates for a reasonable reason that some information cannot be submitted to the Board, the Board may start the review of the purchase proposal even though the necessary information that the Board has requested cannot be obtained in its entirety.

3) Board Examination Period

During or following the termination of the Necessary Information Providing Period, while receiving advice and recommendation from the Corporate Value Enhancement Committee, the Board of Directors of NH Foods Ltd. will examine and analyze the Large Purchaser and the Large Purchase Proposal, carefully prepare and announce its opinion, and if necessary, negotiate with the Large Purchaser and present an Alternative Proposal to the shareholders of NH Foods Ltd. In the event that deliberations at the Board of Directors begin after the provision of the Necessary Information is completed, the Board of Directors will immediately disclose to that effect. The Board Examination Period will be no longer than 60 days following the complete provision of the Necessary Information (in case of a purchase of NH Foods Ltd.'s shares by way of public take-over bid, the consideration being limited only to cash in Japanese yen) or no longer than 90 days (in case of other purchase proposals)

(TRANSLATION)

4) Respecting Recommendation of Corporate Value Enhancement Committee

To eliminate arbitrary judgment by the Board of Directors of NH Foods Ltd. on the Large Purchase Proposal and ensure the objectivity and rationality of its judgment, it shall establish the Corporate Value Enhancement Committee. The Corporate Value Enhancement Committee will make recommendations to NH Foods Ltd. with respect to such matters as the judgment of whether or not the conditions underlying Requirements for Triggering Defense Measure or Requirements for Not Triggering Defense Measure exist, and the Board of Directors of NH Foods Ltd. will respect the recommendation of the Corporate Value Enhancement Committee to the full extent in making judgment on such matters. An outline of the Corporate Value Enhancement Committee, along with the names and profiles of its members scheduled as at the renewal of the Plan are as stated in pages 38-40.

5) Disclosure of Content of Board Examination

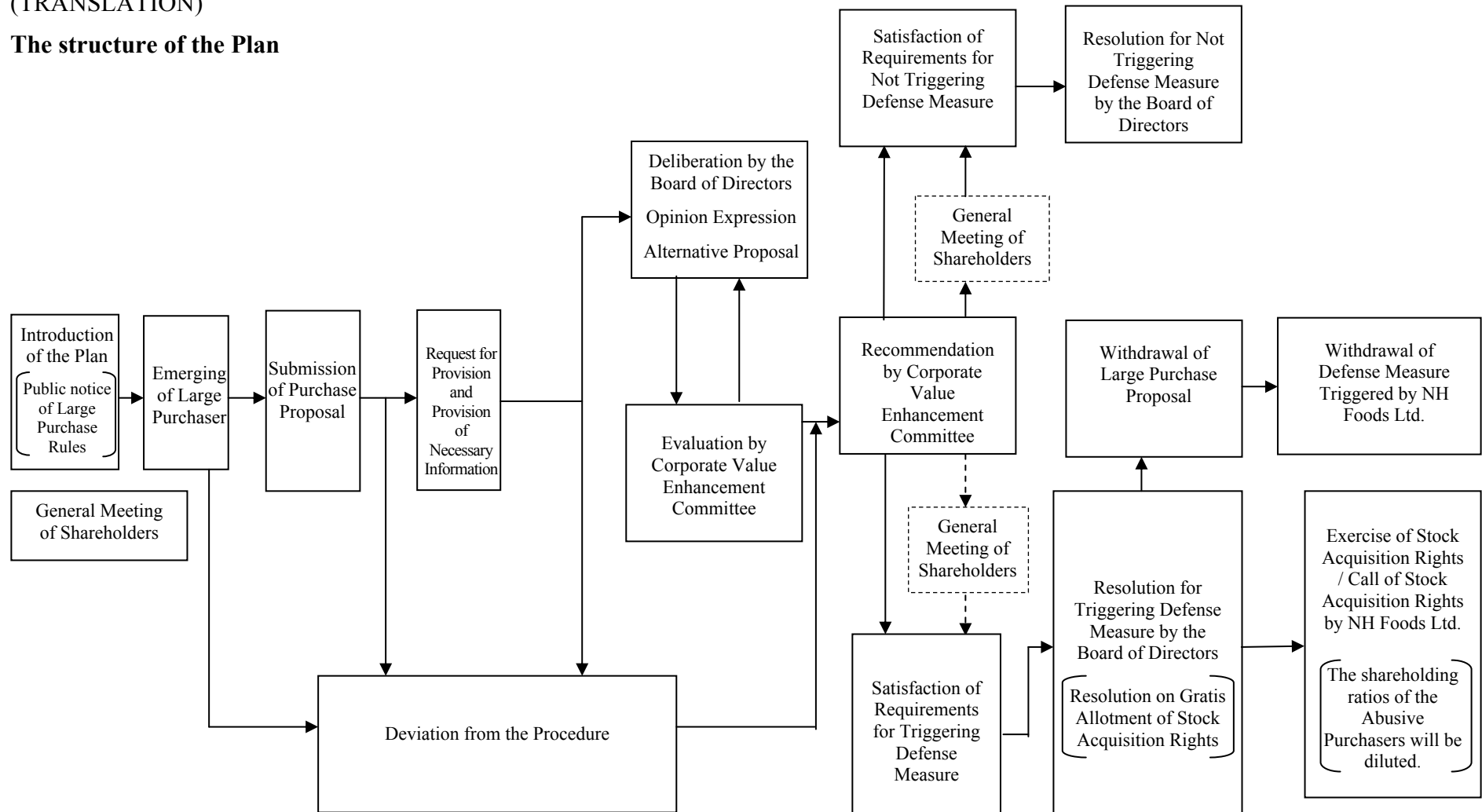
During the Board Examination Period, the Board of Directors of NH Foods Ltd. will disclose the opinion of the Board of Directors, as well as the content of examinations and any Alternative Proposal by the Board of Directors, considered necessary for judgment to be made by the shareholders of NH Foods Ltd., at such time when the Board of Directors deems to be appropriate.

6) Time Limit for the Large Purchase Action by the Large Purchaser

The Large Purchaser shall not commence any Large Purchase Action with respect to the shares of NH Foods Ltd. prior to the end of the Board Examination Period for the Necessary Information Providing Procedure and the Board examination procedure. In the event that the Corporate Value Enhancement Committee recommends the Board of Directors to confirm the intentions of the shareholders as to the triggering of a defense measure, the Large Purchaser cannot commence the Large Purchase Action with respect to the shares of NH Foods Ltd. prior to the end of the procedure for the confirmation of the intentions of the shareholders.

(TRANSLATION)

The structure of the Plan



(TRANSLATION)

3. Requirements for Triggering or Not Triggering Defense Measure, Content of Defense Measures

(1) Requirements for Triggering Defense Measure and Not Triggering Defense Measure

To eliminate any arbitrary judgment by the Board of Directors in determining triggering a defense measure and not triggering a defense measure, the Plan sets forth the following objective requirements for triggering a defense measure and not triggering a defense measure.

In the event that the Corporate Value Enhancement Committee determines that it is necessary to confirm the intentions of the shareholders as to the substantial judgment whether any one of the Requirements for triggering the defense measure is met, the Corporate Value Enhancement Committee shall recommend the Board of Directors to confirm the intentions of the shareholders as to the triggering or not triggering of the defense measure. Upon such recommendation, the Board of Directors will, pursuant to laws or ordinances and the Articles of Incorporation, convene a General Meeting of Shareholders without delay to confirm the intentions of the shareholders as to whether or not the triggering of the defense measure is acceptable (for that purpose, a resolution to confirm the intentions of the shareholders shall be adopted at a general meeting of shareholders at which a majority of the shareholders having a majority of voting rights of the shareholders of NH Foods Ltd. entitled to vote shall be present, by a majority of the voting rights of the shareholders so present, in principle).

The defense measure will be triggered in an exceptional case where the triggering of the defense measure is unavoidable to prevent NH Foods Ltd.'s corporate value and common interests of its shareholders from being impaired by a Large Purchase Action and unless the defense measure is triggered at the time concerned, NH Foods Ltd.'s corporate value and common interests of its shareholders would inevitably be impaired, and will not be triggered only on the basis that conditions are judged to technically meet one of the Requirements for triggering the defense measure

[Requirements for Triggering Defense Measure]

- 1) It is objectively and reasonably assumed that a Large Purchaser has no true intention to participate in the management of NH Foods Ltd. and a Large Purchaser engages in a Large Purchase Action or a Large Purchase Proposal for the purpose of selling shares at high prices to parties related to NH Foods Ltd. (including but not limited to, affiliated companies of NH Foods Ltd., officers, employees, or business partners of NH Foods Ltd.) by unduly raising the prices of shares of NH Foods Ltd.
- 2) It is objectively and reasonably presumed that a Large Purchaser engages in a Large Purchase Action or a Large Purchase Proposal for the purpose of enabling the Large Purchaser to transfer a so-called "crown jewel" including assets, intellectual proprietary rights, know-how, trade secret, principal business partners, and customers, etc., that are necessary for the business operation of NH Foods Ltd. to a Large Purchaser and/or its affiliated companies.

(TRANSLATION)

- 3) It is objectively and reasonably presumed that a Large Purchaser engages in a Large Purchase Action or a Large Purchase Proposal with a view to diverting assets of NH Foods Ltd. to mortgages and/or repayments of liabilities incurred to a Large Purchaser and its group companies, etc.
- 4) It is objectively and reasonably presumed that a Large Purchaser engages in a Large Purchase Action or a Large Purchase Proposal for the purpose of enabling the Large Purchaser to cause NH Foods Ltd. to pay temporarily high returns (including but not limited to dividends to be paid out of earned surplus; the same applicable in this proposition) to the shareholders with proceeds from sales of NH Foods Ltd.'s assets, etc., or to sell out NH Foods Ltd.'s shares at such high prices arising from the temporary rise of NH Foods Ltd.'s shares due to a temporary high return, etc., to the shareholders.
- 5) A Large Purchaser does not comply with Necessary Information Providing Procedure and it is difficult for the shareholders of NH Foods Ltd. to evaluate the Large Purchase Proposal due to lack of sufficient information to determine whether to transfer NH Foods Ltd.'s shares to the Large Purchaser, or continue to hold them, and a Large Purchaser commences a Large Purchase without any prior notice to NH Foods Ltd., or it is objectively and reasonably presumed that a Large Purchaser commences such Large Purchase.
- 6) Despite a Large Purchaser having responded in the Necessary Information Providing Procedure, it is objectively and reasonably presumed that a Large Purchase Proposal is a two-tier coercive purchase proposal (i.e., at the first stage, the entire shares of NH Foods Ltd. are not solicited for purchase, but at the second stage, purchase will be consummated at less favorable or unspecified conditions to shareholders).
- 7) In addition to items 1) to 6) above, it is objectively and reasonably presumed that the common interests of NH Foods Ltd.'s shareholders and corporate value of NH Foods Ltd.'s group, including NH Foods Ltd.'s shareholders, business partners, customers, employees, communities and other interested parties of NH Foods Ltd., might be impaired to substantially the same extent as set forth in items 1) to 6) above due to the Large Purchase Proposal or the Large Purchase Action.

[Requirements for Not Triggering Defense Measure]

- 1) During the Board Examination Period and after the expiration of the Board Examination Period, the Board of Directors of NH Foods Ltd. failed to present to shareholders of NH Foods Ltd. any Alternative Proposal including management plan in which corporate value evaluation, which is higher than the corporate value evaluation stated in a Large Purchase Proposal, can reasonably be expected to materialize, and it is evident that NH Foods Ltd. has not taken any negotiation, etc., with the Large Purchaser.

(TRANSLATION)

- 2) It is objectively evident that a Large Purchase Proposal contains higher corporate value evaluation than any Alternative Proposal presented by the Board of Directors of NH Foods Ltd., and it is not evident that the Large Purchase Proposal would threaten to impair NH Foods Ltd.'s corporate value and the common interests of its shareholders.
- 3) The Board of Directors of NH Foods Ltd. has not presented any Alternative Proposal during the Board Examination Period.
- 4) It is apparent that any condition meeting the requirement of 1) to 7) of the Requirements for Triggering Defense Measure above does not exist.

(2) Content of Defense Measure

1) Allottees of Stock Acquisition Rights

Stock Acquisition Rights will be allotted gratis to the shareholders who have been recorded in the last shareholders' register on the record date for allotment determined by resolution of the Board of Directors of NH Foods Ltd. at the rate of one Stock Acquisition Right per share held by the shareholder.

Any transfer of the Stock Acquisition Rights shall be subject to approval of the Board of Directors of NH Foods Ltd.

2) Exercise Period of Stock Acquisition Rights

The exercise period of the Stock Acquisition Rights will be 30 days from the commencement date specified separately by the Board of Directors of NH Foods Ltd. In the event that NH Foods Ltd. reacquires part of the Stock Acquisition Rights in accordance with the procedure set forth in item 4) below, the exercise period of the Stock Acquisition Rights so reacquired shall end as of the Reacquisition Date.

3) Limit on Exercise of Stock Acquisition Rights (Discriminatory Condition)

Large Purchasers with respect to which Requirements for Triggering Defense Measure are determined to be met ("Abusive Purchasers") cannot exercise their Stock Acquisition Rights and shall not be entitled to delivery of shares of NH Foods Ltd. Consequently, their ratio of voting rights will decrease.

4) Reacquisition of Stock Acquisition Rights by NH Foods Ltd. (Stock Acquisition Rights with Company's Partial Call Option)

NH Foods Ltd. shall be entitled to reacquire the Stock Acquisition Rights held by shareholders other than the Abusive Purchasers on the Reacquisition Date to be determined by the Board of Directors of NH Foods Ltd. In this case, NH Foods Ltd. will/may reacquire all unexercised Stock Acquisition Rights on the Reacquisition Date out of the Stock Acquisition Rights held by the shareholders other than the Abusive Purchasers, in exchange for one share of common stock of NH Foods Ltd. to be delivered per one Stock Acquisition Right (subject to adjustment as the case may be).

(TRANSLATION)

- 5) Withdrawal of Defense Measure (Stoppage of Gratis Allotment of the Stock Acquisition Rights or Acquisition of All the Stock Acquisition Rights Free of Charge)

As a means of withdrawal of a defense measure, if, due to circumstances such as that the Large Purchaser judged to meet the Requirements for Triggering Defense Measure has withdrawn the Large Purchase Action or Large Purchase Proposal, the Board of Directors considers it appropriate to withdraw the defense measure, NH Foods Ltd. may stop the allotment of the Stock Acquisition Rights prior to the effective date of the gratis allotment thereof, or acquire free of charge all the Stock Acquisition Rights prior to the date preceding the date commencing the exercise period without delivering shares of NH Foods Ltd. in exchange for the Stock Acquisition Rights.

4. Effective Period of the Plan, Abolishment and Amendment Procedure of the Plan

The Plan shall become effective if a majority of the voting rights of the shareholders present at this Ordinary General Meeting of Shareholders consent to the Plan and shall be effective until the close of the Ordinary General Meeting of Shareholders of NH Foods Ltd. which is scheduled to be held in June 2018. However, even prior to the expiration of the effective period of the Plan, if a majority of the voting rights of the shareholders present at a General Meeting of Shareholders fail to consent to the continued introduction of the Plan or a resolution to abolish the Plan is adopted by the General Meeting of Shareholders or the Board of Directors of NH Foods Ltd., the Plan shall be abolished then, and upon resolution of the Board of Directors and the General Meeting of Shareholders for the amendment to the Plan, it shall be amended in accordance with the resolution therefor by the General Meeting of Shareholders.

If, during the effective period of the Plan, any amendment to the Companies Act, the Financial Instruments and Exchange Act and their related ordinances, cabinet orders, Cabinet Office regulations, ministerial orders, etc. (collectively, “laws and ordinances”) (including any change of the names of laws and ordinances and the establishment of new laws and ordinances to succeed previous laws and ordinances), is made and enforced, the provisions of the laws and ordinances applicable to the Plan will be read as those so amended and substantially succeeding the previous provisions, respectively, unless otherwise specified by the Board of Directors.

In the event that the Plan is abolished or amended, the abolishment or amendment and the content of amendment and such other matters determined by the Board of Directors of NH Foods Ltd. will be disclosed promptly.

(TRANSLATION)

5. Reasonableness of the Plan

(1) Consistency with Guidelines Regarding Takeover Defense Measure, Etc.

The Plan satisfies all of the three principles provided in the “Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancing of Corporate Value and Shareholders’ Common Interests” released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 (“Guidelines for Takeover Defense”), namely, 1) securing the corporate value and shareholders’ common interests, 2) prior disclosure and shareholders animus principle, and 3) necessity and suitability principle so that it is fully consistent with Guidelines for Takeover Defense. Additionally, adequate consideration has been given to the content of the “Appropriate Takeover Defense Measures in Consideration of Recent Environmental Changes” publicized on June 30, 2008, by the Corporate Value Study Group established by the Ministry of Economy, Trade and Industry.

(2) Introduction of the Plan for the Purpose of Securing and Enhancing Shareholders’ Common Interests

As stated above, if a Large Purchaser targets NH Foods Ltd.’s shares, it becomes necessary to secure information and to have a period to enable the shareholders to judge whether or not the Large Purchase Action is inappropriate and to enable NH Foods Ltd. to negotiate or take other actions on behalf of the shareholders. The Plan is thus introduced for the purpose of securing and enhancing NH Foods Ltd.’s corporate value and shareholders’ common interests.

(3) Shareholders’ Intent Fully Respected (Sunset Provision)

The Plan will become effective upon the approval of a majority of shareholders with voting rights present at this Ordinary General Meeting of Shareholders. It is provided for in the Plan that in certain cases, upon recommendation by the Corporate Value Enhancement Committee, the intentions of the shareholders shall be confirmed at a general meeting of shareholders before triggering a defense measure.

In addition, it is provided for in the Plan that the effective period of the Plan will be until the close of the ordinary general meeting of shareholders of NH Foods Ltd. scheduled to be held in June 2018 (or the time when the Board of Directors or the general meeting of shareholders of NH Foods Ltd. resolves to abolish the Plan prior thereto) and thereafter the intentions of the shareholders with respect to the continuation or amendment of the Plan will be sought at NH Foods Ltd.’s Ordinary General Meeting of Shareholders.

(4) Respecting Opinion of Corporate Value Enhancement Committee Composed of Outside Independent Members

Under the Plan, in the event that a Large Purchase Action occurs in NH Foods Ltd., the Corporate Value Enhancement Committee comprised of independent third parties will make a substantial judgment on whether or not the Large Purchase Action will impair NH Foods Ltd.’s corporate value and common interests of its shareholders, and then NH

(TRANSLATION)

Foods Ltd.'s Board of Directors will decide on whether or not the defense measure should be triggered upon giving full consideration to the Corporate Value Enhancement Committee's judgment. Since the Corporate Value Enhancement Committee strictly reviews arbitrary actions of NH Foods Ltd.'s Board of Directors and the summary of its decision will be disclosed to the shareholders, there is an assurance that the Plan will be managed in a way that benefits NH Foods Ltd.'s corporate value and common interests of its shareholders.

(5) Setting forth Objective and Reasonable Requirement; Elimination of Arbitrary Judgment by the Board of Directors

The Plan provides reasonable and objective requirements for triggering and not triggering the defense measures. Also, the Plan is designed in principle not to trigger the defense measure unless the Corporate Value Enhancement Committee judges that the Requirements for Triggering or Not Triggering Defense Measure, which are reasonable, detailed and objective, are satisfied. Accordingly, we believe that the Plan secures a system under which NH Foods Ltd.'s Board of Directors will not arbitrarily trigger the defense measure against a Large Purchase Action targeting NH Foods Ltd.'s shares.

(6) Not Dead Hand-Type or Slow Hand-Type Takeover Defense Measure

The Plan may be abolished by a decision of the Board of Directors composed of the Directors elected at NH Foods Ltd.'s General Meeting of Shareholders. Accordingly, the Plan is characterized as completely different from the so-called dead hand type Takeover Defense Measure (i.e., a Takeover Defense Measure which is not prevented from triggering even if a majority of members of the Board of Directors change) or slow hand type Takeover Defense Measure (i.e., a Takeover Defense Measure in which a change of the members of the Board of Directors can not occur all at once and therefore it takes time to stop its triggering), which is a rights plan which avoids, or makes it difficult to abolish, the Takeover Defense Measure.

(7) Obtaining Opinion from Third-Party Professionals

Under the Plan, the Corporate Value Enhancement Committee may obtain at NH Foods Ltd.'s expense an opinion from independent third parties (including financial advisers, certified public accountants, lawyers, consultants and other professionals). The fairness and objectiveness of Corporate Value Enhancement Committee's judgment will be strongly secured by such feature.

6. Effect on Shareholders and Investors

(1) Effect on Shareholders When the Plan is Introduced

At the time the Plan is introduced, since no gratis allotment of the Stock Acquisition Rights itself is made, any rights of shareholders will not be affected in any respect.

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(2) Effect on Shareholders When Defense Measure is Triggered (at the Time of Gratis Allotment of the Stock Acquisition Rights)

In the event that a gratis allotment of Stock Acquisition Rights is made upon triggering a defense measure under the Plan, shareholders who have been recorded in the last shareholders' register on the record date for allotment will become holders of Stock Acquisition Rights as a matter of course without following any procedure for application etc. on the Gratis Allotment Effective Date of the Stock Acquisition Rights. On the assumption that shareholders do not take any procedure for the exercise of the Stock Acquisition Rights, such as payment of certain amount during the exercise period, the Stock Acquisition Rights will be canceled. For this reason, in the event that the Stock Acquisition Rights of certain shareholder are canceled, the shares of NH Foods Ltd. held by such shareholder will be diluted by the exercise of the Stock Acquisition Rights held by other shareholders. However, upon resolution of NH Foods Ltd.'s Board of Directors NH Foods Ltd. may exercise its call option to reacquire the Stock Acquisition Rights from shareholders other than the Abusive Purchasers, and deliver NH Foods Ltd.'s common stock in exchange therefor under the procedure stated in 3. (2) 4) above. In the event that NH Foods Ltd. takes such procedure, shareholders, other than the Abusive Purchasers, will receive NH Foods Ltd.'s shares without exercise of the Stock Acquisition Rights and without payment of amount equivalent to the exercise price, resulting in dilution of the value per share of NH Foods Ltd.; however, the value of a total of shares of NH Foods Ltd. held will not be diluted.

Furthermore, during the process for triggering the defense measure NH Foods Ltd. will disclose information necessary to the shareholders; however, although the Board of Directors has adopted a resolution for the gratis allotment of Stock Acquisition Rights and the gratis allotment of Stock Acquisition Rights was actually made, if the Board of Directors of NH Foods Ltd. recognizes it to be reasonable for NH Foods Ltd. to withdraw the defense measure due to the occurrence of events, such as the Large Purchaser withdrawing the Large Purchase Action or Large Purchase Proposal, NH Foods Ltd. shall, under the procedure stated in 3. (2) 5) above, stop the allotment of the Stock Acquisition Rights prior to the effective date of the gratis allotment or NH Foods Ltd. will acquire free of charge all the Stock Acquisition Rights prior to the date preceding the date commencing the exercise period without delivering shares of NH Foods Ltd. in exchange for the Stock Acquisition Rights. In such case, since market prices of the shares of NH Foods Ltd. might fluctuate to a certain extent and the shareholders of NH Foods Ltd. might incur an unexpected loss, the shareholders are expected to take this factor into account.

(3) Gratis Allotment of Stock Acquisition Rights, Exercise and Procedure Necessary for Shareholders in Connection with Reacquisition by NH Foods Ltd.

1) Procedure for Exercise of the Stock Acquisition Rights

NH Foods Ltd. will send the exercise application form of the Stock Acquisition Rights and documents necessary for the exercise of the Stock Acquisition Rights to the shareholders who have been recorded in the last shareholders' register on the record date for allotment. In the event that the shareholders exercise the Stock Acquisition Rights allotted gratis during the exercise period, NH Foods Ltd. will

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issue one common stock of NH Foods Ltd. (subject to adjustment) per one Stock Acquisition Right upon submitting the stock acquisition right exercise application form, etc. and other documents and payment of Yen 1.00 per Stock Acquisition Right at the payment handling place. However, because the Stock Acquisition Rights are issued with a discriminatory condition, the Abusive Purchasers, shall not exercise the Stock Acquisition Rights. Furthermore, in the event that requirements are imposed for the exercise of Stock Acquisition Rights under the laws and ordinances of the relevant country to which the shareholders are subject, such as requirement for performing a specified procedure or specified condition (including a specified inaction period or submission of a specified document, etc. or both), the Stock Acquisition Rights may not be exercised without meeting such requirements.

2) Procedure for Reacquisition of the Stock Acquisition Rights by NH Foods Ltd.

In the event that NH Foods Ltd.'s Board of Directors decides to reacquire the Stock Acquisition Rights in part in exchange for NH Foods Ltd.'s common stock, the shareholders other than the Abusive Purchasers will receive the common stocks of NH Foods Ltd. on the Reacquisition Date as set forth separately by NH Foods Ltd.'s Board of Directors without payment of the exercise price.

In addition to the above, with respect to the details of the methods for the allotment and payment, NH Foods Ltd. will disclose or give notice to the shareholders in a timely and appropriate manner upon resolution of NH Foods Ltd.'s Board of Directors relating to the gratis allotment of the Stock Acquisition Rights so that the shareholders are informed thereof.

7. Composition and Members of the Corporate Value Enhancement Committee

1) Composition of the Corporate Value Enhancement Committee

The Corporate Value Enhancement Committee shall be composed of three to five members appointed by NH Foods Ltd. from among independent Outside Directors, Outside Audit & Supervisory Board Members, and well-informed persons including university professors, outside professionals such as lawyers and certified public accountants who meet specified standards stipulated in the operation rules for the Plan.

2) Names and Brief Histories of Members of the Corporate Value Enhancement Committee

NH Foods Ltd., at the meeting of the Board of Directors held on May 11, 2015, appointed the following four members, in accordance with the aforesaid appointment standards:

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Name	Brief history	
Iwao Taka	September 1991	Fisher-Smith Visiting Fellow of the Wharton School of Business, University of Pennsylvania
	April 1994	Full-time lecturer of Faculty of International Economics, Reitaku University
	April 2001	Professor of Faculty of International Economics (Current Faculty of Economics), Reitaku University, to date
	April 2002	Professor of School of International Economics (Current School of Economics), Graduate School, Reitaku University, to date
	June 2005	Outside Director of Mitsui Sumitomo Insurance Company, Ltd.
	April 2007	Visiting Professor of Business Management Graduate School, Kyoto University
	April 2008	Outside Director of Mitsui Sumitomo Insurance Group Holdings, Inc.
	April 2009	Dean of Faculty of Economics Reitaku University
	June 2010	Outside Director of NH Foods Ltd., to date
	June 2015	Outside Statutory Auditor of Mitsubishi Estate Company, Limited (scheduled)
Mr. Iwao Taka is a candidate for Outside Director proposed to be elected in Proposition No. 2 at this General Meeting of Shareholders, and a candidate for independent officer who does not have any potential conflict of interest with ordinary shareholders whose designation is made compulsory by the Tokyo Stock Exchange, Inc. NH Foods Ltd. has determined that he is independent of NH Foods Ltd., as a result of checking him against the “Criteria on Independence of Outside Officers” described on page 15.		

Name	Brief history	
Shigeru Nishiyama	March 1987	Registered as certified public accountant
	April 2000	Associate Professor of Waseda University Graduate School of Asia-Pacific Studies
	April 2003	Outside Corporate Auditor of Pigeon Corporation, to date
	April 2006	Professor of Waseda University Graduate School of Asia-Pacific Studies
	April 2008	Professor of Waseda University Graduate School of Commerce, Waseda Business School, to date
	June 2012	Outside Corporate Auditor of Astellas Pharma Inc., to date
Mr. Shigeru Nishiyama has no special relation of interest with NH Foods Ltd. NH Foods Ltd. has determined that he is independent of NH Foods Ltd., as a result of checking him against the “independence criteria” prescribed by the Tokyo Stock Exchange, Inc. and the “Criteria on Independence of Outside Officers” described on page 15.		

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Name	Brief history	
Kazumasa Otsuka	April 1999	Registered with Daini Tokyo Bar Association
	October 2002	Managing member of Special Committee for Corporate Code of Conduct, The Tokyo Chamber of Commerce and Industry
	June 2005	Inspector of The Nohgaku Performers' Association, to current
	April 2006	Part-time Lecturer of Meiji Gakuin University Graduate Law School
	July 2011	Established Nijubashi Partners, Representative Partner of Nijubashi Partners, to date
	July 2013	Outside Auditor of CDG Co., Ltd., to date
Mr. Kazumasa Otsuka is a candidate for Substitute Audit & Supervisory Board Member, whose election is proposed under Proposition No. 4 at this General Meeting of Shareholders. He meets the requirements for an independent officer unlikely to cause conflict of interest with general shareholders, and required to be designated under the rule of the Tokyo Stock Exchange, Inc. NH Foods Ltd. has determined that he is independent of NH Foods Ltd., as a result of checking him against the "Criteria on Independence of Outside Officers" described on page 15.		

Name	Brief history	
Tutomu Morimoto	April 1985	Joined Daikin Industries, Ltd.
	April 1992	Daikin Europe N.V. (stationed in Belgium)
	October 1995	General Manager of UK Office of Daikin Europe N.V. (stationed in United Kingdom)
	January 1999	Manager of Marketing Department, Global Operations Division of Daikin Industries, Ltd.
	April 1999	Manager of Executive Secretarial Department of Daikin Industries, Ltd.
	July 2002	General Manager responsible for Global Affairs, Executive Secretarial Department of Daikin Industries, Ltd.
	June 2011	General Manager of Executive Secretarial Department of Daikin Industries, Ltd.
	June 2014	Executive Officer, responsible for Executive Secretarial Department and Goodman Group Business of Daikin Industries, Ltd., to date
Mr. Tutomu Morimoto has no special relation of interest with NH Foods Ltd. Although NH Foods Ltd. has transactions with Daikin Industries, Ltd., the transaction amount was less than ¥10 million for the year ended March 31, 2015. Accordingly, NH Foods Ltd. has determined that he is independent of NH Foods Ltd., as a result of checking him against the "independence criteria" prescribed by the Tokyo Stock Exchange, Inc. and the "Criteria on Independence of Outside Officers" described on page 15.		

(TRANSLATION)
(Reference)

1. Activities of the Corporate Value Evaluation Committee under the Year 2014 Plan

Activities / Date of meeting	Attendee	Agenda
First meeting August 18, 2014	3/3 (100%)	• Explanation of the business results for the first quarter of the year ended March 31, 2015 • Overseas IR reports • Report on the trend of the General Meeting of Shareholders in June 2014 • Takeover Defense Plans and the state of the exercise of voting rights (of NH Foods Ltd. and other companies; references to other companies' cases)
Second meeting November 26, 2014	3/3 (100%)	• Explanation of the business results for the second quarter of the year ended March 31, 2015 • Report on the financial statement explanatory sessions and the details of questions and answers • Explanations related to Takeover Defense Plans (the state of change in the composition of leading shareholders, reference to the amendments to advice policies of major advisory companies on the exercise of voting rights, etc.) • Experts' panel concerning the formulation of the corporate governance code (the background of the investigations, reference to the details of the investigations at the experts' panel)
Third meeting February 26, 2015	3/3 (100%)	• Report on the new management system • Explanation of the business results for the third quarter of the year ended March 31, 2015 • Explanations related to takeover defense plans • Direction of NH Foods Ltd.'s response to the "Basic Concept" of the corporate governance code
Fourth meeting April 27, 2015	2/3 (66%)	• Report on the voluntary adoption of IFRS • Deliberation on Takeover Defense Plans (previously notified on April 18, 2015)
Group's trade show January 14 to January 16, 2015	2/3 (66%)	• Information on the Group's measures (such as the expansion of its business fields, quality assurance system, proposal capabilities, development capabilities and social action programs)
Group's senior management meeting March 27, 2015	2/3 (66%)	• Gathering of the entire Group's senior management • Sharing of the New Medium-Term Management Plan Part 5 and the direction to follow (ROE management, enhancement of consciousness of capital cost, requirements of the market for NH Foods Ltd. upon the formulation of the corporate governance code) • Sharing of the policy, issues and planned activities by business division for the year starting from April 1, 2015

(TRANSLATION)

The Corporate Value Evaluation Committee, from the perspective of securing and enhancing the corporate value of the Group and the common interests of the shareholders, provides beneficial considerations and recommendations with regard to the ideal form of the Defense Plan of NH Foods Ltd. and the enhancement of its corporate value. At the meetings of the Corporate Value Evaluation Committee held under the Year 2014 Plan, each member offered various opinions in a broad context on its corporate governance system, business strategies, financing and capital strategies, quality assurance system, overseas human resources development and others. One of its suggestions was as follows: For Abusive Purchasers, idle assets or unprofitable sectors of their target companies are most likely to be capitalized on. Hence, from the standpoint of preventing the emergence of Abusive Purchasers, it is effective to make it clear at ordinary times that NH Foods Ltd. is implementing measures for growth, as well as adequate rationalization measures as the necessity arises. NH Foods Ltd., which has placed emphasis on strengthening corporate governance, must incessantly excel in corporate governance among companies in general after the corporate governance code becomes applicable. For that purpose, it is advisable that any Outside Director should act as chairman of the Board of Directors or should be selected from among persons having experience in management. Thus, NH Foods Ltd. has started to make investigations as to the diversity of the Board of Directors of NH Foods Ltd. and the matters required in making such change.

- END -

(TRANSLATION)
(Attached document)

BUSINESS REPORT

(For the period from April 1, 2014 to March 31, 2015)

1. Matters concerning the situations of the Group (NH Foods Ltd. and its subsidiaries):

(1) Business trends and achievements:

The Japanese economy showed signs of a moderate recovery trend due in part to the effects of the government's economic measures. However, consumer spending experienced a delay in recovery in reaction to last-minute demand prior to the increase in consumption tax in April 2014 and due to unseasonable weather during summer.

Market prices of domestically produced pork and chicken were higher than a year earlier. Market prices of imported fresh meats also rose from the previous fiscal year. However, the prices of raw materials, supplies and fuels soared, feed prices remained high, and sales competition intensified. As a result of these factors, the business climate continued to be extremely harsh.

Against this backdrop, under the "New Medium-Term Management Plan Part 4," which was launched in April 2012, the Group undertook business activities based on three management policies: "Brush up the concept of Management for No. 1 Quality," "Allocate management resources in prioritized areas," and "Enhance the Group brand value" to carry out its objectives of "Improve the profitability of domestic operations and reinforce the foundation of overseas operations." Specific initiatives included reinforcing farm businesses, developing new products and expanding their sales in Japan, while overseas, establishing sales offices in Brazil and Hong Kong and participating in Paris Food Exhibition, as well as deciding to invest in a major Turkish chicken company in December 2014. The Group also continued with structural reform to strengthen its cost competitiveness, and revised some of the prices of hams and sausages, and processed foods from July 2014 to address a sharp rise in raw material costs. From August to September 2014, the Group held the Nipponham Group Fair at supermarkets and stores and aired TV commercials in an effort to increase recognition of the Group and expand sales. Under the management policy of "Enhance the Group brand value," the Group and NH Foods Ltd. changed the Group brand logo and the corporate brand logo, respectively, in April 2014 to pursue brand management as part of its global strategy. With approval at the 69th Ordinary General Meeting of Shareholders held on June 26, 2014, NH Foods Ltd. also changed its English corporate name from "Nippon Meat Packers, Inc." to "NH Foods Ltd." on the same day.

As a result of these actions, for the year ended March 31, 2015, consolidated net sales amounted to ¥1,212,802 million, increasing 8.1% from the previous year. Operating income rose 35.7%, to ¥48,444 million. Income before income taxes and equity in earnings (losses) of associated companies increased 26.2%, to ¥44,544 million, and net income attributable to NH Foods Ltd. rose 26.6%, to ¥31,048 million.

(Note) Operating income was calculated by deducting cost of goods sold and selling, general and administrative expenses from net sales, in accordance with the Japanese accounting practices.

(TRANSLATION)

The overview of operating results by operating segment is as follows:

Processed Foods Business Division

In the hams and sausages division, the division conducted combined sales promotion through tie-up stores and participation in hands-on pavilions, along with running TV commercials and conducting in-store sales promotion for *SCHAU ESSEN*, which recently celebrated the 30th anniversary of its sales launch, thereby substantially boosting sales. Also, in the year-end gift-giving season, the division actively conducted in-store sales promotion by taking initiatives such as running TV commercials for the flagship *Utsukushi-no-Kuni* gift product. As a result, overall sales increased from the previous fiscal year.

In the processed foods division, the division's sales declined from the previous fiscal year due in part to intensified competition in commercial-use products, even though new products in the chilled pouch-packed prepared foods category showed a strong performance, and *Ishigama Kobo*, the bestselling product in its category, and *Chuka Meisai*, for which TV commercials were aired, showed a recovery in sales from the second half.

The division's earnings declined from the previous fiscal year, reflecting the effects of higher costs of raw materials, supplies and fuels than forecasted, despite progress in the price revision made in July and cost reductions.

As a result of these factors, segment sales increased 2.3%, to ¥359,988 million, and operating income decreased 68.2%, to ¥2,064 million.

Fresh Meats Business Division

The sales volume of domestically produced chicken, whose upstream production businesses were strengthened, increased steadily. Overall sales rose significantly from the previous fiscal year, owing to an increase in fresh meat prices and other factors. The division also strengthened its efforts to increase sales of branded fresh meats, such as sales of farm-fresh packs of *Sakurahime*. There was a supply shortage of domestically produced pork in the entire market due to the effects of porcine epidemic diarrhea (PED), which led to a decrease in sales volume.

In imported fresh meats, the division focused on sales of branded beef produced in Australia, such as *Whyalleaf* and *Omugi-Gyu*, as well as sales of *Germany Pork* and *Dolce Porco*, pork produced in Italy. However, sales volume decreased due in part to the effects of a decrease in import volume of beef and pork produced in the United States, reflecting the effects of the long-drawn-out labor-management negotiations of U.S. West Coast ports, which commenced in October 2014.

The earnings of the domestic production businesses improved from the previous fiscal year, thanks to the rise in fresh meat prices and the improvement of productivity, even though crude oil prices and feed prices, which affect domestic production costs, remained high partly owing to the effects of foreign exchange. In overseas businesses, earnings of Australian businesses substantially increased due to initiatives focused on sales in each country.

As a result, the division's sales increased 11.0%, to ¥850,759 million, and operating income increased 68.6%, to ¥45,208 million.

(TRANSLATION)

Affiliated Business Division

In its marine products division, sales were on the same level as the previous fiscal year, thanks to factors such as increases in raw material exports and sales of processed marine products, despite a decrease in sales to restaurants due to a rise in prices reflecting high raw material costs and the effects of foreign exchange.

In dairy products, sales of yogurt and lactic acid bacteria beverages increased from the previous fiscal year, owing to the strengthening of sales of the core offering *Vanilla Yogurt*, the introduction of new products, and an increase in yogurt beverage items for CVS channels. Sales of cheese also increased from the previous fiscal year as a result of growth of consumer channels for which efforts had been stepped up, despite struggling sales for restaurant channels and food producers resulting from a rise in unit sales prices reflecting high raw materials costs and the effects of foreign exchange.

Earnings from marine products were lower than the previous fiscal year, reflecting a decrease in gross profit due to lower sales volume of the mainstay marine products such as shrimps and salmon than the previous fiscal year. Earnings from dairy products declined from the previous fiscal year because of lower earnings from cheese due to a surge in raw material costs resulting in lower demand, despite higher earnings from yogurt and lactic acid bacteria beverage products as a result of the sharp increase in sales volume offsetting high costs of raw materials such as powdered milk.

As a result, the division's sales increased 4.7%, to ¥155,164 million, and operating income decreased 71.2%, to ¥287 million.

(TRANSLATION)

(2) Net sales of the Group by operating segment:

Category	Amount	Year on year	Component ratio
Processed Foods Business Division	(millions of yen) 359,988	(%) 102.3	(%) 29.7
Fresh Meats Business Division	850,759	111.0	70.1
Affiliated Business Division	155,164	104.7	12.8
Eliminations, adjustments and others	(153,109)	105.9	(12.6)
Total	1,212,802	108.1	100.0

(For reference) Net sales by product category:

Category	Amount	Year on year	Component ratio
	(millions of yen)	(%)	(%)
Hams and sausages	150,103	104.6	12.4
Processed foods	212,413	102.1	17.5
Fresh meats	691,072	111.6	57.0
Marine products	94,396	102.8	7.8
Dairy products	28,564	108.8	2.3
Others	36,254	109.4	3.0
Total	1,212,802	108.1	100.0

(3) State of capital expenditures:

The Group has created an integrated production system that covers all aspects of its operations—from production and farming through to processing, manufacture, distribution, and sales—and invests in fixed assets as necessary to enhance, rationalize, and strengthen this system. These investments totaled ¥35.7 billion (including software) during the year ended March 31, 2015. The principal applications of these investments are described below.

The Processed Foods Business Division allocated around ¥15.4 billion in capital expenditures mainly to expand and upgrade production facilities for hams and sausages, and processed foods, focusing on Nipponham Factory Ltd. and Premium Kitchen Co. Ltd. among others.

Capital expenditures by the Fresh Meats Business Division totaled around ¥12.0 billion. This spending included about ¥4.7 billion by Nippon White Farm Co., Ltd., Interfarm Co., Ltd. and other subsidiaries to upgrade and refurbish breeding facilities, and around ¥2.6 billion by Kanto Nippon Food, Inc., Nishi Nippon Food, Inc. and other subsidiaries to improve sales facilities. Nippon Food Packer, Inc. and other subsidiaries used about ¥3.9 billion to upgrade processing and packing facilities.

(TRANSLATION)

In the Affiliated Business Division, around ¥6.8 billion was used mainly to upgrade production and sales facilities for marine and dairy products at Hoko Co., Ltd., Nippon Luna, Inc. and other subsidiaries.

(4) State of financing:

There are no material facts to report.

(TRANSLATION)

(5) Changes in the state of property and income and loss:

(in millions of yen, except where noted)

Category	67th (from April 1, 2011 to March 31, 2012)	68th (from April 1, 2012 to March 31, 2013)	69th (from April 1, 2013 to March 31, 2014)	70th (from April 1, 2014 to March 31, 2015)
Net sales	1,017,784	1,022,839	1,122,097	1,212,802
Income before income taxes and equity in earnings (losses) of associated companies	26,766	28,031	35,303	44,544
Net income attributable to NH Foods Ltd.	11,655	16,459	24,524	31,048
Basic earnings per share attributable to NH Foods Ltd. shareholders (yen)	54.79	79.42	122.11	152.43
Diluted earnings per share attributable to NH Foods Ltd. shareholders (yen)	49.40	71.44	110.92	143.11
Total assets	589,125	610,293	627,220	661,567
Total NH Foods Ltd. shareholders' equity	290,020	293,414	320,984	353,664
Total NH Foods Ltd. shareholders' equity per share (yen)	1,363.34	1,474.60	1,575.97	1,736.18

- (Notes) 1. NH Foods Ltd. prepares its consolidated financial statements based on the accounting principles generally accepted in the United States of America.
2. "Basic earnings per share attributable to NH Foods Ltd. shareholders" is computed on the basis of the weighted-average number of common shares outstanding during the year. "Diluted earnings per share attributable to NH Foods Ltd. shareholders" is computed on the basis of the sum of the weighted-average number of common shares outstanding plus the dilutive effect of shares issuable through stock options and convertible bonds. "Total NH Foods Ltd. shareholders' equity per share" are calculated on the basis of the total number of common shares outstanding as at end of the year. The weighted-average number of common shares outstanding during the year and the total number of common shares outstanding as at end of the year are calculated by excluding the number of shares of treasury stock.

(TRANSLATION)

(6) Main businesses (as of March 31, 2015):

Category	Business
Hams and sausages	Production and sales of hams and sausages (pork loin hams, boneless hams, bacons, pressed hams, wiener sausages)
Processed foods	Production and sales of processed foods (hamburgers, meatballs, Chinese delicatessen, nuggets, etc.)
Fresh meats	Production and breeding of livestock, and processing, import and sales of fresh meats
Marine products	Production and sales of processed marine products
Dairy products	Production and sales of yogurts, cheese, etc.
Others	Cold and freezing warehouse business and transportation business

(TRANSLATION)

(7) Main business offices and factories (as of March 31, 2015):

Head office of NH Foods Ltd.	4-9, Umeda 2-chome, Kita-ku, Osaka
Branch office of NH Foods Ltd.	1-1, Osaki 2-chome, Shinagawa-ku, Tokyo
Laboratory	Research & Development Center (Ibaraki)
Production sites of NH Foods Ltd.	Isahaya Plant (Nagasaki)
Other domestic production sites	Nippon White Farm Co., Ltd. (Aomori), Interfarm Co., Ltd. (Aomori), Nipponham Processed Foods Ltd. (Mie), Nipponham Factory Ltd. (Shizuoka), Nipponham Delicatessen Ltd. (Niigata), Nippon Food Packer, Inc. (Aomori), Nipponham Southwest Ltd. (Miyazaki), Nipponham Northeast Ltd. (Yamagata), Nipponham Hokkaido Factory Ltd. (Hokkaido)
Other domestic production and sales sites	Hoko Co., Ltd. (Tokyo), The Marine Foods Corporation (Tokyo), Nippon Pure Food, Inc. (Tokyo), Nippon Luna, Inc. (Kyoto)
Domestic sales sites of NH Foods Ltd.	Tokyo, Nagoya, Osaka
Other domestic sales sites	Nippon Logistics Group, Inc. (Kanagawa), Nishi Nippon Food, Inc. (Fukuoka), Higashi Nippon Food, Inc. (Hokkaido), Kanto Nippon Food, Inc. (Tokyo), Naka Nippon Food, Inc. (Osaka), Nipponham East Sales Ltd. (Tokyo), Nipponham West Sales Ltd. (Osaka), Nipponham Hokkaido Sales Ltd. (Hokkaido), Japan Food Corporation (Tokyo)
Overseas production sites	Texas Farm, LLC (U.S.A.), Whyalla Beef Pty. Ltd. (Australia), Oakey Beef Exports Pty. Ltd. (Australia), Thomas Borthwick & Sons (Australia) Pty. Ltd. (Australia), Thai Nippon Foods Co., Ltd. (Thailand)
Overseas sales sites	NH Foods Australia Pty. Ltd. (Australia), Day-Lee Foods, Inc. (U.S.A.)

(Note) Overseas production sites and overseas sales sites which have changed their corporate names are as follows.

Previous corporate name	Current corporate name	Date of change
Oakey Holdings Pty. Ltd.	Whyalla Beef Pty. Ltd.	May 2014
Oakey Abattoir Pty. Ltd.	Oakey Beef Exports Pty. Ltd.	May 2014
Nippon Meat Packers Australia Pty. Ltd.	NH Foods Australia Pty. Ltd.	May 2014

(TRANSLATION)

(8) State of employees (as of March 31, 2015):

Number of employees		Increase or decrease from the end of the previous fiscal year
Processed Foods Business Division	5,343	-284
Fresh Meats Business Division	7,720	+349
Affiliated Business Division	1,772	+7
Group-wide (common)	865	+24
Total	15,700	+96

- (Notes) 1. The number of employees represents the number of those actually at work (such number excludes employees of the Group seconded to any non-group company, but includes employees of any non-group company seconded to the Group).
2. The number of employees does not represent temporary employees (12,545 employees on average during the period).
3. The number of employees (representing the number of those actually at work) of NH Foods Ltd. was 1,465, an increase of 24 from March 31, 2014.

(TRANSLATION)

(9) Important subsidiaries, etc. (as of March 31, 2015):

(i) Important subsidiaries

Company	Capital	Ratio of voting rights held by NH Foods Ltd.	Main business
NH Foods Australia Pty. Ltd.	A\$106,500,000	100.0%	Sales of fresh meats and others
Hoko Co., Ltd.	¥3,040 million	100.0%	Production and sales of processed marine products, canned foods, and dairy products
Day-Lee Foods, Inc.	US\$17,320,000	100.0%	Sales of fresh meats and others, and production and sales of processed foods
Nippon White Farm Co., Ltd.	¥1,560 million	100.0%	Farming and breeding, and packing of livestock
Interfarm Co., Ltd.	¥1,301 million	100.0%	Farming and breeding of livestock
The Marine Foods Corporation	¥1,133 million	100.0%	Production and sales of processed marine products
Nipponham Processed Foods Ltd.	¥1,000 million	100.0%	Production of processed foods
Nipponham Factory Ltd.	¥1,000 million	100.0%	Production of hams and sausages
Nipponham Delicatessen Ltd.	¥489 million	100.0%	Production of processed foods
Nippon Logistics Group, Inc.	¥480 million	100.0%	Cold and freezing warehouse business and transportation business
Nishi Nippon Food, Inc.	¥480 million	100.0%	Sales of fresh meats and others
Nippon Food Packer, Inc.	¥470 million	100.0%	Processing, packing and sales of livestock
Higashi Nippon Food, Inc.	¥450 million	100.0%	Sales of fresh meats and others
Kanto Nippon Food, Inc.	¥450 million	100.0%	Sales of fresh meats and others
Naka Nippon Food, Inc.	¥450 million	100.0%	Sales of fresh meats and others
Nippon Pure Food, Inc.	¥410 million	100.0%	Processing and sales of livestock
Nipponham Southwest Ltd.	¥360 million	100.0%	Production of hams and sausages, and processed foods
Nipponham East Sales Ltd.	¥141 million	100.0%	Sales of hams and sausages, and processed foods
Nipponham West Sales Ltd.	¥88 million	100.0%	Sales of hams and sausages, and processed foods

(TRANSLATION)

Company	Capital	Ratio of voting rights held by NH Foods Ltd.	Main business
Japan Food Corporation	¥40 million	100.0%	Import and sales of fresh meats and others
Nippon Luna, Inc.	¥397 million	97.1%	Production and sales of lactic acid probiotic beverages

- (Notes) 1. The ratio of voting rights held by NH Foods Ltd. in Nippon Logistics Group, Inc., and Nippon Pure Food, Inc., include the ratio of 55.0% and 58.5%, respectively, held indirectly through its subsidiaries.
2. “Nippon Meat Packers Australia Pty. Ltd.” changed its corporate name to “NH Foods Australia Pty. Ltd.” in May 2014.

(ii) Results of business combinations

The number of consolidated subsidiaries totaled 86 (including the 21 important subsidiaries stated above), as three companies were excluded due to mergers and dissolutions. The number of associates as to investment for which the equity method of accounting has been carried out totaled five.

(10) Main lenders (as of March 31, 2015):

Lender	Amount of loan outstanding
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥16,399 million
Sumitomo Mitsui Banking Corporation	¥14,572 million
The Hyakujushi Bank, Ltd.	¥9,789 million
The Norinchukin Bank	¥4,704 million

(11) Issues to be addressed:

“New Medium-Term Management Plan Part 5” (From April 1, 2015 to March 31, 2018)

Theme: “Creating a stable business model through reform”

Management policies: “Establish competitive advantages of domestic businesses”

“Accelerate to a global company”

Targeted values for the final year of the Plan:

Consolidated net sales:	¥1,300.0 billion
Operating income:	¥52.0 billion
Operating income ratio:	4.0%
Return on Equity (ROE):	8.0% or higher

(TRANSLATION)

Although the harsh business climate is expected to continue in the future, the Group will push ahead with the “New Medium-Term Management Plan Part 5,” launched in April 2015, with the theme of “Creating a stable business model through reform” and management policies: “Establish competitive advantages of domestic businesses” and “Accelerate to a global company.”

In the Processed Foods Business Division, the costs of raw and other materials are expected to continue surging. Although consumption is gradually showing some signs of recovery, the business climate will likely remain harsh as consumption polarizes and price competition intensifies. As such, our production and marketing operations will collaborate in pursuing growth strategies and efficiency-enhancing strategies. Our growth strategies will be to pursue the category leader strategy by enhancing the power of the brand and to strengthen individual strategies for consumer, commercial areas and frozen foods by enhancing marketing capabilities, with a view to securing dominant market share and high profitability. We will also propose new value to create new markets based on quality deserving customers’ support and through product development from customer perspectives. Strategies to enhance efficiency will center on enhancing cost competitiveness through the installation of high-productivity lines and other strategic capital expenditures, and the visualization of the earnings structure by product.

The Fresh Meats Business Division expects the business climate to remain harsh due to fluctuations in fresh meat and grain prices and rapid changes in supply and demand trends on a global scale. In this business climate, the division will further strengthen its unique integrated production system, which covers its farms through to its sales companies, while further expanding its share of domestic sales by enhancing branded fresh meats. The division will also strengthen the supply and sales system with an eye to future changes such as TPP and FTA.

The Affiliated Business Division will reinforce production and marketing capabilities in the marine products and dairy products businesses to expand the domestic business scale. In manufacturing, the division will aggressively make capital expenditures and improve “quality” and “efficiency,” as well as strengthen raw material procurement in an effort to increase and stabilize profitability. On the marketing front, the division will enhance added value of products by reinforcing customer-oriented marketing and development capabilities with focus on in-house products. Also, by leveraging group synergy, the division will promote recognition of the brand.

In overseas operations which have been a challenge, the division changes its mindset from “bases for supply to Japan” to “sales throughout the world” and will work to expand new bases and overseas sales.

As described above, the environment surrounding the Group is very harsh with many accumulated issues. However, the Group will make a unified effort to implement the management policies and management strategies under the theme of “Creating a stable business model through reform” set out in the “New Medium-Term Management Plan Part 5.” We sincerely hope that the shareholders will give us further support and encouragement.

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2. Matters concerning the shares (as of March 31, 2015):

(1) Total number of issuable shares: 570,000,000 shares

(2) Total number of issued shares:
(including 298,412 shares of treasury stock) 204,000,000 shares

(Note) The number of issued shares has decreased by 24,445,350 shares from the end of the previous fiscal year due to a cancellation of shares of treasury stock conducted on May 30, 2014.

(3) Number of shareholders: 10,367

(4) State of major shareholders:

Name of shareholder	Number of shares held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	16,126	7.92
Japan Trustee Service Bank, Ltd. (Trust account)	11,827	5.81
The Hyakujushi Bank, Ltd.	7,537	3.70
Meiji Yasuda Life Insurance Company	7,354	3.61
The Norinchukin Bank	5,926	2.91
Nippon Life Insurance Company	5,570	2.73
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,494	2.70
Sumitomo Mitsui Banking Corporation	4,650	2.28
BNP Paribas Securities (Japan) Limited	3,726	1.83
Sompo Japan Nipponkoa Insurance Inc.	3,493	1.71

- (Notes)
1. The shareholding ratios are calculated by disregarding the number of shares of treasury stock.
 2. NIPPON KOA Insurance Company, Ltd. merged with Sompo Japan Insurance Inc. on September 1, 2014 and became Sompo Japan Nipponkoa Insurance Inc.

(TRANSLATION)

3. Matters concerning the stock acquisition rights:

Stock acquisition rights held by the Officers of NH Foods Ltd. as of March 31, 2015:

- (i) Number of stock acquisition rights: 89 rights
- (ii) Class and number of shares to be issued or transferred upon exercise of stock acquisition rights: 89,000 shares of common stock
(1,000 shares per stock acquisition right)
- (iii) Total number of stock acquisition rights held by Directors and Audit & Supervisory Board Members:

Category	Description	Exercise period	Exercise price	Number of rights	Number of holders
Director	The first stock acquisition rights (Stock acquisition rights in 2004)	July 13, 2004 to June 30, 2024	¥1 per share	15	4
	The second stock acquisition rights (Stock acquisition rights in 2005)	July 12, 2005 to June 30, 2025	¥1 per share	16	4
	The third stock acquisition rights (Stock acquisition rights in 2006)	August 9, 2006 to June 30, 2026	¥1 per share	19	4
	The fourth stock acquisition rights (Stock acquisition rights in 2007)	July 27, 2007 to June 30, 2027	¥1 per share	28	4
Audit & Supervisory Board Member	The first stock acquisition rights (Stock acquisition rights in 2004)	July 13, 2004 to June 30, 2024	¥1 per share	3	1
	The second stock acquisition rights (Stock acquisition rights in 2005)	July 12, 2005 to June 30, 2025	¥1 per share	2	1
	The third stock acquisition rights (Stock acquisition rights in 2006)	August 9, 2006 to June 30, 2026	¥1 per share	3	1
	The fourth stock acquisition rights (Stock acquisition rights in 2007)	July 27, 2007 to June 30, 2027	¥1 per share	3	1

(Note) At the meeting of the Board of Directors held on May 9, 2008, NH Foods Ltd. abolished the “stock-compensation-type stock option plan” except for the stock options granted on or before the year ended March 31, 2008.

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4. Matters concerning the Officers of NH Foods Ltd.:

(1) Names of Directors and Audit & Supervisory Board Members, etc. (as of March 31, 2015):

Title	Name	Assignment and concurrent holding of important offices
Chairman and Representative Director	Hiroshi Kobayashi	
President and Representative Director	Noboru Takezoe	
Director and Senior Managing Executive Officer	Hiroji Okoso	In charge of Quality Assurance Department and Customer Communication Department, and General Manager of Tokyo Branch Office
Director and Senior Managing Executive Officer	Koji Uchida	General Manager of Processed Foods Business Division, Sales & Marketing Division, and Food Services Division
Director and Senior Managing Executive Officer	Juichi Suezawa	General Manager of Fresh Meats Business Division
Director and Managing Executive Officer	Yoshihide Hata	General Manager of Corporate Management Division, in charge of Accounting & Finance Department and IT Strategy Department
Director and Executive Officer	Koji Kawamura	General Manager of Affiliated Businesses Division
Director	Toshiko Katayama	Attorney at law of Katayama and Hiraizumi Law Office Vice Chairperson of Kansai Consumer's Support Organization Auditor of Sumitomo Life Welfare and Culture Foundation Auditor of National Cerebral and Cardiovascular Center
Director	Iwao Taka	Professor of Faculty of Economics, Reitaku University Professor of School of Economics, Graduate School, Reitaku University
Full-time Audit & Supervisory Board Member	Hiroshi Itagaki	
Full-time Audit & Supervisory Board Member	Katsutoshi Nishio	

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Title	Name	Assignment and concurrent holding of important offices
Audit & Supervisory Board Member	Fumio Motoi	Attorney at law of Midosuji Legal Profession Corporation Outside Auditor of Chugai Ro Co., Ltd. Auditor of Rohm Music Foundation Outside Auditor of Escrow Agent Japan, Inc. Auditor of Osaka Dental University
Audit & Supervisory Board Member	Akira Otsuka	Attorney at law of Kobe Kyoruchi Law Firm Maritime Counselor Maritime Arbitrator of The Japan Shipping Exchange, Inc. Kobe City Education Board Member Professor of Kobe Gakuin University, Graduate School of Law Practices Outside Auditor of Kobe Port Terminal Corporation Reserve Auditor of Noritz Corporation
Audit & Supervisory Board Member	Tamio Morimoto	Certified Public Accountant

- (Notes)
1. Directors Ms. Toshiko Katayama and Mr. Iwao Taka are Outside Directors.
 2. Audit & Supervisory Board Members Messrs. Fumio Motoi, Akira Otsuka, and Tamio Morimoto are Outside Audit & Supervisory Board Members.
 3. NH Foods Ltd. has designated Outside Directors, Ms. Toshiko Katayama and Mr. Iwao Taka, and Outside Audit & Supervisory Board Members Messrs. Fumio Motoi, Akira Otsuka, and Tamio Morimoto, independent officers as stipulated by Tokyo Stock Exchange, Inc., and has filed notices thereof to the Exchange. NH Foods Ltd. has dealings with the Midosuji Legal Profession Corporation, to which Mr. Motoi belongs, which consists of an yearly retainer fee of ¥1.8 million paid for serving as the outside compliance consultation desk for the Group's employees. However, in light of the fact that such dealings are being made for the purpose of promoting the Group's compliance and are insignificant in amount, NH Foods Ltd. has determined that such dealings will not impact the officer's independence and that Mr. Motoi is capable of appropriately executing his duties as Outside Audit & Supervisory Board Member and independent officer. NH Foods Ltd. has determined that all Outside Officers are independent of NH Foods Ltd., as a result of checking them against the "Criteria on Independence of Outside Officers" described on page 15.
 4. The National Cerebral and Cardiovascular Center, Independent Administrative Agency, where Director Ms. Toshiko Katayama concurrently holds a position, became the National Cerebral and Cardiovascular Center, National Research and Development Agency, effective April 1, 2015.
 5. Audit & Supervisory Board Member Mr. Katsutoshi Nishio has abundant experience in NH Foods Ltd.'s accounting division, and has considerable knowledge of finance and accounting.
 6. Audit & Supervisory Board Member Mr. Tamio Morimoto, who is qualified as a certified

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public accountant, has considerable knowledge of financing and accounting.

7. The following changes were made to Directors during the year ended march 31, 2015.

(1) Appointment

Mr. Takahiko Shinohara took office upon being elected Director at the 69th Ordinary General Meeting of Shareholders held on June 26, 2014.

(2) Retirement

1) Mr. Kazuhiro Tsujimoto retired from the office of Director at the conclusion of the 69th Ordinary General Meeting of Shareholders held on June 26, 2014.

2) Mr. Takahiko Shinohara, Director, passed away on December 25, 2014.

(3) Changes in the assignment of Directors

Name	Prior to change	After change	Date of change
Takahiko Shinohara	Director and Executive Officer, and General Manager of Sales & Marketing Division, Processed Foods Business Division	Director and Executive Officer, and General Manager of Sales & Marketing Division, Processed Foods Business Division, and General Manager of Food Services Division	December 12, 2014
Koji Uchida	Director and Senior Managing Executive Officer, and General Manager of Processed Foods Business Division	Director and Senior Managing Executive Officer, and General Manager of Processed Foods Business Division, Sales & Marketing Division, and Food Services Division	December 26, 2014

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(Reference)

Names of Directors and Audit & Supervisory Board Members, etc. (as of April 1, 2015):

Title	Name	Assignment and concurrent holding of important offices
President and Representative Director (President and CEO)	Juichi Suezawa	
Vice President and Representative Director (Executive Vice President)	Yoshihide Hata	General Manager of Corporate Management Division
Representative Director and Senior Managing Executive Officer	Koji Kawamura	General Manager of Processed Foods Business Division
Director and Senior Managing Executive Officer	Hiroji Okoso	In charge of Quality Assurance Department and Customer Service Department , and General Manager of Tokyo Branch Office
Director	Hiroshi Kobayashi	
Director	Noboru Takezoe	
Director	Koji Uchida	
Director	Toshiko Katayama	Attorney at law of Katayama and Hiraizumi Law Office Vice Chairperson of Kansai Consumer's Support Organization Auditor of Sumitomo Life Welfare and Culture Foundation Auditor of National Cerebral and Cardiovascular Center
Director	Iwao Taka	Professor of Faculty of Economics, Reitaku University Professor of School of Economics, Graduate School, Reitaku University
Full-time Audit & Supervisory Board Member	Hiroshi Itagaki	
Full-time Audit & Supervisory Board Member	Katsutoshi Nishio	

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Title	Name	Assignment and concurrent holding of important offices
Audit & Supervisory Board Member	Fumio Motoi	Attorney at law of Midosuji Legal Profession Corporation Outside Auditor of Chugai Ro Co., Ltd. Auditor of Rohm Music Foundation Outside Auditor of Escrow Agent Japan, Inc. Auditor of Osaka Dental University
Audit & Supervisory Board Member	Akira Otsuka	Attorney at law of Kobe Kyoruchi Law Firm Maritime Counselor Maritime Arbitrator of The Japan Shipping Exchange, Inc. Kobe City Education Board Member Outside Auditor of Kobe Port Terminal Corporation Reserve Auditor of Noritz Corporation
Audit & Supervisory Board Member	Tamio Morimoto	Certified Public Accountant

(Executive Officers who are not concurrently serving as Directors)

Title	Name	Assignment and concurrent holding of important offices
Senior Managing Executive Officer	Katsumi Inoue	General Manager of Fresh Meats Business Division
Managing Executive Officer	Shunichi Ogata	General Manager of Quality Assurance Department and General Manager of Customer Service Department
Managing Executive Officer	Sadanori Miyagai	In charge of General Affairs Department, Human Resources Department, Legal Affairs Department, and Engineering Department, Corporate Management Division
Executive Officer	Takahito Okoso	In charge of Audit Department
Executive Officer	Kazunori Shinohara	General Manager of Affiliated Business Division
Executive Officer	Kanji Bando	General Manager of Overseas Fresh Meats Operations Division, Fresh Meats Business Division
Executive Officer	Tetsuhiro Kito	General Manager of Sales & Marketing Division, Processed Foods Business Division

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Title	Name	Assignment and concurrent holding of important offices
Executive Officer	Kazuhiro Mikuni	General Manager of Deli & Processed Foods Division, and General Manager of Product Planning Office, Processed Foods Business Division
Executive Officer	Hajime Takamatsu	General Manager of Corporate Planning Department, in charge of CSR Department and IT Strategy Department, Corporate Management Division, and in charge of Research & Development Center
Executive Officer	Koichi Oyama	General Manager of Administrative Division, Processed Foods Business Division
Executive Officer	Hiroyuki Yano	General Manager of Domestic Fresh Meats Production Division, Fresh Meats Business Division
Executive Officer	Shuji Okoso	General Manager of Hams & Sausages Division, Processed Foods Business Division
Executive Officer	Sadakazu Ogawa	General Manager of Sales & Logistics Operations Division, Fresh Meats Business Division
Executive Officer	Fumio Maeda	General Manager of Domestic Fresh Meats Sales Division, Fresh Meats Business Division
Executive Officer	Masahito Kataoka	General Manager of Accounting & Finance Department, Corporate Management Division
Executive Officer	Hideki Fujii	General Manager of Overseas Business Strategy Department, Corporate Management Division
Executive Officer	Keiji Maeda	General Manager of General Merchandising Division, Sales & Marketing Division, Processed Foods Business Division
Executive Officer	Shigeru Nakajima	General Manager of Public & Investor Relations Department, and in charge of Corporate Communications Office, Corporate Management Division
Executive Officer	Nobuo Oda	General Manager of Administrative Division, and General Manager of Business Planning Office and General Manager of Research and Examination Office, Fresh Meats Business Division
Executive Officer	Tadaaki Ito	General Manager of Imported Fresh Meats Sales Division, Fresh Meats Business Division
Executive Officer	Nobuhisa Ikawa	General Manager of Food Services Division, Sales & Marketing Division, Processed Foods Business Division
Executive Officer	Kuniharu Hirai	General Manager of Compliance Department

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(2) Compensation, etc., of Directors and Audit & Supervisory Board Members:

(i) Policy of determination of the compensation, etc., and the method of calculation thereof:

Basic policy on Director and Audit & Supervisory Board Member compensation

NH Foods Ltd. maintains a very transparent, just, and rational compensation system that is designed to attract talented executives who can optimize corporate value in performing their duties as directors and Audit & Supervisory Board Member.

NH Foods Ltd. ensures that directors' and Audit & Supervisory Board Members' compensations are indeed transparent, just, and rational by having the Compensation Committee, where Outside Director acts as chairman, deliberate on these matters, with the final decision made by the Board of Directors.

Summary of compensation of the Directors:

1. Compensation of each Director shall be a standard pay determined based on his/her position, plus stock acquisition-based compensation. No retirement gratuity shall be paid.

(1) The standard pay shall comprise a basic compensation and performance-based compensation. The basic compensation and the performance-based compensation make up 80% and 20%, respectively, of the standard pay. The performance-based compensation is set in the range of 0-40% according to the annual business performance and individually established goal attainment level.

(2) The stock acquisition-based compensation intended to reflect medium and long term business performance is a monthly fixed amount. Each Director will acquire shares of NH Foods Ltd. for such fixed amount (through the officers' stock ownership plan). Such shares shall be not transferred while he/she remains in office and for one year after his/her retirement from office.

2. Compensation of each Outside Director shall be a basic compensation only in consideration of his/her role. No retirement gratuity or stock acquisition-based compensation shall be paid.

Summary of compensation of the Audit & Supervisory Board Members:

Compensation of each Audit & Supervisory Board Member shall be a basic compensation only in consideration of his/her role. No retirement gratuity or stock acquisition-based compensation shall be paid.

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- (ii) Aggregate amount of compensation, etc., of Directors and Audit & Supervisory Board Members:

	Standard pay		Stock acquisition-based compensation	Total
	Basic compensation	Performance-based compensation		
11 Directors	¥227 million	¥61 million	¥54 million	¥343 million
(2 Outside Directors)	(¥17 million)			(¥17 million)
5 Audit & Supervisory Board Members	¥73 million			¥73 million
(3 Outside Audit & Supervisory Board Members)	(¥25 million)			(¥25 million)
Total	¥300 million	¥61 million	¥54 million	¥416 million (¥42 million)

- (Notes)
1. The aggregate amount of compensation, etc. includes the compensation of one Director who retired at the conclusion of the 69th Ordinary General Meeting of Shareholders held on June 26, 2014 and one Director who retired as of December 25 of the same year.
 2. The maximum amounts of compensation of Directors and Audit & Supervisory Board Members are ¥42 million per month for Directors (as resolved at the Ordinary General Meeting of Shareholders held on June 27, 1996) and ¥8 million per month for Audit & Supervisory Board Members (as resolved at the Ordinary General Meeting of Shareholders held on June 26, 1998), respectively.

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(3) Matters concerning the Outside Officers:

(i) Major activities during the year ended March 31, 2015:

Category	Name	Number of meetings of the Board of Directors attended (Number of meetings attended/number of meetings held)	Number of meetings of the Audit & Supervisory Board attended (Number of meetings attended/number of meetings held)	Opinions expressed
Director	Toshiko Katayama	19/19	-	Ms. Katayama, from time to time, expressed opinions on management in compliance with laws and the promotion of the consumer-oriented “Management for No. 1 Quality” from her professional standpoint as an attorney and particularly from her abundant experience knowledge of consumer affairs. She also served as chairman of the Compensation Committee, a member of the Executive Appointments Committee, and a member of the Compliance Committee.
	Iwao Taka	19/19	-	Mr. Taka, from time to time, expressed his opinions on management in general toward the promotion of sound and efficient management, from his professional standpoint as a university professor specializing in corporate ethics and CSR, as well as his broad knowledge of international economics. He also served as chairman of the Executive Appointments Committee, a member of the Compensation Committee, and a member of the Corporate Value Evaluation Committee.
Audit & Supervisory Board Member	Fumio Motoi	19/19	15/15	Mr. Motoi, from time to time, expressed his opinions toward ensuring the legality and appropriateness of group management from his professional standpoint as an attorney at law and abundant experience with fairness and objectivity.

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Category	Name	Number of meetings of the Board of Directors attended (Number of meetings attended/number of meetings held)	Number of meetings of the Audit & Supervisory Board attended (Number of meetings attended/number of meetings held)	Opinions expressed
Audit & Supervisory Board Member	Akira Otsuka	19/19	15/15	Mr. Otsuka, from time to time, expressed his opinions toward ensuring the legality and appropriateness of group management from his professional standpoint as an attorney at law and abundant experience with fairness and objectivity.
	Tamio Morimoto	19/19	15/15	Mr. Morimoto, from time to time, expressed his opinions on financial accounting as well as management in general from his professional standpoint as a certified public accountant and his abundant experience.

(ii) Outline of the content of liability limitation agreements

NH Foods Ltd., to allow it to hire useful human resources as Outside Officers, provides in its Articles of Incorporation currently in effect that it may enter into an agreement with any Outside Officer to limit the liability for any damage to NH Foods Ltd. to a certain extent. Accordingly, NH Foods Ltd. has entered into such liability limitation agreements with Outside Directors Ms. Toshiko Katayama and Mr. Iwao Taka and Outside Audit & Supervisory Board Members Messrs. Fumio Motoi, Akira Otsuka, and Tamio Morimoto.

The outline of the content of such agreements is as follows:

- (a) If any Outside Director or Outside Audit & Supervisory Board Member is liable to NH Foods Ltd. for any damage arising from a default in his/her duties, he/she shall be liable within the minimum liability amount as provided for in Article 425, paragraph 1 of the Companies Act of Japan.
- (b) The above-mentioned liability limitation shall apply only if and when the Outside Director or Outside Audit & Supervisory Board Member is in good faith and with no gross negligence in the performance of his/her duties that caused such liability.

(TRANSLATION)
(Reference)

Establishment of “Criteria on Independence of Outside Officers”

NH Foods Ltd. has established the “Criteria on Independence of Outside Officers” based on the resolution at the meeting of the Board of Directors held on May 13, 2013, in consideration of the results of a study conducted by the Executive Appointments Committee—an advisory body to the Board of Directors—for the purpose of clarifying the criteria on independence for recognizing Outside Directors and Outside Audit & Supervisory Board Members as independent officers of NH Foods Ltd. The content of the Criteria is as follows.

Establishment of “Criteria on Independence of Outside Officers”

NH Foods Ltd. determines that an Outside Officer or a candidate for Outside Officer of NH Foods Ltd. is independent of NH Foods Ltd. in cases where said Outside Officer or said candidate is deemed to satisfy all of the following requirements:

1. He/she has never been a director (excluding outside director; the same shall apply below), audit & supervisory board member (excluding outside audit & supervisory board member; the same shall apply below), accounting advisor, executive, executive officer, manager, or any other significant employee (Note 1) (“director, etc.”) of NH Foods Ltd. or any subsidiary or associated company of NH Foods Ltd. (the “Group”);
2. He/she is not a relative within the third degree of kinship to a director, etc., of the Group;
3. He/she is not a major shareholder (Note 2) or a director, etc., of the major shareholder entity, or a director, etc., of an entity of which the Group is a major shareholder;
4. He/she is not a director, etc., of a principal business partner (Note 3) of the Group;
5. He/she is not a recipient of a donation in the amount of ¥10 million or more in the year ended March 31, 2015 from the Group (in cases where said recipient is a corporation, association, or any other organization, this shall mean a person who belongs to such organization or a person who had belonged to such organization in the last five years);
6. He/she is not an attorney at law, certified public accountant, consultant of various types, or any other professional service provider who received a fee of ¥10 million or more in the year ended March 31, 2015, other than compensation of Director or Audit & Supervisory Board Member from the Group (in cases where said service provider is a corporation, association, or any other organization, this shall mean a person who belongs to such organization or a person who had belonged to such organization in the last five years); and
7. NH Foods Ltd. in which he/she serves as director, etc., and the Group are not engaged in the “reciprocal appointment of outside officers” (Note 4).

- (Notes)
1. “Significant employee” refers to an employee in the position of General Manager or a higher position.
 2. “Major shareholder” refers to a direct or indirect holder of voting rights accounting for no less than 10% of all voting rights.
 3. “Principal business partner” refers to a company whose amount of payment or receipt in transactions with the Group accounts for 2% or more of the consolidated net sales of the Group or the business partner.
 4. “Reciprocal appointment of outside officers” refers to accepting an outside officer from a company in which a director, etc., of the Group currently serves as an outside officer.

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5. Matters concerning the Accounting Auditors:

(1) Name of the Accounting Auditors: Deloitte Touche Tohmatsu LLC

(2) Amount of compensation, etc., of the Accounting Auditors:

(i)	Amount of compensation, etc.	¥195 million
(ii)	Total amount of money and other proprietary benefits payable by NH Foods Ltd. and its subsidiaries	¥300 million

- (Notes)
1. The amount of auditing compensation under the Companies Act of Japan and the amount of auditing compensation under the Financial Instruments and Exchange Act of Japan are not specifically separated in the audit contract between NH Foods Ltd. and the Accounting Auditors and cannot be separated practically. Hence, the aggregate of the amounts are set forth in item (i) above.
 2. Among the important subsidiaries of NH Foods Ltd., NH Foods Australia Pty. Ltd is subject to audits by the audit firm other than the Accounting Auditors of NH Foods Ltd.

(3) Content of services other than auditing:

NH Foods Ltd. has paid to the Accounting Auditors compensation for “guidance and advisory services on internal control over financial reporting,” which services are not covered by Article 2, paragraph 1 of the Certified Public Accountant Act of Japan.

(4) Policy on determination of dismissal and non-reappointment:

NH Foods Ltd. shall dismiss the Accounting Auditors by the Audit & Supervisory Board as provided for in Article 340 of the Companies Act of Japan. In addition, in the event that it is considered difficult for the Accounting Auditors to perform their duties properly, NH Foods Ltd. shall, upon consent or by request from the Audit & Supervisory Board, submit to the General Meeting of Shareholders a proposition to dismiss or not to reappoint the Accounting Auditors, in principle.

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6. Systems and policies of NH Foods Ltd.

- (1) Matters concerning the establishment of the systems to secure the properness of business activities:
 - (i) Systems to secure the execution by the Directors of their duties to comply with laws or ordinances and the Articles of Incorporation
 - (a) NH Foods Ltd. has instituted a “Fundamental Principle of the Action Standards” in the Nipponham Group Action Standards, as described below. Corporate officers and employees must comply with law, not to mention, and act in good faith in accordance with the ethics and values required of members of corporations and society who form a community. NH Foods Ltd., based on this recognition, will materialize fair and proper management and harmony with civil society through compliance with law and the Nipponham Group Action Standards, etc.
 - (b) The Officers of NH Foods Ltd. will take the initiative in complying with and raising awareness of corporate ethics in the Group in accordance with the corporate philosophies, management principles, and code of conduct to implement the fundamental principle of compliance.
 - (c) NH Foods Ltd. will appoint an officer in charge of compliance, who shall be responsible for compliance, and make him/her supervise the Compliance Department. Thus, NH Foods Ltd. will endeavor to establish a group-wide compliance system and keep track of any problem with the system.
 - (ii) Systems concerning storage and management of information on the execution by the Directors of their duties
 - (a) The Directors shall, pursuant to the document management rules, properly store and manage the following documents (including electronic records; the same applies below) concerning the execution of their respective duties and other important information:
 - a) Minutes of General Meetings of Shareholders and their related materials;
 - b) Minutes of meetings of the Board of Directors and their related materials;
 - c) Records of proceedings of other important meetings hosted by the Directors or their instructions, and their related materials;
 - d) Decision documents in respect of which the Directors are deciders and their attached documents; and
 - e) Other important documents for the execution by the Directors of their duties.

(TRANSLATION)

- (b) The President and Representative Director shall be responsible for monitoring and supervising the storage and management of information set forth in (a) above. The President and Representative Director shall perform such duties with regard to the preparation of minutes as required by the Companies Act of Japan.
 - (c) The documents set forth in (a) above shall be kept on file for at least 10 years, and shall be kept available for inspection whenever necessary.
- (iii) Regulations concerning management of exposure to the risk of loss and other systems
 - (a) To ensure the adequacy of business judgment, exposure to the risk of loss shall be discussed and deliberated at the Investment and Finance Committee, the Corporate Governance Committee, and the Management Strategy Committee.
 - (b) NH Foods Ltd. shall establish a section responsible for general control over risk management, which shall institute risk management rules, generally manage risks to the Group, and clearly define the risk management system.
 - (c) The section responsible for general control over risk management shall cooperate with the Compliance Department and other relevant sections to establish a system for swift and appropriate information communication and urgent tasks in the event of emergencies in response to such risks as postulated under the risk management rules.
 - (d) In order to avoid risks to the Group and contribute to management in compliance with law, NH Foods Ltd. shall establish, and hold sessions of, the Risk Management Committee to share, investigate, respond to and confirm risk information.
 - (e) The Audit Department shall cooperate with the Compliance Department and other relevant sections to audit the state of day-to-day risk management by each section.
 - (f) NH Foods Ltd. shall convene sessions of the Compliance Committee, which shall periodically submit reports and recommendations to the Board of Directors as to the development of awareness of compliance and specific issues.
- (iv) Systems to secure efficient execution by the Directors of their duties
 - (a) To enhance adequacy of decision-making by the Board of Directors, NH Foods Ltd. shall appoint two or more Outside Directors, in principle.
 - (b) The Board of Directors shall, based on the assignment of duties of management organs, Representative Directors, Executive Directors, and Executive Officers determined by the Board of Directors, allow the Representative Directors, Executive Directors, and Executive Officers to execute business.

(TRANSLATION)

- (c) With regard to the items of business in respect of which the determination of execution is authorized to the Representative Directors, Executive Directors, and Executive Officers, necessary matters shall be determined by such organs or in accordance with such procedures as stipulated in the business authorization rules. The business authorization rules shall be revised from time to time when the relevant laws or ordinances are amended or abolished or as the necessity arises to enhance efficiencies of the execution of their duties.
- (v) Systems to secure the execution by the employees of their duties to comply with laws or ordinances and the Articles of Incorporation
 - (a) To ensure that the execution by its employees of their duties will comply with laws or ordinances and the Articles of Incorporation, NH Foods Ltd. shall establish a system to strictly implement its corporate philosophies, management principles, and code of conduct. NH Foods Ltd. shall also engage the Representative Directors, Executive Directors, and Executive Officers to train and educate the employees of the Group concerning compliance.
 - (b) In the event that any Officer or employee of the Group finds any material violation of law or any other material fact concerning compliance in the Group, he/she shall report the same to NH Foods Ltd.'s Compliance Department pursuant to the Nipponham Group Action Standards. The officer in charge of compliance shall direct and supervise the investigations of the fact so reported and upon consultation with the president of the relevant group company, decide to take any adequate measure if he/she considers it necessary.
 - (c) With regard to questionable acts as to compliance with law in the Group, NH Foods Ltd. shall provide a direct means for whistle-blowing by the employees and establish and operate internal and external hotline as to compliance.
 - (d) With regard to important information, NH Foods Ltd. shall disclose the content thereof and its handling and results thereof to the Officers and employees of the Group to keep them well informed.
 - (e) The President and Representative Director shall directly control the Audit Department. The Audit Department shall, in accordance with the direction of the President and Representative Director, conduct internal audits of the state of execution of business. In addition, the Quality Assurance Department shall conduct quality audits and the Environmental and Social Responsibility Office shall conduct environmental audits.

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- (vi) Systems to secure the properness of business activities of the corporate group comprising NH Foods Ltd. and its subsidiaries
 - (a) The Nipponham Group Action Standards shall be a code of conduct for the Officers and employees to act in compliance with laws or ordinances, the Articles of Incorporation, and social norms.
 - (b) To strictly adhere to the spirit of (a) above, the Compliance Department shall supervise the efforts on compliance on a cross-sectional manner and take the lead in educating the Officers and employees.
 - (c) The Representative Directors, Executive Directors, and Executive Officers of the Group shall institute major business administration rules or otherwise and endeavor to establish internal control to secure the properness of execution of business by each division.
 - (d) The Audit Department shall cooperate with the business department in charge of business of each group company to conduct internal audits of each such group company.
 - (e) NH Foods Ltd. shall establish compliance contact offices and institute a system to allow all employees of the Group to directly consult with the internal and external hotline.
 - (f) The Group, as a member of the society, shall have no relations, including business relations, with any antisocial force that may threaten social order or safety and uncompromisingly deal with any undue claims. The Nipponham Group Action Standards and the Handbook on Action Standards shall stipulate how to deal with antisocial forces to make it well informed in the Group. Simultaneously, the General Affairs Department of NH Foods Ltd. shall collect and manage information on undue claims, whereby reducing risks concerning antisocial forces.
 - (g) The Group shall institute a system to ensure reliability of financial reporting and establish relevant rules, as well as a system under which the sections responsible therefor and the audit section shall periodically evaluate the operations of the system to find and solve problems, if any. In addition, the Group shall provide education and raise awareness for the compliance with accounting standards and related laws and ordinances, whereby strengthening internal control over financial reporting.
- (vii) Matters concerning the employees to assist the Audit & Supervisory Board Members to execute their duties when the Audit & Supervisory Board Members request the assignment thereof

NH Foods Ltd. shall have Audit & Supervisory Board Members' staff as employees to assist the Audit & Supervisory Board Members to execute their duties.

(TRANSLATION)

- (viii) Matters concerning the independence of the employees set forth in (vii) above from the Directors

NH Foods Ltd. shall respect the opinions of the Audit & Supervisory Board with regard to personnel changes and evaluations and disciplinary punishments of the employees to assist the Audit & Supervisory Board Members to execute their duties.

- (ix) System for reports by the Directors and employees to the Audit & Supervisory Board Members and other systems for reporting to the Audit & Supervisory Board Members
 - (a) The Audit & Supervisory Board Members shall attend meetings of the Board of Directors and the representative(s) of the Audit & Supervisory Board shall attend meetings of the Management Strategy Committee and Corporate Executive Committee.
 - (b) The Directors shall, upon consultation with the Audit & Supervisory Board, provide for the rules specifying matters to be reported to the Audit & Supervisory Board and pursuant to such rules, report the following matters:
 - a) Matters resolved at meetings of the Management Strategy Committee;
 - b) Matters that may inflict material damage on the Group;
 - c) Important matters of business conditions of each month;
 - d) Important matters concerning the developments of internal audits and risk management;
 - e) Material violation of laws or ordinances or the Articles of Incorporation;
 - f) Matters in contravention of the Nipponham Group Action Standards; and
 - g) State of whistle-blowing to the compliance contact offices and the details thereof.
 - (c) In the event that any employee finds any material fact about the matters set forth in (b) d), e) and f) above, he/she may report directly to the Audit & Supervisory Board Members.
- (x) Other systems to assure effective audits by the Audit & Supervisory Board Members
 - (a) In principle, a majority of Audit & Supervisory Board Members shall be Outside Audit & Supervisory Board Members to secure transparency externally.
 - (b) NH Foods Ltd. shall provide opportunities for the Audit & Supervisory Board to give the Executive Directors and important employees hearings individually and the Audit & Supervisory Board shall hold periodic meetings to exchange opinions with the Representative Directors and the audit firm.

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- (c) The Audit & Supervisory Board Members may assign matters necessary for auditing activities to the staff of the Audit Department. The Audit Department shall, upon consultation with the Audit & Supervisory Board, conduct internal audits of the matters requested by the Audit & Supervisory Board Members and report the results thereof to the Audit & Supervisory Board.

(2) Fundamental policy on corporate control:

(i) Content of the fundamental policy

The shares of NH Foods Ltd. may be transferred freely, in principle. On the stock market, the shares are traded freely and actively by many investors. Hence, fundamentally, free trading in the shares of NH Foods Ltd. determines who will control the determination of its financial and business policies. Therefore, in the event that a plan of large purchase of shares of NH Foods Ltd. enough to control the determination of its financial and business policies is offered, management believes that to vote for or against the plan must depend on the free will of the shareholders, finally.

On the other hand, NH Foods Ltd. desires to contribute to the society through the stable supply of secure and safe products to its customers and clients and the materialization of people's rich eating life. Management believes that any party who controls the determination of its financial and business policies must maintain trustful relations with various stakeholders and also maintain and enhance the corporate value and common interests of the shareholders of NH Foods Ltd. Therefore, management believes that any party who engages in an inappropriate large purchase action or any similar action that may prejudice the corporate value and common interests of the shareholders of NH Foods Ltd. is not appropriate as a party who controls the determination of its financial and business policies.

- (ii) Summary of the special measures useful to materialize the fundamental policy on the effective utilization of the assets of NH Foods Ltd., the formation of an appropriate corporate group, etc.

NH Foods Ltd. understands that it is the top priority for the enhancement of the common interests of the shareholders to enhance NH Foods Ltd.'s corporate value on a stable and ongoing basis and has implemented the following measures in an effort to enhance the corporate value of NH Foods Ltd.

<Efforts to secure and enhance NH Foods Ltd.'s corporate value and common interests of the shareholders>

NH Foods Ltd., based on the medium and long term strategy of promoting continuous investment, drawing on the experience and know-how we have accumulated over many years, and supported by the relationship of trust that we have established with our stakeholders, have established, in the food market focusing on the fresh meats business, an integrated system from production to marketing, a capability to realize stable supply of food products based on such integration system, and a firm quality control system both in Japan and overseas, all of which are the source of NH Foods Ltd.'s corporate value.

(TRANSLATION)

On the axis of the source of our corporate value, we will endeavor to further improve our corporate value by implementing the various measures outlined in “1. Matters concerning the situations of the Group: (11) Issues to be addressed.”

<Initiatives to improve corporate value through the strengthening of Corporate Governance>

Recognizing that, in principle, thorough implementation of compliance management and further strengthening of corporate governance are required if we are to secure increased corporate value and common interests of the shareholders, we ensure the properness of the execution of business through, among other measures, appointment of multiple Outside Officers in principle; establishment of Compensation Committee and Executive Appointment Committee chaired by an Outside Director; enhancement of our function-based monitoring system to augment statutory audits conducted by our Audit & Supervisory Board Members; and establishment of a system to promptly distribute and share important information (information on operational damages, accidents, problems, and other extraordinary events) among all Officers, including Outside Officers. Additionally, NH Foods Ltd. devotes itself to timely and appropriate decision making and properness of execution of business through such means as reviews of the Group’s policies and measures at various committees.

- (iii) Summary of the efforts to prevent the determination of NH Foods Ltd.’s financial and business policies from being controlled by any party considered inappropriate based on the fundamental policy

NH Foods Ltd., at the meeting of the Board of Directors held on May 12, 2014, determined the continued introduction of a “Defense Plan Against a Large Purchase Action of Shares of NH Foods Ltd. (Takeover Defense Plan)” (the “Plan”), which has become effective upon approval thereof at the 69th Ordinary General Meeting of Shareholders held on June 26, 2014.

The Plan’s initial purpose is to obtain, prior to a Large Purchase Action (as defined below), from a Large Purchaser (as defined below) information relating to a Large Purchase Proposal (as defined below), secure a time period during which the Board of Directors of NH Foods Ltd. will negotiate with the Large Purchaser and deliberate the Large Purchase Proposal and make a judgment of whether or not the Large Purchase Proposal will facilitate the enhancement of NH Foods Ltd.’s corporate value and the common interests of its shareholders. Notwithstanding the above, in the event that a Large Purchaser commences a Large Purchase Action without providing information prior to the Large Purchase Action or without any prior notice to NH Foods Ltd., or in the event that NH Foods Ltd. is of reasonable opinion that such Large Purchase Action will impair NH Foods Ltd.’s corporate value and common interests of its shareholders, NH Foods Ltd. will grant a gratis allotment of stock acquisition rights with NH Foods Ltd.’s partial call option (the “Stock Acquisition Rights”) as a defense measure.

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The summary of the Plan is as follows:

(a) Large Purchaser under the Plan:

The Plan will apply to any Large Purchaser who takes any purchase action of the shares of NH Foods Ltd. for the purpose of holding or resulting in holding 20% or more of the Voting Right Ratio of NH Foods Ltd. (the “Large Purchase Action”).

(b) Necessary Information Providing Procedure:

The Board of Directors of NH Foods Ltd. shall request the Large Purchaser to submit information on a purchase proposal relating to the Large Purchase Action (the “Large Purchase Proposal”) (“Necessary Information”) and the Large Purchaser shall provide the Necessary Information within 60 days in principle (which may be extended by up to 30 days). Of note, the Board of Directors of NH Foods Ltd. will determine as to whether or not the Necessary Information submitted by the Large Purchaser is adequate, whether or not the content and the scope of the Necessary Information requested by the Board of Directors of NH Foods Ltd. is appropriate, and whether or not to extend the period during which the Necessary Information must be provided, while receiving advice and recommendations from the Corporate Value Evaluation Committee. In cases where the Board of Directors of NH Foods Ltd. additionally requests Necessary Information, if the Large Purchaser gives a reasonable explanation on why some of the Necessary Information is difficult to provide, the provision of the Necessary Information may be deemed to have been completed and deliberation by the Board of Directors of NH Foods Ltd. may be commenced even if all the Necessary Information requested by the Board of Directors of NH Foods Ltd. is not presented.

(c) Procedure for Deliberation by the Board of Directors:

The Board of Directors of NH Foods Ltd. shall examine and analyze the Large Purchaser and the Large Purchase Proposal within the maximum 60 days (in cases where the consideration is limited to only cash in Japanese yen) or the maximum 90 days (in case of purchase proposal by another method) (collectively referred to as the “Period for Deliberation by the Board of Directors”), and announce its opinion, negotiate with the Large Purchaser, and present an Alternative Proposal.

(d) Respecting Recommendation of Corporate Value Evaluation Committee:

The Corporate Value Evaluation Committee comprising independent third parties shall make recommendations to the Board of Directors of NH Foods Ltd., which shall respect the recommendation by the Corporate Value Evaluation Committee to the full extent in making judgment.

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(e) Period for Restriction of Large Purchase Action by Large Purchaser:

A Large Purchaser shall not commence any Large Purchase Action before the expiration of the Period for Deliberation by the Board of Directors. In the event that the Corporate Value Evaluation Committee recommends the Board of Directors to confirm the intentions of the shareholders of NH Foods Ltd. as to the triggering or not triggering of a defense measure, the Large Purchaser must not commence the Large Purchase Action prior to the end of the procedure for the confirmation of the intentions of the shareholders.

(f) Triggering Defense Measure and Not Triggering Defense Measure:

In the event that the Corporate Value Evaluation Committee makes a positive recommendation to NH Foods Ltd.'s Board of Directors on the basis that conditions meeting one of the Requirements for triggering the defense measure exist, NH Foods Ltd.'s Board of Directors will, upon giving full consideration to such recommendation, resolve on a gratis allotment of the Stock Acquisition Rights as a defense measure. However, in the event that the Corporate Value Evaluation Committee recommends the Board of Directors to confirm the intentions of the shareholders as to the triggering of the defense measure, the Board of Directors shall confirm the intentions of the shareholders at a General Meeting of Shareholders. In the event that a resolution to approve the triggering of the defense measure is adopted at the General Meeting of Shareholders, the Board of Directors will, in accordance with the resolution, make a gratis allotment of the Stock Acquisition Rights.

On the other hand, in the event that the Corporate Value Evaluation Committee makes no positive recommendation to NH Foods Ltd.'s Board of Directors on the basis that conditions meeting one of the Requirements for triggering the defense measure exist or in the event that a resolution to approve the triggering of the defense measure is not adopted at the General Meeting of Shareholders, the Board of Directors shall not trigger any defense measure.

The Stock Acquisition Rights shall be attached with a limit on exercise of rights by Large Purchasers with respect to which Requirements for Triggering Defense Measure are determined to be met and the entitlement to NH Foods Ltd. to acquire the Stock Acquisition Rights held by the shareholders other than Large Purchasers with respect to which Requirements for Triggering Defense Measure are determined to be met and deliver shares of NH Foods Ltd. to such shareholders in exchange for the Stock Acquisition Rights.

(g) Effective Period of the Plan:

The Plan shall be effective until the close of the Ordinary General Meeting of Shareholders of NH Foods Ltd. which is scheduled to be held in June 2015.

(TRANSLATION)

(iv) Judgment on the Plan by the Board of Directors of NH Foods Ltd. and the reasons for the judgment

For the following reasons, the Board of Directors of NH Foods Ltd. judge that the Plan, in compliance with its fundamental policy, does not impair the common interests of the shareholders or is not intended to maintain the status of the Officers of NH Foods Ltd.

- (a) The Plan is consistent with the “Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders’ Common Interests” released by the Ministry of Justice and the “Appropriate Takeover Defense Measures in Consideration of Recent Environmental Changes” publicized by the Corporate Value Study Group established by the Ministry of Economy, Trade and Industry.
- (b) The Plan is introduced for the purpose of securing and enhancing NH Foods Ltd.’s corporate value and the shareholders’ common interests by securing information and a time period necessary for shareholders’ judgment on whether or not the Large Purchase Action is inappropriate and enabling NH Foods Ltd. to negotiate on behalf of the shareholders in the event that a Large Purchase Action engages in NH Foods Ltd.’s shares.
- (c) To respect the intentions of the shareholders, it is provided for in the Plan (i) that the effective period of the Plan shall be until the conclusion of the following Ordinary General Meeting of Shareholders and thereafter the intentions of the shareholders with respect to the continuation of or amendment to the Plan shall be sought at NH Foods Ltd.’s General Meeting of Shareholders and (ii) that upon recommendation of the Corporate Value Evaluation Committee, the intentions of the shareholders shall be confirmed as to the triggering or not triggering of the defense measure at a General Meeting of Shareholders.
- (d) In the Plan, in the event that a Large Purchase Action is made in respect of the shares of NH Foods Ltd., the Corporate Value Evaluation Committee comprised of independent third parties will make substantial judgment on whether or not the Large Purchase Action will impair NH Foods Ltd.’s corporate value and the common interests of its shareholders. The Board of Directors of NH Foods Ltd. shall, in making judgment on whether or not to trigger a defense measure, respect the recommendation of the Corporate Value Evaluation Committee to a maximum extent. Thus, the Corporate Value Evaluation Committee strictly reviews any arbitrary action of NH Foods Ltd.’s Board of Directors and the summary of its decision will be disclosed to the shareholders.
- (e) The Plan is designed not to trigger the defense measure unless the Corporate Value Evaluation Committee judges that the reasonable, detailed, and objective requirements for triggering the defense measure are satisfied. Additionally, the Plan secures a system under which NH Foods Ltd.’s Board of Directors will not make any arbitrary judgment by providing requirements for not triggering defense measures.
- (f) The Plan may be abolished by a decision of the Board of Directors composed of Directors whose term of office shall be one year. Accordingly, the Plan is characterized to be completely different from a rights plan with a character

(TRANSLATION)

making it impossible or difficult for management to abolish the Takeover Defense Measure, such as a so-called dead hand-type Takeover Defense Measure (a takeover Defense Measure which is not prevented from triggering even if a majority of members of the Board of Directors change) and a slow hand-type Takeover Defense Measure (a takeover defense measure in which triggering takes more time due to the fact that the directors cannot be replaced all at once).

- (g) In the Plan, the Corporate Value Evaluation Committee may receive at NH Foods Ltd.'s expense an opinion from independent third parties. The fairness and objectiveness of the Corporate Value Evaluation Committee's judgment will be strongly secured herewith.

(3) Matters concerning the distribution of retained earnings, etc.:

- (i) Policy on determination of the distribution of retained earnings, etc.

With regard to the determination of the distribution of retained earnings, etc., it is NH Foods Ltd.'s policy to pay dividends according to business results on a consistent basis, while increasing its internal reserve in order to strengthen its corporate fundamentals as the basis for long-range development.

NH Foods Ltd. intends to make effective use of the internal reserve as capital for investments which will maintain its competitiveness and attain sustained growth for the years to come.

NH Foods Ltd. will pursue stable and continuous dividend growth, using a consolidated payout ratio of 30% under its basic policy to distribute profits according to its consolidated performance. For the time being, NH Foods Ltd. plans to set the floor of the dividend to ¥16 per share.

NH Foods Ltd. will acquire treasury stock in a flexible manner for the purpose of improving per-share shareholder value and ROE, in consideration of investments towards growth and its financial position.

- (ii) Status of distribution of retained earnings

With regard to dividends for the year ended March 31, 2015, NH Foods Ltd. will pay a dividend of ¥46 per share, based on the aforementioned policy, having considered its consolidated financial position, the full-year consolidated performance, and other such matters in a comprehensive manner.

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(Note) In this business report, amounts are indicated by rounding fractions of a half or more of the indicated unit upward and the rest downward, and percentages and other figures are indicated by rounding fractions of a half or more of the indicated unit upward and the rest downward; however, the number of shares are indicated by discarding any fraction of the indicated unit.

(TRANSLATION)

CONSOLIDATED BALANCE SHEET
(as of March 31, 2015)

(millions of yen)

<u>Assets</u>	
Current assets:	
Cash and cash equivalents	57,404
Time deposits	11,514
Marketable securities	190
Trade notes and accounts receivable	127,273
Allowance for doubtful receivables	(289)
Inventories	143,107
Deferred income taxes	6,295
Other current assets	10,960
Total current assets	356,454
Property, plant and equipment—at cost, less accumulated depreciation	252,537
Intangible assets, less accumulated amortization	4,339
Investments and other assets:	
Investments in associated companies	3,213
Other investment securities	23,355
Other assets	14,602
Total investments and other assets	41,170
Deferred income taxes—non-current	7,067
Total Assets	661,567

(TRANSLATION)

(millions of yen)

Liabilities and equity

Current liabilities:

Short-term bank loans	43,579
Current maturities of long-term debt	9,058
Trade notes and accounts payable	94,212
Accrued income taxes	7,729
Deferred income taxes	1,187
Accrued expenses	22,193
Other current liabilities	25,669

Total current liabilities	203,627
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Liability under retirement and severance programs	12,075
Long-term debt, less current maturities	84,169
Deferred income taxes–non-current	2,467
Other long-term liabilities	2,805

Total Liabilities	305,143
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NH Foods Ltd. shareholders' equity:

Common stock	24,166
Capital surplus	51,038

Retained earnings:

Appropriated for legal reserve	7,905
Unappropriated	262,887

Accumulated other comprehensive income	8,126
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Treasury stock, at cost	(458)
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Total NH Foods Ltd. shareholders' equity	353,664
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Noncontrolling interests	2,760
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Total Equity	356,424
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Total Liabilities and Equity	661,567
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(Note) Figures are given by rounding fractions of a half or more of one million yen upward and the rest downward.

(TRANSLATION)

CONSOLIDATED STATEMENT OF INCOME

(from April 1, 2014 to March 31, 2015)

	(millions of yen)
Net sales	1,212,802
Cost of goods sold	993,023
Selling, general and administrative expenses	171,335
Other operating costs and expenses (income)—net	4,231
Interest expense	1,347
Other income (expenses)—net	1,678
Income before income taxes and equity in earnings of associated companies	44,544
Income taxes:	
Current	12,959
Deferred	554
Total income taxes	13,513
Income before equity in earnings of associated companies	31,031
Equity in earnings of associated companies—net of applicable income taxes	133
Net income	31,164
Net income attributable to noncontrolling interests	(116)
Net income attributable to NH Foods Ltd.	31,048

(Note) Figures are given by rounding fractions of a half or more of one million yen upward and the rest downward.

(TRANSLATION)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(from April 1, 2014 to March 31, 2015)

(millions of yen)

Items	Common stock	Capital surplus	Retained earnings appropriated for legal reserve	Unappropriated retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total NH Foods Ltd. shareholders' equity	Noncontrolling interests	Total equity
Balance, April 1, 2014	24,166	55,655	7,748	271,902	(1,064)	(37,423)	320,984	2,991	323,975
Net income				31,048			31,048	116	31,164
Other comprehensive income					9,190		9,190	68	9,258
Cash dividends				(7,536)			(7,536)	(83)	(7,619)
Transfer to retained earnings appropriated for legal reserve			157	(157)			—	—	—
Acquisition of treasury stock						(21)	(21)	—	(21)
Disposition of treasury stock		(57)				56	(1)	—	(1)
Cancellation of treasury stock		(4,560)		(32,370)		36,930	—	—	—
Sales of subsidiary shares							—	(332)	(332)
Balance, March 31, 2015	24,166	51,038	7,905	262,887	8,126	(458)	353,664	2,760	356,424

(Note) Figures are given by rounding fractions of a half or more of one million yen upward and the rest downward.

(TRANSLATION)

NON-CONSOLIDATED BALANCE SHEET
(as of March 31, 2015)

(millions of yen)

<u>Assets</u>	
Current assets:	286,602
Cash on hand and in banks	23,055
Notes receivable–trade	93
Accounts receivable–trade	92,802
Marketable securities	8,190
Finished goods and merchandise	31,938
Work-in-process	122
Raw materials and supplies	12,145
Deferred tax assets	1,130
Short-term loans receivable from subsidiaries and associated companies	102,065
Accounts receivable–other	13,192
Other current assets	1,880
Allowance for doubtful accounts	(10)
Fixed assets:	166,059
Property, plant and equipment	32,655
Buildings	9,159
Structures	1,397
Machinery and equipment	2,496
Vehicles and transportation equipment	14
Tools, furniture and fixtures	743
Land	18,718
Leased assets	104
Construction in progress	24
Intangible assets	1,838
Software	1,671
Other intangible assets	167
Investments and other assets	131,566
Investment securities	18,152
Capital stock of subsidiaries and associated companies	28,465
Long-term loans receivable	79,332
Long-term prepaid expenses	74
Prepaid pension expenses	3,687
Deferred tax assets	774
Other investments	3,180
Allowance for doubtful receivables	(2,098)
Total Assets	452,661

(TRANSLATION)

(millions of yen)

Liabilities

Current liabilities:	184,434
Notes payable–trade	510
Accounts payable–trade	94,439
Short-term bank loans	18,086
Current maturities of long-term debt	6,125
Lease liabilities	43
Accounts payable–others	4,023
Accrued expenses	9,534
Accrued income taxes	4,746
Deposits received	1,393
Deposits received from subsidiaries and associated companies	45,494
Other current liabilities	41
Long-term liabilities:	76,857
Corporate bonds	30,000
Bonds with stock acquisition rights	30,116
Long-term debt	16,000
Lease liabilities	62
Long-term accounts payable	63
Liability for retirement benefits	287
Other long-term liabilities	329
Total Liabilities	261,291

Net Assets

Shareholders' equity:	186,142
Common stock	24,166
Capital surplus	43,084
Capital reserve	43,084
Retained earnings	119,350
Appropriated for legal reserve	6,041
Unappropriated	113,309
Reserve for deferral of capital gain on property	715
General reserve	95,000
Net retained earnings forwarded	17,594
Treasury stock, at cost	(458)
Valuation and translation adjustments:	5,104
Unrealized gains on other marketable securities	5,104
Stock acquisition rights	124
Total Net Assets	191,370

Total Liabilities and Net Assets	452,661
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(Note) Figures are given by rounding fractions of a half or more of one million yen upward and the rest downward.

(TRANSLATION)

NON-CONSOLIDATED STATEMENT OF INCOME
(from April 1, 2014 to March 31, 2015)

(millions of yen)

Net sales		784,405
Cost of goods sold		709,564
Gross profit		74,841
Selling, general and administrative expenses		68,156
Operating income		6,685
Non-operating income		
Interest and dividend income	9,453	
Other non-operating income	1,440	10,893
Non-operating expenses		
Interest expense	1,131	
Provision of allowance for doubtful accounts	71	
Other non-operating expenses	878	2,080
Ordinary income		15,498
Extraordinary income		
Gain from sales of fixed assets	721	
Other extraordinary income	551	1,272
Extraordinary losses		
Loss on sales of fixed assets	273	
Loss from dispositions of fixed assets	204	
Loss on impairment	1,348	
Valuation loss on investments in subsidiaries and associated companies	250	
Other extraordinary losses	2	2,077
Income before income taxes		14,693
Current income taxes	3,886	
Deferred income taxes	(314)	3,572
Net income		11,121

(Note) Figures are given by rounding fractions of a half or more of one million yen upward and the rest downward.

(TRANSLATION)

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(from April 1, 2014 to March 31, 2015)

(millions of yen)

(amounts in \$ million)

	Shareholders' equity										
	Common stock	Capital surplus			Retained earnings					Treasury stock	Total shareholders' equity
		Capital reserve	Other capital surplus	Total capital surplus	Appropriated for legal reserve	Unappropriated			Total retained earnings		
						Reserve for deferral of capital gain on property	General reserve	Net retained earnings forwarded			
Balance, April 1, 2014	24,166	43,084	4,560	47,644	6,041	673	115,000	26,636	148,350	(37,423)	182,737
Cumulative effects of changes in accounting policies								(198)	(198)		(198)
Balance at the beginning of the year reflecting changes in accounting policies	24,166	43,084	4,560	47,644	6,041	673	115,000	26,438	148,152	(37,423)	182,539
Changes during the year											
Increase of reserve due to the change of effective tax rate						42		(42)	—		—
Reversal of general reserve							(20,000)	20,000	—		—
Cash dividends								(7,536)	(7,536)		(7,536)
Net income								11,121	11,121		11,121
Acquisition of treasury stock										(21)	(21)
Disposition of treasury stock								(17)	(17)	56	39
Cancellation of treasury stock			(4,560)	(4,560)				(32,370)	(32,370)	36,930	—
Changes in items other than shareholders' equity during the year—net											
Total change during the year	—	—	(4,560)	(4,560)	—	42	(20,000)	(8,844)	(28,802)	36,965	3,603
Balance, March 31, 2015	24,166	43,084	—	43,084	6,041	715	95,000	17,594	119,350	(458)	186,142

(TRANSLATION)

(millions of yen)

	Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Unrealized gain on other marketable securities	Total valuation and translation adjustments		
Balance, April 1, 2014	3,123	3,123	164	186,024
Cumulative effects of changes in accounting policies				(198)
Balance at the beginning of the year reflecting changes in accounting policies	3,123	3,123	164	185,826
Changes during the year				
Increase of reserve due to the change of effective tax rate				—
Reversal of general reserve				—
Cash dividends				(7,536)
Net income				11,121
Acquisition of treasury stock				(21)
Disposition of treasury stock			(40)	(1)
Cancellation of treasury stock				—
Changes in items other than shareholders' equity during the year—net	1,981	1,981	—	1,981
Total change during the year	1,981	1,981	(40)	5,544
Balance, March 31, 2015	5,104	5,104	124	191,370

(Note) Figures are given by rounding fractions of a half or more of one million yen upward and the rest downward.

(TRANSLATION)

Copy of Independent Auditor's Report – Consolidated

INDEPENDENT AUDITOR'S REPORT

May 7, 2015

To the Board of Directors of
NH Foods Ltd.:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Seiichiro Azuma

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Koichi Sekiguchi

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Takashige Ikeda

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet as of March 31, 2015 of NH Foods Ltd. (the "Company") and its consolidated subsidiaries, and the related consolidated statements of income and changes in equity for the fiscal year from April 1, 2014 to March 31, 2015, and the related notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120-2 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under accounting principles generally accepted in the United States of America, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in

(TRANSLATION)

the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above, prepared with the omission of a part of the disclosures required under accounting principles generally accepted in the United States of America pursuant to the provisions of the second sentence of the first paragraph of Article 120-2 of the Ordinance on Company Accounting, present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2015, and the results of their operations for the year then ended.

Emphasis of Matter

As discussed in Notes on Changes in Accounting Policies of the NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, as of April 1, 2014, the Company changed the scope of cash and cash equivalents, which were formerly comprised of cash on hand and demand deposits, to also include time deposits and marketable securities with original maturities of three months or less.

Our opinion is not qualified in respect of this matter.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION)

Copy of Independent Auditor's Report – Non-Consolidated

INDEPENDENT AUDITOR'S REPORT

May 7, 2015

To the Board of Directors of
NH Foods Ltd.:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Seiichiro Azuma

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Koichi Sekiguchi

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Takashige Ikeda

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the non-consolidated balance sheet as of March 31, 2015 of NH Foods Ltd. (the "Company"), and the related non-consolidated statements of income and changes in net assets for the 70th fiscal year from April 1, 2014 to March 31, 2015, and the related notes and the accompanying supplemental schedules.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements and the accompanying supplemental schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accompanying supplemental schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

(TRANSLATION)

statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements and the accompanying supplemental schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the accompanying supplemental schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2015, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language and "the accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

(TRANSLATION)

Copy of Audit Report of the Audit & Supervisory Board

AUDIT REPORT

With respect to the Directors' performance of their duties during the 70th business year from April 1, 2014 to March 31, 2015, the Audit & Supervisory Board has prepared this audit report after deliberations based on the audit reports prepared by each Audit & Supervisory Board Member, and hereby report as follows:

1. Method and Contents of Audit by Audit & Supervisory Board Members and the Audit & Supervisory Board:

The Audit & Supervisory Board has established the audit policies, assignment of duties, etc., for the business year under review and received a report from each Audit & Supervisory Board Member regarding the status of implementation of their audits and results thereof. In addition, the Audit & Supervisory Board has received reports from the Directors, etc., and the Accounting Auditor regarding the status of performance of their duties, and requested explanations as necessary.

In conformity with the Audit & Supervisory Board Members and auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies and assignment of duties, etc., for the business year under review, each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding with the Directors, the audit department and other employees, etc., endeavored to collect information and maintain and improve the audit environment, has attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Directors and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the head office and other principal business locations.

Also, each Audit & Supervisory Board Member received reports periodically requested explanations as necessary and expressed opinions on the status of the system to ensure that the Directors' performance of their duties, described in the business report, complied with all laws, regulations and the articles of incorporation of NH Foods Ltd., the resolutions of the Board of Directors meetings complied with Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a joint-stock company, the internal control systems maintained by the resolutions, and the structure and operation of the systems in accordance with the rules of conducting audits concerning internal control systems stipulated by the Audit & Supervisory Board, according to reports from Directors and employees. The contents of the basic policies set forth in Article 118, item 3 (a) of the Ordinance for Enforcement of the Companies Act of Japan and undertakings set forth in item 3 (b) of said article, as described in the business report, were also considered in light of the circumstances, etc., of deliberations by the Board of Directors and other bodies. With respect to the subsidiaries, each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding and exchanged information with the Directors and Audit & Supervisory Board Members, etc., of each subsidiary and received from subsidiaries reports on their respective business as necessary. Based on the methods described above, each Audit & Supervisory Board Member examined the business report and accompanying supplemental schedules for the business year under consideration.

(TRANSLATION)

In addition, each Audit & Supervisory Board Member monitored and verified whether the Accounting Auditor maintained its independence and properly conducted its audit, received a report from the Accounting Auditor on the status of its performance of duties, and requested explanations as necessary. Each Audit & Supervisory Board Member was notified by the Accounting Auditor that it had established a "system to ensure that the performance of the duties of the Accounting Auditor was properly conducted" (the matters listed in the items of Article 131 of the Ordinance on Company Accounting) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council on October 28, 2005), and requested explanations as necessary. Based on the methods described above, each Audit & Supervisory Board Member examined the accounting documents (non-consolidated balance sheet, non-consolidated statement of income and changes in net assets, and schedule of individual notes) and the annexed specifications thereto, as well as the consolidated accounting documents (consolidated balance sheet, consolidated statement of income and changes in equity, and schedule of consolidated notes), for the business year under consideration.

2. Results of Audit:

(1) Results of Audit of Business Report, etc.

- (i) We acknowledge that the business report and the accompanying supplemental schedules thereto fairly present the status of NH Foods Ltd. in conformity with the applicable laws and regulations and the articles of incorporation of NH Foods Ltd.
- (ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the articles of incorporation of NH Foods Ltd. was found with respect to the Directors' performance of their duties.
- (iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the Directors' performance of their duties, described in the business report concerning the internal control systems.
- (iv) We did not find any matter to be mentioned with respect to the fundamental policy on corporate control as described in the business report. Undertakings described in the business report are in line with the basic policies, do not impair the common interests of NH Foods Ltd.'s shareholders, and are not directed to the purpose of maintaining the status of NH Foods Ltd.'s Officers.

(2) Results of Audit of Accounting Documents and their Accompanying Supplemental Schedules

We acknowledge that the methods and results of audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Results of Audit of Consolidated Accounting Documents

We acknowledge that the methods and results of audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

(TRANSLATION)

May 9, 2015

The Audit & Supervisory Board
NH Foods Ltd.

Hiroshi Itagaki (seal)
Full-time Audit & Supervisory Board Member

Katsutoshi Nishio (seal)
Full-time Audit & Supervisory Board Member

Fumio Motoi (seal)
(Outside) Audit & Supervisory Board Member

Akira Otsuka (seal)
(Outside) Audit & Supervisory Board Member

Tamio Morimoto (seal)
(Outside) Audit & Supervisory Board Member

(Note) Audit & Supervisory Board Members Fumio Motoi, Akira Otsuka and Tamio Morimoto are Outside Audit & Supervisory Board Members as provided for in Article 2, item 16 and Article 335, paragraph 3 of the Companies Act of Japan.