

(TRANSLATION)

Security Code: 2282
June 2, 2021

To the Shareholders:

Notice of the 76th Ordinary General Meeting of Shareholders

Please take notice that the 76th Ordinary General Meeting of Shareholders of NH Foods Ltd. will be held as described below.

In order to prevent the spread of the novel coronavirus (COVID-19) and ensure safety of the shareholders, we kindly ask that you exercise your voting rights in advance to the utmost, in writing or electronically, such as via the Internet, and that you refrain from attending the meeting in person on the day of the meeting.

Please review the “Reference Document for the General Meeting of Shareholders” set forth below and exercise your voting rights by 5:00 p.m., June 23 (Wednesday), 2021.

Yours very truly,

Yoshihide Hata
President and
Representative Director

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

Description

1. Date and hour of the meeting:

June 24 (Thursday), 2021, at 10:00 a.m.
(Reception is scheduled to start at 9:00 a.m.)

2. Place of the meeting:

Festival Hall,
3-18, Nakanoshima 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 76th fiscal year (from April 1, 2020 to March 31, 2021)
2. Report on the results of audit of the consolidated financial statements for the 76th fiscal year by the Accounting Auditors and the Audit & Supervisory Board

Matters for resolution:

- | | |
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| Proposition No. 1: | Election of 8 Directors |
| Proposition No. 2: | Election of 1 Audit & Supervisory Board Member |

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(TRANSLATION)

To the Shareholders

I am Yoshihide Hata, President and Representative Director.

We would like to extend our deepest condolences to those who have passed away as a result of the novel coronavirus (COVID-19), and we pray for swift recoveries for those affected and their families. Although COVID-19 still wreaks havoc, all Group executives and employees will do their utmost to fulfill our responsibility to supply safe and secure products in a stable manner.

Enclosed is a notice of the 76th Ordinary General Meeting of Shareholders of NH Foods Ltd.

As a milestone for achieving its corporate philosophy, the NH Foods Group has formulated the NH Foods Group “Vision 2030,” which describes its ideal vision for the year 2030: “Unleash new potentials for protein.” In April 2021, we launched the “Medium-Term Management Plan 2023” toward the realization of “Vision 2030.”

We look forward to our shareholders’ ongoing support.

June 2021

Yoshihide Hata

President and Representative Director

(TRANSLATION)

Reference Document for the General Meeting of Shareholders

1. Propositions and explanatory information relating thereto:

Proposition No. 1: Election of 8 Directors

The term of office of all 8 Directors currently in office will expire at the closing of this General Meeting of Shareholders. In this regard, it is proposed that 8 Directors including 3 Outside 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 the 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 34.

The candidates for Directors are selected based on the recommendation from the Executive Appointments Committee, an optional committee whose majority members consist of independent officers and chaired by a Director who is an independent officer.


Candidate No.	Name	Current title and responsibilities	Number of attendance to the Board of Directors meetings
1	Yoshihide Hata (Reappointment)	President and Representative Director (President and CEO)	18/18 (100%)
2	Tetsuhiro Kito (Reappointment)	Representative Director (Executive Vice President), General Manager of Fresh Meats Business Division and in charge of cross-business strategy	18/18 (100%)
3	Nobuhisa Ikawa (Reappointment)	Representative Director (Executive Vice President), General Manager of Processed Foods Business Division and in charge of new business development	18/18 (100%)
4	Fumio Maeda (Reappointment)	Director and Managing Executive Officer, General Manager of Corporate Planning Division and in charge of Research & Development Center and Hokkaido project	13/13 (100%)
5	Yasuko Kono (Reappointment) Outside Director Independent Officer	Outside Director	18/18 (100%)
6	Atsushi Iwasaki (Reappointment) Outside Director Independent Officer	Outside Director	18/18 (100%)
7	Hideo Arase (Reappointment) Outside Director Independent Officer	Outside Director	18/18 (100%)
8	Masahito Kataoka (New appointment)	Executive Officer, in charge of Accounting & Finance Department, Quality Assurance Department, Customer Service Department and Lifestyle Research Office, and General Manager of Tokyo Branch Office	-

Reappointment: reappointed candidate for Director
Outside Director: candidate for Outside Director

New appointment: newly appointed candidate for Director
Independent Officer: candidate for Independent Officer

(Note) Regarding the number of attendance at the Board of Directors meetings for Mr. Fumio Maeda, only the meetings of the Board of Directors held subsequent to his assumption of office on June 25, 2020 are counted.

(TRANSLATION)

Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
1	 Yoshihide Hata (May 20, 1958) <18,800 shares> (Reappointment) (10 years) (18/18 100%)	April 1981 March 2003 March 2007 April 2008 April 2009 April 2011 June 2011 April 2012 April 2015 January 2018	Joined Nippon Meat Packers, Inc. Assistant General Manager of Accounting Department of Nippon Meat Packers, Inc. 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 and 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. President and Representative Director (President and CEO) 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 January 2018, has led business operations 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 “Medium-Term Management Plan 2023,” which was formulated based on a backcasting perspective toward the realization of the NH Foods Group “Vision 2030,” established as a milestone for achieving the corporate philosophy, 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 using his rich work experience and knowledge for management as a Director, and so have continued to nominate 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	
2	 <p>Tetsuhiro Kito (February 9, 1960)</p> <p><6,600 shares></p> <p>(Reappointment)</p> <p>(6 years)</p> <p>(18/18 100%)</p>	<p>April 1982</p> <p>March 2002</p> <p>September 2002</p> <p>March 2007</p> <p>April 2009</p> <p>April 2011</p> <p>April 2013</p> <p>April 2015</p> <p>June 2015</p> <p>April 2017</p> <p>April 2018</p> <p>April 2019</p> <p>April 2020</p> <p>April 2021</p>	<p>Joined Nippon Meat Packers, Inc.</p> <p>Assistant General Manager of Imported Broiler Department, Fresh Meats Business Division of Nippon Meat Packers, Inc.</p> <p>General Manager of Imported Broiler Department, Fresh Meats Business Division of Nippon Meat Packers, Inc.</p> <p>General Manager of Imported Fresh Meats Sales Division, Fresh Meats Business Division of Nippon Meat Packers, Inc.</p> <p>General Manager of Food Services Division, Sales & Marketing Division, Processed Foods Business Division of Nippon Meat Packers, Inc.</p> <p>Executive Officer, General Manager of Food Services Division, Sales & Marketing Division, Processed Foods Business Division of Nippon Meat Packers, Inc.</p> <p>Executive Officer, General Manager of General Merchandising Division, Sales & Marketing Division, Processed Foods Business Division of Nippon Meat Packers, Inc.</p> <p>Executive Officer, General Manager of Sales & Marketing Division, Processed Foods Business Division of NH Foods Ltd.</p> <p>Director and Executive Officer, General Manager of Sales & Marketing Division, Processed Foods Business Division of NH Foods Ltd.</p> <p>Director and Managing Executive Officer, General Manager of Sales & Marketing Division, Processed Foods Business Division of NH Foods Ltd.</p> <p>Director and Managing Executive Officer, in charge of group sales management and Group Sales Planning Department of NH Foods Ltd.</p> <p>Director and Managing Executive Officer, General Manager of Overseas Business Division of NH Foods Ltd.</p> <p>Representative Director and Senior Managing Executive Officer, General Manager of Fresh Meats Business Division of NH Foods Ltd.</p> <p>Representative Director (Executive Vice President), General Manager of Fresh Meats Business Division and in charge of cross-business strategy of NH Foods Ltd., to date</p>

(TRANSLATION)

Reason for nomination as a candidate for Director

Mr. Tetsuhiro Kito, since taking office as a Director of NH Foods Ltd., has been in charge of the field of Processed Foods Business, group sales management and Group Sales Planning Department and has served as General Manager of Overseas Business Division, and since April 2021, has led business operations as Representative Director and Executive Vice President, General Manager of Fresh Meats Business Division and in charge of cross-business strategy of NH Foods Ltd. He has contributed to further development of the Group through implementation of various measures of the “Medium-Term Management Plan 2023,” which was formulated based on a backcasting perspective toward the realization of the NH Foods Group “Vision 2030,” established as a milestone for achieving the corporate philosophy, 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 using his rich work experience and knowledge for management as a Director, and so have continued to nominate 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
3	 <p>Nobuhisa Ikawa (April 5, 1961)</p> <p><2,300 shares></p> <p>(Reappointment)</p> <p>(3 years)</p> <p>(18/18 100%)</p>	<p>April 1985 March 2007</p> <p>Joined Nippon Meat Packers, Inc. General Manager of Food Services Policy Office, Food Services Division, Sales & Marketing Division, Processed Foods Business Division of Nippon Meat Packers, Inc.</p> <p>April 2008</p> <p>General Manager of Food Services Planning Office, Food Services Division, Sales & Marketing Division, Processed Foods Business Division of Nippon Meat Packers, Inc.</p> <p>March 2013</p> <p>General Manager of Kansai Food Services Division, Food Services Division, Sales & Marketing Division, Processed Foods Business Division of Nippon Meat Packers, Inc.</p> <p>January 2015</p> <p>General Manager of Kansai Food Services Department and Kanto Food Services Department, Food Services Division, Sales & Marketing Division, Processed Foods Business Division of NH Foods Ltd.</p> <p>April 2015</p> <p>Executive Officer, General Manager of Food Services Division, Sales & Marketing Division, Processed Foods Business Division of NH Foods Ltd.</p> <p>April 2016</p> <p>Executive Officer, General Manager of Food Services Division and General Manager of Delicatessen Department, Sales & Marketing Division, Processed Foods Business Division of NH Foods Ltd.</p> <p>April 2017</p> <p>Executive Officer, General Manager of Food Services Division, Sales & Marketing Division, Processed Foods Business Division of NH Foods Ltd.</p> <p>April 2018</p> <p>Managing Executive Officer, General Manager of Processed Foods Business Division of NH Foods Ltd.</p> <p>June 2018</p> <p>Director and Managing Executive Officer, General Manager of Processed Foods Business Division of NH Foods Ltd.</p> <p>April 2020</p> <p>Representative Director and Senior Managing Executive Officer, General Manager of Processed Foods Business Division of NH Foods Ltd.</p> <p>April 2021</p> <p>Representative Director (Executive Vice President), General Manager of Processed Foods Business Division and in charge of new business development of NH Foods Ltd., to date</p>
<p>Reason for nomination as a candidate for Director</p> <p>Mr. Nobuhisa Ikawa, since taking office as a Director of NH Foods Ltd., has served as General Manager of Processed Foods Business Division, and since April 2021, has led business operations as Representative Director and Executive Vice President, General Manager of Processed Foods Business Division and in charge of new business development of NH Foods Ltd. He has contributed to further development of the Group through implementation of various measures of the “Medium-Term Management Plan 2023,” which was formulated based on a backcasting perspective toward the realization of the NH Foods Group “Vision 2030,” established as a milestone for achieving the corporate philosophy.</p> <p>We have deemed that he is the appropriate personnel to contribute to the sustainable improvement of NH Foods Ltd.’s corporate value by using his rich work experience and knowledge for management as a Director, and so have continued to nominate him as a candidate for Director.</p>		

(TRANSLATION)

Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
4	 <p>Fumio Maeda (November 30, 1965)</p> <p><4,900 shares></p> <p>(Reappointment)</p> <p>(1 year)</p> <p>(13/13 100%)</p>	<p>April 1988 October 2002</p> <p>March 2010</p> <p>March 2012</p> <p>June 2012</p> <p>April 2013</p> <p>April 2016</p> <p>April 2017</p> <p>April 2018</p> <p>April 2019</p> <p>April 2020</p> <p>June 2020</p> <p>April 2021</p>	<p>Joined Nippon Meat Packers, Inc.</p> <p>Seconded to Suehiro Restaurant System Co., Ltd. President and Representative Director of Suehiro Restaurant System Co., Ltd.</p> <p>General Manager of Domestic Pork Department, Domestic Fresh Meats Sales Division, Fresh Meats Business Division of Nippon Meat Packers, Inc.</p> <p>General Manager of Domestic Pork Department and General Manager of Domestic Products Department, Domestic Fresh Meats Sales Division, Fresh Meats Business Division of Nippon Meat Packers, Inc.</p> <p>General Manager of Domestic Pork Department, General Manager of Domestic Products Department and General Manager of Oil Feedstuff and Byproducts Department, Domestic Fresh Meats Sales Division, Fresh Meats Business Division of Nippon Meat Packers, Inc.</p> <p>Executive Officer, General Manager of Domestic Fresh Meats Sales Division, Fresh Meats Business Division of Nippon Meat Packers, Inc.</p> <p>Executive Officer, General Manager of Sales & Logistics Operations Division, Fresh Meats Business Division of NH Foods Ltd.</p> <p>Executive Officer, General Manager of Hams & Sausages Division, Processed Foods Business Division of NH Foods Ltd.</p> <p>Executive Officer, General Manager of Hams & Sausages Division and General Manager of Deli & Processed Foods Division, Processed Foods Business Division of NH Foods Ltd.</p> <p>Executive Officer, General Manager of Product Management Division, Processed Foods Business Division of NH Foods Ltd.</p> <p>Managing Executive Officer, General Manager of Corporate Planning Division and in charge of Research & Development Center of NH Foods Ltd.</p> <p>Director and Managing Executive Officer, General Manager of Corporate Planning Division and in charge of Research & Development Center of NH Foods Ltd.</p> <p>Director and Managing Executive Officer, General Manager of Corporate Planning Division and in charge of Research & Development Center and Hokkaido project of NH Foods Ltd., to date</p>

(TRANSLATION)

Reason for nomination as a candidate for Director

Mr. Fumio Maeda, since taking office as a Director of NH Foods Ltd., has served as General Manager of Corporate Planning Division and has been in charge of Research & Development Center of NH Foods Ltd. In addition to the above roles, since April 2021, he has led business operations as an executive officer in charge of Hokkaido project of NH Foods Ltd. He has contributed to further development of the Group through implementation of various measures of the “Medium-Term Management Plan 2023,” which was formulated based on a backcasting perspective toward the realization of the NH Foods Group “Vision 2030,” established as a milestone for achieving the corporate philosophy.

We have deemed that he is the appropriate personnel to contribute to the sustainable improvement of NH Foods Ltd.’s corporate value by using his rich work experience and knowledge for management as a Director, and so have continued to nominate 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
5	 <p>Yasuko Kono (February 4, 1957)</p> <p><- shares></p> <p>(Candidate for Outside Director) (Independent Officer) (Reappointment)</p> <p>(3 years)</p> <p>(18/18 100%)</p>	<p>April 2002 Director of IBARAKI CO-OP</p> <p>June 2005 Director of CONSUMERS' CO-OPERATIVE CO-OPDELI BUSINESS UNION</p> <p>June 2008 Director of Ibaraki Consumer's Co-operative Union</p> <p>August 2012 Director General of National Liaison Committee of Consumers' Organization</p> <p>January 2013 Member of Pharmaceutical Affairs and Food Sanitation Council, Ministry of Health, Labour and Welfare</p> <p>April 2013 Director General and Joint Representative of National Liaison Committee of Consumers' Organization (General Incorporated Association) Member of Shokuiku (Food and Nutrition Education) Promotion Council, Cabinet Office</p> <p>October 2013 Expert Member of Food Safety Commission, Cabinet Office Temporary Member of Consumer Commission, Cabinet Office</p> <p>December 2013 Member of Transport Council, Ministry of Land, Infrastructure, Transport and Tourism, to date</p> <p>April 2014 Special Advisor to Consumer Affairs Agency</p> <p>July 2015 Member of Council of Food, Agriculture and Rural Area, Ministry of Agriculture, Forestry and Fisheries</p> <p>June 2017 Director of Japan Consumers' Association (General Incorporated Foundation), to date Director General of Consumers' Smile Fund (NPO), to date</p> <p>June 2018 Outside Director of NH Foods Ltd., to date</p> <p>December 2018 Member of Financial System Council, Financial Services Agency, to date</p> <p>January 2019 Member of Forestry Policy Council, Forestry Agency, to date</p> <p>June 2019 Director of the Japan Federation of Shiho-Shoshi Lawyer's Associations, to date</p> <p>(Important concurrent office) Director of Japan Consumers' Association (General Incorporated Foundation) Director General of Consumers' Smile Fund (NPO) Director of the Japan Federation of Shiho-Shoshi Lawyer's Associations Member of Transport Council, Ministry of Land, Infrastructure, Transport and Tourism Member of Financial System Council, Financial Services Agency Member of Forestry Policy Council, Forestry Agency</p>


(TRANSLATION)

Reason for nomination as a candidate for Outside Director and expected roles, etc.

Ms. Yasuko Kono, since taking office as a Director of NH Foods Ltd., has actively shared her opinions as the chairperson of the Executive Appointments Committee, as well as a member of the Compensation Committee, the Compliance Committee and the Sustainability Committee, and has fulfilled her role as an Outside Director of NH Foods Ltd.

Since she has rich experience and knowledge concerning consumer issues, we expect her to provide us with valuable suggestions regarding promotion and implementation of the NH Foods Group's "Five Materialities," which we have identified as social issues to be addressed toward to the realization of the NH Foods Group "Vision 2030," established as a milestone for achieving the corporate philosophy, as well as management in general. For these reasons, we have deemed her to be the appropriate personnel to oversee the execution of business as an independent Outside Director, and so have continued to nominate her as a candidate for Outside Director.


(TRANSLATION)

Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history
6	 <p>Atsushi Iwasaki (January 9, 1959)</p> <p><- shares></p> <p>(Candidate for Outside Director) (Independent Officer) (Reappointment)</p> <p>(2 years)</p> <p>(18/18 100%)</p>	<p>November 1990 Joined Century Audit Corporation (current Ernst & Young ShinNihon LLC)</p> <p>March 1991 Registered as certified public accountant</p> <p>March 1997 Registered as licensed real estate appraiser</p> <p>August 2005 Retired from ShinNihon Audit Firm (current Ernst & Young ShinNihon LLC)</p> <p>September 2005 Head of Iwasaki Certified Public Accountant Office, to date</p> <p>June 2013 Outside Director of ISEKI&CO., LTD., to date</p> <p>June 2015 Outside Audit & Supervisory Board Member of NH Foods Ltd.</p> <p>June 2016 Outside Audit & Supervisory Board Member of OLYMPUS CORPORATION</p> <p>June 2019 Outside Director of NH Foods Ltd., to date Outside Director of OLYMPUS CORPORATION, to date</p> <p>(Important concurrent office) Head of Iwasaki Certified Public Accountant Office Outside Director of ISEKI&CO., LTD. Outside Director of OLYMPUS CORPORATION</p>
Reason for nomination as a candidate for Outside Director and expected roles, etc.		
<p>Mr. Atsushi Iwasaki, since taking office as a Director of NH Foods Ltd., has actively shared his opinions as the chairperson of the Compensation Committee, as well as a member of the Executive Appointments Committee and the Sustainability Committee, and has fulfilled his role as an Outside Director of NH Foods Ltd.</p>		
<p>Since he has professional knowledge as a certified public accountant and abundant experience, we expect him to provide us with valuable suggestions regarding “Shift to a sustainable business model that can generate profits,” which is one of the management policies of the “Medium-Term Management Plan 2023,” which was formulated from a backcasting perspective toward the realization of the NH Foods Group “Vision 2030,” established as a milestone for achieving the corporate philosophy, as well as management in general. For these reasons, we have deemed him to be the appropriate personnel to oversee the execution of business as an independent Outside Director, and so have continued to nominate him as a candidate for Outside Director.</p>		
[Special Note]		
<p>In the case where a candidate for Outside Director served as a director, executive officer or audit & supervisory board member of other stock company in the past 5 years, any fact in violation of laws and regulations or the Articles of Incorporation or any fact regarding any other unjust execution of business conducted in the relevant other stock company during the period when the candidate was in office.</p> <p>ISEKI & CO., LTD., where Mr. Atsushi Iwasaki serves as an Outside Director, received a cease and desist order and a surcharge payment order on February 16, 2017 based on the fact in violation of the Antimonopoly Act pertaining to the bidding for construction work in the Tohoku region.</p> <p>He had not recognized the above violation until the fact thereof was revealed. However, he worked on a regular basis for the prevention of the inappropriate and wrongful execution of business, making statements at various meetings, including meetings of the Board of Directors of ISEKI & CO., LTD., from the perspective of compliance with laws, regulations, and rules. After such fact became known, he has been fulfilling his role, including expressing his opinions on compliance with laws and regulations as well as on the further strengthening of internal management systems.</p>		

(TRANSLATION)

Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
7	 <p>Hideo Arase (March 19, 1955)</p> <p><- shares></p> <p>(Candidate for Outside Director) (Independent Officer) (Reappointment)</p> <p>(2 years)</p> <p>(18/18 100%)</p>	<p>April 1977</p> <p>July 2006</p> <p>June 2008</p> <p>June 2009</p> <p>June 2010</p> <p>October 2011</p> <p>June 2012</p> <p>April 2014</p> <p>April 2015</p> <p>April 2018</p> <p>July 2018</p> <p>February 2019</p> <p>June 2019</p>	<p>Joined Terumo Corporation</p> <p>Managing Director and BOD Chairman of Terumo Europe N.V.</p> <p>Executive Officer of Terumo Corporation</p> <p>Director and Executive Officer, responsible for Cardiac and Vascular Company and in charge of Legal Office of Terumo Corporation</p> <p>Director and Senior Executive Officer of Terumo Corporation</p> <p>Director and Senior Executive Officer, in charge of Business Promotion in Brazil of Terumo Corporation</p> <p>Director and Senior Executive Officer, responsible for the Americas of Terumo Corporation and President and CEO of Terumo Americas Holding, Inc.</p> <p>Director and Senior Executive Officer, Regional Representative of Latin America of Terumo Corporation</p> <p>Director and Senior Executive Officer, Regional Representative of India and Asia Pacific of Terumo Corporation and Managing Director of Terumo Asia Holdings Pte., Ltd.</p> <p>Director and Corporate Advisor of Terumo Corporation</p> <p>Corporate Advisor of Terumo Corporation</p> <p>Executive Officer of Atom Medical Corporation, to date</p> <p>Outside Director of NH Foods Ltd., to date (Important concurrent office) Executive Officer of Atom Medical Corporation</p>
<p>Reason for nomination as a candidate for Outside Director and expected roles, etc.</p> <p>Mr. Hideo Arase, since taking office as a Director of NH Foods Ltd., has actively shared his opinions as a member of the Executive Appointments Committee, the Compensation Committee and the Sustainability Committee, and has fulfilled his role as an Outside Director of NH Foods Ltd.</p> <p>He has served as a Director in charge of overseas business at a major manufacturer of medical equipment, and possesses abundant experience and deep insight in global-scale corporate management that may cope with changes. Therefore, we expect him to provide us with valuable suggestions regarding “Building a growth model for overseas business,” which is one of the management policies of the “Medium-Term Management Plan 2023,” which was formulated from a backcasting perspective toward the realization of the NH Foods Group “Vision 2030,” established as a milestone for achieving the corporate philosophy, as well as management in general. For these reasons, we have deemed him to be the appropriate personnel to oversee the execution of business as an independent Outside Director, and so have continued to nominate him as a candidate for Outside Director.</p>			

(TRANSLATION)

Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history	
8	 Masahito Kataoka (December 10, 1961) <2,800 shares> (New appointment)	April 1985 March 2008 March 2009 April 2012 April 2013 April 2015 April 2016 April 2018 April 2019 April 2021	Joined Nippon Meat Packers, Inc. Assistant General Manager of Accounting Department, Corporate Planning Division of Nippon Meat Packers, Inc. Deputy General Manager of Accounting & Finance Department 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, Corporate Management Division of NH Foods Ltd. Executive Officer, General Manager of Public and Investor Relations Department and in charge of Corporate Communications Office and CSR Department, Corporate Management Division of NH Foods Ltd. Executive Officer, General Manager of Corporate Communications Department and General Manager of Brand Communication Office, Communication Strategy Division of NH Foods Ltd. Executive Officer, in charge of Accounting & Finance Department and Public and Investor Relations Department, Corporate Management Division of NH Foods Ltd. Executive Officer, in charge of Accounting & Finance Department, Quality Assurance Department, Customer Service Department and Lifestyle Research Office, and General Manager of Tokyo Branch Office of NH Foods Ltd., to date
Reason for nomination as a candidate for Director Mr. Masahito Kataoka has mainly been engaged in operations related to accounting and finance as well as public and investor relations, and since April 2021, has led business operations as Executive Officer in charge of Accounting & Finance Department, Quality Assurance Department, Customer Service Department, and Lifestyle Research Office of NH Foods Ltd. He has contributed to further development of the Group through implementation of various measures of the “Medium-Term Management Plan 2023,” which was formulated based on a backcasting perspective toward the realization of the NH Foods Group “Vision 2030,” established as a milestone for achieving the corporate philosophy. We have deemed that he is the appropriate personnel to contribute to the sustainable improvement of NH Foods Ltd.’s corporate value by using his rich work experience and knowledge for management as a Director, and so have nominated him as a candidate for Director.			

(TRANSLATION)

(Notes) 1. No candidates for Directors have a special relation of interest with NH Foods Ltd.

2. Liability limitation agreement with Outside Directors:

NH Foods Ltd., to allow it to hire useful human resources as candidates for Outside Directors, provides in its Articles of Incorporation currently in effect that it may enter into an agreement with any Outside Directors to limit the liability to NH Foods Ltd. for any damage to a certain extent.

Accordingly, NH Foods Ltd. has entered into such liability limitation agreement with candidates for Outside Director Ms. Yasuko Kono, Mr. Atsushi Iwasaki and Mr. Hideo Arase. If Ms. Kono, Mr. Iwasaki and Mr. Arase are reappointed and take office as Directors, NH Foods Ltd. plans to continue such liability limitation agreement with each of them.

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

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

3. Outline of details of a directors and officers liability insurance contract for the candidates for Directors as the insured:

NH Foods, Ltd. has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, etc., the said insurance contract shall compensate for damages including compensation for damages and legal expenses to be borne by the insured. All candidates for Directors will be included as the insured under the said insurance contract. NH Foods, Ltd. plans to renew the insurance contract with the same terms at the time of the next renewal.

(TRANSLATION)

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

Mr. Koichi Nishihara will retire from his post as Audit & Supervisory Board Member at the closing of this General Meeting of Shareholders. In this regard, it is proposed that 1 Audit & Supervisory Board Member be elected. With respect to the submission of this proposition, prior consent has been obtained from the Audit & Supervisory Board.

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

The candidate for Audit & Supervisory Board Member is selected based on the recommendation from the Executive Appointments Committee, an optional committee whose majority members consist of independent officers and chaired by a Director who is an independent officer.

Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history																								
 Sadanori Miyagai (February 9, 1960) <5,800 shares> (New appointment)	<table><tr><td>April 1982</td><td>Joined Nippon Meat Packers, Inc.</td></tr><tr><td>March 2005</td><td>Assistant General Manager of Corporate Planning Department, Corporate Planning Division of Nippon Meat Packers, Inc.</td></tr><tr><td>April 2008</td><td>Assistant General Manager of Corporate Planning Department, Corporate Management Division of Nippon Meat Packers, Inc.</td></tr><tr><td>March 2009</td><td>Deputy General Manager of Corporate Planning Department, Corporate Management Division of Nippon Meat Packers, Inc.</td></tr><tr><td>April 2012</td><td>Executive Officer, General Manager of Corporate Planning Department, Corporate Management Division and in charge of Research & Development Center of Nippon Meat Packers, Inc.</td></tr><tr><td>April 2014</td><td>Executive Officer, in charge of General Affairs Department, Human Resources Department, Legal Affairs Department and Engineering Department of Nippon Meat Packers, Inc.</td></tr><tr><td>April 2015</td><td>Managing Executive Officer, in charge of General Affairs Department, Human Resources Department, Legal Affairs Department and Engineering Department, Corporate Management Division of NH Foods Ltd.</td></tr><tr><td>April 2016</td><td>Managing Executive Officer, General Manager of Administrative Division, Business Planning Office and Research and Examination Office, Fresh Meats Business Division of NH Foods Ltd.</td></tr><tr><td>April 2019</td><td>Managing Executive Officer, in charge of Quality Assurance Department, Customer Service Department and CSR Department of NH Foods Ltd.</td></tr><tr><td>June 2019</td><td>Director and Managing Executive Officer, in charge of Quality Assurance Department, Customer Service Department and CSR Department of NH Foods Ltd.</td></tr><tr><td>April 2020</td><td>Director and Managing Executive Officer, in charge of Quality Assurance Department, Customer Service Department, Sustainability Department and Lifestyle Research Office and General Manager of Tokyo Branch Office of NH Foods Ltd.</td></tr><tr><td>April 2021</td><td>Director of NH Foods Ltd., to date</td></tr></table>	April 1982	Joined Nippon Meat Packers, Inc.	March 2005	Assistant General Manager of Corporate Planning Department, Corporate Planning Division of Nippon Meat Packers, Inc.	April 2008	Assistant General Manager of Corporate Planning Department, Corporate Management Division of Nippon Meat Packers, Inc.	March 2009	Deputy General Manager of Corporate Planning Department, Corporate Management Division of Nippon Meat Packers, Inc.	April 2012	Executive Officer, General Manager of Corporate Planning Department, Corporate Management Division and in charge of Research & Development Center of Nippon Meat Packers, Inc.	April 2014	Executive Officer, in charge of General Affairs Department, Human Resources Department, Legal Affairs Department and Engineering Department of Nippon Meat Packers, Inc.	April 2015	Managing Executive Officer, in charge of General Affairs Department, Human Resources Department, Legal Affairs Department and Engineering Department, Corporate Management Division of NH Foods Ltd.	April 2016	Managing Executive Officer, General Manager of Administrative Division, Business Planning Office and Research and Examination Office, Fresh Meats Business Division of NH Foods Ltd.	April 2019	Managing Executive Officer, in charge of Quality Assurance Department, Customer Service Department and CSR Department of NH Foods Ltd.	June 2019	Director and Managing Executive Officer, in charge of Quality Assurance Department, Customer Service Department and CSR Department of NH Foods Ltd.	April 2020	Director and Managing Executive Officer, in charge of Quality Assurance Department, Customer Service Department, Sustainability Department and Lifestyle Research Office and General Manager of Tokyo Branch Office of NH Foods Ltd.	April 2021	Director of NH Foods Ltd., to date
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April 2014	Executive Officer, in charge of General Affairs Department, Human Resources Department, Legal Affairs Department and Engineering Department of Nippon Meat Packers, Inc.																								
April 2015	Managing Executive Officer, in charge of General Affairs Department, Human Resources Department, Legal Affairs Department and Engineering Department, Corporate Management Division of NH Foods Ltd.																								
April 2016	Managing Executive Officer, General Manager of Administrative Division, Business Planning Office and Research and Examination Office, Fresh Meats Business Division of NH Foods Ltd.																								
April 2019	Managing Executive Officer, in charge of Quality Assurance Department, Customer Service Department and CSR Department of NH Foods Ltd.																								
June 2019	Director and Managing Executive Officer, in charge of Quality Assurance Department, Customer Service Department and CSR Department of NH Foods Ltd.																								
April 2020	Director and Managing Executive Officer, in charge of Quality Assurance Department, Customer Service Department, Sustainability Department and Lifestyle Research Office and General Manager of Tokyo Branch Office of NH Foods Ltd.																								
April 2021	Director of NH Foods Ltd., to date																								

(TRANSLATION)

Reason for nomination as a candidate for Audit & Supervisory Board Member

Mr. Sadanori Miyagai served as a Director and Managing Executive Officer in charge of Quality Assurance Department and Sustainability Department of NH Foods, Ltd. from June 2019 to March 2021, and has rich work experience and knowledge concerning quality and environment audits. We have deemed that his work experience and knowledge will contribute to the duties of the Audit & Supervisory Board Member, and so have nominated him as a candidate for Audit & Supervisory Board Member.

- (Notes)
1. No candidate for Audit & Supervisory Board Member has a special relation of interest with NH Foods Ltd.
 2. Outline of details of a directors and officers liability insurance contract for the candidate for Audit & Supervisory Board Member as the insured:
NH Foods, Ltd. has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, etc., the said insurance contract shall compensate for damages including compensation for damages and legal expenses to be borne by the insured. The candidate for Audit & Supervisory Board Member will be included as the insured under the said insurance contract. NH Foods, Ltd. plans to renew the insurance contract with the same terms at the time of the next renewal.

(TRANSLATION)

Matters concerning the Officers of NH Foods Ltd.:

* As supplementary information to the propositions, “4. Matters concerning the Officers of NH Foods Ltd.” in the Business Report for the 76th fiscal year is stated as follows.

(1) Names of Directors and Audit & Supervisory Board Members, etc. (as of March 31, 2021):

Title	Name	Assignment and concurrent holding of important offices
President and Representative Director (President and CEO)	Yoshihide Hata	
Representative Director (Senior Managing Executive Officer)	Tetsuhiro Kito	General Manager of Fresh Meats Business Division
Representative Director (Senior Managing Executive Officer)	Nobuhisa Ikawa	General Manager of Processed Foods Business Division
Director (Managing Executive Officer)	Sadanori Miyagai	In charge of Quality Assurance Department, Customer Service Department, Sustainability Department and Lifestyle Research Office, and General Manager of Tokyo Branch Office
Director (Managing Executive Officer)	Fumio Maeda	General Manager of Corporate Planning Division and in charge of Research & Development Center
Director	Yasuko Kono	Director of Japan Consumers' Association (General Incorporated Foundation) Director General of Consumers' Smile Fund (NPO) Director of the Japan Federation of Shiho-Shoshi Lawyer's Associations Member of Transport Council, Ministry of Land, Infrastructure, Transport and Tourism Member of Financial System Council, Financial Services Agency Member of Forestry Policy Council, Forestry Agency
Director	Atsushi Iwasaki	Head of Iwasaki Certified Public Accountant Office Outside Director of ISEKI&CO., LTD. Outside Director of OLYMPUS CORPORATION
Director	Hideo Arase	Executive Officer of Atom Medical Corporation
Full-time Audit & Supervisory Board Member	Koichi Nishihara	
Full-time Audit & Supervisory Board Member	Nobuyuki Tazawa	

(TRANSLATION)

Title	Name	Assignment and concurrent holding of important offices
Audit & Supervisory Board Member	Akihiko Shiba	Attorney at law (Partner) of SHIBA & TANAKA LAW OFFICES Outside Statutory Auditor of Airport Facilities Co., Ltd.
Audit & Supervisory Board Member	Masayuki Kitaguchi	Chief of Kitaguchi Certified Public Accountant Office Head of Showa Law Office Outside Audit & Supervisory Board Member of Glad Cube Inc.
Audit & Supervisory Board Member	Tokushi Yamasaki	

- (Notes)
1. Directors Ms. Yasuko Kono, Messrs. Atsushi Iwasaki and Hideo Arase are Outside Directors.
 2. Audit & Supervisory Board Members Messrs. Akihiko Shiba, Masayuki Kitaguchi and Tokushi Yamasaki are Outside Audit & Supervisory Board Members.
 3. NH Foods Ltd. has designated Outside Directors Ms. Yasuko Kono, Messrs. Atsushi Iwasaki and Hideo Arase, and Outside Audit & Supervisory Board Members Messrs. Akihiko Shiba, Masayuki Kitaguchi and Tokushi Yamasaki, as independent officers as stipulated by the 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 34.
 4. Audit & Supervisory Board Member Mr. Masayuki Kitaguchi, who is qualified as a certified public accountant, has considerable knowledge of financing and accounting.
 5. The following changes were made to Directors and Audit & Supervisory Board Members during the year ended March 31, 2021.
 - (1) Appointment
 - (i) Messrs. Tetsuhiro Kito and Nobuhisa Ikawa were selected as Representative Directors at the meeting of the Board of Directors held on January 31, 2020, and assumed their respective posts effective April 1, 2020.
 - (ii) Mr. Fumio Maeda was newly elected as Director at the 75th Ordinary General Meeting of Shareholders held on June 25, 2020, and assumed his post.
 - (2) Resignation

Messrs. Katsumi Inoue and Hajime Takamatsu retired from their respective posts as Director at the conclusion of the 75th Ordinary General Meeting of Shareholders held on June 25, 2020.

(TRANSLATION)

(Reference)

Management Structure as of April 1, 2021 is as follows:

Title	Name	Assignment and concurrent holding of important offices
President and Representative Director (President and CEO)	Yoshihide Hata	
Representative Director (Executive Vice President)	Tetsuhiro Kito	General Manager of Fresh Meats Business Division and in charge of cross-business strategy
Representative Director (Executive Vice President)	Nobuhisa Ikawa	General Manager of Processed Foods Business Division and in charge of new business development
Director (Managing Executive Officer)	Fumio Maeda	General Manager of Corporate Planning Division and in charge of Research & Development Center and Hokkaido project
Director	Sadanori Miyagai	
Director	Yasuko Kono	Director of Japan Consumers' Association (General Incorporated Foundation) Director General of Consumers' Smile Fund (NPO) Director of the Japan Federation of Shiho-Shoshi Lawyer's Associations Member of Transport Council, Ministry of Land, Infrastructure, Transport and Tourism Member of Financial System Council, Financial Services Agency Member of Forestry Policy Council, Forestry Agency
Director	Atsushi Iwasaki	Head of Iwasaki Certified Public Accountant Office Outside Director of ISEKI&CO., LTD. Outside Director of OLYMPUS CORPORATION
Director	Hideo Arase	Executive Officer of Atom Medical Corporation
Full-time Audit & Supervisory Board Member	Koichi Nishihara	
Full-time Audit & Supervisory Board Member	Nobuyuki Tazawa	
Audit & Supervisory Board Member	Akihiko Shiba	Attorney at law (Partner) of SHIBA & TANAKA LAW OFFICES Outside Statutory Auditor of Airport Facilities Co., Ltd.
Audit & Supervisory Board Member	Masayuki Kitaguchi	Chief of Kitaguchi Certified Public Accountant Office Head of Showa Law Office Outside Audit & Supervisory Board Member of Glad Cube Inc.
Audit & Supervisory Board Member	Tokushi Yamasaki	

(TRANSLATION)

(Executive Officers who are not concurrently serving as Directors)

Title	Name	Assignment and concurrent holding of important offices
Managing Executive Officer	Keiji Maeda	General Manager of Sales Management Division, Processed Foods Business Division
Managing Executive Officer	Nobuo Oda	General Manager of Overseas Business Division and Operations Management Division
Managing Executive Officer	Hitoshi Yao	In charge of Compliance Department and Audit Department and General Manager of Group Audit & Supervisory Board Members' Office
Executive Officer	Masahito Kataoka	In charge of Accounting & Finance Department, Quality Assurance Department, Customer Service Department and Lifestyle Research Office, and General Manager of Tokyo Branch Office
Executive Officer	Hideki Fujii	In charge of Americas of Operations Management Division, Overseas Business Division President and Director of Day-Lee Foods, Inc.
Executive Officer	Tadaaki Ito	General Manager of Administrative Division, Overseas Business Division
Executive Officer	Kuniharu Hirai	General Manager of Administrative Division, Processed Foods Business Division
Executive Officer	Takao Seki	General Manager of Sales & Logistics Operations Division, Fresh Meats Business Division
Executive Officer	Hiroyuki Tsukuda	General Manager of Administrative Division, Fresh Meats Business Division
Executive Officer	Shuichi Toda	General Manager of Imported Fresh Meats Sales Division, Fresh Meats Business Division
Executive Officer	Kohei Akiyama	In charge of Human Resources Department, Legal Affairs Department, General Affairs Department, Public and Investor Relations Department, Secretarial Office and corporate communications
Executive Officer	Hideki Egi	General Manager of Product Management Division, Processed Foods Business Division
Executive Officer	Shuichi Narumi	General Manager of Domestic Fresh Meats Sales Division, Fresh Meats Business Division
Executive Officer	Hirohide Fujiwara	General Manager of Corporate Planning Department and in charge of DX Promotion Department and IT Strategy Department, Corporate Planning Division
Executive Officer	Akio Wakita	General Manager of Domestic Fresh Meats Production Division, Fresh Meats Business Division
Executive Officer	Yukihiro Matsumoto	General Manager of Dairy and Marine Products Division, Processed Foods Business Division
Executive Officer	Yoshitaka Hasegawa	General Manager of Accounting & Finance Department

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

- (i) Policy of determination of the compensation, etc., for Directors and Audit & Supervisory Board Members:

Basic policy on Director and Audit & Supervisory Board Member compensation

At the meeting of the Board of Directors held on February 12, 2021, NH Foods Ltd. decided on a policy for determining the details of the compensation, etc., for individual Directors.

The Director and Audit & Supervisory Board Member compensation system of NH Foods Ltd. is designed to select, train and appoint talented human resources as management, to give a clearer idea to individual Executive Directors and Executive Officers about the linkage between Directors' and Audit & Supervisory Board Members' compensations, the business performance of NH Foods Ltd. and shareholder value, and to provide incentives to encourage enhancement of the corporate value over the medium- and long-term in order to realize the corporate philosophy of NH Foods Ltd.

The system development, compensation levels, system operation, etc., shall be deliberated by the Compensation Committee, where an independent Outside Director acts as chairman, with the final decision made by the Board of Directors.

The reasonableness of the level of compensation for each position is verified each year, using for reference the investigation results, etc., by a third party organization.

Procedures at the Compensation Committee

The purpose of the Compensation Committee is to enhance the transparency and objectivity of decisions on the compensation for Directors and Audit & Supervisory Board Members (including Executive Officers), and to improve the supervisory function of the Board of Directors. Its majority members consist of independent officers and the meeting is held at least twice a year. The Board of Directors select the members of the Compensation Committee, where an Outside Director acts as chairman.

The process used by the Compensation Committee to decide on Directors' and Audit & Supervisory Board Members' compensations shall involve the examination of business results in comparison to annual targets set for each fiscal year by Executive Directors and Executive Officers and the deliberation on Directors' and Audit & Supervisory Board Members' compensations for the following fiscal year to be proposed, and recommendations are submitted to the Board of Directors. The Board of Directors shall respect the recommendations of the Compensation Committee and decide on Directors' and Audit & Supervisory Board Members' compensations for the following fiscal year accordingly. The Board of Directors believes that the aforementioned process ensured that the details of the compensation, etc., for individual Directors for the fiscal year under review were in line with the policy for determining the details of the compensation, etc., for individual Directors.

Summary of compensation for the Directors:

Compensation for Directors (excluding Outside Directors) shall comprise monetary compensation (a basic compensation and appraisal compensation) and performance-based stock compensation. The composition ratio (if the standard attainment

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level of the business performance is 100%) is 60% for the basic compensation, 23% for the appraisal compensation and 17% for the performance-based stock compensation. On the other hand, compensation for each Outside Director shall be a basic compensation only in consideration of his/her role. No retirement gratuity shall be paid to any of the Directors.

- (1) Monetary compensation shall comprise a basic compensation and appraisal compensation. The basic compensation shall be a monthly fixed compensation, and determined according to the position. The appraisal compensation shall be a variable compensation (paying a fixed amount on a monthly basis). Depending on the annual business performance (consolidated net sales, consolidated business profit, ROE and ROIC) and individually established goal attainment level with respect to management issues, the appraisal compensation shall vary within the range of 0-200%, assuming the standard attainment level of the business performance is 100%.

Appraisal shall be made in accordance with the following three items: (i) company-wide performance, (ii) segmental performance (business divisions and departments) and (iii) management issues, and each item of the business performance shall be appraised independently. With regard to performance appraisal indicators, NH Foods Ltd. has adopted consolidated net sales for sustainable growth of the top line, consolidated business profit for sustainable growth of the core business, and since the fiscal year ended March 31, 2013, ROE for improvement in the capital efficiency, as the company-wide performance. NH Foods Ltd. also has adopted ROIC for enhancement of the efficiency of invested capital since the fiscal year ended March 31, 2016, as segmental performance.

- (2) Based on the resolution at the 75th Ordinary General Meeting of Shareholders held on June 25, 2020 (with 22 Corporate Officers as of this resolution), NH Foods Ltd. introduced the performance-based stock compensation plan (hereinafter the “Plan”) for Directors (excluding Outside Directors) and Executive Officers, with August 3, 2020 as its starting date. In the Plan, the shares of NH Foods Ltd. and the amount of money equivalent to the proceeds from the disposal of the shares of NH Foods Ltd. (hereinafter collectively the “Shares, etc. of NH Foods Ltd.”) are delivered and paid (hereinafter collectively the “Delivery, etc.”) to them, in accordance with attainment of the medium- to long-term business performance.

The performance-based stock compensation is designed as incentives to encourage enhancement of the corporate value over the medium- and long-term. Under this concept, the Plan shall grant points to Directors (excluding Outside Directors) and Executive Officers, according to achievement level of the performance goal (consolidated net sales, consolidated business profit and ROE) set under the medium-term management plan of NH Foods Ltd. During their term of office and at the time of their retirement, the number of the shares of NH Foods Ltd. equivalent to the number of points granted shall be delivered to them. Such shares shall not be transferred until one year has passed since their retirement.

The performance-based stock compensation of NH Foods Ltd. includes malus (reduction of the amount after rights granted yet to be determined) and clawback (return of the amount after determination) provisions. These provisions can be exercised in the event of one of the predetermined triggers that include certain wrongdoings, such as serious breach of duties and material violation of the internal rules. The stock-based compensation subject to return under these provisions shall be the whole or a part of compensation for the fiscal year in which such wrongdoing

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takes place.

The Plan shall grant points to Directors and Executive Officers, according to their position and the degree of target achievement of performance indicators in the medium-term management plan in June of each year (e.g., in June 2021 for the compensation for the execution of their duties in the fiscal year ended March 31, 2021). Such points shall be accumulated during their term of office (hereinafter the “Accumulated Points”). The number of points to be granted shall vary within the range of 0-130%, assuming the standard attainment level of the business performance is 100%. The Delivery, etc. of the Shares, etc. of NH Foods Ltd. to Directors and Executive Officers shall be made around July immediately after the last day of the final fiscal year of the medium-term management plan of NH Foods Ltd., in terms of the portion equivalent to 70% of the Accumulated Points. With respect to the portion equivalent to 30% of the Accumulated Points, the Delivery, etc. of the Shares, etc. of NH Foods Ltd. shall be made after the retirement or at the time of death of Directors or Executive Officers. In case of death of any of Directors or Executive Officers, all of the shares of NH Foods Ltd. equivalent to the Accumulated Points at the time of death shall be sold in the stock market, and the heir of such deceased Directors or Executive Officers shall receive payment of money equivalent to the conversion price to cash. In addition, one point shall represent one share of NH Foods Ltd., and fractions of less than one point shall be rounded down. However, in the event of a share split or share consolidation for the shares of NH Foods Ltd. during the trust period, the number of shares of NH Foods Ltd. for one point as well as the maximum number of the total number of points (shares) to be granted to Directors and Executive Officers per fiscal year shall be adjusted according to the split ratio, consolidation ratio, etc.

The stock-based compensation under the Plan shall be calculated based on the following method to determine the number of individual points (shares) to be granted to Directors and Executive Officers per fiscal year.

(Formula for calculating points)

Number of points to be granted (*1) =

(Standard stock-based compensation for each position (*2) ÷ Share prices for calculating points (*3)) × Performance coefficient (*4)

(*1) Rounded down to the nearest whole number

(*2) Standard stock-based compensation for each position shall be the amount of compensation that serves as a standard for the stock-based compensation as predetermined by NH Foods Ltd for each position.

(*3) Share prices for calculating points shall be the average acquisition unit price (rounded to the nearest whole number) of the shares of NH Foods Ltd., to be acquired by the officers compensation BIP Trust (hereinafter the “Trust”) to be established in order to implement the Plan. If the trust period of the Trust is extended for the purpose of continuing the Plan, the share prices for calculating points shall be the average acquisition unit price (rounded to the nearest whole number) of the shares of NH Foods Ltd., newly acquired by the Trust, following the extension of the trust period.

(*4) Target value of each indicator to measure the degree of achievement of the performance goals shall be the quantitative target value for each fiscal year published in the medium-term management plan of NH Foods Ltd.

(TRANSLATION)

Summary of compensation for the Audit & Supervisory Board Members:

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

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

Category	Number	Aggregate amount of compensation, etc. (millions of yen)	Amount of compensation, etc., by type (millions of yen)			
			Basic compensation	Appraisal compensation	Stock acquisition-based compensation	Performance-based stock compensation
Directors	10	297	202	56	10	28
(Outside Directors)	(3)	(38)	(38)	(-)	(-)	(-)
Audit & Supervisory Board Members	5	88	88	-	-	-
(Outside Audit & Supervisory Board Members)	(3)	(38)	(38)	(-)	(-)	(-)
Total	15	385	290	56	10	28
(Outside Officers)	(6)	(77)	(77)	(-)	(-)	(-)

- (Notes)
1. The aggregate amount of compensation, etc., includes compensation for 2 Directors who retired at the conclusion of the 75th Ordinary General Meeting of Shareholders held on June 25, 2020.
 2. The maximum amounts of compensation (a basic compensation, appraisal compensation and stock acquisition-based compensation) for Directors are ¥42 million per month (as resolved at the 51st Ordinary General Meeting of Shareholders held on June 27, 1996), and the number of Directors was 25 at the time of this resolution.
Meanwhile, NH Foods Ltd. introduced, by the resolution at the 75th Ordinary General Meeting of Shareholders held on June 25, 2020, the performance-based stock compensation plan for Directors (excluding Outside Directors) and Executive Officers of NH Foods Ltd., separately from the aforementioned maximum amounts of compensation, etc., for Directors. Under the Plan, NH Foods Ltd. shall contribute trust funds not exceeding ¥220 million per fiscal year for fiscal years covered by the medium-term management plan (the initial coverage period of four fiscal years from the fiscal year ended March 31, 2021 to the fiscal year ending March 31, 2024) of NH Foods Ltd. The shares of NH Foods Ltd. shall be acquired through the trust, and the Delivery, etc. of the Shares, etc. of NH Foods Ltd. shall be made through such trust, in accordance with the position and degree of achievement with respect to the target value of the performance indicators in the medium-term management plan. The number of Directors was five at the time of the aforementioned resolution.
The aggregate amount of the performance-based stock compensation in the above table represents the amount recorded as expenses, etc., related to the share delivery points that the estimated amount to be granted for the fiscal year under review was clarified based on the Plan.
The stock acquisition-based compensation was abolished in July 2020, due to the introduction of the performance-based stock compensation plan.
 3. The appraisal compensation shall be monetary compensation that varies according to the annual business performance (consolidated net sales, consolidated business profit, ROE and ROIC) of NH Foods Ltd. and individually established goal attainment level with respect to management issues, with the aim of providing incentives to encourage enhancement of the corporate value over the medium- and long-term. The performance-based stock

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compensation is a plan in which points shall be granted based on the degree of target achievement of the business performance (consolidated net sales, consolidated business profit and ROE) in the medium-term management plan of NH Foods Ltd., with the aim of providing incentives to encourage enhancement of the corporate value over the medium- and long-term. Then, the number of shares of NH Foods Ltd. equivalent to the number of points granted shall be delivered during the term of office and at the time of retirement. With respect to actual annual business performance for the fiscal year ended March 31, 2021, consolidated net sales amounted to ¥1,176,101 million, consolidated business profit amounted to ¥52,426 million and ROE amounted to 7.8%. NH Foods Ltd. does not disclose ROIC figures as they are segmental indicators that are not disclosed externally. Compared to last year's actual results, however, ROIC improved in the Processed Foods Business Division and the Fresh Meats Business Division, while deteriorating in the Overseas Business Division.

4. The maximum amounts of compensation, etc., for Audit & Supervisory Board Members are ¥8 million per month (as resolved at the 53rd Ordinary General Meeting of Shareholders held on June 26, 1998), and the number of Audit & Supervisory Board Members was five at the time of this resolution.

(TRANSLATION)

(3) Matters concerning the Outside Officers:

(i) Major activities during the year ended March 31, 2021:

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)	Main activities
Director	Yasuko Kono	18/18 (100%)	-	Ms. Kono, from time to time, expressed valuable opinions regarding “Create value through dialog with customers” and “Pursue sustainability,” which are management policies of the Medium-Term Management Plan 2020, as well as management in general, based on her abundant experience and knowledge of consumer affairs. She also served as the chairperson of the Executive Appointments Committee, and a member of the Compensation Committee, the Compliance Committee, and the Sustainability Committee.
	Atsushi Iwasaki	18/18 (100%)	-	Mr. Iwasaki, from time to time, expressed valuable opinions regarding “Strengthen profitability by improving the efficiency of existing businesses,” which is one of the management policies of the Medium-Term Management Plan 2020, as well as management in general, from his professional standpoint as a certified public accountant and his abundant experience. He also served as the chairperson of the Compensation Committee, and a member of the Executive Appointments Committee and the Sustainability Committee.

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Category	Name	Number of meetings of the Board of Directors attended (Number of meetings attended/number of meetings held)	Number of meetings of the Audit & Supervisory Board attended (Number of meetings attended/number of meetings held)	Main activities
Director	Hideo Arase	18/18 (100%)	-	Mr. Arase, from time to time, expressed valuable opinions regarding “Change gears in overseas market deployment,” which is one of the management policies of the Medium-Term Management Plan 2020, as well as management in general, based on his abundant experience and deep insight in global-scale corporate management. He also served as a member of the Executive Appointments Committee, the Compensation Committee, and the Sustainability Committee.
Audit & Supervisory Board Member	Akihiko Shiba	18/18 (100%)	18/18 (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. He also served as a member of the Executive Appointments Committee.
	Masayuki Kitaguchi	18/18 (100%)	18/18 (100%)	Mr. Kitaguchi, 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, as well as a certified public accountant, and abundant experience with fairness and objectivity. He also served as an observer of the Compliance Committee.
	Tokushi Yamasaki	18/18 (100%)	18/18 (100%)	Mr. Yamasaki, from time to time, expressed his opinions toward ensuring the legality and appropriateness of group management from his professional standpoint as a food sector securities analyst and abundant experience. He also served as an observer of the Sustainability Committee.

(TRANSLATION)

(ii) Outline of the content of liability limitation agreements

NH Foods Ltd., to allow it to hire useful human resources as Outside Officers, provides in its Articles of Incorporation currently in effect that it may enter into an agreement with any Outside Officer to limit the liability for any damage to NH Foods Ltd. to a certain extent. Accordingly, NH Foods Ltd. has entered into such liability limitation agreements with Outside Directors Ms. Yasuko Kono, Messrs. Atsushi Iwasaki and Hideo Arase and Outside Audit & Supervisory Board Members Messrs. Akihiko Shiba, Masayuki Kitaguchi and Tokushi Yamasaki.

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.

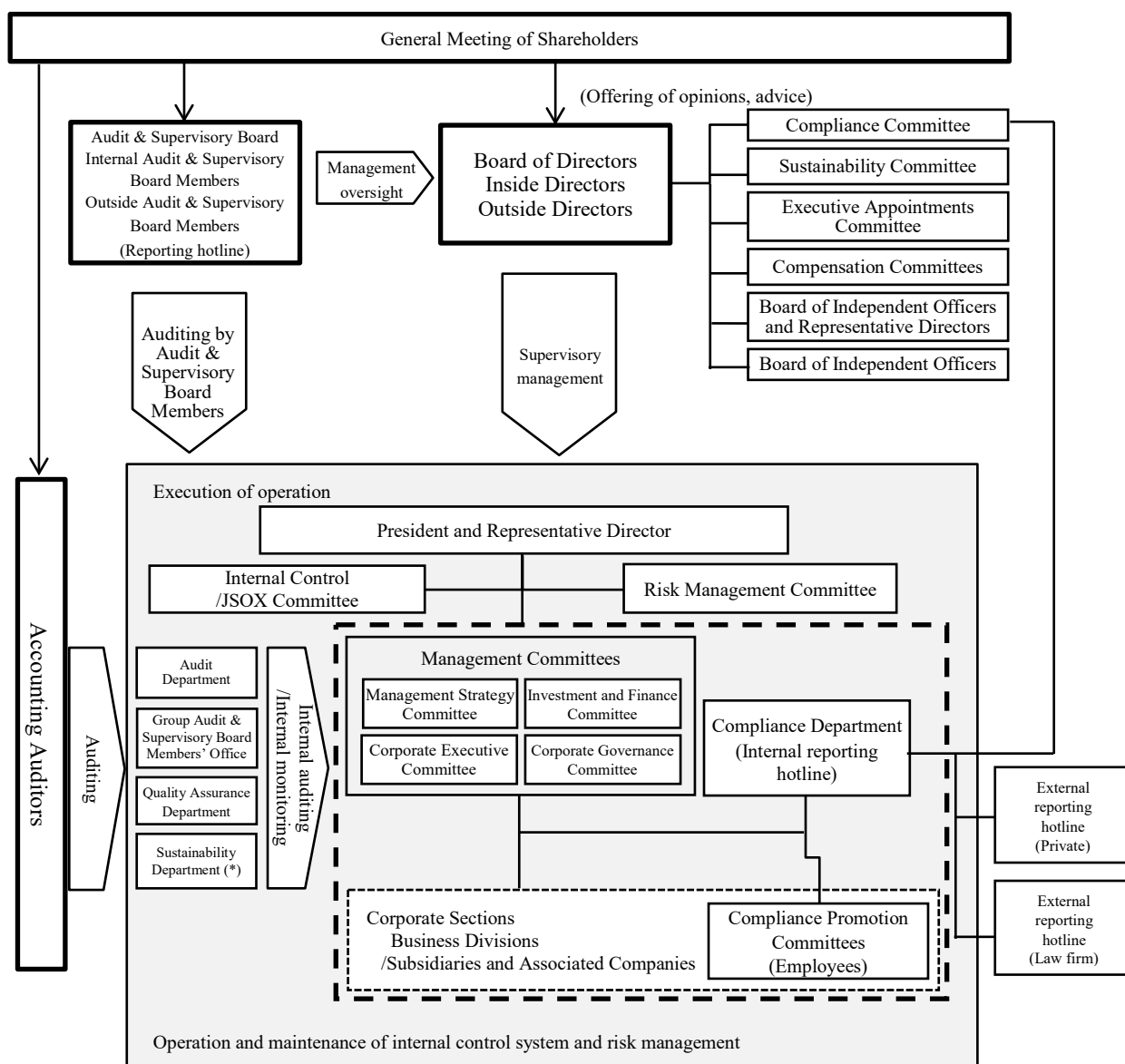
(TRANSLATION)

(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 (as of April 1, 2021)



(TRANSLATION)

3. Optional committees

In order to supplement the functions of the Board of Directors for the realization of higher transparency of management, the Company has established the following six optional committees.

Compliance Committee To evaluate the policies and measures concerning the compliance of the entire Group.	Sustainability Committee To engage, among other things, in the evaluation of policies and themes concerning sustainability for the entire Group, as well as confirmation of the status of implementation of various measures concerning sustainability.
Executive Appointments Committee To enhance the transparency and objectivity of decisions on candidates for Representative Directors/Directors/Audit & Supervisory Board Members, as well as on the dismissal of President and Representative Director along with the senior management team (comprising Executive Directors and Executive Officers) and the deliberation on such dismissal, 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 to 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.

(TRANSLATION)

Composition of Optional Committees (As of April 1, 2021)

Position	Name	Compliance Committee	Sustainability Committee	Executive Appointments Committee	Compensation Committee	Board of Independent Officers and Representative Directors	Board of Independent Officers
President and Representative Director	Yoshihide Hata	◎	◎		○	○	
Representative Director	Tetsuhiro Kito	○	○			○	
Representative Director	Nobuhisa Ikawa	○	○			○	
Director	Fumio Maeda	○	○				
Director (Outside)	Yasuko Kono*	○	○	◎	○	○	◎
Director (Outside)	Atsushi Iwasaki*		○	○	◎	○	○
Director (Outside)	Hideo Arase*		○	○	○	○	○
Audit & Supervisory Board Member (Outside)	Akihiko Shiba*			○		○	○
Audit & Supervisory Board Member (Outside)	Masayuki Kitaguchi*	Observer				○	○
Audit & Supervisory Board Member (Outside)	Tokushi Yamasaki*		Observer			○	○

◎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 December 14, 2018)

“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 not to fall into any of the following:

1. A person who is or was a director (excluding outside director), executive, executive officer, or employee (the “executor of business”) of NH Foods Ltd., its subsidiary or its equity method affiliate (the “Group”);
2. A major shareholder of NH Foods Ltd. (Note 1) or the executor of business thereof, or the executor of business of an entity of which the Group is a major shareholder in the past five fiscal years including the current fiscal year;
3. A principal business partner (Note 2) of the Group or the executor of business thereof, in the past five fiscal years including the current fiscal year;
4. A recipient of a donation of ¥10 million or more in a fiscal year from the Group in the past five fiscal years including the current fiscal year (in cases where said recipient is a corporation, association, or any other organization, this shall mean a person who belongs to such organization);
5. 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 a fiscal year from the Group, apart from the executive compensation, in the past five fiscal years including the current fiscal year (in cases where said service provider is a corporation, association, or any other organization, this shall mean a person who belongs to such organization);
6. (i) In the case of determining the independence of an Outside Director, a spouse or relative within the third degree of kinship of any person of material importance (Note 3) among those that fall into any of the above 1. through 5.;

(ii) In the case of determining the independence of an Outside Audit & Supervisory Board Member, a spouse or relative within the third degree of kinship of any person of material importance (Note 3) among those that fall into any of the above 1. through 5., or a spouse or relative within the third degree of kinship of a person who is or was a director (including an outside director) or accounting advisor of the Group; and
7. The executor of business of an entity in a relationship of reciprocal appointment of outside officers (Note 4) with NH Foods Ltd.

- (Notes)
1. “Major shareholder” refers to a direct or indirect holder of voting rights accounting for no less than 10% of all voting rights.
 2. “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.
 3. “Person of material importance” refers to an executive director, executive, executive officer, or employee in the position of General Manager or higher in the case of 1. through 4. above, while referring to a certified public accountant belonging to each accounting firm, or attorney at law belonging to each law firm in the case of 5. above.
 4. “Reciprocal appointment of outside officers” refers to accepting as outside officer of NH Foods Ltd. an executor of business of a company in which the executor of business of the Group currently serves as an outside officer.

(TRANSLATION)
(Attached document)

BUSINESS REPORT

(For the period from April 1, 2020 to March 31, 2021)

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

(1) Business trends and achievements:

The Japanese economy during the fiscal year under review continued to face a difficult situation due to the impact of COVID-19 and, despite some ongoing signs of recovery, the outlook for the future remains uncertain.

In the food and fresh meats industry, since the issuance of the declaration of a state of emergency in April last year, while consumer products have grown due to increasing demand for dining at home and for stocking up on food, commercial-use products have struggled due to the slump in demand from restaurants. There are concerns that this trend may be prolonged, depending on the status of the spread of COVID-19 and vaccinations.

Under these circumstances, NH Foods Ltd. and its subsidiaries (the “Group”), under the “Medium-Term Management Plan 2020” that commenced in April 2018 with the theme “Building systems that pave the way to the future,” conducted business development based on its five management policies “Strengthen profitability by improving the efficiency of existing businesses,” “Create value through dialog with consumers,” “Enhance and develop technological capabilities for conceptualizing and realizing the future of food,” “Change gears in overseas market deployment,” and “Pursue sustainability.” Specifically, in Japan, in addition to maintaining a stable supply system to cope with the increased demand for dining at home due to the impact of COVID-19, the Group implemented various measures, including enhancing content for the “new normal,” such as a remote presentation system and a marketing community site based on the concept of a virtual exhibition; introducing large zipper bagged products to meet the demand for stocking up on food, and room temperature products that taste as good as those freshly made; and reviewing the sales structure for the growing mass retail channel. In February 2021, we issued a Sustainability Bond to finance the construction of our new stadium (ES CON FIELD HOKKAIDO), which has been awarded five stars under the DBJ Green Building Certification System. Turning overseas, the Group continued to take measures to minimize the impact of COVID-19 and to secure suppliers to ensure a stable supply to Japan. As for the management system, the Group continued to make efforts to enhance the system in line with the “NH Foods Group Fundamental Policy on Corporate Governance.”

As a result of these activities, for the fiscal year under review, consolidated net sales amounted to ¥1,176,101 million, decreasing 4.4% from the previous fiscal year. Business profit increased 19.8% to ¥52,426 million, and profit before tax increased 80.8% from the previous fiscal year to ¥48,874 million due to the recording of additional special payments of ¥8,472 million as other expenses during the second quarter of the previous fiscal year resulting from the expansion of the optional retirement system, despite the recording of impairment losses of ¥7,076 million on investments and intangible assets in Panus Poultry Group Co., Ltd., as other expenses and share of profit in the investment accounted for using the equity method during the cumulative third quarter of the fiscal year under review. Profit attributable to owners of the parent increased 69.8% from the previous fiscal year to ¥32,616 million.

(Note) Business profit was calculated by deducting cost of goods sold and selling, general and administrative expenses from net sales, and accounting for foreign exchange gains and losses determined by the Group, while deducting adjustments in accordance with IFRS and non-

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recurring items.

The overview of operating results by operating segment is as follows. As of April 1, 2020, we changed the name of the “Affiliated Business Division” to the “Dairy and Marine Products Division” and integrated it into the Processed Foods Business Division.

Processed Foods Business Division

In the hams and sausages business, while sales to major convenience stores and restaurant channels decreased, overall sales increased year on year due to strong sales of the main product “*SCHAU ESSEN*.” For the year end gift blitz, although sales of the renewed brand “*Honkaku-ha*” was strong, sales fell year on year due to the impact of the overall decline of the market.

In the processed foods business, sales of consumer products increased year on year due to growth in the pizza category, including “*Ishigama Kobo*,” and the one-cook category, including “*Chuka Meisai*,” as a result of airing TV commercials featuring famous celebrities. However, overall sales decreased year on year due to a decline in sales of processed extracts for ramen restaurants and commercial-use products, including those for restaurant channels such as *izakaya* (Japanese pub) chains.

In the dairy products business, while sales of yoghurt and lactic acid probiotic beverages increased mainly to the mass retailer channel, due to strong sales of the main product “*Vanilla Yoghurt*,” this could not offset the decline in sales of commercial-use cheese for the bakery route and convenience store vendors, and overall sales decreased year on year.

In the marine products business, although sales to the mass retailer channel grew as a result of efforts to expand sales of high-priced products such as sushi toppings and crab for the year-end season, sales to the restaurant channel including sushi restaurants struggled, and overall sales decreased year on year.

With regard to overall sales in the Processed Foods Business Division, while consumer products increased year on year due to increased demand for dining at home in the wake of COVID-19, commercial-use products decreased year on year due to sluggish demand for restaurants. As a result, overall sales of the Processed Foods Business Division decreased year on year.

With regard to profit, in addition to the improvement of the gross profit rate due to sales price increase in line with the growth of the main brand products, lower costs including selling, general and administrative expenses resulted in higher profit for the Processed Foods Business Division as a whole.

As a result, for the fiscal year under review, consolidated net sales of the Processed Foods Business Division amounted to ¥523,915 million, decreasing 1.6% from the previous fiscal year. Business profit increased 34.7% compared to the previous fiscal year to ¥17,908 million.

Fresh Meats Business Division

In the fresh meats business, amid the continuing impact of COVID-19, we worked to strengthen communication with consumers and promote our branded fresh meats by conducting activities linked to the cherry blossom front from March to May at mass retailers in various regions, to capture demand for dining at home. As a result, while sales of domestic chicken and pork increased, demand from restaurants and wholesalers, mainly for imported meat, did not recover, resulting in a year on year decrease in sales.

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With regard to profit, in the production division, amid the spread of livestock diseases such as avian influenza bird flu and swine fever in Japan, we paid close attention to our quarantine system, worked to maintain supply volumes and focused on improving productivity. Furthermore, in addition to an increase in the number of chickens shipped in Japan, the market for domestic chicken and pork remained strong. In the sales division, in response to changes in the environment, such as an increase in the volume of purchases by China, the spread of African swine fever, the temporary suspension of operations at overseas procurement plants due to COVID-19, and delays in the arrival of imported meat on ships, we made efforts to ensure procurement and sales using our procurement network and network of partners in a wide range of areas, which are our strength. We also focused on sales of our branded fresh meats, such as “*Sakurahime*” domestic chicken, “*Mugikomachi*” domestic pork, “*Saint-Esprit*” and “*California Pork*” North American pork, and actively made proposals to meet changing demand, such as selling fresh meats in large bags and home barbecue products. As a result, profit increased year on year.

As a result, for the fiscal year under review, consolidated net sales of the Fresh Meats Business Division amounted to ¥728,655 million, decreasing 3.6% from the previous fiscal year and business profit amounted to ¥41,113 million, increasing 28.9% from the previous fiscal year.

Overseas Business Division

In Asia and Europe operations, net sales decreased year on year as sales volumes in Thailand remained weak and demand continued to fall in Vietnam and Turkey due to the impact of COVID-19. In Americas operations, net sales increased year on year as pork export volumes and sales volumes of processed food at mass retailers in the U.S. were steady, and pork export volumes in Chile and Mexico were also strong. In Australia operations, net sales decreased year on year due to a decline in the number of collected cattle and a continued decline in demand from China in Australia, as well as lower sales volumes to China in Uruguay.

With regard to profit, for the Asia and Europe operations, profit decreased year on year due to lower manufacturing volumes in Thailand, as well as weak unit sales price and continued high feed prices in Turkey. In Americas operations, profit increased year on year due to continued high volumes of processed food in the U.S. In Australia operations, profit decreased year on year in Australia due to the cattle collection environment remaining weak, owing to continued high cattle collection prices, and a decrease in the number of cattle collected, as well as lower sales price, particularly in China. However, profit increased year on year in Uruguay, as cattle collection prices stabilized and sales prices for exports, particularly to China, were on a recovery trend.

As a result, for the fiscal year under review, net sales of the Overseas Business Division amounted to ¥223,932 million, decreasing 12.2% from the previous fiscal year and business loss amounted to ¥94 million (a business profit of ¥1,849 million for the previous fiscal year).

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

Category	Amount (millions of yen)	Year on year (%)	Component ratio (%)
Processed Foods Business Division	523,915	98.4	44.5
Fresh Meats Business Division	728,655	96.4	62.0
Overseas Business Division	223,932	87.8	19.0
Eliminations, adjustments and others	(300,401)	—	(25.5)
Total	1,176,101	95.6	100.0

(For reference) Net sales by product category:

Category	Amount (millions of yen)	Year on year (%)	Component ratio (%)
Hams and sausages	132,425	101.1	11.3
Processed foods	223,585	97.7	19.0
Fresh meats	672,880	94.5	57.2
Marine products	76,853	95.2	6.5
Dairy products	31,967	95.1	2.7
Others	38,391	87.4	3.3
Total	1,176,101	95.6	100.0

(TRANSLATION)

(3) State of capital expenditures:

The Group has created an integration system that covers all aspects of its operations — from farming to processing, production, distribution and sales—and invests in fixed assets as necessary to enhance, rationalize, and strengthen this system. These investments totaled approximately ¥82.9 billion (including software and right-of-use assets of approximately ¥15.8 billion) for the fiscal year. The principal investments are as described below.

In the Processed Foods Business Division, capital expenditures totaled approximately ¥26.0 billion. This spending included approximately ¥20.3 billion by primarily Nipponham Factory Ltd. and Nipponham Processed Foods Ltd., mainly to expand and upgrade production facilities for hams and sausages, and processed foods; approximately ¥2.1 billion by Nippon Daily Net Co., Ltd. and other subsidiaries to improve operational and logistics facilities; and approximately ¥3.6 billion by Hoko Co., Ltd. and other subsidiaries to mainly upgrade production and operational facilities for marine and dairy products.

Capital expenditures by the Fresh Meats Business Division totaled approximately ¥16.0 billion. This spending included approximately ¥10.0 billion by Nippon White Farm Co., Ltd., Interfarm Co., Ltd. and other subsidiaries to upgrade and refurbish production and breeding facilities; approximately ¥4.4 billion by Naka Nippon Food, Inc., Kanto Nippon Food, Inc. and other subsidiaries to improve logistics and operational facilities; and approximately ¥1.5 billion by Nippon Food Packer, Inc. and other subsidiaries to upgrade processing facilities.

The Overseas Business Division made approximately ¥5.0 billion in capital investments, including upgrading production and breeding facilities at Oakey Beef Exports Pty. Ltd., etc.

In addition to the above, Fighters Sports & Entertainment Co., Ltd. has made approximately ¥19.0 billion in capital investments for building a new baseball stadium.

(4) State of financing:

NH Foods Ltd. issued ¥10.0 billion of unsecured corporate bonds (¥10.0 billion of the 14th series of unsecured corporate bonds) as its first ESG bond, a sustainability bond. The bonds are planned to be used to refinance cash reserves reduced by its investment in Fighters Sports & Entertainment Co., Ltd. (hereinafter “FSE”), NH Foods Ltd.’s consolidated subsidiary that owns the new baseball stadium ES CON FIELD HOKKAIDO, and to invest in and finance FSE to pay for the construction of the new baseball stadium.

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

(in millions of yen, except where noted)

Category	International financial reporting standards (IFRS)			
	73rd (from April 1, 2017 to March 31, 2018)	74th (from April 1, 2018 to March 31, 2019)	75th (from April 1, 2019 to March 31, 2020)	76th (from April 1, 2020 to March 31, 2021)
Net sales	1,258,463	1,234,180	1,229,826	1,176,101
Profit before tax	52,798	30,267	27,039	48,874
Profit attributable to owners of the parent	37,552	19,561	19,214	32,616
Earnings per share (basic) (yen)	352.26	183.21	186.70	317.97
Earnings per share (diluted) (yen)	350.00	181.48	186.64	317.89
Total assets	734,528	741,388	768,861	825,405
Total equity attributable to owners of the parent	417,982	401,014	404,414	433,595
Total equity attributable to owners of the parent per share (yen)	3,888.48	3,896.64	3,929.43	4,243.70

(Note) “Earnings per share (basic)” is computed on the basis of the weighted-average number of common shares outstanding during the year. “Earnings per share (diluted)” 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 equity attributable to owners of the parent 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. The number of shares of treasury stock for the 76th fiscal year includes the shares of NH Foods Ltd. held by the officers compensation BIP Trust, due to the adoption of the performance-based stock compensation plan for officers, and the shares of NH Foods Ltd. held by the NH Foods Group Employee Shareholding Association Dedicated Trust, due to the adoption of the Trust-type Employee Shareholding Incentive Plan.

(6) Main businesses (as of March 31, 2021):

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 farming 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

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(7) Main business offices and factories (as of March 31, 2021):

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), Marine Foods Corporation (Tokyo), Nippon Pure Food, Inc. (Tokyo), Nippon Luna, Inc. (Kyoto)
Domestic sales sites of NH Foods Ltd.	Tokyo, 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), NH Foods marketing, Ltd. (Tokyo), Japan Food Corporation (Tokyo)
Overseas production sites	Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Şirketi (Turkey), Breeders & Packers Uruguay S.A. (Uruguay), 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.)

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(8) State of employees (as of March 31, 2021):

Number of employees		Increase or decrease from the end of the previous fiscal year
Processed Foods Business Division	6,320	+93
Fresh Meats Business Division	5,585	+100
Overseas Business Division	4,539	-423
Group-wide (common)	724	+59
Total	17,168	-171

- (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 (12,222 employees on average during the period).
 3. The number of employees (representing the number of those actually at work) of NH Foods Ltd. was 1,314, an increase of 30 from March 31, 2020.

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(9) Important subsidiaries, etc. (as of March 31, 2021):

(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
Breeders & Packers Uruguay S.A.	US\$81,480,000	100.0%	Processing, packing and sales of livestock
Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Şirketi	TL125,100,000	100.0%	Farming and breeding, packing and sales of livestock
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
Marine Foods Corporation	¥1,133 million	100.0%	Production and sales of processed marine products
Nipponham Factory Ltd.	¥1,000 million	100.0%	Production of hams and sausages
Nipponham Processed Foods Ltd.	¥1,000 million	100.0%	Production of processed foods
Nipponham Delicatessen Ltd.	¥489 million	100.0%	Production of processed foods
Nishi Nippon Food, Inc.	¥480 million	100.0%	Sales of fresh meats and others
Nippon Logistics Group, Inc.	¥480 million	100.0%	Cold and freezing warehouse business and transportation business
Nippon Food Packer, Inc.	¥470 million	100.0%	Processing, packing and sales of livestock
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
Higashi 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

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Company	Capital	Ratio of voting rights held by NH Foods Ltd.	Main business
Nipponham Southwest Ltd.	¥360 million	100.0%	Production of hams and sausages, and processed foods
NH Foods marketing, Ltd.	¥307 million	100.0%	Sales of hams and sausages, and processed foods
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
Fighters Sports & Entertainment Co., Ltd.	¥12,000 million	67.1%	Pro baseball related entertainment

(Note) The ratio of voting rights held by NH Foods Ltd. in Breeders & Packers Uruguay S.A., Nippon Logistics Group, Inc., Nippon Pure Food, Inc. and Fighters Sports & Entertainment Co., Ltd., include the ratio of 40.0%, 55.0%, 58.5% and 34.2%, respectively, held indirectly through its subsidiaries.

(ii) Results of business combinations

The number of consolidated subsidiaries totaled 81 (including the 23 important subsidiaries stated above), as 2 companies were included due to establishment, and 2 companies were excluded due to liquidation. The number of equity-method companies totaled 9.

(10) Main lenders (as of March 31, 2021):

Lender	Amount of loan outstanding
MUFG Bank, Ltd	¥36,349 million
Sumitomo Mitsui Banking Corporation	¥24,247 million
The Hyakujushi Bank, Ltd.	¥10,082 million
The Norinchukin Bank	¥6,000 million

(11) Issues to be addressed:

[Medium- to long-term corporate strategy]

Based on the NH Foods Group “Vision 2030” announced in March 2021, the Group formulated the “Medium-Term Management Plan 2023” in April 2021.

The NH Foods Group “Vision 2030” expresses the Group’s aspirations to continue to support people’s daily happy dietary life by creating a variety of eating occasions that respond to changes in the social environment and people’s lifestyles, through expanding the potentials of protein with unconventional ideas and an open mindset, in addition to our existing core values of “safety and reliability” and “deliciousness.” In addition, we have identified important social issues to be addressed in order to realize the Nipponham Group “Vision 2030” as the NH Foods Group’s “Five

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Materialities” and have also updated our medium- to long-term environmental targets. We will strive to solve social issues through our business and contribute to the formation of a sustainable society by promoting both our business strategy and our sustainability strategy through the resolution of the Materialities.

As for our vision for 2030, we aim to achieve ROIC of 8.0% or higher and ROE of 10.0% or higher, as well as to achieve our medium- to long-term environmental targets during the fiscal year ending March 31, 2030.

Furthermore, in order to realize “ideals for 2030,” positioning the fiscal years ending March 31, 2024 and March 31, 2027 as milestones, we have considered measures for this 6-year period, and have also formulated the “Medium-Term Management Plan 2023” for the period up to the fiscal year ending March 31, 2024. In addition to strengthening existing businesses and promoting structural reforms to improve ROIC, we will shift to a business model with lower risk and that can expand opportunities while responding appropriately to social issues. At the same time, we aim to expand into growth areas by leveraging our history of business and the strengths of our existing businesses, while also striving to enhance our corporate value by integrating our materiality initiatives into each of our measures.

In addition, we will continue to pursue “Management for No.1 Quality” as the foundation of our management, further improving not only the quality of our products but also the quality of our management and human resources. We will continue to strengthen our corporate governance and continuously carry out corporate reform for the future.

Through the above-mentioned initiatives, in the fiscal year ending March 31, 2024, which is the final year of the “Medium-Term Management Plan 2023,” we aim to achieve net sales of ¥1,220.0 billion, business profit of ¥61.0 billion, business profit ratio of 5.0%, ROE of 8.0%, and ROIC of 6.0%. In the fiscal year ending March 31, 2027, we aim to achieve net sales of ¥1,320.0 billion, business profit of ¥79.0 billion, business profit ratio of 6.0%, ROE of 9.0% or higher, and ROIC of 7.0% or higher.

NH Foods Group “Vision 2030”

Unleash new potentials for protein

**NH Foods will unleash new ideas beyond existing domains to
expand new potentials for protein as the power of life.**

**We will endeavor to create diverse dietary lifestyles so people can experience the “Joy of Eating”
more freely, while ensuring a stable supply of food with respect to the environment and society.**

The NH Foods Group “Vision 2030” expresses, as “ideals for 2030,” the Group’s aspirations to continue to support people’s daily happy dietary life by creating a variety of eating occasions that respond to changes in the social environment and people’s lifestyles, through expanding the potentials of protein with unconventional ideas and an open mindset, in addition to our existing core values of “safety and reliability” and “deliciousness.”

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NH Foods Group's "Five Materialities"

Stable procurement and supply of proteins

Global population growth, climate change, and other factors are expected to make it increasingly difficult to supply proteins. The NH Foods Group aims to ensure the stable procurement and supply of proteins.

In addition to existing quality-related safety and reliability initiatives, we will advance efforts to supply diverse proteins through consideration for the environment and social aspects such as human rights and animal welfare in our supply chains.



Food diversification and health

Changes in lifestyle and other factors are leading to the need for diverse solutions in the area of food as well.

The NH Foods Group will contribute to a happy and healthy life by developing products and providing services that meet diverse needs.



Contributing to a sustainable environment

We face various environmental issues such as climate change, food loss, and marine plastic litter. The NH Foods Group's businesses involve bringing our customers the bounty of nature, and we are determined to help solve issues such as greenhouse gases, food loss, and plastics throughout the value chain.



Coexistence and coprosperity with local communities and society as a whole through food and sports

As a good corporate citizen, the NH Foods Group aims to be an enterprise loved and trusted by local communities and society as a whole, as we walk and grow together, deepening ties formed through food and sports.



Respect for employee growth and diversity

The NH Foods Group aims to be a place where employees can feel truly happy and fulfilled. Based on a deep respect for individuals, we strive to create workplaces where employees can thrive and demonstrate their unique strengths.

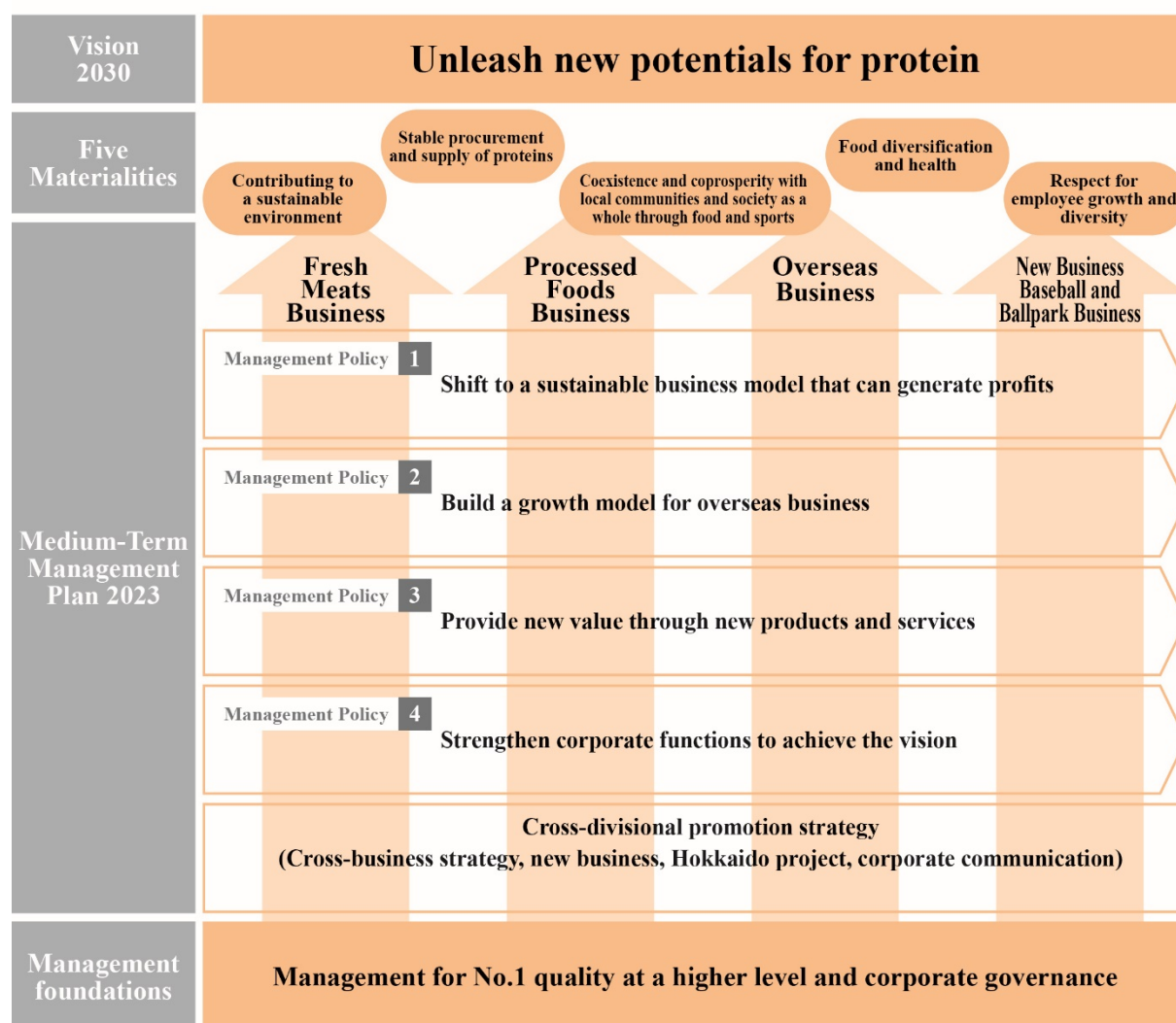


Stakeholder engagement



(TRANSLATION)

Outline of “Medium-Term Management Plan 2023”



(TRANSLATION)

[Management policy]

- (i) Shift to a sustainable business model that can generate profits

We will work to further strengthen the Group's procurement and sales capabilities, establish a manufacturing and profit structure from an overall optimization perspective, and expand our business from a marketing perspective.

- (ii) Build a growth model for overseas business

We will work on the sale of processed foods in the regions we have identified as promising areas, and on the development of, and strengthening of the supply system for, processed foods and fresh meats for the Japanese market.

- (iii) Provide new value through new products and services

In addition to the new value propositions undertaken by each business division, we will actively work on new areas utilizing D2C (Direct to Consumer) and sports business.

- (iv) Strengthen corporate functions to achieve the vision

In addition to carrying out the missions of the departments and offices, we will also work to promote DX (Digital Transformation), strengthen functions for planning and promoting group-wide strategies, and strengthen human resources management.

[Cross-divisional promotion strategy]

- (i) Cross-business strategy

We will plan and implement group-wide common strategies that demonstrate the comprehensive strength of the Group as a whole, transcending business divisions, for the ongoing development of the Group.

- (ii) New business

We will accelerate our efforts in new growth areas in anticipation of future changes in the environment, aiming to commercialize these areas in concrete terms and to foster a culture of taking on challenges.

- (iii) Hokkaido project

In Hokkaido, where many of the Group's sites are located, we will create synergies with our core business in preparation for the opening of the new stadium in 2023, and contribute to the development of the region.

- (iv) Corporate communication

We will strengthen our corporate communication functions and work to improve our reputation by developing strategic communications with our stakeholders.

(TRANSLATION)

[Policy for the fiscal year ending March 31, 2022]

Regarding the economic outlook for the fiscal year ending March 31, 2022, the situation is expected to remain unpredictable, both in Japan and overseas, due to the impact of COVID-19. Nevertheless, we will aim to become a corporate group that can contribute to the realization of a sustainable society by working to achieve the NH Foods Group “Vision 2030”—“Unleash new potentials for protein.” which we have upheld as “ideals for 2030,” as well as the Five Materialities that we have identified as important social issues to be addressed in order to realize “Vision 2030.”

In addition, in the “Medium-Term Management Plan 2023,” which has been formulated as a milestone toward the realization of “Vision 2030,” we will strive to enhance our corporate value by promoting our four management policies: “Shift to a sustainable business model that can generate profits,” “Build a growth model for the overseas business,” “Provide new value through new products and services,” and “Strengthen corporate functions to achieve the vision.”

In the Processed Foods Division, the environment is expected to remain difficult due to soaring raw material and fuel prices and rising labor and logistics costs, amid uncertainty over future supply and demand trends caused by COVID-19. In this context, under the “Medium-Term Management Plan 2023,” we will implement our business strategy in line with the following five policies: “establishing a lean manufacturing and profit structure from an overall optimization perspective,” “expanding business from a marketing perspective,” “balancing environmental responsiveness with profitability,” “putting business on track,” and “strengthening the foundations that support our growth strategy.” In “establishing a lean manufacturing and profit structure from an overall optimization perspective,” we will work to build an optimal manufacturing system from a company-wide perspective, conduct streamlining through product portfolio optimization and line consolidations and eliminations, and standardize production through technological innovation. In “expanding business from a marketing perspective,” we will work to implement marketing processes from the customers’ point of view, expand and firmly establish existing and developing brands, and realize synergies through organizational integration. In “balancing environmental responsiveness with profitability,” we will work to reduce packaging material use, CO₂ emissions and food losses. In “putting business on track,” we will work to improve the profitability of our businesses with issues. In “strengthening the foundations that support our growth strategy,” we will work to reform our organizational culture, develop and acquire human resources, and improve our internal controls.

In the Fresh Meats Business Division, in addition to the impact of COVID-19, the supply and demand balance of meat both in Japan and overseas is expected to change rapidly due to livestock disease in Japan, fluctuations in cattle prices and feed prices caused by abnormal weather, the expansion of free trade agreements and rising demand in emerging countries. In this context, we have defined the following as our basic policies under the “Medium-Term Management Plan 2023”: “strengthening procurement capabilities,” “strengthening sales capabilities” and “strengthening foundations.” In “strengthening procurement capabilities,” for domestic fresh meats, we will improve the productivity of our own farms and aim for stable procurement by strengthening cooperation and forming alliances with outside parties. For imported fresh meats, we will strengthen our cooperation with existing suppliers to ensure high quality and stable procurement, and at the same time we will develop new countries of procurement in order to diversify procurement risks. In “strengthening sales capabilities,” we will increase our market share and profit through focused channel strategies, and improve competitiveness and gross profit margins through the development of branded fresh meats and value-added products. In “strengthening foundations,” we will strengthen individuals through developing human resources

(TRANSLATION)

and optimizing the allocation of functions, and strengthen the organization through internal collaboration with other departments and offices, centered on the Fresh Meats Marketing & Promotion Department. Through these initiatives, we will increase our share of domestic sales.

In the Overseas Business Division, we will continue to work to minimize the impact of COVID-19 and secure suppliers to ensure a stable supply to Japan. Under the “Medium-Term Management Plan 2023,” we will strengthen our stable profit base through structural reforms and expand sales to Japan and local markets, as well as develop human resources and strengthen our governance structure, based on the following policies: “structural reform of existing businesses,” “developing processed food and fresh meats and strengthening the supply system for Japan,” “strengthening the sale of processed food outside each country,” and “strengthening the foundations that support our growth strategy.”

In addition, as the most important challenge of functional strategies, the Group will promote DX (Digital Transformation), and will address four cross-divisional management issues (cross-business strategies, new businesses, the Hokkaido project, and corporate communication) from a group-wide perspective in order to ensure the ongoing development of the Group.

Furthermore, the status of business activities and expected risks due to the spread of COVID-19 are as follows.

(Status of Business Activities)

The Group deals in foodstuffs, mainly fresh meats and processed meat-related products, and in order to fulfill our obligation of a stable product supply to maintain social living, we are implementing infection prevention measures for our customers and Group employees and performing business activities with the utmost care paid to safety considerations. Moreover, in February 2020, the Group established a Crisis Management Committee, which is engaged in activities such as ensuring the safety of Group employees and taking measures for business continuity.

(Expected Risks)

The Group conducts business activities in countries and regions around the world, including Japan. In these business activity areas, the supply chain of our Group may be affected, such as through difficulties in procurement of raw materials from suppliers and the suspension of operations at production and distribution bases due to social turmoil spreading and extending over a long period of time as a result of the spread of COVID-19. In addition, a decrease in sales due to the prolongation of the state of emergency in Japan and uncertainties in the creditworthiness of business partners may affect the business performance and financial position of the Group.

(TRANSLATION)

2. Matters concerning the shares (as of March 31, 2021):

- (1) Total number of issuable shares: 285,000,000 shares
(2) Total number of issued shares: 102,958,904 shares
(including 35,627 shares of treasury stock)
(3) Number of shareholders: 26,202

Category of owners	Number of shares held (thousand shares)	Number of shareholders
Financial institutions	58,340	85
Foreign investors	25,561	560
Individual/Other	12,926	25,148
Other companies	2,439	375
Securities firms	3,655	33
Treasury stock	35	1

- (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)	15,663	15.22
Custody Bank of Japan, Ltd. (Trust account)	7,224	7.02
The Hyakujushi Bank, Ltd.	3,768	3.66
Meiji Yasuda Life Insurance Company	3,677	3.57
The Norinchukin Bank	2,963	2.88
Nippon Life Insurance Company	2,785	2.71
MUFG Bank, Ltd.	2,747	2.67
Sumitomo Mitsui Banking Corporation	2,325	2.26
JPMorgan Securities Japan Co., Ltd.	1,626	1.58
The Kyoei Fire and Marine Insurance Company, Limited	1,613	1.57

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

(TRANSLATION)

3. Matters concerning the stock acquisition rights:

There were no applicable items.

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

The matters concerning the officers of NH Foods Ltd. are as stated from page 19 to page 34.

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.	¥210 million
(ii)	Total amount of money and other proprietary benefits payable by NH Foods Ltd. and its subsidiaries	¥346 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 compensation to the Accounting Auditors for “guidance and advisory services on internal auditing,” which 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 NH Foods Group Global 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 NH Foods Group Global 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 NH Foods Group Global 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 President and Representative Director 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 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 President and Representative Director is responsible for monitoring and supervising the storage and management of information set forth in (a) above. The President and Representative Director performs such that pertain to preparation of minutes as required by the Companies Act of Japan
 - (c) The documents set forth in (a) 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, establishes 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 designate Compliance Department as a section that oversees risk management of the Group as a whole and that defines the risk management system.
 - (b) The Compliance Department cooperates with 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 Compliance Department 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 and other relevant sections of the business division to audit the state of day-to-day risk management of the Group.
- (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

(TRANSLATION)

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 the NH Foods Group Global 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 NH Foods Group Global 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 President and Representative Director directly manages the Audit Department. The Audit Department, in accordance with the instruction of the President and Representative Director, conducts audits on the state of execution of business. In addition, the Quality Assurance Department conducts quality audits and the Sustainability Department conducts environmental audits.
- (vi) Systems to secure the appropriateness of business activities of the corporate group comprised of NH Foods Ltd. and its subsidiaries
 - (a) The NH Foods Group Global 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.

(TRANSLATION)

- (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 cooperates with business divisions that oversee the business of each company within the Group. The results of such audits are reported to the President and Representative Director.
- (e) The Group Audit & Supervisory Board Members' Office strengthens the auditing functions and internal controls of the Group by having Audit & Supervisory Board Members of the subsidiaries who are independent of Directors of the subsidiaries conduct audits, and by strengthening cooperation with other relevant sections. Accordingly, the Group Audit & Supervisory Board Members' Office develops an organization and human resources necessary to establish and realize an ideal auditing system for all subsidiaries.
- (f) NH Foods Ltd. respects the autonomy and independence of the management of the subsidiaries. However, 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 Rules on Business Authorization.
- (g) As for transactions between NH Foods Ltd. and its subsidiaries (including transactions between subsidiaries), based on the market principle, 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.
- (h) 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.
- (i) 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 Whistleblowing 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.
- (j) In accordance with the Group's Whistleblowing Rules, in order to encourage employees to report any violation of laws and regulations, misconducts, etc., by the Corporate Officers of the Group, NH Foods Ltd. establishes reporting hotlines regarding the Corporate Officers as subjects to report.

(TRANSLATION)

- (k) 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 Compliance Department.
 - (l) 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 NH Foods Group Global Action Standards stipulate how to deal with anti-social forces, 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.
 - (m) 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.
 - (n) 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.

(TRANSLATION)

- (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 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 NH Foods Group Global 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.
 - (e) The Audit & Supervisory Board investigates the facts regarding reports of any violation of laws and regulations, misconducts, etc. by the Corporate Officers. The Audit & Supervisory Board may request the establishment of an investigation team with members of the relevant sections and an investigation of the facts, if necessary.
 - (f) The Corporate Officers and employees of the Group shall cooperate with the Audit & Supervisory Board or the investigation team if cooperation is requested for such investigation.

(TRANSLATION)

- (g) The Audit & Supervisory Board shall report to the Board of Directors, etc. in the event that misconducts, etc. are confirmed as a result of the investigation. In the event that misconducts, etc. are confirmed as a result of the investigation, NH Foods Ltd. shall promptly implement corrective measures and recurrence prevention measures.

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

- (Note) At the meeting of the Board of Directors held on March 12, 2021, the basic policy for the establishment of internal control systems was revised in conjunction with the establishment of the “Group Audit & Supervisory Board Members’ Office” on April 1, 2021 (relevant section: (vi) “Systems to secure the appropriateness of business activities of the corporate group comprised of NH Foods Ltd. and its subsidiaries” (e)).

[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 12 divisions and 21 group companies in the year ended March 31, 2021.
- (b) As to internal control over financial reporting, the Internal Control/JSOX Committee examines pursuant to the Internal Control Management Rules Concerning Financial Reporting whether the internal control of the Group functions appropriately, and reports the result thereof to Representative Directors.

(TRANSLATION)

(ii) Compliance system

- (a) NH Foods Ltd. has established the “Compliance Committee,” which comprehensively reviews policies and measures concerning 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 level-specific compliance training sessions, compliance meetings, and office study groups. During the year ended March 31, 2021, individual companies made efforts, such as eliminating harassment, under the activity theme of “We all are partners of each other; let’s create and coordinate workplaces we can be proud of.”
- (c) NH Foods Ltd. ensures full implementation of compliance management by promoting the operation thereof in accordance with the NH Foods Group Whistleblowing 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.

(iii) Risk management system

- (a) The Risk Management Committee was established to comprehensively manage the cross-sectional risks in the entire Group as well as review and discuss unique risk management of the Group companies to contribute to Group management by discussing issues and measures relating to risk management of the Group. During the year ended March 31, 2021, 4 meetings were held, where analysis and assessment of the Group-wide priority risks to be addressed by the Group as a whole, as well as the individual-specific priority risks to be addressed by each group company.
- (b) In the event of a large-scale accident, disaster, scandal, etc., NH Foods Ltd. establishes the Crisis Management Committee to deal with the situation.

(iv) Business management of group companies

- (a) With regard to the business management of the respective group companies, NH Foods Ltd. established a system in which each group company is subject to review and obtains the approval of its business execution according to significance, by and from the Board of Directors or management committees including the Management Strategy Committee, Directors or Executive Officers.

(TRANSLATION)

- (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.
- (c) Study groups (June: newly appointed Corporate Officers, January: all Corporate Officers) and liaison meetings (July and November: Audit & Supervisory Board Members) are held to serve as forums to acquire the necessary knowledge to appropriately fulfill expected roles and responsibilities as Corporate Officers of Group companies of NH Foods Ltd. and to exchange information and opinions. Thus, the level of the Corporate Officers of Group companies is being improved and an operational audit support system is being developed.

(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, 2021, 18 meetings of the Board of Directors were held. In addition, we convened 24 meetings of the Management Strategy Committee, a body discusses and decides 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.
- (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, 2021, Audit & Supervisory Board Members organized 10 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 three staff members are assigned to Audit & Supervisory Board for the smooth execution of duties by Audit & Supervisory Board Members.

(TRANSLATION)

(2) Fundamental policy on corporate control:

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. However, from the standpoint of ensuring common interests of the shareholders of NH Foods Ltd. and preventing damage to the corporate value, NH Foods Ltd. will request the party attempting to make a large purchase action of shares of NH Foods Ltd. to provide necessary and sufficient information for the shareholders to make appropriate judgment on the rationality of such action. NH Foods Ltd. will also disclose views, etc. of the Board of Directors and, in addition to the efforts to ensure information and time for consideration of the shareholders, will take appropriate steps in accordance with the Financial Instruments and Exchange Act, the Companies Act and other relevant laws and regulations.

(TRANSLATION)

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

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

NH Foods Ltd. considers the return of profits to shareholders to be an important management issue.

With regard to the determination of the distribution of retained earnings, etc., it is NH Foods Ltd.'s policy to pay dividends on a consistent basis. This is seen as part of NH Foods Ltd.'s capital policy aimed at realizing an optimal capital and liability composition with the aim of improving medium- to long-term corporate value.

Under its basic policy, NH Foods Ltd. will distribute its retained earnings, with the aim of pursuing stable and continuous dividend growth, using dividend on equity ratio (DOE) of approximately 2.3% as a standard.

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. NH Foods Ltd. will make effective use of the internal reserve funds as a source of investments that will maintain and improve its competitiveness for years to come.

(ii) Status of distribution of retained earnings

With regard to dividends for the year ended March 31, 2021, NH Foods Ltd. will pay a dividend of ¥94 per share based on the abovementioned policy, and after comprehensively considering the consolidated financial status and consolidated business results for the full year.

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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 STATEMENT OF FINANCIAL POSITION

(as of March 31, 2021)

(Millions of Yen)

Assets:

Current Assets:

Cash and cash equivalents	83,831
Trade and other receivables	127,067
Inventories	107,906
Biological assets	23,581
Other financial assets	15,082
Other current assets	8,561
Total Current Assets	366,028

Non-current Assets:

Property, plant and equipment	325,629
Right-of-use assets	38,362
Biological assets	1,314
Intangible assets and goodwill	10,608
Investments accounted for using the equity method	9,011
Other financial assets	35,796
Deferred tax assets	26,056
Other non-current assets	12,601
Total Non-current Assets	459,377

Total Assets	825,405
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(TRANSLATION)

(Millions of Yen)

Liabilities and Equity:

Current Liabilities:

Interest-bearing liabilities	59,322
Trade and other payables	98,983
Income taxes payable	9,748
Other financial liabilities	25,290
Other current liabilities	35,822

Total Current Liabilities	229,165
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Non-current Liabilities:

Interest-bearing liabilities	134,428
Retirement benefit liabilities	14,543
Other financial liabilities	683
Deferred tax liabilities	581
Other non-current liabilities	1,696

Total Non-current Liabilities	151,931
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Total Liabilities	381,096
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Equity:

Common stock	36,294
Capital surplus	71,240
Retained earnings	320,577
Treasury stock, at cost	(3,532)
Accumulated other comprehensive income	9,016

Total Equity Attributable to Owners of the Parent	433,595
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Non-controlling Interests	10,714
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Total Equity	444,309
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Total Liabilities and Equity	825,405
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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, 2020 to March 31, 2021)

(Millions of Yen)	
Net Sales	1,176,101
Cost of Goods Sold	964,367
Selling, General and Administrative Expenses	161,215
Other Income	8,497
Other Expenses	11,956
Financial Income	1,942
Financial Costs	1,534
Share of Profit in Investments Accounted for Using the Equity Method	1,406
Profit before Tax	48,874
Income Tax Expense	17,816
Profit	31,058
Profit Attributable to:	
Owners of the Parent	32,616
Non-controlling Interests	(1,558)
Profit	31,058

(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, 2021)

(Millions of Yen)

Assets:

Current Assets:	301,087
Cash on hand and in banks	48,594
Notes receivable–trade	40
Accounts receivable–trade	86,858
Merchandise and finished goods	28,695
Work-in-process	117
Raw materials and supplies	8,941
Short-term loans receivable from subsidiaries and associated companies	108,036
Accounts receivable–other	18,097
Other current assets	1,711
Allowance for doubtful accounts	(2)
Fixed Assets:	210,413
Property, Plant and Equipment	30,818
Buildings	8,042
Structures	1,175
Machinery and equipment	4,154
Vehicles and transportation equipment	19
Tools, furniture and fixtures	860
Land	16,347
Leased assets	57
Construction in progress	164
Intangible Assets	6,634
Software	1,626
Software in progress	4,871
Other intangible assets	137
Investments and Other Assets	172,961
Investment securities	22,679
Capital stock of subsidiaries and associated companies	46,758
Long-term loans receivable	98,578
Long-term prepaid expenses	76
Prepaid pension expenses	6,319
Deferred tax assets	193
Other investments	3,401
Allowance for doubtful accounts	(5,043)
Total Assets	511,500

(TRANSLATION)

(Millions of Yen)

Liabilities:

Current Liabilities:	196,731
Notes payable–trade	498
Accounts payable–trade	100,412
Short-term bank loans	11,169
Current maturities of long-term debt	636
Lease obligations	26
Accounts payable–others	3,534
Accrued expenses	9,694
Income taxes payable	7,412
Deposits received	420
Deposits received from subsidiaries and associated companies	62,874
Other current liabilities	56
Long-term Liabilities:	106,900
Corporate bonds	65,000
Long-term debt	40,580
Lease obligations	31
Long-term accounts payable	3
Liability for retirement benefits	516
Other long-term liabilities	770
Total Liabilities	303,631

Net Assets:

Shareholders' Equity:	200,724
Common stock	36,294
Capital surplus	55,212
Capital reserve	55,212
Retained earnings	112,750
Appropriated for legal reserve	6,041
Unappropriated	106,709
Reserve for deferral of capital gain on property	726
Reserve for promotion of open innovation	25
General reserve	95,000
Net retained earnings forwarded	10,958
Treasury stock, at cost	(3,532)
Valuation and Translation Adjustments:	7,110
Unrealized gains on other marketable securities	7,110
Stock Acquisition Rights	35
Total Net Assets	207,869

Total Liabilities and Net Assets	511,500
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(Note) Figures are given by rounding fractions of a half or more of one million yen upward and the rest downward.

(TRANSLATION)

NON-CONSOLIDATED STATEMENT OF INCOME
(from April 1, 2020 to March 31, 2021)

(Millions of Yen)

Net Sales		772,313
Cost of Goods Sold		702,685
Gross Profit		69,628
Selling, General and Administrative Expenses		62,987
Operating Income		6,641
Non-operating Income		
Interest and Dividend Income	16,798	
Reversal of Allowance for Doubtful Accounts	67	
Other Non-operating Income	1,050	17,915
Non-operating Expenses		
Interest Expense	594	
Provision for Loss on Guarantees	274	
Other Non-operating Expenses	828	1,696
Ordinary Income		22,860
Extraordinary Income		
Gain from Sales of Fixed Assets	445	
Gain from Sales of Investment Securities	91	536
Extraordinary Losses		
Loss on Sales of Fixed Assets	20	
Loss from Dispositions of Fixed Assets	255	
Impairment Losses	958	
Valuation Loss on Capital Stock of Subsidiaries and Associated Companies	12,685	
Valuation Loss on Investment Securities	287	
Loss on Sales of Investment Securities	7	14,212
Profit before Tax		9,184
Current Income Taxes	2,418	
Deferred Income Taxes	(167)	2,251
Profit		6,933

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

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 6, 2021

To the Board of Directors of
NH Foods Ltd.:

Deloitte Touche Tohmatsu
LLC
Osaka office

Designated Engagement
Partner,
Certified Public Accountant:

Wakyu Shinmen

Designated Engagement
Partner,
Certified Public Accountant:

Koichi Sekiguchi

Designated Engagement
Partner,
Certified Public Accountant:

Shunsuke Matsumoto

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of NH Foods Ltd. and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as of March 31, 2021, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2020 to March 31, 2021, and the related notes.

In our opinion, the accompanying consolidated financial statements, prepared with the omission of a part of the disclosures required under Designated International Financial Reporting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120

(TRANSLATION)

of the Ordinance on Company Accounting, present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2021, and its consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under Designated International Financial Reporting Standards, 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern pursuant to the provisions of the second sentence of the first paragraph of Article 120 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 Designated International Financial Reporting Standards.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(TRANSLATION)

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are pursuant to the provisions of the second sentence of the first paragraph of Article 120 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 Designated International Financial Reporting Standards, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(TRANSLATION)

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 6, 2021

To the Board of Directors of
NH Foods Ltd.:

Deloitte Touche Tohmatsu
LLC
Osaka office

Designated Engagement
Partner,
Certified Public Accountant:

Wakyu Shinmen

Designated Engagement
Partner,
Certified Public Accountant:

Koichi Sekiguchi

Designated Engagement
Partner,
Certified Public Accountant:

Shunsuke Matsumoto

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements of NH Foods Ltd. (the "Company"), namely, the non-consolidated balance sheet as of March 31, 2021, and the non-consolidated statement of income and non-consolidated statement of changes in net asset for the 76th fiscal year from April 1, 2020 to March 31, 2021, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2021, and its financial

(TRANSLATION)

performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements

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

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

(TRANSLATION)

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "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 76th fiscal year from April 1, 2020 to March 31, 2021, 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 Audit & Supervisory Board Member attended the meetings of the Board of Directors and other important meetings, examined important approval/decision documents, received reports on the status of performance of duties from the Directors and other employees and requested explanations as necessary, 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. The above tasks were carried out utilizing various means via the Internet, etc. as appropriate.

(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

(TRANSLATION)

maintained by the resolutions, and the structure and operation of the systems in accordance with the rules of conducting audits concerning internal control systems stipulated by the Audit & Supervisory Board, according to reports from Directors and employees.

- (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, as described in the business report, were 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 statements of financial position, consolidated statements 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.

(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, 2021

The Audit & Supervisory Board
NH Foods Ltd.

Nobuyuki Tazawa (seal)
Full-time Audit & Supervisory Board Member

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

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

Masayuki Kitaguchi (seal)
(Outside) Audit & Supervisory Board Member

Tokushi Yamasaki (seal)
(Outside) Audit & Supervisory Board Member

(Note) Audit & Supervisory Board Members Akihiko Shiba, Masayuki Kitaguchi and Tokushi Yamasaki 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.