

June 3, 2015

**Information Disclosed on the Internet under Laws,  
Regulations and the Articles of Incorporation upon  
Issuing Notice of the 70th Ordinary General Meeting  
of Shareholders**

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NH Foods Ltd.

NH Foods Ltd. provides “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” to Shareholders by posting them on its website ( <a href="http://www.nipponham.co.jp/ir/events/generalmeeting/">http://www.nipponham.co.jp/ir/events/generalmeeting/</a> ) pursuant to the provisions of laws, regulations and its Articles of Incorporation.
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## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

### **(Notes on the Basis for Preparing Consolidated Financial Statements)**

(1) Significant accounting policies

(i) Basis of the consolidated financial statements:

Pursuant to the first paragraph of Article 120-2 of the Ordinance on Company Accounting, the consolidated financial statements of NH Foods Ltd. and its consolidated subsidiaries (collectively, the “Group”) are prepared based on the terms, forms, and methods of preparation in accordance with the accounting principles generally accepted in the United States of America; however, in accordance with the provision of the latter clause of said paragraph, certain statements and disclosures required under the accounting principles generally accepted in the United States of America are omitted.

(ii) Matters concerning the scope of consolidation and application of the equity method:

The consolidated financial statements include the accounts of NH Foods Ltd., all of its majority-owned direct or indirect subsidiaries, and any variable interest entities of which the Group is the primary beneficiary.

Intercompany transactions and balances have been eliminated.

Investments in associated companies (20% to 50% owned) are accounted for using the equity method of accounting.

In preparing the consolidated financial statements, financial statements with reporting periods different from the consolidated reporting period were used for certain subsidiaries. Necessary adjustments have been booked when material intervening events occurred and affected the financial position or result of operations for the period between the subsidiary’s reporting date and the consolidated reporting date.

Number of consolidated subsidiaries:	86 companies
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Number of equity-method companies:	5 companies
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(iii) Method and basis of valuation of inventories:

Inventories are stated at the lower of cost or market. Cost is determined by the average cost method.

(iv) Method and basis of valuation of marketable securities:

The Group accounts for their investments in debt and equity securities in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 320 “Investments - Debt and Equity Securities.”

(TRANSLATION)

Investments classified as Held-to-Maturity:

Stated at amortized cost.

Investments classified as Available-for-Sale:

Stated at fair value using quoted prices at the balance sheet date. (Relevant unrealized gains (losses) are reported in equity after taking into account the related tax effect, and cost of securities sold is calculated based on the average method.)

(v) Method of depreciation and amortization of fixed assets:

Property, plant and equipment: By the straight-line method.

Intangible assets: By the straight-line method (however, in accordance with ASC Topic 350 "Intangibles - Goodwill and Other," intangible assets with indefinite useful lives are not amortized but are tested for impairment at least once a year).

(vi) Basis of accounting for liability under retirement and severance programs:

In accordance with ASC Topic 715 "Compensation - Retirement Benefits," to prepare for the payment of retirement and severance benefits to employees, the Group accounts for liability under retirement and severance programs based on the projected benefit obligations and the fair value of plan assets at the balance sheet date.

Unrecognized prior service cost is amortized in equal amounts over the average remaining period of services for the affected employees.

With regard to unrecognized actuarial differences, a portion in excess of a corridor charge (= 10% of the greater of the projected benefit obligations or the fair value of plan assets) is amortized in equal amounts over the average remaining period of services of the affected employees when such differences are generated.

(vii) Accounting treatment of consumption taxes:

Consumption taxes are excluded from revenues, costs, and expenses in the consolidated statement of income.

(TRANSLATION)

**(Notes on Changes in Accounting Policies)**

(1) Changes in accounting policies relating to the classification of cash and cash equivalents

Effective from April 1, 2014, the Group changed the accounting policy for classifying the “cash and cash equivalents” in the consolidated balance sheet and the consolidated statement of cash flows.

The Group had previously defined “cash and cash equivalents” as cash on hand and demand deposits. The Group changed its policy to also include time deposits and marketable securities with original maturities of three months or less within the scope of cash and cash equivalents. The new policy is more closely aligned with the Group’s cash management and investment strategies, thus the Group believes the change in policy is preferable.

Under ASC Topic 250, “Accounting Changes and Error Corrections,” prior years’ consolidated financial statements were retrospectively adjusted to reflect this change in accounting principle.

As a result, cash and cash equivalents in the consolidated balance sheet as of April 1, 2014 increased by ¥31,945 million, while time deposits decreased by the same amount.

(TRANSLATION)

**(Notes to Consolidated Balance Sheet)**

(1) Accumulated depreciation of property, plant and equipment: ¥350,729 million

(2) Breakdown of the accumulated other comprehensive income:

Net unrealized gains on securities available-for-sale	¥6,264 million
Pension liability adjustments	(¥1,302 million)
Foreign currency translation adjustments	¥3,164 million
Accumulated other comprehensive income	¥8,126 million

**(Notes to Financial Instruments)**

(1) Matters relating to the status of financial instruments:

The Group raises necessary funds primarily by bank loans and issuance of corporate bonds based on the demand of funds for conducting business activities.

With regard to trade notes and accounts receivable, the Group controls credit risks in relation to customers in accordance with their credit management rules. With regard to marketable securities and other investment securities, which are principally debt securities and marketable equity securities, the Group quarterly estimates their fair values.

Bank loans, etc. are used for working capital (principally short term) and capital investment (long term). With regard to part of long-term debt, the Group fixes interest rates using interest rate swaps and cross-currency swaps to eliminate interest rate risk relating to floating-rate borrowing.

The Group uses forward foreign exchange contracts, currency swap contracts, cross-currency swap contracts, and commodity futures contracts to mitigate foreign exchange and commodity price risks. The Group has a policy not to use derivatives for any purpose other than managing market risks.

(2) Matters concerning fair values of financial instruments:

The following table shows the amounts of items recorded in the consolidated balance sheet as of March 31, 2015 along with their fair values and the differences:

## (TRANSLATION)

(millions of yen)

	Consolidated balance sheet amounts (*)	Fair value (*)	Difference
Marketable securities	190	190	0
Other investment securities	19,506	19,506	-
Derivatives	2,928	2,928	-
Long-term debt	(83,843)	(85,173)	(1,330)
Derivatives	(520)	(520)	-

(\*) Liabilities are shown in parentheses.

(Note 1) Matters concerning marketable securities, other investment securities, long-term debt, and derivatives:

(i) Marketable securities and other investment securities:

The fair values of marketable securities and other investment securities are based on quoted prices.

(ii) Long-term debt (including current maturities of long-term debt):

The fair values of long-term debt are based on estimates using market interest rates and quoted prices.

(iii) Derivatives:

The fair values of derivatives are based on estimates using forward exchange rates and market interest rates and quoted prices.

(Note 2) Matters concerning financial instruments other than those listed above:

(i) Non-marketable equity securities:

These items are not included with “other investment securities” in the above table as it is not practical to estimate their future cash flows and it is extremely difficult to estimate their fair values. Non-marketable equity securities amounted to ¥3,849 million as of March 31, 2015.

(ii) Cash and cash equivalents, time deposits, trade notes and accounts receivable, allowance for doubtful receivables, and monetary claims included in other current assets:

The fair values of these items, which are substantially equivalent to their book values as they are settled in a short period, are based on the book values.

(iii) Investments in and advances to associated companies and other assets:

(TRANSLATION)

As these items have no quoted prices, it is difficult to estimate their fair values.

- (iv) Short-term bank loans, trade notes and accounts payable, accrued income taxes, accrued expenses, and monetary liabilities included in other current liabilities:

The fair values of these items, which are substantially equivalent to their book values as they are settled in a short period, are based on the book values.

**(Notes to Consolidated Statement of Income)**

- (1) Basic earnings per share attributable to NH Foods Ltd. shareholders:  
¥152.43

- (2) Diluted earnings per share attributable to NH Foods Ltd. shareholders:  
¥143.11

- (Note) Figures are given by rounding fractions of a half or more of one million yen upward and the rest downward with the exception of information per share.

(TRANSLATION)

**(Events Subsequent to March 31, 2015)**

On April 1, 2015, the Group acquired the outstanding shares of Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Şirketi (“Ege-Tav”), and it became a subsidiary of the Group.

(1) Reasons for acquiring the shares

By acquiring the shares of Ege-Tav, the Group will respond to increasing demand for chicken meats in the Republic of Turkey and also generate a synergistic effect with its own chicken business to develop the Group's presence in Middle Eastern countries, rapidly growing emerging markets as well as European countries.

(2) Outline of the acquired entity

- (i) Trade name: Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Şirketi
- (ii) Headquarter: Izmir, the Republic of Turkey
- (iii) Main business: Production, processing and sale of chicken (including chick sale)

(3) Acquisition date

April 1, 2015

(4) Purchase price of the shares and the Group’s equity ratio after acquisition

- (i) Purchase price: USD 72 million
- (ii) Equity ratio after acquisition: 60.0%

(5) Accounting treatment of Business Combinations

The Group is currently evaluating the fair value of Ege-Tav’s acquired assets and liabilities on the acquisition date. Thus, detailed information as the accounting treatment of business combinations has not been disclosed.



(TRANSLATION)

**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS**

**(Notes to Significant Accounting Policies)**

1. Basis and method of valuation of assets:

(1) Basis and method of valuation of securities:

Securities held to maturity:	At cost, determined by the amortized cost method (straight-line method)
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Capital stocks of subsidiaries and associated companies:	At cost, determined by the moving-average method
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Other securities:

Those with fair value:	At fair value, determined by quoted prices at the balance sheet date. (Unrealized gains (losses) are reported directly in net assets. Cost of sales is determined by the moving-average method).
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Those without fair value:	At cost, determined by the moving-average method
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(2) Basis and method of valuation of inventories:

Finished goods and merchandise, work-in-process, and raw materials and supplies:	At cost, determined by the moving-average method (carrying amount in the balance sheet is calculated with consideration of write-downs due to decreased profitability).
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2. Method of depreciation of fixed assets:

(1) Property, plant and equipment (excluding leased assets):	By the straight-line method.
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(2) Intangible assets (excluding leased assets):	By the straight-line method. Software for internal use is amortized by the straight-line method over the estimated useful life (five years).
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(TRANSLATION)

- (3) Leased assets: Leased assets related to finance lease transactions that do not transfer ownership:  
Leased assets are depreciated by the straight-line method based on the assumption that the useful life equals the lease term and the residual value equals zero.
3. Basis for accounting for allowances and accrued liabilities:
- (1) Allowance for doubtful receivables: For possible bad debt losses, allowances are provided by taking into consideration the actual loss rate in respect of general credits and the individual collectibility in respect of specific claims such as probable non-performing credits.
- (2) Liability for retirement benefits: To prepare for retirement benefits for employees, liability for retirement benefits and prepaid pension expenses are recorded based on the projected benefit obligations and plan assets at the end of the fiscal year.  
Prior-year service cost is amortized using the straight-line method for a specific period of years (14 years) within the average remaining years of service of employees.  
Actuarial differences are amortized effective from the following fiscal year, using the straight-line method for a specific period of years (13 to 14 years) within the average remaining years of service of employees.
4. Method of hedge accounting: (i) Method of hedge accounting:  
In principle, gains or losses on derivatives are deferred until maturity of the hedged transactions. Long-term debt and interest expenses denominated in foreign currencies, for which foreign exchange forward contracts and cross-currency swaps are used to hedge the foreign currency fluctuations, are translated at the contracted rate if the forward contracts and cross-currency swaps qualify for hedge accounting. The interest rate swaps and cross-currency swaps that qualify for hedge accounting and meet specific matching criteria are not remeasured at fair value but the differential paid or received under the swap agreements is recognized and included in interest expenses or income.

(TRANSLATION)

- (ii) Hedging instruments and hedged items:
  - a. Hedging instruments: Forward exchange contracts  
Hedged items: Interest expenses on foreign-currency-denominated long-term debt
  - b. Hedging instruments: Interest rate swaps  
Hedged items: Interest expenses on long-term debt
  - c. Hedging instruments: Cross-currency swaps  
Hedged items: Principal and interest expenses on foreign-currency-denominated long-term debt

(iii) Hedging policy:

NH Foods Ltd. enters into forward exchange contracts and cross-currency swaps to mitigate exposure to foreign currency fluctuations in accordance with internal policies, which regulate the authorization and the maximum amount that can be committed to a contract. NH Foods Ltd. engages in interest rate swaps and cross-currency swaps to mitigate exposure to interest rate fluctuations.

(iv) Method of evaluating hedge effectiveness:

Effectiveness between the hedging instruments and hedged items is evaluated by confirming that a forward exchange contract is in compliance with the foreign currency risk management policy upon execution of the contract. Evaluation of effectiveness is omitted for interest rate swaps and cross-currency swaps that qualify for hedge accounting and meet specific matching criteria.

5. Other significant fundamental matters for the preparation of non-consolidated financial statements:

(1) Accounting treatment of consumption taxes:

Consumption taxes are excluded from revenues, costs, and expenses in the non-consolidated statement of income.

(2) Application of consolidated tax reporting:

Consolidated tax reporting is implemented.

(TRANSLATION)

6. Changes in significant accounting policies

(Changes in accounting policies associated with changes in accounting standards)

From the year ended March 31, 2015, NH Foods Ltd. has adopted “Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 26, May 17, 2012; hereinafter “Retirement Benefits Accounting Standard”) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012; hereinafter “Retirement Benefits Guidance”), and reviewed the methods for calculating retirement benefit obligations and service costs, whereby the method for attributing expected retirement benefits to periods has been changed from the straight-line basis to the benefit formula basis, while the method for determining the discount rate has been changed to the method that uses a single weighted-average discount rate reflecting the estimated periods of benefit payment and the amount of benefits to be paid in each period.

In adopting the Retirement Benefits Accounting Standard and Guidance, the amount of the effect of the change in the method for calculating retirement benefit obligations and service costs has been added to, or subtracted from, net retained earnings forwarded at the beginning of the year ended March 31, 2015, in accordance with the transitional procedure prescribed by Paragraph 37 of the Retirement Benefits Accounting Standard.

The amounts of the effects of the aforementioned changes on the financial statements, net assets per share, net income per share and diluted net income per share are all immaterial.

(TRANSLATION)

**(Notes to Non-consolidated Balance Sheet)**

1. Assets pledged

NH Foods Ltd. has pledged marketable securities in the amount of ¥190 million and time deposits in bank in the amount of ¥51 million as security for guarantees for transactions.

2. Accumulated depreciation of property, plant and equipment: ¥33,284 million

3. Guarantee obligations:

(millions of yen)

Guarantee	Description	Guarantee amount
Nippo Food (Shanghai) Co., Ltd. and six other companies	Guarantee for loans and transactions	1,300

4. Accounts receivable from and payable to affiliated companies:

Short-term accounts receivable	¥75,135 million
Long-term accounts receivable	¥79,096 million
Short-term accounts payable	¥84,064 million

**(Notes to Non-consolidated Statement of Income)**

1. Transactions with affiliated companies:

Net sales	¥530,055 million
Purchases	¥523,852 million
Transactions other than ordinary business	¥10,768 million

(TRANSLATION)

**(Notes to Non-consolidated Statement of Changes in Net Assets)**

1. Class and total number of issued shares as of March 31, 2015:

Common stock 204,000,000 shares

2. Class and number of shares of treasury stock as of March 31, 2015:

Common stock 298,412 shares

(Outline of the causes of the change)

Major causes:

Decrease due to the cancellation of treasury stock: 24,445,350 shares

Decrease due to the exercise of stock options: 37,000 shares

3. Matters concerning dividends:

- (1) Amount of dividends paid

Resolution	Class of shares	Total amount of dividends (millions of yen)	Amount of dividend per share (yen)	Record date	Effective date
Meeting of the Board of Directors held on May 12, 2014	Common stock	7,536	37	March 31, 2014	June 6, 2014

- (2) Dividends for which the record date is during the current fiscal year but the effective date is during the next fiscal year

Resolution	Class of shares	Source of dividends	Total amount of dividends (millions of yen)	Amount of dividend per share (yen)	Record date	Effective date
Meeting of the Board of Directors to be held on May 11, 2015	Common stock	Retained earnings	9,370	46	March 31, 2015	June 3, 2015

4. Class and number of shares to be issued or transferred upon exercise of stock acquisition rights (excluding those for which the exercise period has not started), as of March 31, 2015:

Common stock 13,477,199 shares

(TRANSLATION)

**(Note to the Tax Effect Accounting)**

Significant components of deferred tax assets and deferred tax liabilities

Deferred tax assets	(millions of yen)
Accrued bonuses	692
Liability for retirement benefits	2,073
Capital stock of affiliated companies	6,137
Allowance for doubtful receivables	680
Loss on impairment	1,767
Loss on revaluation of investment securities	387
Others	1,115
Subtotal of deferred tax assets	12,851
Valuation allowance	(8,567)
Total deferred tax assets	4,284
Deferred tax liabilities	
Reserve for deferral of capital gain on property	(336)
Unrealized gains on other marketable securities	(2,044)
Total deferred tax liabilities	(2,380)
Net deferred tax assets	1,904

Adjustment of Deferred Tax Assets and Deferred Tax Liabilities due to Change in Income Tax Rate

Due to the promulgation of the “Act for Partial Revision of Income Tax Act, etc.” and the “Act for Partial Revision of Local Tax Law, etc.” on March 31, 2015, the income tax rate applicable to NH Foods Ltd. is reduced from fiscal years commencing on and after April 1, 2015. In conjunction with this change, the statutory tax rate used in calculating the deferred tax assets and deferred tax liabilities for the year ended March 31, 2015 was changed from the previously applicable 36% to 33% with respect to temporary differences expected to be eliminated in the fiscal year commencing on April 1, 2015, and to 32% with respect to temporary differences expected to be eliminated in fiscal years commencing on and after April 1, 2016.

As a result of these changes, the amount of deferred tax assets (net of the amount of deferred tax liabilities) decreased by ¥183 million, and deferred income taxes and unrealized gains on other marketable securities recorded in the year ended March 31, 2015 increased by ¥438 million and ¥255 million, respectively.

(TRANSLATION)

**(Note to the Related-Party Transactions)**

(millions of yen)

Category	Name	Proportion of voting rights held (Note 1)	Relationship	Transaction	Amount	Account	Year-end balance
Subsidiary	Kanto Nippon Food, Inc.	100% directly or indirectly held	Sales of products; Safekeeping of funds; Interlocking directorate	Sales of products (Note 2)	106,814	Accounts receivable–trade	13,550
				Management of funds (Note 3)	-	Deposits received from affiliated companies	7,161
	Naka Nippon Food, Inc.	100% directly or indirectly held	Sales of products; Safekeeping of funds; Interlocking directorate	Sales of products (Note 2)	99,093	Accounts receivable–trade	11,787
				Management of funds (Note 3)	-	Deposits received from affiliated companies	9,898
	Nishi Nippon Food, Inc.	100% directly or indirectly held	Sales of products; Safekeeping of funds; Interlocking directorate	Sales of products (Note 2)	86,723	Accounts receivable–trade	10,504
				Management of funds (Note 3)	-	Deposits received from affiliated companies	5,123
	Higashi Nippon Food, Inc.	100% directly or indirectly held	Sales of products; Interlocking directorate	Sales of products (Note 2)	66,216	Accounts receivable–trade	7,753
	Nipponham East Sales Ltd.	100% directly or indirectly held	Sales of products; Interlocking directorate	Sales of products (Note 2)	60,537	Accounts receivable–trade	5,589
	Nipponham West Sales Ltd.	100% directly or indirectly held	Sales of products; Interlocking directorate	Sales of products (Note 2)	55,523	Accounts receivable–trade	5,132
	NH Foods Australia Pty. Ltd.	100% directly or indirectly held	Financial support; Interlocking directorate	Lending of funds (Note 4)	22,678	Long-term loans receivable	16,937



## (TRANSLATION)

Category	Name	Proportion of voting rights held (Note 1)	Relationship	Transaction	Amount	Account	Year-end balance
Subsidiary	Japan Food Corporation	100% directly or indirectly held	Purchase of products; Financial support; Interlocking directorate	Purchase of products (Note 2)	240,560	Accounts payable–trade	54,069
				Management of funds (Note 3)	-	Short-term loans receivable from affiliated companies	35,746
				Receipt of dividends (Note 5)	1,174		
	Nipponham Factory Ltd.	100% directly or indirectly held	Purchase of products; Financial support; Interlocking directorate	Purchase of products (Note 2)	51,251	Accounts payable–trade	7,621
				Lending of funds (Note 4)	8,000	Long-term loans receivable	24,739
	Nippon Logistics Center, Inc.	100% directly or indirectly held	Financial support; Interlocking directorate	Management of funds (Note 3)	-	Short-term loans receivable from affiliated companies	6,800
				Lending of funds (Note 4)	200	Long-term loans receivable	5,560
	Nippon White Farm Co., Ltd.	100% directly or indirectly held	Financial support; Interlocking directorate	Management of funds (Note 3)	-	Short-term loans receivable from affiliated companies	5,000
				Lending of funds (Note 4)	500	Long-term loans receivable	5,926
	Nipponham Processed Foods Ltd.	100% directly or indirectly held	Financial support; Interlocking directorate	Management of funds (Note 3)	-	Short-term loans receivable from affiliated companies	6,569
				Lending of funds (Note 4)	1,300	Long-term loans receivable	5,105

## (TRANSLATION)

Category	Name	Proportion of voting rights held (Note 1)	Relationship	Transaction	Amount	Account	Year-end balance
Subsidiary	Interfarm Co., Ltd.	100% directly or indirectly held	Financial support; Interlocking directorate	Management of funds (Note 3)	-	Short-term loans receivable from affiliated companies	7,125
	Marine Foods Corporation	100% directly or indirectly held	Financial support; Interlocking directorate	Management of funds (Note 3)	-	Short-term loans receivable from affiliated companies	7,000
	Nippon Pure Food, Inc.	100% directly or indirectly held	Financial support; Interlocking directorate	Management of funds (Note 3)	-	Short-term loans receivable from affiliated companies	6,589
	Premium Kitchen Co., Ltd.	100% directly or indirectly held	Financial support; Interlocking directorate	Lending of funds (Note 4)	6,500	Long-term loans receivable	5,400
	Hoko Co., Ltd.	100% directly or indirectly held	Financial support; Interlocking directorate	Lending of funds (Note 4)	3,150	Long-term loans receivable	4,872

(Note 1) In calculating the proportion of voting rights, the voting rights that are held indirectly by the subsidiaries are included.

(Note 2) Prices, other terms, and conditions of transactions are determined through negotiations by taking into consideration prevailing quoted prices.

(Note 3) NH Foods Ltd. has introduced a Cash Management System (“CMS”) for the purpose of improving the efficiency of management of funds within the Group. Given that it is difficult in practice to tally the transaction amount of financial transactions using CMS on a transaction-by-transaction basis, the transaction amount is not shown. Interest rates and other terms and conditions of transactions are determined adequately by taking into consideration market interest rates. No collateral is accepted or offered.

(Note 4) Interest rates and other terms and conditions of transactions are determined adequately by taking into consideration market interest rates. No collateral is accepted or offered.

(Note 5) These are the dividends received in accordance with the dividend policy on the subsidiaries.

(Note 6) The amounts of transactions do not include consumption taxes, while the year-end balances include consumption taxes (excluding short-term loans receivable from affiliated companies, long-term loans receivable and deposits received from affiliated companies).

(TRANSLATION)

**(Notes to Per Share Information)**

(i)	Net assets per share:	¥938.86
(ii)	Net income per share:	¥54.60
(iii)	Diluted net income per share:	¥51.07

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

(TRANSLATION)

**(Events Subsequent to March 31, 2015)**

On April 1, 2015, NH Foods Ltd. acquired the outstanding shares of Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Şirketi ("Ege-Tav"), and it became a subsidiary of NH Foods Ltd.

(1) Reasons for acquiring the shares

By acquiring the shares of Ege-Tav, NH Foods Ltd. will respond to increasing demand for chicken meats in the Republic of Turkey and also generate a synergistic effect with its own chicken business to develop the Group's presence in Middle Eastern countries, rapidly growing emerging markets as well as European countries.

(2) Outline of the acquired entity

- (i) Trade name: Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Şirketi
- (ii) Headquarter: Izmir, the Republic of Turkey
- (iii) Main business: Production, processing and sale of chicken (including chick sale)

(3) Acquisition date

April 1, 2015

(4) Purchase price of the shares and NH Foods Ltd.'s equity ratio after acquisition

- (i) Purchase price: USD 72 million
- (ii) Equity ratio after acquisition: 60.0%