

(TRANSLATION)

Security Code: 2282
June 6, 2016

To the Shareholders:

Notice of the 71st Ordinary General Meeting of Shareholders

We express our sincerest sympathy for everyone who was adversely affected by the 2016 Kumamoto Earthquake, which struck in April of this year, and pray for the safety and swift recovery of all victims of the disaster.

Please take notice that the 71st 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 27 (Monday), 2016, 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 28 (Tuesday), 2016, 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

(TRANSLATION)

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 71st fiscal year (from April 1, 2015 to March 31, 2016)
2. Report on the results of audit of the consolidated financial statements for the 71st fiscal year by the Accounting Auditors and the Audit & Supervisory Board

Matters for resolution:

Proposition No. 1: Election of 10 Directors

Proposition No. 2: Election of 1 Audit & Supervisory Board Member

Proposition No. 3: Election of 1 Substitute Audit & Supervisory Board Member

(TRANSLATION)

To the Shareholders

Enclosed is a notice of the 71st Ordinary General Meeting of Shareholders of NH Foods Ltd. With the theme of “Creating a stable business model through reform” set out in the “New Medium-Term Management Plan Part 5” (from April 1, 2015 to March 31, 2018), the Group is committed to working as a fully united group to implement a wide range of management measures and achieve the targeted values for the final year of the Plan.

We look forward to our shareholders’ ongoing support.

June 2016

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: Election of 10 Directors

The term of office of all 10 Directors currently in office will expire at the closing of this General Meeting of Shareholders. 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 22.

Candidate No.	Name	Current title and responsibilities	Number of attendance to the Board of Directors meetings
1	Juichi Suezawa (Reappointment)	President and Representative Director (President and CEO)	19/19 (100%)
2	Yoshihide Hata (Reappointment)	Vice President and Representative Director (Executive Vice President), General Manager of Corporate Management Division	19/19 (100%)
3	Koji Kawamura (Reappointment)	Representative Director and Senior Managing Executive Officer, General Manager of Processed Foods Business Division	19/19 (100%)
4	Hiroji Okoso (Reappointment)	Director and Senior Managing Executive Officer, General Manager of Overseas Business Division	19/19 (100%)
5	Katsumi Inoue (Reappointment)	Director and Senior Managing Executive Officer, General Manager of Fresh Meats Business Division	14/14 (100%)
6	Kazunori Shinohara (Reappointment)	Director and Managing Executive Officer, General Manager of Affiliated Business Division	14/14 (100%)
7	Tetsuhiro Kito (Reappointment)	Director and Executive Officer, General Manager of Sales & Marketing Division, Processed Foods Business Division	14/14 (100%)
8	Hajime Takamatsu (Reappointment)	Director and Executive Officer, in charge of Quality Assurance Department and Customer Service Department, in charge of Human Resources Department, Legal Affairs Department, General Affairs Department, Accounting & Finance Department, IT Strategy Department, Corporate Management Division, and General Manager of Tokyo Branch Office	14/14 (100%)
9	Toshiko Katayama (Reappointment) Outside Director Independent Officer	Director	19/19 (100%)
10	Iwao Taka (Reappointment) Outside Director Independent Officer	Director	18/19 (94.7%)

(Note) With regard to the number of attendance to the Board of Directors meetings for the Directors, Messrs. Katsumi Inoue, Kazunori Shinohara, Tetsuhiro Kito and Hajime Takamatsu, only the meetings of the Board of Directors held subsequent to their taking office on June 25, 2015 are counted.

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Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
1	Juichi Suezawa (March 20, 1954) <14,000 shares> (Reappointment) (4 years) (19/19 100%)	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
Reason for nomination as a candidate for Director Mr. Juichi Suezawa, since taking office as a Director of NH Foods Ltd., has led the field of Fresh Meats Business, and since April 2015 has led management of the Group as President and Representative Director of NH Foods Ltd. He has contributed to further development of the Group through implementation of various measures of the New Medium-Term Management Plan Part 5, and has fulfilled his role as a Director. We have deemed that he is the appropriate personnel to contribute to the sustainable improvement of NH Foods Ltd.'s corporate value by continuing to use his rich work experience and knowledge for management as a Director, and so have nominated him as a candidate for Director.			

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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) <16,000 shares> (Reappointment) (5 years) (19/19 100%)	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
Reason for nomination as a candidate for Director Mr. Yoshihide Hata, since taking office as a Director of NH Foods Ltd., has led accounting and finance as well as group management, and since April 2015 has led business operations in the field of corporate management. He has contributed to further development of the Group through implementation of various measures of the New Medium-Term Management Plan Part 5, and has fulfilled his role as a Director. We have deemed that he is the appropriate personnel to contribute to the sustainable improvement of NH Foods Ltd.'s corporate value by continuing to use his rich work experience and knowledge for management as a Director, and so have nominated him as a candidate for Director.			

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Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
3	Koji Kawamura (January 17, 1961) <11,000 shares> (Reappointment) (6 years) (19/19 100%)	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
Reason for nomination as a candidate for Director Mr. Koji Kawamura, since taking office as a Director of NH Foods Ltd., has led the field of Affiliated Business, and since April 2015 has led business operations in the field of Processed Foods Business. He has contributed to further development of the Group through implementation of various measures of the New Medium-Term Management Plan Part 5, and has fulfilled his role as a Director. We have deemed that he is the appropriate personnel to contribute to the sustainable improvement of NH Foods Ltd.'s corporate value by continuing to use his rich work experience and knowledge for management as a Director, and so have nominated him as a candidate for Director.			

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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) (26 years) (19/19 100%)	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) (26 years) (19/19 100%)	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.
		April 2016	Director and Senior Managing Executive Officer, General Manager of Overseas Business Division of NH Foods Ltd., to date
Reason for nomination as a candidate for Director			
Mr. Hiroji Okoso, since taking office as a Director of NH Foods Ltd., has led NH Foods Ltd. in sales planning, as President and Representative Director, in the field of Affiliated Business, quality assurance and customer service, and since April 2016 has led business operations in the field of Overseas Business. He has contributed to further development of the Group through implementation of various measures of the New Medium-Term Management Plan Part 5, and has fulfilled his role as a Director. We have deemed that he is the appropriate personnel to contribute to the sustainable improvement of NH Foods Ltd.'s corporate value by continuing to use his rich work experience and knowledge for management as a Director, and so have nominated him as a candidate for Director.			

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Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
5	Katsumi Inoue (January 16, 1956) <4,110 shares> (Reappointment) (1 year) (14/14 100%)	April 1978 January 1985 April 2003 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. June 2004 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. October 2004 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. April 2006 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. April 2007 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. April 2012 Executive Officer, in charge of Special Mission, Fresh Meats Business Division of Nippon Meat Packers, Inc. April 2013 Executive Officer, General Manager of Imported Fresh Meats Sales Division, Fresh Meats Business Division of Nippon Meat Packers, Inc. February 2015 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. April 2015 Senior Managing Executive Officer, General Manager of Fresh Meats Business Division of NH Foods Ltd. June 2015 Director and Senior Managing Executive Officer, General Manager of Fresh Meats Business Division of NH Foods Ltd., to date	
Reason for nomination as a candidate for Director Mr. Katsumi Inoue, since taking office as a Director of NH Foods Ltd., has led business operations in the field of Fresh Meats Business. He has contributed to further development of the Group through implementation of various measures of the New Medium-Term Management Plan Part 5, and has fulfilled his role as a Director. We have deemed that he is the appropriate personnel to contribute to the sustainable improvement of NH Foods Ltd.'s corporate value by continuing to use his rich work experience and knowledge for management as a Director, and so have nominated him as a candidate for Director.			

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Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
6	Kazunori Shinohara (September 25, 1954) <8,000 shares> (Reappointment) (1 year) (14/14 100%)	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 June 2015 April 2016	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. Director and Executive Officer, General Manager of Affiliated Business Division of NH Foods Ltd. Director and Managing Executive Officer, General Manager of Affiliated Business Division of NH Foods Ltd., to date

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Reason for nomination as a candidate for Director

Mr. Kazunori Shinohara, since taking office as a Director of NH Foods Ltd., has led business operations in the field of Affiliated Business. He has contributed to further development of the Group through implementation of various measures of the New Medium-Term Management Plan Part 5, and has fulfilled his role as a Director.

We have deemed that he is the appropriate personnel to contribute to the sustainable improvement of NH Foods Ltd.'s corporate value by continuing to use his rich work experience and knowledge for management as a Director, and so have nominated him as a candidate for Director.

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Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
7	Tetsuhiro Kito (February 9, 1960) <8,000 shares> (Reappointment) (1 year) (14/14 100%)	April 1982 March 2002 September 2002 March 2007 April 2009 April 2011 April 2013 April 2015 June 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. Director and Executive Officer, General Manager of Sales & Marketing Division, Processed Foods Business Division of NH Foods Ltd., to date
Reason for nomination as a candidate for Director Mr. Tetsuhiro Kito, since taking office as a Director of NH Foods Ltd., has led business operations in the field of Processed Foods Business. He has contributed to further development of the Group through implementation of various measures of the New Medium-Term Management Plan Part 5, and has fulfilled his role as a Director. We have deemed that he is the appropriate personnel to contribute to the sustainable improvement of NH Foods Ltd.'s corporate value by continuing to use his rich work experience and knowledge for management as a Director, and so have nominated him as a candidate for Director.			

(TRANSLATION)

Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
8	Hajime Takamatsu (June 16, 1957) <4,000 shares> (Reappointment) (1 year) (14/14 100%)	April 1981 April 2005 April 2007 April 2008 October 2008 April 2012 April 2013 April 2014 April 2015 June 2015 April 2016	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. Director and 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. Director and Executive Officer, in charge of Quality Assurance Department and Customer Service Department, in charge of Human Resources Department, Legal Affairs Department, General Affairs Department, Accounting & Finance Department, IT Strategy Department, Corporate Management Division, and General Manager of Tokyo Branch Office of NH Foods Ltd., to date

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Reason for nomination as a candidate for Director

Mr. Hajime Takamatsu, since taking office as a Director of NH Foods Ltd., has led the field of corporate planning, and since April 2016 has led business operations in the field of quality assurance, customer service and corporate management. He has contributed to further development of the Group through implementation of various measures of the New Medium-Term Management Plan Part 5, and has fulfilled his role as a Director.

We have deemed that he is the appropriate personnel to contribute to the sustainable improvement of NH Foods Ltd.'s corporate value by continuing to use his rich work experience and knowledge for management as a Director, and so have nominated him as a candidate for Director.

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Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
9	Toshiko Katayama (June 3, 1953) <- shares> (Candidate for Outside Director) (Independent Officer) (Reappointment) (8 years) (19/19 100%)	August 1977 April 1980 April 1988 April 1993 July 2005 June 2008	Appointed as Legal Clerk for Osaka Family Court Appointed as Legal Secretary for Family Division of Osaka Family Court Registered with the Osaka Bar Association Established Katayama Toshiko Law Office Established Katayama, Kuroki and Hiraizumi Law Office (current Katayama and Hiraizumi Law Office), to date 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
Reason for nomination as a candidate for Outside Director Ms. Toshiko Katayama, since taking office as a Director of NH Foods Ltd., has attended meetings of the Compensation Committee as its chairperson, the Executive Appointments Committee as a member, and the Compliance Committee as a member, actively sharing her opinions, and fulfilling her role as an Outside Director of NH Foods Ltd.. We have deemed her to be appropriate personnel as an Outside Director to oversee administration of business because of her expert knowledge as a lawyer and her rich experience concerning consumer issues, and so have continued to nominate her as a candidate for Outside Director.			

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Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
10	Iwao Taka (March 10, 1956) <- shares> (Candidate for Outside Director) (Independent Officer) (Reappointment) (6 years) (18/19 94.7%)	September 1991 April 1994 April 2001 April 2002 June 2005 April 2007 April 2008 April 2009 June 2010 June 2015	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 Outside Statutory Auditor of Mitsubishi Estate Company, Limited, 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
Reason for nomination as a candidate for Outside Director Mr. Iwao Taka, since taking office as a Director of NH Foods Ltd., has attended meetings of the Executive Appointments Committee as its chairperson, the Compensation Committee as a member, and the Corporate Value Enhancement Committee as a member, actively sharing his opinions, and fulfilling his role as an Outside Director of NH Foods Ltd. We have deemed him to be appropriate personnel as an Outside Director to oversee administration of business because of his long years of continued research on corporate ethics and CSR, and his broad insight on international economics, and so have continued to nominate him as a candidate for Outside Director.			

- (Notes)
1. No candidates for Directors have a special relation of interest with NH Foods Ltd.
 2. With regard to the number of attendance to the Board of Directors meetings for the Directors, Messrs. Katsumi Inoue, Kazunori Shinohara, Tetsuhiro Kito and Hajime Takamatsu, only the meetings of the Board of Directors held subsequent to their taking office on June 25, 2015 are counted.
 3. Notes related to Outside Directors are as follows.
 - (1) The fact of any inappropriate and wrongful execution of duties conducted when the candidate(s) took office and preventive measures for the occurrence of such fact and responses thereto after the occurrence
Concerning a lactic acid probiotic for animal feed for which the Research and Development Center of NH Foods Ltd. obtained a patent in 2010, the Group found in May 2015 that in spite of the fact that researches conducted after the application of the patent but before the grant thereof had revealed that the efficacy as described in the

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application was not verified, the Research and Development Center moved forward with the patent procedure and obtained the patent and also entered into a license agreement with its client pharmaceutical company, with respect to the feed using such lactic acid probiotic.

Outside Directors Ms. Toshiko Katayama and Mr. Iwao Taka endeavor to ensure the proper execution of duties by proactively making suggestions mainly for the establishment of a sound corporate culture and the creation of high ethical standards on a regular basis. After such fact became known, they have been performing their duties, including urging the investigation and background information on the fact, observing the appropriate implementation status of recurrence prevention measures, and requesting reports as necessary.

(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.

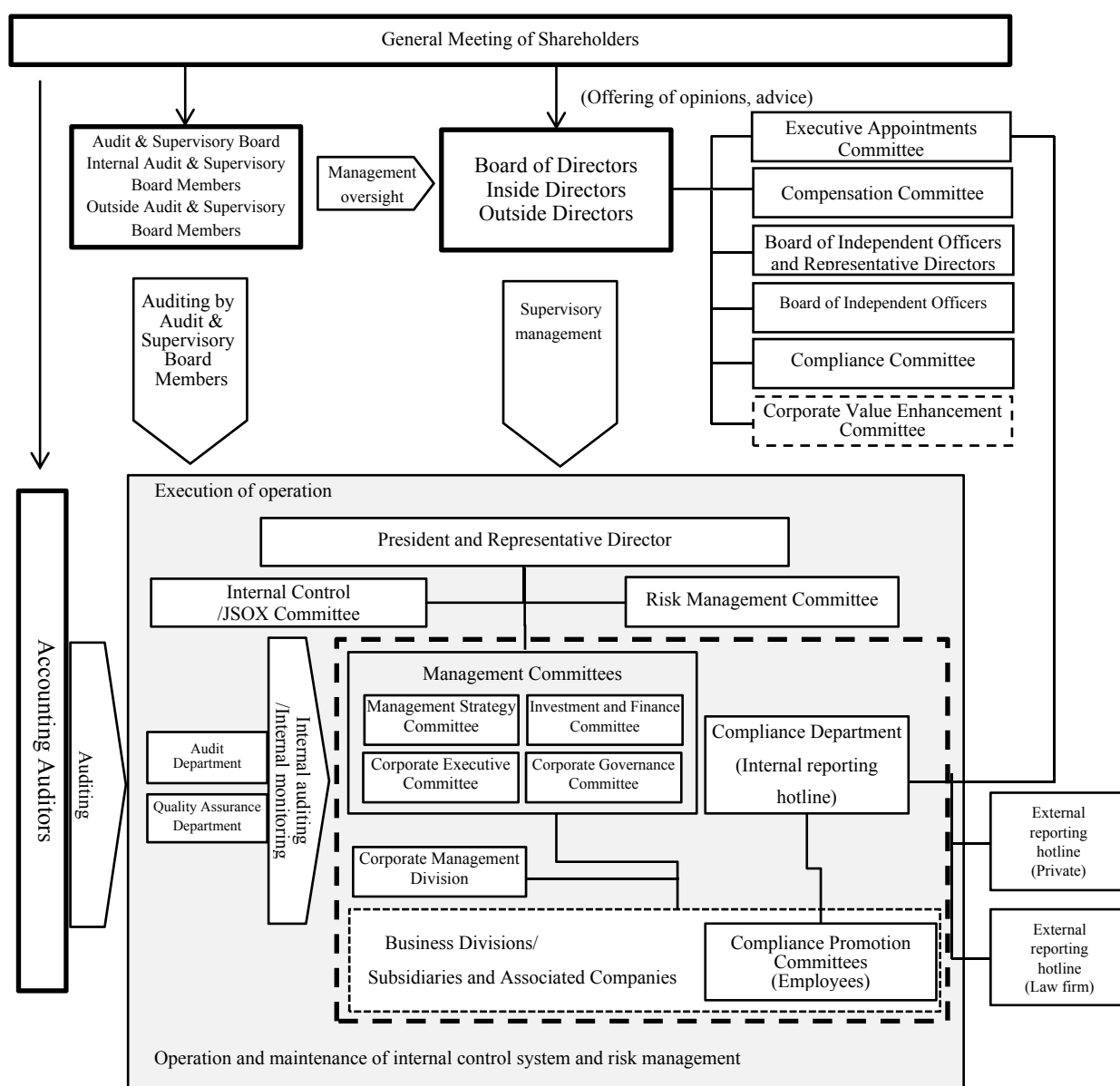
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(Reference) Corporate Governance System of NH Foods Ltd.

1. Basic views on corporate governance

- (1) In order to establish a corporate governance system which the Group considers most appropriate and in order to make such system functional so that NH Foods Ltd. is able to exercise social responsibility of the Group and realize a vision of the Group as the World Leader in Delivering the “Joy of Eating,” we present our basic views on corporate governance of the Group and continuously strive to enhance it.
- (2) The principles of corporate governance of the Group are to enhance its management transparency and efficiency, to ensure timely and proper decision-making as well as appropriate business operations, to enable proactive and courageous business judgments and to clarify its responsibility.

2. Organization chart



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3. Advisory committees to the Board of Directors

The Board of Directors establishes the following committees as advisory committees to the Board of Directors in order to enhance the objectivity and transparency of management.

Executive Appointments Committee To enhance the transparency and objectivity of decisions on candidates for the Directors/Audit & Supervisory Board Members and to improve the supervisory function of the Board of Directors.	Compensation Committee To enhance the transparency and objectivity of decisions on the compensation for the Corporate Officers (including the Executive Officers) and improve the supervisory function of the Board of Directors.
Board of Independent Officers and Representative Directors To improve the Group's corporate value and to provide a venue for proposing reformation of corporate culture through free and open discussions among the Independent Officers and the Representative Directors.	Board of Independent Officers To exchange information and to share understandings from an independent and objective perspective.
Compliance Committee To evaluate the policies and measures concerning the compliance of the entire Group.	Corporate Value Enhancement Committee To provide recommendations to the Board of Directors concerning the ideal form of the takeover defense plan of NH Foods Ltd. and the enhancement of the Group's corporate value from the perspective of securing and enhancing the corporate value of the Group and the common interests of the shareholders from the independent standpoint with no vested interest in NH Foods Ltd.

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Composition of Advisory Committees (As of April 8, 2016)

Position	Name	Executive Appointments Committee	Compensation Committee	Board of Independent Officers and Representative Directors	Board of Independent Officers	Compliance Committee	Corporate Value Enhancement Committee
President and Representative Director	Juichi Suezawa		○	○		◎	Observer
Vice President and Representative Director	Yoshihide Hata	○	○	○		○	Observer
Representative Director	Koji Kawamura			○		○	
Director	Hajime Takamatsu					○	
Director (Outside)	Toshiko Katayama*	○	◎	○	◎	○	
Director (Outside)	Iwao Taka *	◎	○	○	○		○
Audit & Supervisory Board Member (Outside)	Akira Otsuka*		○	○	○		
Audit & Supervisory Board Member (Outside)	Akihiko Shiba*			○	○	Observer	
Audit & Supervisory Board Member (Outside)	Atsushi Iwasaki*			○	○		

◎Committee Chairperson ○Committee Member *Independent Officers

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4. Criteria on Independence of Outside Officers

(Based on the resolution at the meeting of the Board of Directors held on May 13, 2013)

“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, 2016 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, 2016, 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.

(TRANSLATION)

Proposition No. 2: Election of 1 Audit & Supervisory Board Member

Audit & Supervisory Board Member Mr. Hiroshi Itagaki will retire at the closing of this General Meeting of Shareholders. It is therefore proposed that one Audit & Supervisory Board Member be elected. With respect to the submission of this proposition, consent has been obtained from the Audit & Supervisory Board beforehand.

The candidate for Audit & Supervisory Board Member is as follows.

Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
Shunichi Ogata (January 22, 1956) <11,000 shares> (New appointment)	April 1979 September 2002 March 2003 August 2003 February 2005 April 2007 April 2010 April 2013 April 2015 April 2016	Joined Nippon Meat Packers, Inc. Assistant General Manager of Domestic Pork Department, Fresh Meats Business Division of Nippon Meat Packers, Inc. General Manager of Domestic Pork Department, Fresh Meats Business Division of Nippon Meat Packers, Inc. General Manager of Domestic Business Management Office, Domestic Fresh Meats Sales Division, Fresh Meats Business Division of Nippon Meat Packers, Inc. General Manager of Administrative Division, Fresh Meats Business 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 Domestic Fresh Meats Sales Division, Fresh Meats Business Division of Nippon Meat Packers, Inc. Executive Officer, General Manager of Quality Assurance Department and Customer Communications Department of Nippon Meat Packers, Inc. Managing Executive Officer, General Manager of Quality Assurance Department and Customer Service Department of NH Foods Ltd. Special Advisor of NH Foods Ltd., to date
Reason for nomination as a candidate for Audit & Supervisory Board Member Mr. Shunichi Ogata has primarily been engaged in work related to the Fresh Meats Business, and possess a wealth of work experience and knowledge concerning quality auditing, having served as Executive Officer and General Manager of Quality Assurance Department from April 2013 to March 2016. We have deemed that experience and knowledge to contribute to the duties of Audit & Supervisory Board Member, and so have nominated him as a candidate for Audit & Supervisory Board Member.		

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

(TRANSLATION)

Proposition No. 3: Election of 1 Substitute Audit & Supervisory Board Member

Substitute Audit & Supervisory Board Member Mr. Kazumasa Otsuka elected at the 70th Ordinary General Meeting of Shareholders held on June 25, 2015 has resigned the post of Substitute Audit & Supervisory Board Member as of February 23, 2016. 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 22.

Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
Masayuki Kitaguchi (April 28, 1967) <- shares> (Candidate for Substitute Outside Audit & Supervisory Board Member) (Independent Officer) (New appointment)	November 1997	Joined Century Audit Corporation (current Ernst & Young ShinNihon LLC)
	April 2002	Registered as certified public accountant
	June 2003	Retired from ShinNihon Audit Firm (current Ernst & Young ShinNihon LLC)
	July 2003	Chief of Kitaguchi Certified Public Accountant Office, to date
	January 2013	Registered with Osaka Bar Association, Chief of Kitaguchi Law Office
	January 2015	Head of Showa Law Office, to date (Important concurrent office) Chief of Kitaguchi Certified Public Accountant Office Head of Showa Law Office
Reason for nomination as a candidate for Substitute Audit & Supervisory Board Member Mr. Masayuki Kitaguchi possesses expert opinions and experiences as a certified public accountant and lawyer. We have deemed those expert opinions and experience to contribute to the duties of Audit & Supervisory Board Member, and so have nominated him as a candidate for Substitute Outside Audit & Supervisory Board Member.		

- (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

(TRANSLATION)

the liability to NH Foods Ltd. for any damage to a certain extent. Accordingly, Mr. Masayuki Kitaguchi 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)
(Attached document)

BUSINESS REPORT

(For the period from April 1, 2015 to March 31, 2016)

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

(1) Business trends and achievements:

The Japanese economy was on a moderate recovery path backed by continued improvement for the corporate earnings and employment environment due in part to the effects of the government's economic measures. However, uncertainty remained amid deceleration of the Chinese economy and concern about a downturn in the global economy including emerging countries. Personal consumption remains sluggish, for while demand from foreign tourists increased, consumer sentiment is deteriorating due to falling stock prices since the start of the new year and uncertainty about the direction of the global economy.

Although raw materials prices have begun to stabilize in the food industry, market prices of domestically produced pork and chicken weakened. Logistics costs rose against a background of labor and vehicle shortages, 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 5,” which was launched in April 2015, the Group undertook business activities based on two management policies: “Establish competitive advantages of domestic businesses” and “Accelerate to a global company” to carry out its themes of “Creating a stable business model through reform.” Specific initiatives included reinforcing farm businesses in Japan, relocation and construction of new specialized cheese factories, forming of a capital and business alliance with Lay Hong Berhade—a major integrated chicken business company in Malaysia, development and promotion of new products, and cultivation of human resources. In July 2015, the Group held the Nipponham Group Fair at supermarkets and stores for the third year since the event was started and aired TV commercials in an effort to increase recognition of the Group and expand sales. The Group also strengthened its cost competitiveness and enhanced profitability mainly by improving productivity, and promoted strict risk management, while working to strengthen its management structure by establishing the “Nipponham Group Fundamental Policy on Corporate Governance” in November 2015.

As a result of these actions, for the year ended March 31, 2016, consolidated net sales amounted to ¥1,240,728 million, increasing 2.3% from the previous fiscal year. Operating income decreased 4.3%, to ¥46,340 million. Income before income taxes and equity in earnings (losses) of associated companies and net income attributable to NH Foods Ltd. decreased by respectively 27.8% to ¥32,139 million and 29.9% to ¥21,779 million, due to recording of foreign exchange losses and impairment losses of goodwill and other intangible assets.

(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 actively promoted sales by running TV commercials of mainstay products including *SCHAU ESSEN* and brushed up major brand products, thereby working toward the recovery of consumer products sales. While the entire ham gift market struggled during the year-end gift-giving season, the number of units sold grew for our flagship brand *Utsukushi-no-kuni* but units sold for gifts overall fell short of last year.

In the processed foods division, the division's sales were strong for both *Ishigama Kobo* and *Kiwami-yaki Hamburg*, a new product launched this spring, and our core product *Chuka Meisai* also recovered. Price competition for commercial-use products intensified, particularly in major CVS chains and the restaurant chain, while the hams and sausages division, as well as the processed foods division struggled due to a slow recovery in sales. As a result, overall sales for the processed foods business fell short of the previous fiscal year.

The division's earnings increased from the previous fiscal year, reflecting cost improvements by review of the product mix and production line aggregation which it has continued to work on, initiatives of enhancing logistics efficiency, and upturn of the raw materials and fuel costs situation.

As a result of these factors, segment sales decreased 1.4%, to ¥356,581 million, and operating income increased 88.5%, to ¥4,054 million.

Fresh Meats Business Division

In Japan, although the price of domestically produced pork and chicken weakened, the sales volume of Nippon Food companies mainly in chicken increased, leading to growth of overall sales. TV commercials for our branded chicken *Sakurahime* were aired in the Kanto and other regions in the summer and autumn, and conducted combined communication including appeals for other branded fresh meats, such as promotions using the Internet and tie-up plans with clients.

Although the division struggled in overseas markets as sales prices of pork declined in the Americas business, sales of the fresh meats business as a whole increased from the previous fiscal year.

The earnings of the domestic production businesses overall increased from the previous fiscal year, due to an increase in sales volume and improvement of productivity in the farm business in Japan, despite negative factors such as dropping fresh meats prices. In overseas businesses, earnings decreased due to struggles caused by an increase of the purchase price of cattle in the Australian businesses, as well as declining pork prices in the Americas hog farming business.

As a result, the division's sales increased 3.3%, to ¥877,334 million, and operating income decreased 12.1%, to ¥39,660 million.

(TRANSLATION)

Affiliated Business Division

In its marine products division, sales were on the same level as the previous fiscal year, owing to growth in the sales of our mainstay products such as shrimp and squid as well as in-house manufactured products in the volume retailers channel, despite a decrease in exports of Alaska pollock and salmon to China.

In dairy products division, sales of yogurt and lactic acid probiotic beverages increased from the previous fiscal year, especially in volume retailers and CVS channels, owing to the strengthening of sales of the core offering *Vanilla Yogurt*. Sales of cheese exceeded the previous fiscal year because of growth in the core commercial bakery channel and restaurant channel, as well as the consumer channel for which efforts had been stepped up, so the dairy products division as a whole increased sales.

Earnings from marine products increased from the previous fiscal year, due to an increase in in-house manufactured products, and improvement of profit margins through price revisions. Earnings from dairy products increased from the previous fiscal year because of higher earnings from yogurt and lactic acid probiotic beverages and stable raw materials prices. Earnings from cheese also increased from the previous fiscal year thanks to improvement of plant operating rates due to growth of sales and favorable turn of raw materials cost situation, despite an increase in fixed costs due to the operation of a new plant.

As a result, the division's sales increased 2.7%, to ¥159,371 million, and operating income increased 694.8%, to ¥2,281 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) 356,581	(%) 98.6	(%) 28.7
Fresh Meats Business Division	877,334	103.3	70.7
Affiliated Business Division	159,371	102.7	12.9
Eliminations, adjustments and others	(152,558)	99.6	(12.3)
Total	1,240,728	102.3	100.0

(For reference) Net sales by product category:

Category	Amount	Year on year	Component ratio
	(millions of yen)	(%)	(%)
Hams and sausages	141,459	94.2	11.4
Processed foods	221,308	104.2	17.9
Fresh meats	716,899	103.7	57.8
Marine products	94,704	100.3	7.6
Dairy products	31,396	109.9	2.5
Others	34,962	96.4	2.8
Total	1,240,728	102.3	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 ¥36.8 billion (including software) during the year ended March 31, 2016. The principal applications of these investments are described below.

The Processed Foods Business Division allocated around ¥10.0 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 ¥15.3 billion. This spending included about ¥6.6 billion by Nippon White Farm Co., Ltd., Interfarm Co., Ltd. and other subsidiaries to upgrade and refurbish breeding facilities, and around ¥3.5 billion by Higashi Nippon Food, Inc., Kanto 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 ¥7.1 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.

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

(in millions of yen, except where noted)

Category	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)	71st (from April 1, 2015 to March 31, 2016)
Net sales	1,022,839	1,122,097	1,212,802	1,240,728
Income before income taxes and equity in earnings (losses) of associated companies	28,031	35,303	44,544	32,139
Net income attributable to NH Foods Ltd.	16,459	24,524	31,048	21,779
Basic earnings per share attributable to NH Foods Ltd. shareholders (yen)	79.42	122.11	152.43	106.92
Diluted earnings per share attributable to NH Foods Ltd. shareholders (yen)	71.44	110.92	143.11	100.44
Total assets	610,293	627,220	661,567	682,855
Total NH Foods Ltd. shareholders' equity	293,414	320,984	353,664	356,353
Total NH Foods Ltd. shareholders' equity per share (yen)	1,474.60	1,575.97	1,736.18	1,749.36

- (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, 2016):

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, packing, 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, 2016):

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.), Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Şirketi (Turkey), Whyalla Beef Pty. Ltd. (Australia), Thai Nippon Foods Co., Ltd. (Thailand), Thomas Borthwick & Sons (Australia) Pty. Ltd. (Australia), Oakey Beef Exports Pty. Ltd. (Australia)
Overseas sales sites	NH Foods Australia Pty. Ltd. (Australia), Day-Lee Foods, Inc. (U.S.A.)

(TRANSLATION)

(8) State of employees (as of March 31, 2016):

Number of employees		Increase or decrease from the end of the previous fiscal year
Processed Foods Business Division	5,559	+216
Fresh Meats Business Division	8,197	+477
Affiliated Business Division	1,826	+54
Group-wide (common)	906	+41
Total	16,488	+788

- (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 (12,916 employees on average during the period).
3. The number of employees (representing the number of those actually at work) of NH Foods Ltd. was 1,396, a decrease of 69 from March 31, 2015.

(TRANSLATION)

(9) Important subsidiaries, etc. (as of March 31, 2016):

(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
Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Şirketi	TL125,000,000	60.0%	Farming and breeding, packing and sales of livestock

- (Notes) 1. NH Foods Ltd. acquired 60.0% of shares outstanding of “Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Şirketi” on April 1, 2015, and made it its subsidiary.
2. 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.

(ii) Results of business combinations

The number of consolidated subsidiaries totaled 86 (including the 22 important subsidiaries stated above), as two companies were included due to acquisition of shares, and the same number of companies were excluded due to mergers. The number of associates as to investment for which the equity method of accounting has been carried out totaled six, increased due to acquisition of shares.

(10) Main lenders (as of March 31, 2016):

Lender	Amount of loan outstanding
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥22,369 million
Sumitomo Mitsui Banking Corporation	¥20,892 million
The Hyakujushi Bank, Ltd.	¥14,687 million
The Norinchukin Bank	¥8,000 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)

With regard to future economic outlook, although continuing to allow for the effects of government economic measures, the opaque situation is expected to continue, such as the impact of confusion in global financial markets and consumption tax hike planned for April 2017.

In this environment, 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, although the costs of raw and other materials stabilize, and consumption is also 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 sales at local areas and marketing capabilities, as well as to strengthen group cooperation, with a view to increasing 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 for the future and centralization of production.

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 production and procurement capabilities and boost an efficient and nationwide sales and delivery system with an eye to future changes such as TPP and FTA.

The Affiliated Business Division will reinforce production and marketing capabilities with the marine products and dairy products businesses as its pillars to expand the domestic business scale. In manufacturing, the division will aggressively make capital expenditures for its system to increase production and improve efficiency. As changes in supply and demand trends for raw materials remain drastic, the division will 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 strengthening group cooperation, the division will further promote recognition of the brand.

The Overseas Business Division was newly established in April 2016 with the purpose of working together as a group and promoting the management policy of “Accelerate to a global company” raised in the “New Medium-Term Management Plan Part 5.” The Group will accelerate the conversion of its business model centering on sales in local markets by integrating its overseas business currently conducted by each Business Division. Having newly added the joint venture with Lay Hong Berhad in Malaysia that was announced in March 2016, the Group will strongly promote the provision of a wide range of products and services, including fresh meats, hams and sausages, processed foods, marine foods, and dairy products, by taking

(TRANSLATION)

advantage of the comprehensive strength of the Group to increase overseas net 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.

(TRANSLATION)

2. Matters concerning the shares (as of March 31, 2016):

- (1) Total number of issuable shares: 570,000,000 shares
- (2) Total number of issued shares:
(including 295,049 shares of treasury stock) 204,000,000 shares
- (3) Number of shareholders: 10,816
- (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)	22,093	10.85
Japan Trustee Service Bank, Ltd. (Trust account)	15,908	7.81
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
Sompo Japan Nipponkoa Insurance Inc.	3,493	1.71
The Kyoei Fire and Marine Insurance Company, Limited	3,226	1.58

(Note) The shareholding ratios are calculated by disregarding the number of shares of treasury stock.

(TRANSLATION)

3. Matters concerning the stock acquisition rights:

Stock acquisition rights held by the Officers of NH Foods Ltd. as of March 31, 2016:

- (i) Number of stock acquisition rights: 32 rights
- (ii) Class and number of shares to be issued or transferred upon exercise of stock acquisition rights: 32,000 shares of common stock
(1,000 shares per stock acquisition right)
- (iii) Total number of stock acquisition rights held by Directors:

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	9	2
	The second stock acquisition rights (Stock acquisition rights in 2005)	July 12, 2005 to June 30, 2025	¥1 per share	6	2
	The third stock acquisition rights (Stock acquisition rights in 2006)	August 9, 2006 to June 30, 2026	¥1 per share	9	2
	The fourth stock acquisition rights (Stock acquisition rights in 2007)	July 27, 2007 to June 30, 2027	¥1 per share	8	2

(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.

(TRANSLATION)

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

(1) Names of Directors and Audit & Supervisory Board Members, etc. (as of March 31, 2016):

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 (Senior Managing Executive Officer)	Koji Kawamura	General Manager of Processed Foods Business Division
Director (Senior Managing Executive Officer)	Hiroji Okoso	In charge of Quality Assurance Department and Customer Service Department, and General Manager of Tokyo Branch Office
Director (Senior Managing Executive Officer)	Katsumi Inoue	General Manager of Fresh Meats Business Division
Director (Executive Officer)	Kazunori Shinohara	General Manager of Affiliated Business Division
Director (Executive Officer)	Tetsuhiro Kito	General Manager of Sales & Marketing Division, Processed Foods Business Division
Director (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
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 Outside Statutory Auditor of Mitsubishi Estate Company, Limited

(TRANSLATION)

Title	Name	Assignment and concurrent holding of important offices
Full-time Audit & Supervisory Board Member	Hiroshi Itagaki	
Full-time Audit & Supervisory Board Member	Koichi Nishihara	
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 Reserve Auditor of Noritz Corporation
Audit & Supervisory Board Member	Akihiko Shiba	Representative of Shiba Management Legal Office Outside Director of Veriserve Corporation Outside Corporate Auditor of Fukuda Denshi Co. Ltd. Outside Corporate Auditor of AIRPORT FACILITIES CO., LTD.
Audit & Supervisory Board Member	Atsushi Iwasaki	Head of Iwasaki Certified Public Accountant Office Outside Director of ISEKI & CO., LTD.

- (Notes)
1. Directors Ms. Toshiko Katayama and Mr. Iwao Taka are Outside Directors.
 2. Audit & Supervisory Board Members Messrs. Akira Otsuka, Akihiko Shiba, and Atsushi Iwasaki 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. Akira Otsuka, Akihiko Shiba, and Atsushi Iwasaki, independent officers as stipulated by Tokyo Stock Exchange, Inc., and has filed notices thereof to the Exchange. 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 54.
 4. Audit & Supervisory Board Member Mr. Atsushi Iwasaki, who is qualified as a certified public accountant, has considerable knowledge of financing and accounting.
 5. The following changes were made to Directors during the year ended march 31, 2016.
 - (1) Appointment
 - 1) Mr. Juichi Suezawa as President and Representative Director, Mr. Yoshihide Hata as Vice President and Representative Director, and Mr. Koji Kawamura as Representative Director took their respective offices as of April 1, 2015 upon being elected at the meeting of the Board of Directors held on February 13, 2015.
 - 2) Messrs. Katsumi Inoue, Kazunori Shinohara, Tetsuhiro Kito and Hajime Takamatsu took their office upon being elected Director at the 70th Ordinary General Meeting of Shareholders held on June 25, 2015.

(TRANSLATION)

- 3) Messrs. Koichi Nishihara, Akihiko Shiba, and Atsushi Iwasaki took their office upon being elected Audit & Supervisory Board Member at the 70th Ordinary General Meeting of Shareholders held on June 25, 2015.
- (2) Retirement
- 1) Messrs. Hiroshi Kobayashi, Noboru Takezoe, and Koji Uchida retired from the office of Director at the conclusion of the 70th Ordinary General Meeting of Shareholders held on June 25, 2015.
 - 2) Messrs. Katsutoshi Nishio, Fumio Motoi, and Tamio Morimoto retired from the office of Audit & Supervisory Board Member at the conclusion of the 70th Ordinary General Meeting of Shareholders held on June 25, 2015.

(TRANSLATION)

(Reference)

Management Structure as of April 1, 2016 is as follows:

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 (Senior Managing Executive Officer)	Koji Kawamura	General Manager of Processed Foods Business Division
Director (Senior Managing Executive Officer)	Hiroji Okoso	General Manager of Overseas Business Division
Director (Senior Managing Executive Officer)	Katsumi Inoue	General Manager of Fresh Meats Business Division
Director (Managing Executive Officer)	Kazunori Shinohara	General Manager of Affiliated Business Division
Director (Executive Officer)	Tetsuhiro Kito	General Manager of Sales & Marketing Division, Processed Foods Business Division
Director (Executive Officer)	Hajime Takamatsu	In charge of Quality Assurance Department and Customer Service Department, and in charge of Human Resources Department, Legal Affairs Department, General Affairs Department, Accounting & Finance Department, IT Strategy Department, Corporate Management Division General Manager of Tokyo Branch Office
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 Outside Statutory Auditor of Mitsubishi Estate Company, Limited

(TRANSLATION)

Title	Name	Assignment and concurrent holding of important offices
Full-time Audit & Supervisory Board Member	Hiroshi Itagaki	
Full-time Audit & Supervisory Board Member	Koichi Nishihara	
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 Reserve Auditor of Noritz Corporation
Audit & Supervisory Board Member	Akihiko Shiba	Representative of Shiba Management Legal Office Outside Director of Veriserve Corporation Outside Corporate Auditor of Fukuda Denshi Co. Ltd. Outside Corporate Auditor of AIRPORT FACILITIES CO., LTD.
Audit & Supervisory Board Member	Atsushi Iwasaki	Head of Iwasaki Certified Public Accountant Office Outside Director of ISEKI & CO., LTD.

(Executive Officers who are not concurrently serving as Directors)

Title	Name	Assignment and concurrent holding of important offices
Managing Executive Officer	Sadanori Miyagai	General Manager of Administrative Division, General Manager of Business Planning Office and General Manager of Research and Examination Office, Fresh Meats Business Division
Managing Executive Officer	Kanji Bando	General Manager of Administrative Division and General Manager of Administrative Office, Overseas Business Division
Executive Officer	Kazuhiro Mikuni	General Manager of Operations Management Division, Affiliated Business Division
Executive Officer	Koichi Oyama	General Manager of Administrative Division, Processed Foods Business Division
Executive Officer	Hiroyuki Yano	General Manager of Corporate Planning Department, Corporate Management Division In charge of Research & Development Center
Executive Officer	Shuji Okoso	General Manager of Hams & Sausages Division, Processed Foods Business Division
Executive Officer	Sadakazu Ogawa	General Manager of Sales Companies Operations

(TRANSLATION)

Title	Name	Assignment and concurrent holding of important offices
		Division, Sales & Marketing Division, Processed Foods Business Division
Executive Officer	Fumio Maeda	General Manager of Sales & Logistics Operations Division, Fresh Meats Business Division
Executive Officer	Masahito Kataoka	General Manager of Public & Investor Relations Department In charge of Corporate Communication Office and CSR Department, Corporate Management Division
Executive Officer	Hideki Fujii	General Manager of Asia & Europe Operations Division, Overseas Business 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 Corporate Strategy Development Office In charge of Engineering Department
Executive Officer	Nobuo Oda	General Manager of Deli & Processed Foods Division, Processed Foods 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 and General Manager of Delicatessen Department, Sales & Marketing Division, Processed Foods Business Division
Executive Officer	Kuniharu Hirai	General Manager of Compliance Department
Executive Officer	Kenichi Nagai	General Manager of Domestic Fresh Meats Production Division, Fresh Meats Business Division
Executive Officer	Takao Seki	General Manager of Domestic Fresh Meats Sales Division, Fresh Meats Business Division

(TRANSLATION)

(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.

(TRANSLATION)

- (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		
13 Directors	¥237 million	¥50 million	¥53 million	¥340 million
(2 Outside Directors)	(¥22 million)			(¥22 million)
8 Audit & Supervisory Board Members	¥82 million			¥82 million
(5 Outside Audit & Supervisory Board Members)	(¥33 million)			(¥33 million)
Total	¥319 million	¥50 million	¥53 million	¥422 million (¥55 million)

- (Notes)
1. The aggregate amount of compensation, etc. includes the compensation of three Director and three Audit & Supervisory Board Members (including two Outside Audit & Supervisory Board Members) who retired at the conclusion of the 70th Ordinary General Meeting of Shareholders held on June 25, 2015.
 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.

(TRANSLATION)

(3) Matters concerning the Outside Officers:

(i) Major activities during the year ended March 31, 2016:

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 (100%)	-	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 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	18/19 (94.7%)	-	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 Enhancement Committee.
Audit & Supervisory Board Member	Akira Otsuka	19/19 (100%)	15/15 (100%)	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.

(TRANSLATION)

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	Akihiko Shiba	13/14 (92.9%)	10/10 (100%)	Mr. Shiba, 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.
	Atsushi Iwasaki	14/14 (100%)	10/10 (100%)	Mr. Iwasaki, 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.

Note: Activity status for Audit & Supervisory Board Members Mr. Akihiko Shiba and Mr. Atsushi Iwasaki is based only on the meetings of the Board of Directors and the Audit & Supervisory Board held after their assuming office on June 25, 2015.

- (ii) The fact of any inappropriate and wrongful execution of duties conducted during the year ended March 31, 2016 and preventive measures for the occurrence of such fact and responses thereto after the occurrence

Concerning a lactic acid bacterium for animal feed for which the Research and Development Center of NH Foods Ltd. obtained a patent in 2010, the Group found in May 2015 that in spite of the fact that researches conducted after the application of the patent but before the grant thereof had revealed that the efficacy as described in the application was not verified, the Research and Development Center moved forward with the patent procedure and obtained the patent and also entered into a license agreement with its client pharmaceutical company, with respect to the feed using such lactic acid bacterium.

Outside Directors Ms. Toshiko Katayama and Mr. Iwao Taka endeavor to ensure the proper execution of duties by proactively making suggestions mainly for the establishment of a sound corporate culture and the creation of high ethical standards on a regular basis. After such fact became known, they have been performing their duties, including urging the investigation and background information on the fact, observing the appropriate implementation status of recurrence prevention measures, and requesting reports as necessary.

Outside Audit & Supervisory Board Member Mr. Akira Otsuka has been conducting audits with other Audit & Supervisory Board Members to ensure the proper execution of duties on a regular basis and has been checking and expressing opinions on internal control systems and specific measures at the meetings of the Board of Directors and Audit & Supervisory Board. After such fact became known, he has been performing his duties, including monitoring the implementation status of the recurrence prevention measures. Outside Audit & Supervisory Board Members Messrs. Akihiko Shiba and

(TRANSLATION)

Atsushi Iwasaki had not served as Audit & Supervisory Board Members when such fact became known. However, since they have assumed the office of Audit & Supervisory Board Members, they have been conducting audits with other Audit & Supervisory Board Members to ensure the proper execution of duties on a regular basis. After such fact became known, they have been performing their duties, including the monitoring of the implementation status of recurrence prevention measures.

(iii) 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. Akira Otsuka, Akihiko Shiba and Atsushi Iwasaki.

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.

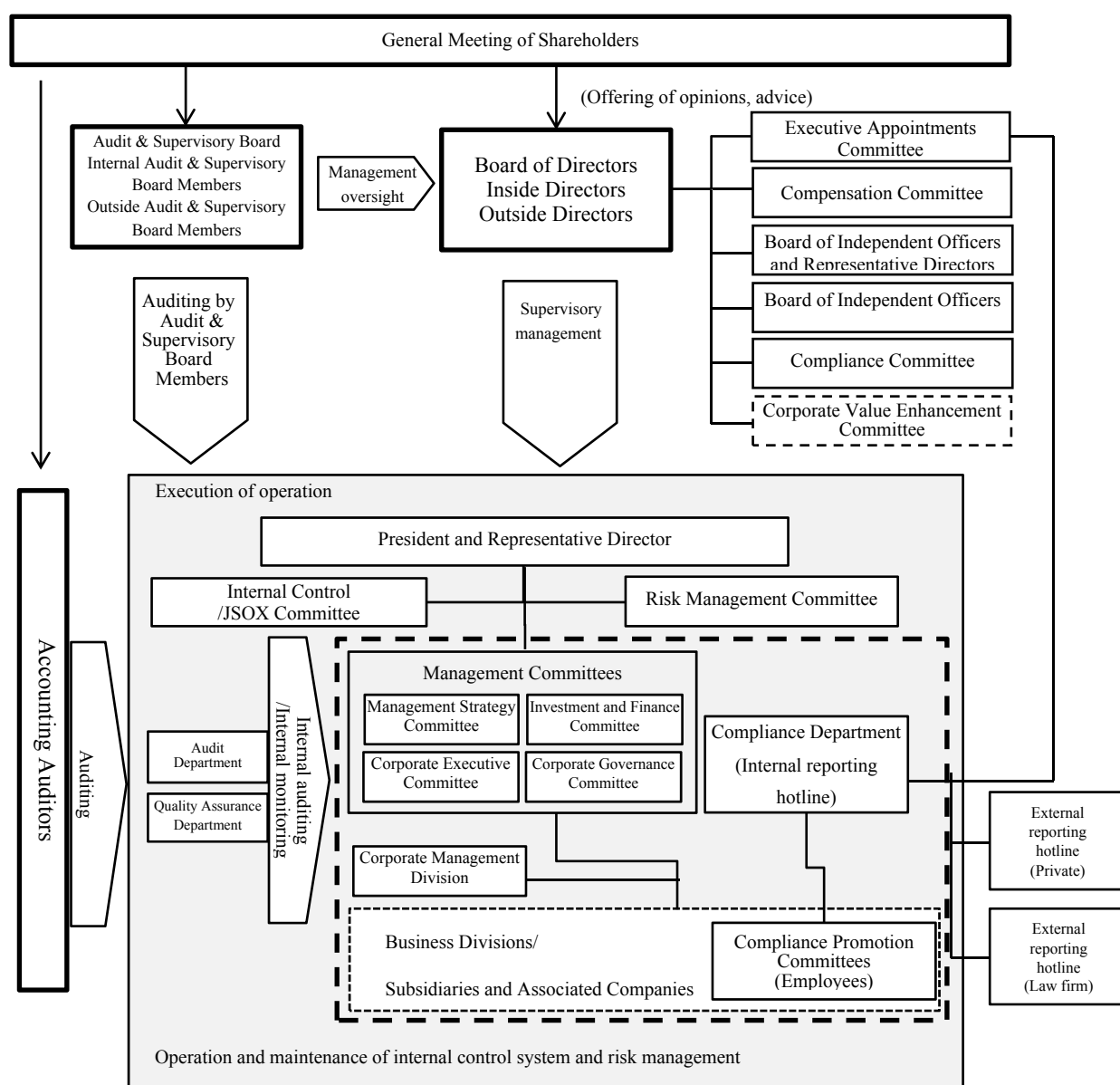
(TRANSLATION)

(Reference) Corporate Governance System of NH Foods Ltd.

1. Basic views on corporate governance

- (1) In order to establish a corporate governance system which the Group considers most appropriate and in order to make such system functional so that NH Foods Ltd. is able to exercise social responsibility of the Group and realize a vision of the Group as the “World Leader in Delivering the "Joy of Eating",” we present our basic views on corporate governance of the Group and continuously strive to enhance it.
- (2) The principles of corporate governance of the Group are to enhance its management transparency and efficiency, to ensure timely and proper decision-making as well as appropriate business operations, to enable proactive and courageous business judgments and to clarify its responsibility.

2. Organization chart



(TRANSLATION)

3. Advisory committees to the Board of Directors

The Board of Directors establishes the following committees as advisory committees to the Board of Directors in order to enhance the objectivity and transparency of management.

Executive Appointments Committee To enhance the transparency and objectivity of decisions on candidates for the Directors/Audit & Supervisory Board Members and to improve the supervisory function of the Board of Directors.	Compensation Committee To enhance the transparency and objectivity of decisions on the compensation for the Corporate Officers (including the Executive Officers) and improve the supervisory function of the Board of Directors.
Board of Independent Officers and Representative Directors To improve the Group's corporate value and to provide a venue for proposing reformation of corporate culture through free and open discussions among the Independent Officers and the Representative Directors.	Board of Independent Officers To exchange information and to share understandings from an independent and objective perspective.
Compliance Committee To evaluate the policies and measures concerning the compliance of the entire Group.	Corporate Value Enhancement Committee To provide recommendations to the Board of Directors concerning the ideal form of the takeover defense plan of NH Foods Ltd. and the enhancement of the Group's corporate value from the perspective of securing and enhancing the corporate value of the Group and the common interests of the shareholders from the independent standpoint with no vested interest in NH Foods Ltd.

(TRANSLATION)

Composition of Advisory Committees (As of April 8, 2016)

Position	Name	Executive Appointments Committee	Compensation Committee	Board of Independent Officers and Representative Directors	Board of Independent Officers	Compliance Committee	Corporate Value Enhancement Committee
President and Representative Director	Juichi Suezawa		○	○		◎	Observer
Vice President and Representative Director	Yoshihide Hata	○	○	○		○	Observer
Representative Director	Koji Kawamura			○		○	
Director	Hajime Takamatsu					○	
Director (Outside)	Toshiko Katayama*	○	◎	○	◎	○	
Director (Outside)	Iwao Taka *	◎	○	○	○		○
Audit & Supervisory Board Member (Outside)	Akira Otsuka*		○	○	○		
Audit & Supervisory Board Member (Outside)	Akihiko Shiba*			○	○	Observer	
Audit & Supervisory Board Member (Outside)	Atsushi Iwasaki*			○	○		

◎Committee Chairperson ○Committee Member *Independent Officers

(TRANSLATION)

4. Criteria on Independence of Outside Officers

(Based on the resolution at the meeting of the Board of Directors held on May 13, 2013)

“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, 2016 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, 2016, 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.

(TRANSLATION)

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	¥384 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. As a result of conducting the necessary verification on the contents of the audit plan of the Accounting Auditors, the evaluation and analysis of the performance of their duties in the previous fiscal year, and the appropriateness of the calculation basis of their estimated compensation, the Audit & Supervisory Board agreed to the amount of compensation, etc. of the Accounting Auditors.

(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:

If the Audit & Supervisory Board determines that the circumstances set forth in any item of Article 340, paragraph 1 of the Companies Act of Japan apply to the Accounting Auditors, it shall dismiss the Accounting Auditors subject to the unanimous consent of Audit & Supervisory Board Members.

If the Audit & Supervisory Board deems it necessary to change the Accounting Auditors, such as in case where it is considered difficult for the Accounting Auditors to perform their duties properly after conducting comprehensive evaluation in accordance with the Accounting Auditors’ qualification, expertise, independence from NH Foods Ltd. and other evaluation criteria, it shall determine the content of a proposition related to the dismissal or non-reappointment of the Accounting Auditors to be submitted to the General Meeting of Shareholders.

(TRANSLATION)

6. Systems and policies of NH Foods Ltd.

- (1) Establishment of the systems to secure the properness of business activities and the status of the implementation of such systems:

[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 complies with laws and regulations and the Articles of Incorporation
 - (a) NH Foods Ltd. establishes the Group's Action Standards in order to strictly implement its Action Guidelines so as to bring the Corporate Philosophies to fruition under the Corporate Philosophies and Business Principles. The Corporate Officers and employees of the Group comply with it.
 - (b) The Corporate Officers of the Group take initiative in complying with laws and regulations and the internal rules, etc., including the Articles of Incorporation and the Group's Action Standards, and ensure that all employees are fully aware of these rules.
 - (c) NH Foods Ltd. establishes the Compliance Committee in order to examine policies and measures concerning the compliance of the Group as a whole in a comprehensive manner. The Compliance Department of NH Foods Ltd. reviews the Group's Action Standards regularly and as necessary, and ensures that all Corporate Officers and employees of the Group are fully aware thereof.
 - (d) The Corporate Officer appointed by the Representative Director/President will preside over the Compliance Committee, and NH Foods Ltd. convenes meetings of the Compliance Committee, which periodically reports to the Board of Directors on progress on ensuring awareness of compliance and specific problems, issues, etc.
 - (e) NH Foods Ltd. secures a direct way for employees to report conducts at the Nipponham Group that pose a question as to compliance of laws and regulations and establish and operate internal and external hotlines in relation to compliance issues.
- (ii) Systems concerning storage and management of information pertaining to the execution of duties by the Directors
 - (a) The Directors, pursuant to the document management rules, properly store and manage the following documents (including electronic records; the same applies hereinafter) 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 the Board of Directors' meetings and their related materials;

(TRANSLATION)

- c) Records of proceedings of other important meetings hosted by the Directors or their instructions, and their related materials;
 - d) Documents pertaining to decision making by the Directors and their attached documents; and
 - e) Other important documents for execution of duties by the Directors.
- (b) The Representative Director/ President is responsible for monitoring and supervising the storage and management of information set forth in (a) above. The Representative Director/President performs such that pertain to preparation of minutes as required by the Companies Act of Japan
- (c) The documents set forth in 1) above are kept on file for at least 10 years and are made available for inspection as necessary.

(iii) Rules and other systems concerning management of exposure to risk of loss

- (a) NH Foods Ltd. enacts risk management rules, establish a Risk Management Committee in order to examine policies and measures concerning risk management of the Group as a whole in a comprehensive manner and establish a section that oversees risk management of the Group as a whole and that defines the risk management system.
- (b) The section overseeing risk management cooperates with the Compliance Department and other relevant sections to establish a preventive system adopted for non-emergency events and a system for emergency events to facilitate prompt and appropriate information communication and urgent tasks that correspond to risks expected under the risk management rules.
- (c) The Risk Management Section identifies important risks to the Group and periodically holds meetings of the Risk Management Committee to share, respond to and confirm risk information for the purpose of managing the said risks through the reasonable and most appropriate method, from the perspective of the Group as a whole.
- (d) The Audit Department cooperates with the Compliance Department, the risk management section and other relevant sections of the business division to audit the state of day-to-day risk management of the Group.

(TRANSLATION)

(iv) Systems to secure efficient execution of the Directors' duties

- (a) To enhance the transparency and appropriateness of decision-making by the Board of Directors, the Board of Directors includes two or more Outside Directors, in principle.
- (b) The Board of Directors, based on the assignment of duties of the management bodies, Representative Directors, Executive Directors and Executive Officers, etc. determined by the Board of Directors, cause the Representative Directors, Executive Directors, and Executive Officers to execute business.
- (c) With regard to items of business in respect of which the decision making authorization is delegated to the Representative Directors, Executive Directors, and Executive Officers, such items are determined by such bodies or in accordance with procedures as stipulated in the Rules on Business Authorization. The Rules on Business Authorization may be revised from time to time when the relevant laws or regulations are amended or abolished, or as necessary, to enhance the efficiency of the execution of their duties.

(v) Systems to secure the employees' execution of their duties to comply with laws and regulations and the Articles of Incorporation

- (a) To ensure that the execution of duties by NH Foods Ltd.'s employees comply with laws and regulations and the Articles of Incorporation, NH Foods Ltd. establishes a system to strictly implement its Corporate Philosophies, Management Principles, Action Guidelines and Action Standards. NH Foods Ltd. also cause the Representative Directors, Executive Directors, and Executive Officers to train and educate the employees of the Group concerning compliance.
- (b) In the event of any employee of the Group finds any material violation of the law or regulation or any other material fact concerning compliance in any company within the Group, he/she reports the same to NH Foods Ltd.'s Compliance Department pursuant to the internal rules, etc., including the Group's Action Standards. The Corporate Officer in charge of compliance directs and supervises investigations of such reported fact, and the said Department confirms all the facts revealed through the investigation, cooperate with the relevant sections from the perspective of their expertise, formulate and implement corrective measures and recurrence prevention measures.
- (c) With regard to important information, NH Foods Ltd. discloses the content thereof and its status of handling and results thereof to the Corporate Officers and employees of the Group and ensures that all Corporate Officers and employees are fully aware thereof.
- (d) The Representative Director/President directly manages the Audit Department. The Audit Department, in accordance with the instruction of the Representative Director/President, conducts audits on the state of execution of business. In addition, the Quality Assurance Department conducts quality audits and the Corporate Social Responsibility Department conducts environmental audits.

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- (vi) Systems to secure the appropriateness of business activities of the corporate group comprised of NH Foods Ltd. and its subsidiaries
 - (a) The Nipponham Group Action Standards serve as action standards for the Corporate Officers and employees of the Group to act in compliance with laws and regulations, the Articles of Incorporation and social norms.
 - (b) In order to ensure strict compliance with (a) above, the Compliance Department supervises compliance efforts on a cross-sectional manner and provides training, etc. for the Corporate Officers and employees of the Group.
 - (c) The Representative Directors, Executive Directors, and Executive Officers of the Group define internal control through means such as establishment of the Primary Business Administration Rules, in order to ensure appropriate execution of business at each business division.
 - (d) The Audit Department audits the subsidiaries on a regular basis and cooperate with business divisions that oversees the business of each company within the Group. The results of such audits are reported to the Representative Director/President
 - (e) While respecting the autonomy and independence of the management of the subsidiaries, in order to contribute to the proper and effective operation of the group management, NH Foods Ltd. establishes the Subsidiaries and Associated Companies Management Rules. When the subsidiaries make decision on important managerial matters, NH Foods Ltd. establishes a system in which prior approval, prior adjustment and reporting are made to us in accordance with the Subsidiaries and Associated Companies Management Rules.
 - (f) As for transactions between NH Foods Ltd. and its subsidiaries (including transactions between subsidiaries), in accordance with the Subsidiaries and Associated Companies Management Rules, NH Foods Ltd. ensures that such transactions are not significantly advantageous or disadvantageous compared to transactions with a third party and establishes a system in which transparency of transactions is ensured such as confirmation with experts as necessary.
 - (g) With regard to the risk management conducted by the subsidiaries as a corporate group, NH Foods Ltd. grasps the status thereof and establishes a system in which NH Foods Ltd. provides instructions for improvement.
 - (h) NH Foods Ltd. establishes compliance point of contact and a system to allow all employees of the Group to directly report an incident within and outside the Group, and NH Foods Ltd. establishes the Group's Whistleblower Protection Rules and ensures that the Corporate Officers and employees of the Group are fully aware of these rules. NH Foods Ltd. does not dismiss or unfavorably treat any person who has been a whistleblower.
 - (i) For cases of any violation of laws, regulations and/or internal rules, etc. or if any threat thereof occurs or is revealed in NH Foods Ltd. or its subsidiaries, NH Foods Ltd. establishes a system in which the foregoing is reported to NH Foods Ltd.'s

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Compliance Department.

- (j) The Group, as a member of society, has no relationship, including business relationship, with any anti-social force that threatens the social order or safety and uncompromisingly deal with any undue claims. The Nipponham Group Action Standards stipulate how to deal with anti-social forces in the Action Standards, and NH Foods Ltd. ensures that how to deal with anti-social forces are made fully aware throughout the Group. The General Affairs Department of NH Foods Ltd. collects and manages information on undue claims, thereby reducing risks concerning anti-social forces.
- (k) The Group establishes a system to ensure the reliability of financial reporting and establishes relevant rules as well as a system under which responsible sections and the audit section are able to periodically evaluate the operations of the system to find and solve problems, if any. In addition, the Group provides training and raise awareness of compliance with accounting standards and related laws and regulations, thereby reinforcing internal control over financial reporting.
- (l) As for foreign subsidiaries, NH Foods Ltd. causes such subsidiaries to establish and operate appropriate internal control in accordance with this policy to a reasonable extent. NH Foods Ltd. causes such subsidiaries to apply respective internal control procedures/systems and accounting processing/reporting methods established by NH Foods Ltd. to the extent permitted by the laws, etc. of each relevant country.
- (vii) Matters concerning the employees assisting the Audit & Supervisory Board Members to execute their duties, matters concerning the independence of such employees from the Board of Directors, matters concerning ensuring the effectiveness of instructions toward such employees
 - (a) NH Foods Ltd. assigns staff for the Audit & Supervisory Board Members as employees assisting the Audit & Supervisory Board Members in the execution of their duties.
 - (b) The number of staff for Audit & Supervisory Board Members is determined upon consultation with the Audit & Supervisory Board.
 - (c) The staff for the Audit & Supervisory Board Members dedicates all of their work time for the Audit & Supervisory Board and assists its auditing activities exclusively pursuant to instructions of the Audit & Supervisory Board.
 - (d) NH Foods Ltd. obtains prior approval from the Audit & Supervisory Board upon nomination, personnel change, evaluation and disciplinary punishment of the staff for the Audit & Supervisory Board Members and establishes a system in which the independence from the Board of Directors is ensured.
- (viii) System for reporting by the Directors and employees of NH Foods Ltd. and its subsidiaries to the Audit & Supervisory Board Members and other systems for reporting to the Audit & Supervisory Board Members, system for ensuring that any person making such report will not be subject to unfavorable treatment due to the fact of making such

(TRANSLATION)
report

- (a) The Audit & Supervisory Board Members attend the Board of Directors' meetings and the representative(s) of the Audit & Supervisory Board attend meetings of the Management Strategy Committee and Corporate Executive Committee.
 - (b) The Directors report the following matters to the Audit & Supervisory Board:
 - a) Matters resolved at meetings of the Management Strategy Committee;
 - b) Matters that may inflict material damage to the Group;
 - c) Matters important to business conditions each month;
 - d) Important matters concerning the status of internal audits and risk management;
 - e) Material violations of laws or regulations or the Articles of Incorporation;
 - f) Matters in violation of the Nipponham Group Action Standards; and
 - g) Status of whistleblowing made to the compliance point of contact and the details thereof.
 - (c) If the Audit & Supervisory Board Members determine necessary, the Audit & Supervisory Board Members may request the Directors, Executive Officers and employees, or any of NH Foods Ltd.'s subsidiaries' Directors, Audit & Supervisory Board Members, Executive Officers and employees to report to the Audit & Supervisory Board Members at any time.
 - (d) NH Foods Ltd. ensures that any person who makes a report to the Audit & Supervisory Board Members will not be subject to dismissal or suffer any other unfavorable treatment due to the fact of making such report.
- (ix) Other systems to assure effective audits by the Audit & Supervisory Board Members
- (a) In principle, the majority of the Audit & Supervisory Board members are Outside Audit & Supervisory Board Members in order to secure transparency externally.
 - (b) NH Foods Ltd. provides opportunities for the Audit & Supervisory Board to have individual hearings with the Representative Directors, the Executive Directors, the Executive Officers and important employees, and the Audit & Supervisory Board regularly hold meetings to exchange opinions with the Representative Directors and the audit firm, respectively.
 - (c) The Audit & Supervisory Board Members may assign matters necessary for auditing activities to the staff of the Audit Department. The Audit Department, upon consultation with the Audit & Supervisory Board, conducts internal audits of the matters requested by the Audit & Supervisory Board Members and reports the results thereof to the Audit & Supervisory Board.

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- (d) When conducting audits, the Audit & Supervisory Board may, as necessary and at the expense of NH Foods Ltd., retain legal and accounting experts.

[Overview of the status of the implementation of the systems to secure the properness of business activities]

(i) Overall internal control system

- (a) To develop and implement the internal control system of NH Foods Ltd. and its group companies and to efficiently achieve the purpose of internal control, the Audit Department conducts audit pursuant to the annual audit plan as to whether the execution of business is performed properly and efficiently. The Audit Department conducted audits for 20 group companies in the year ended March 31, 2016.
- (b) As to internal control over financial reporting, the Internal Control/JSOX Committee examines pursuant to the Internal Control Management Rules whether the internal control of the Group functions appropriately, and reports the result thereof to Representative Directors.

(ii) Compliance system

- (a) NH Foods Ltd. has established the “Compliance Committee,” which formulates policies on and confirms the status of the compliance of the entire Group, the “Compliance Promotion Committees” where individual group companies and divisions promote compliance-related activities, and the “Compliance Leader Conference,” where representatives from each Compliance Promotion Committee discuss concrete measures, and each committee cooperates with each other.
- (b) To raise awareness of compliance, NH Foods Ltd. holds compliance training sessions, compliance meetings, and office study groups. During the year ended March 31, 2016, 22 compliance training sessions, 87 compliance meetings, and 41 office study groups were held.
- (c) NH Foods Ltd. ensures full implementation of compliance management by promoting the operation thereof in accordance with the Nipponham Group Whistleblower Protection Rules. Especially, NH Foods Ltd. has established several points of contact for consultation of compliance inside and outside the Group to allow all employees of the Group to report and consult on compliance-related issues freely without concern for organizational, departmental and positional restrictions, etc., and thereby we work for the prevention and prompt revelation of problems such as misconduct.

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(iii) Risk management system

- (a) The Risk Management Committee was established to comprehensively manage the cross-sectional risks in the entire Group to contribute to Group management by discussing issues and measures relating to risk management of the Group (risk prevention and emergency responses in management crises). During the year ended March 31, 2016, 4 meetings were held, where analyses and assessment were conducted across themes for each field, such as “disasters/environment,” “people,” “goods,” “capital” and “information.”
- (b) In the event of a large-scale accident, disaster, scandal, etc., NH Foods Ltd. establishes the countermeasure division that handles such event by appointing the chairperson of the Risk Management Committee as a head of countermeasure division.

(iv) Business management of group companies

- (a) With regard to the business management of the respective group companies, NH Foods Ltd. established the system in which each group company obtains, pursuant to the Subsidiaries and Associated Companies Management Rules and according to significance, the approval of its business execution from the Board of Directors or Directors of NH Foods Ltd.
- (b) NH Foods Ltd. receives reports on the status of the execution of each business at the meeting of the Board of Directors on a quarterly basis.

(v) Systems for efficient execution of duties

NH Foods Ltd. defines rules on decision-making, including matters to be resolved at the meeting of the Board of Directors, pursuant to the Rules of the Board of Directors. During the year ended March 31, 2016, 19 meetings of the Board of Directors were held. In addition, we convened 24 meetings of the Management Strategy Committee, a body established to streamline business operations by liaising and coordinating within the Group, and discuss and decide substantive matters concerning management.

(vi) Execution of duties by Audit & Supervisory Board Members

- (a) Audit & Supervisory Board Members attend important meetings, such as the Internal Control/JSOX Committee, Risk Management Committee, Corporate Governance Committee, and Management Strategy Committee, and assess the status of the development and implementation of the internal control system.
- (b) Audit & Supervisory Board Members request business reports from the Directors, Executive Officers, and important employees of NH Food Ltd. and its subsidiaries, and inspect the status of the business operations and assets of NH Food Ltd. and its subsidiaries.

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- (c) Audit & Supervisory Board Members enhance the effectiveness of audit by having opportunities to exchange information and opinions with the Audit Department and Accounting Auditors on a regular basis. During the year ended March 31, 2016, Audit & Supervisory Board Members organized 12 meetings with the Audit Department and 12 meetings with Accounting Auditors, respectively, to exchange information and opinions regularly.
 - (d) NH Foods Ltd. establishes a system in which two staff members are assigned to Audit & Supervisory Board for the smooth execution of duties by Audit & Supervisory Board Members.
- (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.

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<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.

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 it is vital to establish a corporate governance system that the Group considers most appropriate and make such system functional to secure and enhance NH Foods Ltd.'s corporate value and common interests of the shareholders, NH Foods Ltd. has enacted and announced the “Nipponham Group Fundamental Policy on Corporate Governance” setting forth its basic views on and framework of the corporate governance of NH Foods Ltd. and continuously strives to enhance it.

The principles of the corporate governance of the Group are to enhance its management transparency and efficiency of the entire Group, to ensure swift and proper decision-making as well as appropriate business executions, to enable proactive and courageous business judgments, and to clarify its responsibility. As an example, NH Foods Ltd. appoints multiple Outside Directors to the Board of Directors and establishes optional committees to supplement the functions of the Board of Directors. Especially, the majority of members of the “Compensation Committee” and “Executive Appointments Committee” consist of Independent Officers, and an Outside Director acts as Committee Chairperson. Other than the audits by the Audit Department, NH Foods Ltd. ensures the appropriateness of the execution of business through the enhancement of monitoring by function (quality, environment, etc.) as well as the 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.

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- (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 11, 2015, 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 70th Ordinary General Meeting of Shareholders held on June 25, 2015.

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.

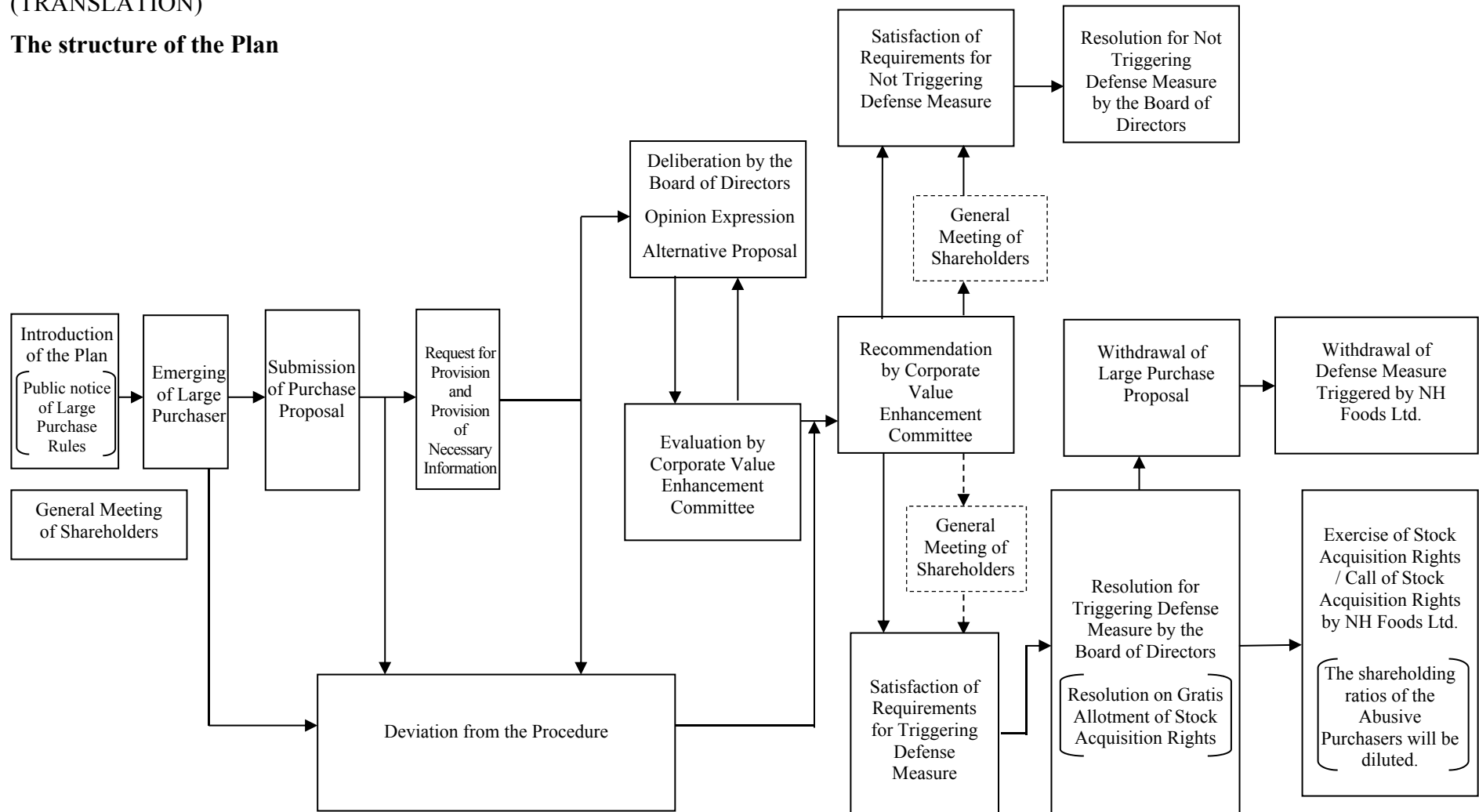
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The summary of the Plan is as follows.

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.
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)

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The structure of the Plan



(TRANSLATION)

(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 Enhancement 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) Deliberation Procedure of 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 Enhancement Committee:

The Corporate Value Enhancement 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 Enhancement Committee to the full extent in making judgment.

(e) Time Limit for the Large Purchase Action by the Large Purchaser:

A Large Purchaser shall not commence any Large Purchase Action before the

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expiration of the Period for Deliberation by the Board of Directors. In the event that the Corporate Value Enhancement 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 Enhancement 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 Enhancement 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 Enhancement 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 2018.

(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.

(TRANSLATION)

- (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 Ordinary General Meeting of Shareholders scheduled to be held in June 2018 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 Enhancement 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 Enhancement 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 Enhancement Committee to a maximum extent. Thus, the Corporate Value Enhancement 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 Enhancement 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 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

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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 Enhancement Committee may receive at NH Foods Ltd.'s expense an opinion from independent third parties. The fairness and objectiveness of the Corporate Value Enhancement Committee's judgment will be strongly secured herewith.

(Reference)

NH Foods Ltd. clarifies in Section 3.1.(6)(c) of the "Nipponham Group Fundamental Policy on Corporate Governance" to the effect that the Plan is adopted only to the extent necessary to prevent damages to our corporate value with the aim to promote the sustainable corporate growth and improve the corporate value in a mid-to-long term. The Board of Directors takes the following measures to appropriately meet its fiduciary duties and accountability to the shareholders that the Board of Directors owes as well as to ensure the objectivity and reasonableness of the Plan.

- i) NH Foods Ltd. eliminates arbitrary judgments of the Board of Directors regarding an issue of whether or not to take countermeasures to large purchase actions that pertain to our shares by establishing the Corporate Value Enhancement Committee that consists of members independent from NH Foods Ltd.
- ii) The Corporate Value Enhancement Committee examines the necessity and reasonableness of the Plan at least once a year.

The composition of the Corporate Value Enhancement Committee established in accordance with i) above and the status of the activities of the Corporate Value Enhancement Committee during the year ended March 31, 2016, and the results of the verification of the Plan conducted by the Corporate Value Enhancement Committee in accordance with ii) above are as follows.

1. 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 the Committee members

With approval at the Ordinary General Meeting of Shareholders held on June 25, 2015 concerning the continued introduction of the Plan, NH Foods Ltd. also appointed four members. However, the Committee has been operated by three members since Mr. Kazumasa Otsuka resigned as of February 23, 2016. NH Foods Ltd. intends to operate the Corporate Value Enhancement Committee with

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five members in total after the assumption of two additional members who will assume the office as from June 28, 2016.

The names and brief histories of the current members and expected new members as of March 31, 2016 are as follows.

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, to date
Mr. Iwao Taka is Outside Director of NH Foods Ltd., and an 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 54.	

Name	Brief history
Shigeru Nishiyama	March 1987 Registered as certified public accountant April 2000 Associate Professor of Waseda University Graduate School April 2003 Outside Corporate Auditor of Pigeon Corporation, to date April 2006 Professor of Waseda University Graduate School, to date June 2012 Outside Corporate Auditor of Astellas Pharma Inc., to date July 2015 Outside Audit & Supervisory Board Member of UNIPRES CORPORATION, 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 54.	

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Name	Brief history	
Tsutomu 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. Tsutomu 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, 2016. 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 54.		

Name	Brief history	
Akira Otsuka	April 1973	Registered with Kobe Bar Association (current Hyogo-ken Bar Association)
	May 1977	Established Kobe Law Office
	June 1977	Registered as Maritime Counselor
	July 1988	Maritime Arbitrator of The Japan Shipping Exchange, Inc., to date
	April 1994	Civil Law Mediator of Kobe Summary Court,
	April 2001	President of Hyogo-ken Bar Association
	October 2003	Kobe City Education Board Member, to date
	April 2004	Vice President of the Japan Federation of Bar Associations
	April 2005	Visiting Professor of Kobe Gakuin University, Graduate School of Law Practices
	April 2008	Established Kobe Kyoruchi Law Firm, to date Professor of Kobe Gakuin University, Graduate School of Law Practices
	March 2011	Reserve Auditor of Noritz Corporation, to date
	June 2011	Audit & Supervisory Board Member of Nippon Meat Packers, Inc., to date
Mr. Akira Otsuka is Outside Audit & Supervisory Board Member of NH Foods Ltd., and an 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 54.		

(TRANSLATION)

Name	Brief history
Masayuki Kitaguchi	November 1997 Joined Century Audit Corporation (current Ernst & Young ShinNihon LLC) April 2002 Registered as certified public accountant June 2003 Retired from ShinNihon Audit Firm (current Ernst & Young ShinNihon LLC) July 2003 Chief of Kitaguchi Certified Public Accountant Office, to date January 2013 Registered with Osaka Bar Association, Chief of Kitaguchi Law Office January 2015 Head of Showa Law Office, to date
Mr. Masayuki Kitaguchi 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 54. He is a candidate for Substitute Outside Audit & Supervisory Board Member, whose election is proposed under the Proposition No. 3 “Election of 1 Substitute Audit & Supervisory Board Member” at the 71st Ordinary General Meeting of Shareholders that is scheduled to be held in June 2016.	

2. Activities of the Corporate Value Enhancement Committee for the year ended March 31, 2016

Activities / Date of meeting	Attendee	Agenda
First meeting August 7, 2015	4/4 (100%)	• Explanation of the business results for the first quarter of the year ended March 31, 2016 • Overseas IR reports • Report on the General Meeting of Shareholders in June 2015 and state of Takeover Defense Plans
Second meeting December 11, 2015	3/4 (75%)	• Explanation of the business results for the second quarter of the year ended March 31, 2016 • Report on the financial statement explanatory sessions and the details of questions and answers • The Fundamental Policy on Corporate Governance of NH Foods Ltd. and the state of other companies
Third meeting February 24, 2016	3/3 (100%)	• Report on the new management system • Explanation of the business results for the third quarter of the year ended March 31, 2016 • Trend of takeover defense measures of other companies and verifications in NH Foods Ltd. (hearing of opinions) • Trend of other companies’ response to the corporate governance code
Group’s trade show January 27 to January 29, 2016	2/3 (66.7%)	• 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 28, 2016	3/3 (100%)	• Sharing of the progress in the 71st fiscal year, issues for 72nd fiscal year, and the policies and planned activities of the entire Group under the New Medium-Term Management Plan Part 5 • Enhancement of the efficiency of invested capital

(TRANSLATION)

3. Verification results of the Plan by the Corporate Value Enhancement Committee

The effective period of the Plan is until the conclusion of the Ordinary General Meeting of Shareholders that is scheduled to be held in June 2018, and the Corporate Value Enhancement Committee confirmed at its meeting held during the year ended March 31, 2016 that no event has arisen that may damage the necessity and reasonableness of the Plan. Simultaneously, the members of the Corporate Value Enhancement Committee expressed their opinions that it is vital to sufficiently explain the necessity of the introduction of the Plan to the shareholders for their understanding and to provide more satisfactory explanation, such as how synergy effects are created through coordination among business divisions, as well as opinions that it is required to continue the verification on the ideal form of the Plan toward the further enhancement of corporate value and shareholder value.

Furthermore, from the perspective of securing and enhancing the corporate value of the Group and the common interests of the shareholders, each member offered various opinions in a broad context on the corporate governance system, business strategies, overseas business strategies, brand strategies, financing and capital strategies, quality assurance system, human resources development, and other matters.

(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.

(TRANSLATION)

(ii) Status of distribution of retained earnings

With regard to dividends for the year ended March 31, 2016, NH Foods Ltd. will pay a dividend of ¥33 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, 2016)

(millions of yen)

<u>Assets</u>	
Current assets:	
Cash and cash equivalents	67,321
Time deposits	10,354
Trade notes and accounts receivable	128,352
Allowance for doubtful accounts	(382)
Inventories	137,395
Deferred income taxes	6,041
Other current assets	10,934
Total current assets	360,015
Property, plant and equipment—at cost, less accumulated depreciation	268,172
Intangible assets, less accumulated amortization	4,832
Investments and other assets:	
Investments in associated companies	4,737
Other investment securities	24,978
Other assets	10,800
Total investments and other assets	40,515
Deferred income taxes—non-current	9,321
Total Assets	682,855

(TRANSLATION)

(millions of yen)

Liabilities and equity

Current liabilities:

Short-term bank loans	41,374
Current maturities of long-term debt	11,461
Trade notes and accounts payable	94,420
Accrued income taxes	7,122
Deferred income taxes	1,584
Accrued expenses	21,858
Other current liabilities	23,089

Total current liabilities	200,908
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Liability under retirement and severance programs	14,426
Long-term debt, less current maturities	101,771
Deferred income taxes–non-current	2,632
Other long-term liabilities	1,758

Total Liabilities	321,495
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NH Foods Ltd. shareholders' equity:

Common stock	24,166
Capital surplus	50,958

Retained earnings:

Appropriated for legal reserve	8,150
Unappropriated	275,051
Accumulated other comprehensive loss	(1,515)
Treasury stock, at cost	(457)

Total NH Foods Ltd. shareholders' equity	356,353
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Noncontrolling interests	5,007
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Total Equity	361,360
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Total Liabilities and Equity	682,855
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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, 2015 to March 31, 2016)

	(millions of yen)
Net sales	1,240,728
Cost of goods sold	1,019,504
Selling, general and administrative expenses	174,884
Other operating costs and expenses (income)—net	12,151
Interest expense	1,386
Other income (expenses)—net	(664)
Income before income taxes and equity in losses of associated companies	32,139
Income taxes:	
Current	12,905
Deferred	272
Total income taxes	13,177
Income before equity in losses of associated companies	18,962
Equity in losses of associated companies—net of applicable income taxes	(207)
Net income	18,755
Net loss attributable to noncontrolling interests	3,024
Net income attributable to NH Foods Ltd.	21,779

(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, 2015 to March 31, 2016)

(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, 2015	24,166	51,038	7,905	262,887	8,126	(458)	353,664	2,760	356,424
Net income				21,779			21,779	(3,024)	18,755
Other comprehensive loss					(9,641)		(9,641)	(653)	(10,294)
Cash dividends				(9,370)			(9,370)	(41)	(9,411)
Transfer to retained earnings appropriated for legal reserve			245	(245)			—	—	—
Acquisition of treasury stock						(10)	(10)	—	(10)
Disposition of treasury stock		(10)				11	1	—	1
Acquisition and capital increase of subsidiaries							—	6,094	6,094
Others		(70)					(70)	(129)	(199)
Balance, March 31, 2016	24,166	50,958	8,150	275,051	(1,515)	(457)	356,353	5,007	361,360

(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, 2016)

(millions of yen)

<u>Assets</u>	
Current assets:	290,014
Cash on hand and in banks	38,901
Notes receivable–trade	95
Accounts receivable–trade	92,999
Finished goods and merchandise	28,508
Work-in-process	68
Raw materials and supplies	9,891
Deferred tax assets	906
Short-term loans receivable from subsidiaries and associated companies	102,505
Accounts receivable–other	14,269
Other current assets	1,882
Allowance for doubtful accounts	(10)
Fixed assets:	180,650
Property, plant and equipment	32,154
Buildings	8,804
Structures	1,303
Machinery and equipment	2,799
Vehicles and transportation equipment	19
Tools, furniture and fixtures	827
Land	18,317
Leased assets	85
Intangible assets	1,741
Software	1,579
Other intangible assets	162
Investments and other assets	146,755
Investment securities	18,290
Capital stock of subsidiaries and associated companies	33,837
Long-term loans receivable	86,954
Long-term prepaid expenses	225
Prepaid pension expenses	4,596
Deferred tax assets	843
Other investments	3,499
Allowance for doubtful accounts	(1,489)
Total Assets	470,664

(TRANSLATION)

(millions of yen)

Liabilities

Current liabilities:	189,696
Notes payable–trade	439
Accounts payable–trade	99,325
Short-term bank loans	15,818
Current maturities of long-term debt	7,500
Lease liabilities	35
Accounts payable–others	2,635
Accrued expenses	9,866
Accrued income taxes	3,741
Deposits received	1,337
Deposits received from subsidiaries and associated companies	48,935
Other current liabilities	65
Long-term liabilities:	94,693
Corporate bonds	30,000
Bonds with stock acquisition rights	30,083
Long-term debt	33,500
Lease liabilities	51
Long-term accounts payable	63
Liability for retirement benefits	621
Other long-term liabilities	375
Total Liabilities	284,389

Net Assets

Shareholders' equity:	182,091
Common stock	24,166
Capital surplus	43,084
Capital reserve	43,084
Retained earnings	115,298
Appropriated for legal reserve	6,041
Unappropriated	109,257
Reserve for deferral of capital gain on property	726
General reserve	95,000
Net retained earnings forwarded	13,531
Treasury stock, at cost	(457)
Valuation and translation adjustments:	4,067
Unrealized gains on other marketable securities	4,067
Stock acquisition rights	117
Total Net Assets	186,275

Total Liabilities and Net Assets 470,664

(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, 2015 to March 31, 2016)

(millions of yen)

Net sales		791,426
Cost of goods sold		719,119
Gross profit		72,307
Selling, general and administrative expenses		66,917
Operating income		5,390
Non-operating income		
Interest and dividend income	10,821	
Reversal of allowance for doubtful accounts	36	
Other non-operating income	1,369	12,226
Non-operating expenses		
Interest expense	1,023	
Other non-operating expenses	809	1,832
Ordinary income		15,784
Extraordinary income		
Gain from sales of fixed assets	1	
Other extraordinary income	25	26
Extraordinary losses		
Loss on sales of fixed assets	16	
Loss from dispositions of fixed assets	112	
Impairment losses	579	
Valuation loss on investments in subsidiaries and associated companies	7,688	
Other extraordinary losses	1	8,396
Income before income taxes		7,414
Current income taxes	1,679	
Deferred income taxes	413	2,092
Net income		5,322

(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, 2015 to March 31, 2016)

(millions of yen)

(amounts in \$ mil.)

	Shareholders' equity									
	Common stock	Capital surplus		Retained earnings					Treasury stock	Total shareholders' equity
		Capital reserve	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, 2015	24,166	43,084	43,084	6,041	715	95,000	17,594	119,350	(458)	186,142
Changes during the year										
Increase of reserve due to the change of effective tax rate					11		(11)	—		—
Cash dividends							(9,370)	(9,370)		(9,370)
Net income							5,322	5,322		5,322
Acquisition of treasury stock									(10)	(10)
Disposition of treasury stock							(4)	(4)	11	7
Changes in items other than shareholders' equity during the year—net										
Total change during the year	—	—	—	—	11	—	(4,063)	(4,052)	1	(4,051)
Balance, March 31, 2016	24,166	43,084	43,084	6,041	726	95,000	13,531	115,298	(457)	182,091

(TRANSLATION)

(millions of yen)

	Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Unrealized gains on other marketable securities	Total valuation and translation adjustments		
Balance, April 1, 2015	5,104	5,104	124	191,370
Changes during the year				
Increase of reserve due to the change of effective tax rate				—
Cash dividends				(9,370)
Net income				5,322
Acquisition of treasury stock				(10)
Disposition of treasury stock			(7)	—
Changes in items other than shareholders' equity during the year—net	(1,037)	(1,037)	—	(1,037)
Total change during the year	(1,037)	(1,037)	(7)	(5,095)
Balance, March 31, 2016	4,067	4,067	117	186,275

(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 5, 2016

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, 2016 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, 2015 to March 31, 2016, 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 of the Ordinance on Company Accounting which is applied mutatis mutandis pursuant to the third paragraph of Article 120-3 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.

(TRANSLATION)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in 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 of the Ordinance on Company Accounting which is applied mutatis mutandis pursuant to the third paragraph of Article 120-3 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, 2016, and the results of their operations for the year then ended.

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 5, 2016

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, 2016 of NH Foods Ltd. (the "Company"), and the related non-consolidated statements of income and changes in net assets for the 71st fiscal year from April 1, 2015 to March 31, 2016, 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 and the accompanying supplemental schedules 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

(TRANSLATION)

on the auditor's judgment, including the assessment of the risks of material misstatement of the financial 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, 2016, 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 71st fiscal year from April 1, 2015 to March 31, 2016, 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:

- (1) 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.
- (2) 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, and performed the audit by using the following methods.
 - (i) Each of Audit & Supervisory Board Member 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. 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.
 - (ii) 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 the group comprising a joint-stock company and its subsidiaries, 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

(TRANSLATION)

stipulated by the Audit & Supervisory Board, according to reports from Directors and employees.

- (iii) 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.
- (iv) 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 business report and 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.

(TRANSLATION)

(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.

May 7, 2016

The Audit & Supervisory Board
NH Foods Ltd.

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

Koichi Nishihara (seal)
Full-time Audit & Supervisory Board Member

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

Akihiko Shiba (seal)
(Outside) Audit & Supervisory Board Member

Atsushi Iwasaki (seal)
(Outside) Audit & Supervisory Board Member

(Note) Audit & Supervisory Board Members Akira Otsuka, Akihiko Shiba and Atsushi Iwasaki 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.