

(TRANSLATION)
Security Code: 2282

June 2, 2022

To the Shareholders:

Notice of the 77th Ordinary General Meeting of Shareholders

Please take notice that the 77th 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), we ask that you make an appropriate decision on whether or not to attend the meeting by checking your own physical condition and the situation as of the date of the meeting.

You may exercise your voting rights in writing or via the Internet, etc. in lieu of attending the meeting in person. 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 (Thursday), 2022.

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 (Friday), 2022, at 10:00 a.m.
(Reception is scheduled to start at 9:00 a.m.)

2. Place of the meeting:

Sankei Hall Breeze, 7F Breeze Tower,
4-9, Umeda 2-chome, Kita-ku, Osaka
(Please note that the venue is different from last year.)

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3. Matters forming the objectives of the meeting:

Matters to be reported:

1. Report on the business report, the consolidated financial statements, and the financial statements for the 77th fiscal year (from April 1, 2021 to March 31, 2022)
2. Report on the results of audit of the consolidated financial statements for the 77th fiscal year by the Accounting Auditors and the Audit & Supervisory Board

Matters for resolution:

- | | |
|--------------------|---|
| Proposition No. 1: | Partial Amendments to the Articles of Incorporation |
| Proposition No. 2: | Election of 8 Directors |
| Proposition No. 3: | Election of 1 Audit & Supervisory Board Member |
| Proposition No. 4: | Election of 1 Substitute Audit & Supervisory Board Member |

(TRANSLATION)

To the Shareholders

I am Yoshihide Hata, President and Representative Director.

Enclosed is a notice of the 77th Ordinary General Meeting of Shareholders of NH Foods Ltd.

On March 3, 2022, the NH Foods Group marked the 80th anniversary of its founding. The history of the NH Foods Group began on March 3, 1942 with the establishment of a meat processing plant in Tokushima by our founder, Yoshinori Okoso. We would like to express our heartfelt gratitude to all of our stakeholders, especially our shareholders, whose support has made it possible for us to reach this milestone in our history.

Last year, in the pursuit of achieving its corporate philosophy “Joy of Eating,” the NH Foods Group formulated the “Vision 2030,” which describes its ideal vision for the year 2030: “Unleash new potentials for protein.” In addition, we have identified important issues to be addressed in order to realize the “Vision 2030” as the NH Foods Group’s “Five Materialities.” We will continue to fulfill the mission and roles that we have carried forward for the past 80 years, while using our imagination to find solutions to social issues and make progress toward the realization of a sustainable society.

We look forward to our shareholders’ ongoing support.

June 2022

Yoshihide Hata

President and Representative Director

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Reference Document for the General Meeting of Shareholders

1. Propositions and explanatory information relating thereto:

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

1. Reason for proposal

As the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022, the Company will introduce the system for electronic provision of materials for general meetings of shareholders. Accordingly, the Articles of Incorporation of the Company shall be amended as required, as follows.

- (1) Article 15 (Measures for Electronic Provision, Etc.), Paragraph 1 of the proposed amendments will be established as the Company will be obliged to stipulate in its Articles of Incorporation that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
- (2) Article 15 (Measures for Electronic Provision, Etc.), Paragraph 2 of the proposed amendments will be established so that, among the matters concerning information contained in the reference documents for the general meeting of shareholders, etc. to be provided electronically, the Company may limit those that are to be included in the paper copy to be sent to shareholders who have requested it to the scope stipulated in the Ordinance of the Ministry of Justice.
- (3) Upon the introduction of the system for electronic provision of documents for general meetings of shareholders, the provisions of Article 15 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) will become unnecessary and will therefore be deleted.
- (4) Supplementary provisions related to the effective date, etc. of the provisions to be established and deleted as described above shall be established. These supplementary provisions will be deleted after their expiration date.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u> <u>Article 15 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the Internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u>	<Deleted>

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Current Articles of Incorporation	Proposed Amendments
<Newly established>	<p data-bbox="831 230 1294 264"><u>(Measures for Electronic Provision, Etc.)</u></p> <p data-bbox="831 271 1425 427"><u>Article 15 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u></p> <p data-bbox="919 434 1425 685"><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>
<Newly established>	<p data-bbox="831 694 1145 728"><u>(Supplementary provisions)</u></p> <p data-bbox="831 734 1425 981"><u>1. The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the establishment of Article 15 (Measures for Electronic Provision, Etc.) of the amended Articles of Incorporation shall come into effect as of September 1, 2022 (the “Effective Date”).</u></p> <p data-bbox="831 987 1425 1234"><u>2. Notwithstanding the provisions of the preceding paragraph, Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u></p> <p data-bbox="831 1240 1425 1411"><u>3. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

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Proposition No. 2: 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 26.

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)	Vice President and 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)	Vice President and Representative Director (Executive Vice President), General Manager of Corporate Planning Division and in charge of Research & Development Center, new business development and Hokkaido project	18/18 (100%)
4	Fumio Maeda (Reappointment)	Director and Managing Executive Officer, General Manager of Processed Foods Business Division	18/18 (100%)
5	Masahito Kataoka (Reappointment)	Director and 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	13/13 (100%)
6	Yasuko Kono (Reappointment) Outside Director Independent Officer	Outside Director	18/18 (100%)
7	Hideo Arase (Reappointment) Outside Director Independent Officer	Outside Director	18/18 (100%)
8	Tokushi Yamasaki (New appointment) Outside Director Independent Officer	Outside Audit & Supervisory Board Member	18/18 (100%)

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. Masahito Kataoka, only the meetings of the Board of Directors held subsequent to his assumption of office on June 24, 2021 are counted.

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(Reference) Views on Composition and Necessary Skills of Board of Directors

- The Company sets delivering the “Joy of Eating” as our corporate philosophy and our goal is to establish a business model that aims to maximize the corporate value by integrating enhancement of the business value with resolutions of social issues such as the “global environment,” “food,” and “health”, which are essential for a sustainable stable supply cycle of proteins. The Board of Directors of the Company is responsible for appropriately overseeing the formulation and execution of the Company’s long-term vision (“Vision 2030”) and business plans which aim to realize the above goal, from the viewpoint of stakeholders including consumers.
- For this reason, based on the long-term vision, the medium-term management plan and the NH Foods Group Fundamental Policy on Corporate Governance etc., we plotted and visualized as a skill matrix, in addition to core and fundamental skills related to overall management, the skills and experience required for members of the Board of Directors as well as the Company’s unique skills for realizing its long-term vision, such as a “consumer viewpoint.” In addition, through deliberation by the Executive Appointments Committee, the Company selects human resources that satisfy the requirements of each skill item in a well-balanced manner and composes the Board of Directors accordingly with consideration of diversity as well.

Skill Matrix of Candidates for Directors

No.	Inside / Outside Director	Name	Experience / Expertise					Legal affairs / Quality management / Risk management
			Corporate management	International experience	Global environment / Sustainability	Consumer perspective / Marketing / R&D	Finance / Accounting	
1	Inside	Yoshihide Hata	●				●	●
2	Inside	Tetsuhiro Kito	●	●		●		
3	Inside	Nobuhisa Ikawa	●			●		
4	Inside	Fumio Maeda	●		●	●		
5	Inside	Masahito Kataoka					●	●
6	Outside	Yasuko Kono			●	●		
7	Outside	Hideo Arase	●	●				
8	Outside	Tokushi Yamasaki			●		●	

(TRANSLATION)

Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history
1	 <p data-bbox="352 707 552 1043">Yoshihide Hata (May 20, 1958) <21,600 shares> (Reappointment) (11 years) (18/18 100%)</p>	<p data-bbox="576 349 1423 1144"> April 1981 Joined Nippon Meat Packers, Inc. March 2003 Assistant General Manager of Accounting Department of Nippon Meat Packers, Inc. March 2007 Deputy General Manager of Accounting Department, Corporate Planning Division of Nippon Meat Packers, Inc. April 2008 General Manager of Accounting & Finance Department of Nippon Meat Packers, Inc. April 2009 Executive Officer, General Manager of Accounting & Finance Department of Nippon Meat Packers, Inc. April 2011 Executive Officer, General Manager of Accounting & Finance Department and in charge of IT Planning Department of Nippon Meat Packers, Inc. June 2011 Director and Executive Officer, General Manager of Accounting & Finance Department and in charge of IT Planning Department of Nippon Meat Packers, Inc. April 2012 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. April 2015 Vice President and Representative Director (Executive Vice President), General Manager of Corporate Management Division of NH Foods Ltd. January 2018 President and Representative Director (President and CEO) of NH Foods Ltd., to date </p>
<p data-bbox="212 1151 807 1178">Reason for nomination as a candidate for Director</p> <p data-bbox="212 1182 1423 1402">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.</p> <p data-bbox="212 1406 1423 1491">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>		

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Candidate No.	Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history
2	 <p data-bbox="339 701 563 1037">Tetsuhiro Kito (February 9, 1960) <8,100 shares> (Reappointment) (7 years) (18/18 100%)</p>	<p data-bbox="579 353 1423 477">April 1982 March 2002 Joined Nippon Meat Packers, Inc. Assistant General Manager of Imported Broiler Department, Fresh Meats Business Division of Nippon Meat Packers, Inc.</p> <p data-bbox="579 477 1423 566">September 2002 General Manager of Imported Broiler Department, Fresh Meats Business Division of Nippon Meat Packers, Inc.</p> <p data-bbox="579 566 1423 656">March 2007 General Manager of Imported Fresh Meats Sales Division, Fresh Meats Business Division of Nippon Meat Packers, Inc.</p> <p data-bbox="579 656 1423 745">April 2009 General Manager of Food Services Division, Sales & Marketing Division, Processed Foods Business Division of Nippon Meat Packers, Inc.</p> <p data-bbox="579 745 1423 835">April 2011 Executive Officer, General Manager of Food Services Division, Sales & Marketing Division, Processed Foods Business Division of Nippon Meat Packers, Inc.</p> <p data-bbox="579 835 1423 969">April 2013 Executive Officer, General Manager of General Merchandising Division, Sales & Marketing Division, Processed Foods Business Division of Nippon Meat Packers, Inc.</p> <p data-bbox="579 969 1423 1059">April 2015 Executive Officer, General Manager of Sales & Marketing Division, Processed Foods Business Division of NH Foods Ltd.</p> <p data-bbox="579 1059 1423 1149">June 2015 Director and Executive Officer, General Manager of Sales & Marketing Division, Processed Foods Business Division of NH Foods Ltd.</p> <p data-bbox="579 1149 1423 1238">April 2017 Director and Managing Executive Officer, General Manager of Sales & Marketing Division, Processed Foods Business Division of NH Foods Ltd.</p> <p data-bbox="579 1238 1423 1328">April 2018 Director and Managing Executive Officer, in charge of group sales management and Group Sales Planning Department of NH Foods Ltd.</p> <p data-bbox="579 1328 1423 1417">April 2019 Director and Managing Executive Officer, General Manager of Overseas Business Division of NH Foods Ltd.</p> <p data-bbox="579 1417 1423 1507">April 2020 Representative Director and Senior Managing Executive Officer, General Manager of Fresh Meats Business Division of NH Foods Ltd.</p> <p data-bbox="579 1507 1423 1684">April 2021 Vice President and 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 Vice President and Representative Director, 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 data-bbox="347 701 547 1037">Nobuhisa Ikawa (April 5, 1961) <3,100 shares> (Reappointment) (4 years) (18/18 100%)</p>	<p data-bbox="579 349 1417 506">April 1985 March 2007 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 data-bbox="579 506 1417 633">April 2008 General Manager of Food Services Planning Office, Food Services Division, Sales & Marketing Division, Processed Foods Business Division of Nippon Meat Packers, Inc.</p> <p data-bbox="579 633 1417 761">March 2013 General Manager of Kansai Food Services Division, Food Services Division, Sales & Marketing Division, Processed Foods Business Division of Nippon Meat Packers, Inc.</p> <p data-bbox="579 761 1417 889">January 2015 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 data-bbox="579 889 1417 994">April 2015 Executive Officer, General Manager of Food Services Division, Sales & Marketing Division, Processed Foods Business Division of NH Foods Ltd.</p> <p data-bbox="579 994 1417 1117">April 2016 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 data-bbox="579 1117 1417 1223">April 2017 Executive Officer, General Manager of Food Services Division, Sales & Marketing Division, Processed Foods Business Division of NH Foods Ltd.</p> <p data-bbox="579 1223 1417 1279">April 2018 Managing Executive Officer, General Manager of Processed Foods Business Division of NH Foods Ltd.</p> <p data-bbox="579 1279 1417 1384">June 2018 Director and Managing Executive Officer, General Manager of Processed Foods Business Division of NH Foods Ltd.</p> <p data-bbox="579 1384 1417 1462">April 2020 Representative Director and Senior Managing Executive Officer, General Manager of Processed Foods Business Division of NH Foods Ltd.</p> <p data-bbox="579 1462 1417 1590">April 2021 Vice President and Representative Director (Executive Vice President), General Manager of Processed Foods Business Division and in charge of new business development of NH Foods Ltd.</p> <p data-bbox="579 1590 1417 1747">April 2022 Vice President and Representative Director (Executive Vice President), General Manager of Corporate Planning Division and in charge of Research & Development Center, new business development and Hokkaido project of NH Foods Ltd., to date</p>

(TRANSLATION)

Reason for nomination as a candidate for Director

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 2022, has led business operations as Vice President and Representative Director, General Manager of Corporate Planning Division and in charge of Research & Development Center, new business development and 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, 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
4	 <p data-bbox="357 703 549 801">Fumio Maeda (November 30, 1965)</p> <p data-bbox="357 837 549 869"><5,500 shares></p> <p data-bbox="347 904 549 936">(Reappointment)</p> <p data-bbox="395 972 501 1003">(2 years)</p> <p data-bbox="357 1039 533 1070">(18/18 100%)</p>	<p data-bbox="576 349 735 412">April 1988 October 2002</p> <p data-bbox="767 349 1353 474">Joined Nippon Meat Packers, Inc. Seconded to Suehiro Restaurant System Co., Ltd. President and Representative Director of Suehiro Restaurant System Co., Ltd.</p> <p data-bbox="576 479 719 510">March 2010</p> <p data-bbox="767 479 1369 573">General Manager of Domestic Pork Department, Domestic Fresh Meats Sales Division, Fresh Meats Business Division of Nippon Meat Packers, Inc.</p> <p data-bbox="576 577 719 609">March 2012</p> <p data-bbox="767 577 1390 703">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 data-bbox="576 707 699 739">June 2012</p> <p data-bbox="767 707 1410 891">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 data-bbox="576 896 703 927">April 2013</p> <p data-bbox="767 896 1362 990">Executive Officer, General Manager of Domestic Fresh Meats Sales Division, Fresh Meats Business Division of Nippon Meat Packers, Inc.</p> <p data-bbox="576 994 703 1025">April 2016</p> <p data-bbox="767 994 1394 1088">Executive Officer, General Manager of Sales & Logistics Operations Division, Fresh Meats Business Division of NH Foods Ltd.</p> <p data-bbox="576 1093 703 1124">April 2017</p> <p data-bbox="767 1093 1331 1187">Executive Officer, General Manager of Hams & Sausages Division, Processed Foods Business Division of NH Foods Ltd.</p> <p data-bbox="576 1191 703 1223">April 2018</p> <p data-bbox="767 1191 1394 1317">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 data-bbox="576 1321 703 1352">April 2019</p> <p data-bbox="767 1321 1353 1415">Executive Officer, General Manager of Product Management Division, Processed Foods Business Division of NH Foods Ltd.</p> <p data-bbox="576 1420 703 1451">April 2020</p> <p data-bbox="767 1420 1369 1514">Managing Executive Officer, General Manager of Corporate Planning Division and in charge of Research & Development Center of NH Foods Ltd.</p> <p data-bbox="576 1518 699 1550">June 2020</p> <p data-bbox="767 1518 1410 1590">Director and Managing Executive Officer, General Manager of Corporate Planning Division and in charge of Research & Development Center of NH Foods Ltd.</p> <p data-bbox="576 1594 703 1626">April 2021</p> <p data-bbox="767 1594 1410 1720">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.</p> <p data-bbox="576 1724 703 1756">April 2022</p> <p data-bbox="767 1724 1362 1818">Director and Managing Executive Officer, General Manager of Processed Foods Business Division, 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 and Hokkaido project of NH Foods Ltd. In addition to the above roles, since April 2022, he has led business operations as General Manager of Processed Foods Business Division. 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
5	 <p data-bbox="336 705 557 1075">Masahito Kataoka (December 10, 1961) <3,100 shares> (Reappointment) (1 year) (13/13 100%)</p>	<p data-bbox="579 349 1423 1489"> April 1985 Joined Nippon Meat Packers, Inc. March 2008 Assistant General Manager of Accounting Department, Corporate Planning Division of Nippon Meat Packers, Inc. March 2009 Deputy General Manager of Accounting & Finance Department of Nippon Meat Packers, Inc. April 2012 General Manager of Accounting & Finance Department of Nippon Meat Packers, Inc. April 2013 Executive Officer, General Manager of Accounting & Finance Department of Nippon Meat Packers, Inc. April 2015 Executive Officer, General Manager of Accounting & Finance Department, Corporate Management Division of NH Foods Ltd. April 2016 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. April 2018 Executive Officer, General Manager of Corporate Communications Department and General Manager of Brand Communication Office, Communication Strategy Division of NH Foods Ltd. April 2019 Executive Officer, in charge of Accounting & Finance Department and Public and Investor Relations Department, Corporate Management Division of NH Foods Ltd. April 2021 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. June 2021 Director (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 </p>
<p data-bbox="212 1503 807 1529">Reason for nomination as a candidate for Director</p> <p data-bbox="212 1536 1423 1765">Mr. Masahito Kataoka, since taking office as a Director of NH Foods Ltd., 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, and has fulfilled his role as a Director.</p> <p data-bbox="212 1771 1423 1854">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
6	 <p data-bbox="336 703 560 770">Yasuko Kono (February 4, 1957)</p> <p data-bbox="384 801 512 835"><- shares></p> <p data-bbox="344 871 552 1039">(Candidate for Outside Director) (Independent Officer) (Reappointment)</p> <p data-bbox="392 1072 504 1106">(4 years)</p> <p data-bbox="360 1140 536 1173">(18/18 100%)</p>	<p data-bbox="574 349 1428 383">April 2002 Director of IBARAKI CO-OP</p> <p data-bbox="574 383 1428 439">June 2005 Director of CONSUMERS' CO-OPERATIVE CO-OPDELI BUSINESS UNION</p> <p data-bbox="574 439 1428 472">June 2008 Director of Ibaraki Consumer's Co-operative Union</p> <p data-bbox="574 472 1428 528">August 2012 Director General of National Liaison Committee of Consumers' Organization</p> <p data-bbox="574 528 1428 629">January 2013 Member of Pharmaceutical Affairs and Food Sanitation Council, Ministry of Health, Labour and Welfare</p> <p data-bbox="574 629 1428 797">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 data-bbox="574 797 1428 920">October 2013 Expert Member of Food Safety Commission, Cabinet Office Temporary Member of Consumer Commission, Cabinet Office</p> <p data-bbox="574 920 1428 976">December 2013 Member of Transport Council, Ministry of Land, Infrastructure, Transport and Tourism, to date</p> <p data-bbox="574 976 1428 1010">April 2014 Special Advisor to Consumer Affairs Agency</p> <p data-bbox="574 1010 1428 1066">July 2015 Member of Council of Food, Agriculture and Rural Area, Ministry of Agriculture, Forestry and Fisheries</p> <p data-bbox="574 1066 1428 1189">June 2017 Director of Japan Consumers' Association (General Incorporated Foundation), to date Director General of Consumers' Smile Fund (NPO), to date</p> <p data-bbox="574 1189 1428 1245">June 2018 Outside Director of NH Foods Ltd., to date</p> <p data-bbox="574 1245 1428 1301">December 2018 Member of Financial System Council, Financial Services Agency, to date</p> <p data-bbox="574 1301 1428 1357">January 2019 Member of Forestry Policy Council, Forestry Agency, to date</p> <p data-bbox="574 1357 1428 1413">June 2019 Director of the Japan Federation of Shiho-Shoshi Lawyer's Associations</p> <p data-bbox="574 1413 1428 1480">April 2021 Member of the Cultural Council, Agency for Cultural Affairs, Government of Japan, to date</p> <p data-bbox="574 1480 1428 1814">(Important concurrent office) Director of Japan Consumers' Association (General Incorporated Foundation) Director General of Consumers' Smile Fund (NPO) 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 Member of the Cultural Council, Agency for Cultural Affairs, Government of Japan</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
7	 <p>Hideo Arase (March 19, 1955)</p> <p><- shares></p> <p>(Candidate for Outside Director) (Independent Officer) (Reappointment)</p> <p>(3 years)</p> <p>(18/18 100%)</p>	<p>April 1977 Joined Terumo Corporation</p> <p>July 2006 Managing Director and BOD Chairman of Terumo Europe N.V.</p> <p>June 2008 Executive Officer of Terumo Corporation</p> <p>June 2009 Director and Executive Officer, responsible for Cardiac and Vascular Company and in charge of Legal Office of Terumo Corporation</p> <p>June 2010 Director and Senior Executive Officer of Terumo Corporation</p> <p>October 2011 Director and Senior Executive Officer, in charge of Business Promotion in Brazil of Terumo Corporation</p> <p>June 2012 Director and Senior Executive Officer, responsible for the Americas of Terumo Corporation and President and CEO of Terumo Americas Holding, Inc.</p> <p>April 2014 Director and Senior Executive Officer, Regional Representative of Latin America of Terumo Corporation</p> <p>April 2015 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>April 2018 Director and Corporate Advisor of Terumo Corporation</p> <p>July 2018 Corporate Advisor of Terumo Corporation</p> <p>February 2019 Executive Officer of Atom Medical Corporation</p> <p>June 2019 Outside Director of NH Foods Ltd., to date</p> <p>October 2021 Advisor of Atom Medical Corporation, to date</p> <p>April 2022 Director of HumaNexus Lab, Inc., to date</p> <p>(Important concurrent office) Director of HumaNexus Lab, Inc. Advisor 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 “Establish 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	 <p data-bbox="336 656 564 752">Tokushi Yamasaki (February 16, 1961)</p> <p data-bbox="384 790 517 819"><- shares></p> <p data-bbox="336 857 564 1021">(Candidate for Outside Director) (Independent Officer) (New appointment)</p> <p data-bbox="360 1059 541 1088">(18/18 100%)</p>	<p data-bbox="576 349 1428 409">April 1985 Joined Meiji Seika Kaisha, Ltd. (current Meiji Holdings Co., Ltd.)</p> <p data-bbox="576 416 1428 506">July 1989 Joined Daiwa Securities Research Institute (current Daiwa Institute of Research Ltd.) Analyst of Corporate Research Department</p> <p data-bbox="576 512 1428 573">April 2001 Analyst of Food Sector, Corporate Research Department of Daiwa Securities Research Institute</p> <p data-bbox="576 580 1428 669">January 2008 Analyst of Food Sector, Corporate Research Department of Daiwa Securities SMBC Co. Ltd. (current Daiwa Securities Co. Ltd.)</p> <p data-bbox="576 676 1428 736">February 2015 Strategist of Invest Strategy Department of Daiwa Securities Co. Ltd.</p> <p data-bbox="576 743 1428 804">October 2015 Product Manager of Equity Research Department of Daiwa Securities Co. Ltd.</p> <p data-bbox="576 810 1428 840">March 2019 Retired from Daiwa Securities Co. Ltd.</p> <p data-bbox="576 846 1428 907">June 2019 Outside Audit & Supervisory Board Member of NH Foods Ltd., to date</p>
<p data-bbox="220 1095 1193 1124">Reason for nomination as a candidate for Outside Director and expected roles, etc.</p> <p data-bbox="220 1131 1422 1294">Mr. Tokushi Yamasaki, since taking office as an Audit & Supervisory Board Member of NH Foods Ltd., has expressed his opinions on management in general from time to time as well as shared his views from the perspective of corporate analysis based on his professional standpoint as a food sector securities analyst and abundant experience, and has fulfilled his role as an Outside Audit & Supervisory Board Member of NH Foods Ltd.</p> <p data-bbox="220 1301 1422 1594">He has a proven track record and experience as an Audit & Supervisory Board Member and observer of the Sustainability Committee, as well as professional knowledge as a securities analyst. Therefore, we expect him to provide us with valuable suggestions regarding “Shift to a sustainable business model with profitability,” 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 nominated him as a candidate for Outside Director.</p>		

(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 and Mr. Hideo Arase. In addition, NH Foods Ltd. plans to enter into such liability limitation agreement with Mr. Tokushi Yamasaki, subject to the approval of his election under this proposal.

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. 3: Election of 1 Audit & Supervisory Board Member

Mr. Tokushi Yamasaki 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, and satisfies the requirements for independent officer as stipulated by the Tokyo Stock Exchange, Inc. NH Foods Ltd. has determined that the candidate for Outside Audit & Supervisory Board Member is deemed to be independent of NH Foods Ltd., having checked him against the “Criteria on Independence of Outside Officers” described on page 26.

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	
 <p>Shigeru Nishiyama (October 27, 1961)</p> <p><- shares></p> <p>(Candidate for Outside Audit & Supervisory Board Member) (Independent Officer) (New appointment)</p>	<p>April 1984</p> <p>March 1987</p> <p>August 1995</p> <p>April 2002</p> <p>April 2006</p> <p>June 2016</p> <p>September 2018</p> <p>June 2019</p> <p>June 2020</p> <p>June 2021</p>	<p>Joined Sanwa & Co. (current Deloitte Touche Tohmatsu LLC)</p> <p>Registered as certified public accountant</p> <p>Retired from Tohmatsu & Co. (current Deloitte Touche Tohmatsu LLC)</p> <p>Associate Professor of Waseda University Graduate School</p> <p>Professor of Waseda University Graduate School, to date</p> <p>Outside Director of UNIPRES CORPORATION, to date</p> <p>Outside Director of Macromill, Inc., to date</p> <p>Substitute Audit & Supervisory Board Member of NH Foods, Ltd., to date</p> <p>Outside Audit & Supervisory Board Member of Marubeni Corporation, to date</p> <p>Outside Director of TOKYO ENERGY & SYSTEMS INC., to date</p>
	<p>(Important concurrent office)</p> <p>Professor of Waseda University Graduate School</p> <p>Outside Director of UNIPRES CORPORATION</p> <p>Outside Director of Macromill, Inc.</p> <p>Outside Audit & Supervisory Board Member of Marubeni Corporation</p> <p>Outside Director of TOKYO ENERGY & SYSTEMS INC.</p>	
<p>Reason for nomination as a candidate for Outside Audit & Supervisory Board Member</p> <p>Mr. Shigeru Nishiyama possesses professional knowledge and abundant experience as a certified public accountant and a professor of a graduate school.</p> <p>In addition, he has been providing suggestions on sustainability for the entire Group as a member of the Sustainability Committee.</p> <p>For these reasons, we have deemed him to be the appropriate personnel to contribute to strengthen the functions of the Audit & Supervisory Board of NH Foods Ltd., and so have nominated him as a candidate for Outside Audit & Supervisory Board Member.</p>		

(TRANSLATION)

[Special Notes]

Although NH Foods Ltd. has transactions with Marubeni Corporation, for which Mr. Shigeru Nishiyama serves as an Outside Audit & Supervisory Board Member, the transaction amount is as small as less than 1% of the consolidated net sales of each party. Accordingly, NH Foods Ltd. has determined that this does not affect his independence.

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

2. Liability limitation agreement with Outside Audit & Supervisory Board Members:
NH Foods Ltd., to allow it to hire useful human resources as candidates for Outside Audit & Supervisory Board Members, provides in its Articles of Incorporation currently in effect that it may enter into an agreement with any Outside Audit & Supervisory Board Members to limit the liability to NH Foods Ltd. for any damage to a certain extent. Accordingly, NH Foods Ltd. plans to enter into such liability limitation agreement with Mr. Shigeru Nishiyama, subject to the approval of his election under this proposal.

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

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

3. 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)

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

As a result of nominating Substitute Audit & Supervisory Board Member Mr. Shigeru Nishiyama as a candidate for Audit & Supervisory Board Member under Proposition No. 3, the position of Substitute Audit & Supervisory Committee Member will become vacant. In order to prepare for the case in which the number of Audit & Supervisory Board Members falls below the number stipulated by laws and regulations, it is proposed that 1 Substitute Audit & Supervisory Board Member be elected. NH Foods Ltd. has obtained consent from the candidate that he shall become Audit & Supervisory Board Member in the event of a failure to maintain a statutory minimum number of Audit & Supervisory Board Members due to the resignation of an Audit & Supervisory Board Member during his/her term of office.


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

With respect to the submission of this proposition, consent has been obtained from the Audit & Supervisory Board.

The candidate for Substitute Outside Audit & Supervisory Board Member is as follows. In the event that he assumes the office of Audit & Supervisory Board Member, he shall be designated and registered as an independent officer as required by the Tokyo Stock Exchange, Inc. NH Foods Ltd. has determined that the candidate for Substitute Audit & Supervisory Board Member is deemed to be independent of NH Foods Ltd., having checked him against the “Criteria on Independence of Outside Officers” described on page 26.

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

(TRANSLATION)

Name (Date of birth) <Number of shares of NH Foods Ltd. held by Candidate>	Brief history
 <p>Katsumi Nakamura (October 28, 1970)</p> <p><- shares></p> <p>(Candidate for Substitute Outside Audit & Supervisory Board Member) (Independent Officer)</p>	<p>April 1993 Joined ALL NIPPON AIRWAYS CO., LTD.</p> <p>April 1997 Dispatched to International Exchange Office, the Institute of Fiscal and Monetary Policy, the Ministry of Finance</p> <p>April 1999 Legal and Insurance Division, ALL NIPPON AIRWAYS CO., LTD.</p> <p>October 2006 Registered as an attorney Joined T. Kunihiro & Co. Attorneys-at-Law</p> <p>December 2007 Outside Audit & Supervisory Board Member of Japan Novel Corporation, to date</p> <p>January 2012 Partner at T. Kunihiro & Co. Attorneys-at-Law, to date</p> <p>August 2020 Outside Director, Audit and Supervisory Committee Member of UMC Electronics Co., Ltd., to date</p> <p>June 2021 Outside Audit & Supervisory Board Member of WILL GROUP, INC., to date</p> <p>(Important concurrent office) Partner at T. Kunihiro & Co. Attorneys-at-Law Outside Audit & Supervisory Board Member of Japan Novel Corporation Outside Director, Audit and Supervisory Committee Member of UMC Electronics Co., Ltd. Outside Audit & Supervisory Board Member of WILL GROUP, INC.</p>
<p>Reason for nomination as a candidate for Substitute Outside Audit & Supervisory Board Member</p> <p>Mr. Katsumi Nakamura possesses professional knowledge and abundant experience as an attorney at law. For this reason, we have deemed him to be the appropriate personnel to contribute to strengthen the functions of the Audit & Supervisory Board of NH Foods Ltd., and so have nominated him as a candidate for Substitute Outside Audit & Supervisory Board Member.</p>	

- (Notes) 1. No candidate for Substitute Audit & Supervisory Board Member has a special relation of interest with NH Foods Ltd.
2. Outline of a liability limitation agreement:
NH Foods Ltd., to allow it to hire useful human resources as candidates for Outside Audit & Supervisory Board Members, provides in its Articles of Incorporation currently in effect that it may enter into an agreement with any Outside Audit & Supervisory Board Members to limit the liability to NH Foods Ltd. for any damage to a certain extent. Accordingly, NH Foods Ltd. plans to enter into such liability limitation agreement with Mr. Katsumi Nakamura, subject to his assumption of office as an Outside Audit & Supervisory Board Member.
- The outline of the content of such agreement is as follows:
- If any Outside Audit & Supervisory Board Member is liable to NH Foods Ltd. for any damage arising from a default in his/her duties, he/she shall be liable within the minimum liability amount as provided for in Article 425, paragraph 1 of the Companies Act of Japan.
 - The above-mentioned liability limitation shall apply only if and when the Outside Audit & Supervisory Board Member is in good faith and with no gross negligence in the performance of his/her duties that caused such liability.
3. Outline of a directors and officers liability insurance contract:
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. Mr. Katsumi Nakamura will be included as the insured

(TRANSLATION)

under the said insurance contract, subject to his assumption of office as an Outside Audit & Supervisory Board Member.

(TRANSLATION)

(Reference) 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, 2021 to March 31, 2022)

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

(1) Business trends and achievements:

The Japanese economy during the year ended March 31, 2022 showed some signs of recovery amid persisting impact of COVID-19. However, the outlook remained uncertain due to the quasi-emergency measures applied all over the country following a resurgence of infections caused by a new variant.

In the food and fresh meats industry, the unprecedentedly difficult situation continued, such as declining demand from restaurants due to the prolonged declaration of a state of emergency or quasi-emergency measures, and increasing costs due to soaring raw material prices.

Under these circumstances, NH Foods Ltd. and its subsidiaries (the “Group”), in the “Medium-Term Management Plan 2023” which commenced in April 2021 as a milestone in pursuing our ideals for 2030: NH Foods Group “Vision 2030”—“Unleash new potentials for protein,” promoted business development based on our four management policies:

- Shift to a sustainable business model with profitability,
- Establish a growth model for Overseas Business,
- Provide new value through new products and services, and
- Strengthen corporate functions to achieve the Vision.

In Japan, in response to soaring raw material prices and rising energy costs, we have changed the specifications of some products and revised the delivery prices in order to continue delivering high-quality, safe and secure products to our customers. Furthermore, we have maintained a stable supply system by ensuring thorough implementation of measures against COVID-19. In the backdrop of the establishment of new lifestyles, food diversity, and growing awareness of social issues such as ESG aimed at achieving the SDGs, we released new eco-friendly products such as “*eco-friendly Loin Ham*” and “*SCHAU ESSEN*” that have adopted the new eco-friendly pillow type packaging which uses less amount of plastic to reduce the impact to the environment. We also renewed and launched new products in the series of “*NatuMeat*” which is plant-based meat made from soybeans or other plant-derived ingredients, as a next-generation foodstuff for a sustainable society. Furthermore, we launched one-stop comprehensive food allergy care platform “Table for All: Food Allergy Care,” the first such service in the Japanese food industry, where online nutritional consultations by registered dietitians for food allergy or helpful information related to food allergy are available for free. In addition, we have enhanced dissemination of information on our efforts to realize “Vision 2030” by appointing Mr. Tsuyoshi Shinjo as the corporate ambassador who propagates the information on the Group’s efforts for the stable supply of proteins, and other useful information on proteins. Other initiatives include the Hokkaido project with an eye to the opening of the new stadium in 2023; the promotion of Digital Transformation (DX) to strengthen our management base; and, in order to pursue an optimal business portfolio to improve ROIC, other actions such as transferring shares of a group company or integrating management of the Group companies for more efficient use of management resources.

Overseas, the Group worked to improve production efficiency and implement price revisions in response to soaring prices of main raw materials in the processed food business. In the fresh meats business in Australia and Uruguay, amid high-price market conditions we reinforced our initiatives for branded beef as value-added products and implemented appropriate operation of our plants according

(TRANSLATION)

to the supply-demand balance, thereby achieving stable sales. Furthermore, in the business of meats exports to Japan, we worked to ensure a stable supply of meats by strengthening coordination with external packers in each country.

Regarding the cross-group initiatives, we worked to raise group employees' awareness of our initiative for "Vision 2030"—"Unleash new potentials for protein" and promoted ROIC-based management by managing KPIs linking them with various measures of the "Medium-Term Management Plan 2023." Efforts to enhance the business structure were made in line with "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 ¥1,174,389 million, increasing 6.1% from the previous fiscal year. Business profit decreased 8.2% from the previous fiscal year to ¥48,116 million, profit before tax increased 7.9% from the previous fiscal year to ¥51,366 million, and profit attributable to owners of the parent increased 47.3% from the previous fiscal year to ¥48,049 million owing to factors such as ¥9,105 million of profit from discontinued operations.

Note that, the marine product business related mainly to The Marine Foods Corporation, which was a consolidated subsidiary of the Company, and its subsidiaries has been classified as discontinued operations. As a result, sales and profit before tax related to the said business have been recorded as those from discontinued operations in the fiscal year under review as well as in the previous fiscal year, which is the comparative year.

(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 excluding adjustments in accordance with IFRS and non-recurring items.

The overview of operating results by segment is as follows. The Company discloses the Baseball and Ballpark Business and New Business, etc. in the "Others" category from April 1, 2021 for the purpose of expanding into new business areas. In addition, the Processed Foods Business Division includes the marine products business that has been classified as discontinued operations.

Processed Foods Business Division

In the hams and sausages business, sales to mass retailer channels decreased from the previous fiscal year despite our efforts to make up for the impact of COVID-19. Such efforts include the introduction of the new eco-friendly pillow type packaging for the main product "SCHAU ESSEN" to reduce environmental burden, and the launch of advertisements on social networking services to attract younger customers. Sales to commercial-use channels increased year on year thanks to the increased demand as the infection situation subsided.

In the processed foods business, sales to mass retailer channels remained at the level of the previous fiscal year. This was attributable to the significant growth in the main product "Ishigama Kobo" thanks to the increased demand for snacks, and the addition of the new product "Ajiwai Range" which can be stored at room temperature. Moreover, sales of products to commercial-use channels including extracts and primary processed products saw a recovery, resulting in an increase in the overall sales from the previous fiscal year.

In the dairy products business, sales of the main product "Vanilla Yoghurt" remained strong,

(TRANSLATION)

and sales of commercial-use cheese to restaurant channels and food companies increased. As a result, sales increased year on year.

In the marine products business, we worked to expand sales of sushi toppings and our own factory products, mainly diced salmon, leading to brisk sales to mass retailer channels and growing sales to restaurant channels mainly to sushi restaurants. As a result, sales increased year on year.

In the Processed Foods Business Division as a whole, sales of commercial-use products increased year on year due to the end of the effects of the COVID-19 and changes in consumer behavior, and sales of consumer products maintained the same level as the previous year. As a result, overall sales of the Processed Foods Business Division increased year on year.

Profit of the Processed Foods Business Division as a whole decreased due to rising labor costs associated with an increase in production volume and increased upfront costs for the development of DX, in addition to a sharp rise in raw material prices and fuel costs, which was higher than expected.

As a result, for the year ended March 31, 2022, net sales of the Processed Foods Business Division amounted to ¥496,700 million, increasing 1.5% from the previous fiscal year, and business profit amounted to ¥ 14,679 million, decreasing 18.3% from the previous fiscal year.

Fresh Meats Business Division

In the sales division, although we made efforts to reflect the increasing procurement prices for imported beef and pork in sales prices, profit declined as consumers continued to be budget-conscious. Under such difficult circumstances, we maintained sales volume by strengthening the proposal of our branded domestic fresh meats to each channel as alternatives to the imported fresh meats whose prices are soaring. We also worked to expand our sales channels and profits by benefiting from an export consortium for meats export as well as launching in March a new processed food product, “*Sakurahime Karaage*,” as an initiative toward the 20th anniversary of the release of “*Sakurahime*” domestic chicken.

In the procurement division, the situation remained uncertain. The procurement price of imported fresh meats soared due to the continued expansion of domestic demand in countries of origin, container shortages, and delays in ship arrivals. Also, the procurement quantity was unstable. Under these circumstances, profit increased as a result of our effort to secure stable supply by strengthening proposals of alternative products from third countries or alternative meat parts while making full use of the Group's broad procurement and distribution network.

In the production division, we continuously worked to improve internal costs and the utilization rate of in-house processing plants, and to increase external procurement. Nevertheless, profit decreased, affected largely by the soaring feed prices and fuel costs.

As a result, for the year ended March 31, 2022, net sales of the Fresh Meats Business Division amounted to ¥683,301 million, increasing 4.1% from the previous fiscal year, and business profit amounted to ¥ 35,573 million, decreasing 13.7% from the previous fiscal year.

Overseas Business Division

In Asia and Europe operations, net sales increased year on year due to strong sales of chicken in Turkey and strong exports of meat in the U.K., as well as the favorable sales of processed foods in Thailand and Taiwan. Profit increased despite the struggles in Thailand with high prices of raw

(TRANSLATION)

materials for processed products, thanks to sustained high sales prices in Turkey and increased exports from the U.K.

In Americas operations, net sales increased year on year due to steady export of pork and firm sales of processed food at mass retailers in the U.S., as well as strong pork exports from Chili. Profit declined, however, due to sustained high raw material prices in the U.S of pork for exports and processed food.

In Australia operations, net sales increased year on year despite having struggles in collecting cattle in Australia, thanks to favorable exports and domestic sales as well as strong sales in Uruguay. While cattle collection prices remained high in Australia, profit increased due to favorable sales in Australia and efforts to improve the efficiency of factory operations. On the other hand, Uruguay posted a decrease in profit due to the suspension of export to China.

As a result, for the year ended March 31, 2022, net sales of the Overseas Business Division amounted to ¥267,623 million, increasing 19.7% from the previous fiscal year and business profit amounted to ¥2,409 million (a business loss of ¥104 million for the previous fiscal year).

Others

Hokkaido Nippon-Ham Fighters, representing the Baseball and Ballpark Business, finished the 2021 regular-season at fifth place in the Pacific League. While the effect of restrictions on the number of spectators to counter COVID-19 continued, both net sales and profit increased from the previous fiscal year as the team was able to host games with thorough countermeasures in place against infectious diseases. During the 2022 regular-season which has started with the new manager Tsuyoshi Shinjo, we will continue to put priority on the measures against infectious diseases to provide a safe and secure game-watching environment.

In the health support business operated by the Research & Development Center, we actively promoted sales of functional food ingredients by delivering seminars and conducting business negotiations online. In addition, in the health food category, we worked to increase awareness of our new product “*IMIDEA*,” food with functional claims, through public relations activities that combine virtual and real.

In the New Business, etc., we are preparing to provide services from the three perspectives of the entertainment business, the wellness business, and the ethical business, aiming for realizing our ideals for 2030: NH Foods Group “Vision 2030”—“Unleash new potentials for protein.” As part of the wellness business, in February 2022, we launched the “Table for All: Food Allergy Care” service, the first comprehensive food allergy care platform for a domestic food manufacturer.

As a result, for the year ended March 31, 2022, net sales of the Others amounted to ¥13,809 million, increasing 17.4% from the previous fiscal year and business loss amounted to ¥1,569 million (a business loss of ¥1,778 million for the previous fiscal year).

(TRANSLATION)

(2) Net sales of the Group by segment:

The Company discloses the Baseball and Ballpark Business and New Business, etc. in the “Others” category from April 1, 2021 for the purpose of expanding into new business areas.

In addition, from April 1, 2021, the Company has changed the calculation method of net sales in order to more appropriately reflect the business results of the reportable segments.

Since the Company transferred all of its shares of The Marine Foods Corporation in March 2022, net sales of The Marine Foods Corporation and its subsidiaries have been reclassified to those of discontinued operations and the marine product business, which has been classified as discontinued operations, is included in the Processed Food Business Division. Accordingly, the amount of sales of the relevant business have been reclassified to “Transfer to discontinued operations.”

Category	Amount (millions of yen)	Year on year (%)	Component ratio (%)
Processed Foods Business Division	496,700	101.5	42.3
Fresh Meats Business Division	683,301	104.1	58.2
Overseas Business Division	267,623	119.7	22.8
Others	13,809	117.4	1.2
Eliminations, adjustments and others	(214,991)	–	(18.3)
Transfer to discontinued operations	(72,053)	–	(6.2)
Total	1,174,389	106.1	100.0

(Note) Net sales for the previous fiscal year have been reclassified based on the segment information for the fiscal year under review.

(For reference) Net sales by product category:

Category	Amount (millions of yen)	Year on year (%)	Component ratio (%)
Hams and sausages	131,147	99.0	11.2
Processed foods	224,976	103.7	19.2
Fresh meats	722,843	107.4	61.5
Marine products	16,224	120.2	1.4
Dairy products	35,214	110.2	3.0
Others	43,985	113.7	3.7
Total	1,174,389	106.1	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 ¥80.4 billion (including software and right-of-use assets of approximately ¥22.9 billion) for the fiscal year. The principal investments are as described below.

In the Processed Foods Business Division, capital expenditures totaled approximately ¥11.0 billion. This spending included approximately ¥9.2 billion by primarily Nipponham Hokkaido Factory Ltd., Nipponham Factory Ltd. and Nipponham Processed Foods Ltd., mainly to expand and upgrade production facilities for hams and sausages, and processed foods; and approximately ¥1.4 billion by primarily Nippon Luna, Inc. to upgrade production facilities for dairy products.

Capital expenditures by the Fresh Meats Business Division totaled approximately ¥17.1 billion. This spending included approximately ¥9.7 billion by Nippon White Farm Co., Ltd., Interfarm Co., Ltd. and other subsidiaries to upgrade and refurbish production and breeding facilities; approximately ¥3.4 billion by Nippon Food Packer, Inc. and other subsidiaries to upgrade processing facilities for fresh meats; and approximately ¥3.9 billion by Nippon Logistics Center, Inc., Kanto Nippon Food, Inc. and other subsidiaries to improve logistics and sales facilities.

The Overseas Business Division made approximately ¥3.3 billion in capital investments mainly by Day-Lee Foods, Inc. to expand production facilities for processed foods and by Australia operations to upgrade production and breeding facilities.

In Others, Fighters Sports & Entertainment Co., Ltd. has made approximately ¥21.8 billion in capital investments primarily for building a new baseball stadium.

In addition to the above, the Group made a capital investment of approximately ¥5.5 billion to promote DX (Digital Transformation).

(4) State of financing:

There were no material facts to report.

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

(in millions of yen, except where noted)

Category	International financial reporting standards (IFRS)			
	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)	77th (from April 1, 2021 to March 31, 2022)
Net sales	1,234,180	1,229,826	1,106,351	1,174,389
Profit before tax	30,267	27,039	47,604	51,366
Profit attributable to owners of the parent	19,561	19,214	32,616	48,049
Earnings per share (basic) (yen)	183.21	186.70	317.97	469.92
Earnings per share (diluted) (yen)	181.48	186.64	317.89	469.81
Total assets	741,388	768,861	825,405	909,213
Total equity attributable to owners of the parent	401,014	404,414	433,595	479,069
Total equity attributable to owners of the parent per share (yen)	3,896.64	3,929.43	4,243.70	4,681.82

(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 the 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 the 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 and 77th fiscal years include 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, 2022):

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, 2022):

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), Nippon Pure Food, Inc. (Tokyo), Nippon Luna, Inc. (Kyoto)
Domestic sales sites of NH Foods Ltd.	Tokyo, Osaka
Other domestic sales sites	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.)

(TRANSLATION)

(8) State of employees (as of March 31, 2022):

Number of employees		Increase or decrease from the end of the previous fiscal year
Processed Foods Business Division	5,385	-935
Fresh Meats Business Division	5,573	-12
Overseas Business Division	4,442	-97
Group-wide (common)	792	+68
Total	16,192	-976

- (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 (11,457 employees on average during the period).
 3. The number of employees (representing the number of those actually at work) of NH Foods Ltd. was 1,326, an increase of 12 from March 31, 2021.
 4. The large amount of decrease from the end of the previous fiscal year in the Processed Food Business Division was attributable to the exclusion of The Marine Foods Corporation and its subsidiaries due to the transfer of shares in the fiscal year under review.

(TRANSLATION)

(9) Important subsidiaries, etc. (as of March 31, 2022):

(i) Important subsidiaries

Company	Capital	Ratio of voting rights held by NH Foods Ltd.	Main business
Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Şirketi	TL753,100,000	100.0%	Farming and breeding, packing and sales of livestock
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
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
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 Food Packer, Inc.	¥470 million	100.0%	Processing, packing and sales of livestock
Higashi Nippon Food, Inc.	¥450 million	100.0%	Sales of fresh meats and others
Kanto Nippon Food, Inc.	¥450 million	100.0%	Sales of fresh meats and others
Naka Nippon Food, Inc.	¥450 million	100.0%	Sales of fresh meats and others
Nippon Pure Food, Inc.	¥410 million	100.0%	Processing and sales of livestock
Nippon Luna, Inc.	¥397 million	100.0%	Production and sales of lactic acid probiotic beverages
Nipponham Southwest Ltd.	¥360 million	100.0%	Production of hams and sausages, and processed foods

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Company	Capital	Ratio of voting rights held by NH Foods Ltd.	Main business
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
Fighters Sports & Entertainment Co., Ltd.	¥12,000 million	67.1%	Pro baseball related entertainment

- (Notes)
1. The ratio of voting rights held by NH Foods Ltd. in Breeders & Packers Uruguay S.A., Nippon Pure Food, Inc., and Fighters Sports & Entertainment Co., Ltd. include the ratio of 40.0%, 58.5%, and 34.2%, respectively, held indirectly through its subsidiaries.
 2. The Marine Foods Corporation has been excluded from the consolidated subsidiaries due to the transfer of shares in the fiscal year under review.
 3. Nippon Logistics Group, Inc. has been excluded from the consolidated subsidiaries due to the completion of liquidation in the fiscal year under review.

(ii) Results of business combinations

The number of consolidated subsidiaries totaled 72 (including the 21 important subsidiaries stated above), as 9 companies were excluded due to transfer of shares or other reasons. The number of equity-method companies decreased by 2 to 7.

(10) Main lenders (as of March 31, 2022):

Lender	Amount of loan outstanding
MUFG Bank, Ltd	¥38,467 million
Sumitomo Mitsui Banking Corporation	¥33,180 million
The Hyakujushi Bank, Ltd.	¥9,943 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 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

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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 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 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.”

(TRANSLATION)
 NH Foods Group’s “Five Materialities”

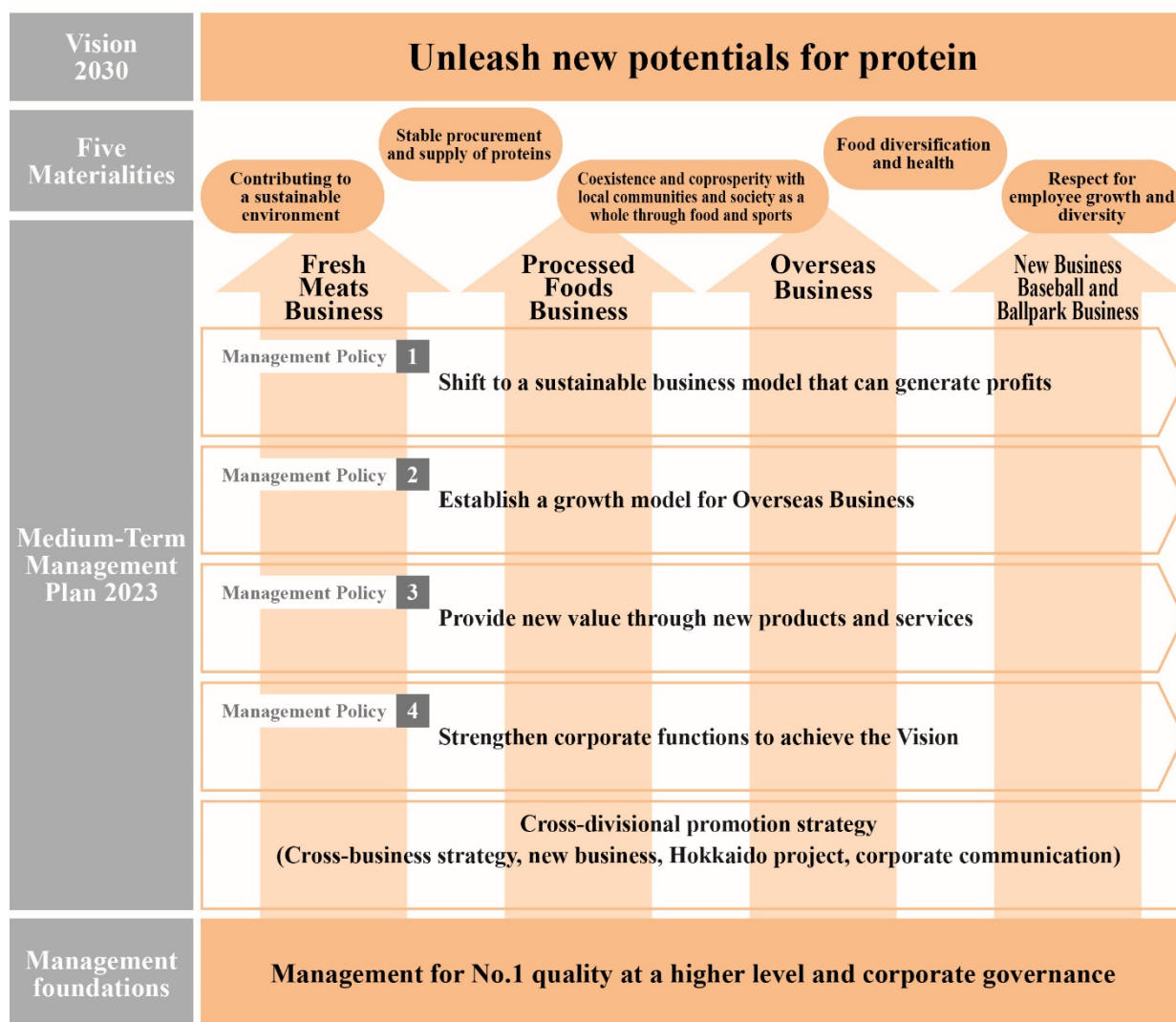
<p>Stable procurement and supply of proteins</p> <p>Global population growth, climate change, and other factors are expected to make it increasingly difficult to supply proteins. The NH Foods Group aims to ensure the stable procurement and supply of proteins. In addition to existing quality-related safety 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.</p>	
<p>Food diversification and health</p> <p>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.</p>	
<p>Contributing to a sustainable environment</p> <p>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.</p>	
<p>Coexistence and coprosperity with local communities and society as a whole through food and sports</p> <p>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.</p>	
<p>Respect for employee growth and diversity</p> <p>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.</p>	

Stakeholder engagement



(TRANSLATION)

Outline of “Medium-Term Management Plan 2023”



(TRANSLATION)

[Management policy]

(i) Shift to a sustainable business model with profitability

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) Establish 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.

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[Policy for the fiscal year ending March 31, 2023]

Regarding the economic outlook for the fiscal year ending March 31, 2023, the situation is expected to remain unpredictable both in Japan and overseas, due to the concerns about the spread of COVID-19, the increasing geopolitical risk from the prolonged situation in Ukraine, and soaring raw material and fuel prices due to the sharp depreciation of the yen in foreign exchange markets. Nevertheless, we aim to become a corporate group that can contribute to 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 with profitability,” “Establish a growth model for Overseas Business,” “Provide new value through new products and services,” and “Strengthen corporate functions to achieve the Vision.”

In the Processed Foods Business Division, the difficult environment is expected to remain 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 and the situation in Ukraine. 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 and the situation in Ukraine, the supply and demand balance of meat is expected to change rapidly both in Japan and overseas 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

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value-added products. In “strengthening foundations,” we will strengthen individuals through developing human resources and optimizing the allocation of functions, in addition to strengthening 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 and uncertainties in the creditworthiness of business partners due to the prolonged COVID-19 pandemic in Japan may affect the business performance and financial position of the Group.

[Reference: Financial Disclosure within the TCFD Framework]

Creating a culture that marks an epoch and contributes to society under the basic theme of “Joy of Eating” is one of our corporate philosophies. As a milestone toward fulfilling this corporate philosophy, in April 2021, we formulated “Vision2030”—“Unleash new potentials for protein,” which outlines our ideals for 2030. This expresses, in addition to our existing core values of “safety and reliability” and “deliciousness,” the Group’s aspirations to support people’s daily happy dietary life, through ensuring a stable supply of food with respect to the environment and society, expanding the potentials of protein with unconventional ideas and an open mindset, and creating a variety of eating occasions.

Taking formulation of this vision as an opportunity, we reviewed our five CSR material issues

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and re-identified the social issues that should be prioritized to realize our “Vision 2030” as “Five Materialities.”

Addressing climate change is inevitable not only for realizing our corporate philosophy but also for realizing a sustainable society. It is becoming more and more important as we can tell from the Paris Agreement in 2015, the Special Report on Global Warming of 1.5°C of the Intergovernmental Panel on Climate Change (IPCC) in 2018, and the Glasgow Climate Pact adopted at COP26 in 2021. Given these circumstances, in 2020, ahead of the world’s major meat companies, we declared support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. After a preliminary disclosure in October 2021, we now disclose the TCFD-based information. For details, please visit our website at <https://www.nipponham.co.jp/eng/csr/environment/climate/>.

From 2022 onwards, we will deepen the analysis of the risks and opportunities, consider and promote countermeasures, and improve reporting of climate-related information.

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2. Matters concerning the shares (as of March 31, 2022):

- (1) Total number of issuable shares: 285,000,000 shares
(2) Total number of issued shares: 102,958,904 shares
(including 29,529 shares of treasury stock)
(3) Number of shareholders: 38,728

Category of owners	Number of shares held (thousand shares)	Number of shareholders
Financial institutions	60,727	78
Foreign investors	20,813	351
Individual/Other	15,288	37,830
Other companies	2,419	435
Securities firms	3,680	33
Treasury stock	29	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)	21,445	20.84
Custody Bank of Japan, Ltd. (Trust account)	8,510	8.27
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
Custody Bank of Japan, Ltd. (Security investment trust account)	1,631	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.

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3. Matters concerning the stock acquisition rights:

There were no applicable items.

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

(1) Names of Directors and Audit & Supervisory Board Members, etc. (as of March 31, 2022):

Title	Name	Assignment and concurrent holding of important offices
President and Representative Director (President and CEO)	Yoshihide Hata	
Vice President and Representative Director (Executive Vice President)	Tetsuhiro Kito	General Manager of Fresh Meats Business Division and in charge of cross-business strategy
Vice President and 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 (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
Director	Yasuko Kono	Director of Japan Consumers' Association (General Incorporated Foundation) Director General of Consumers' Smile Fund (NPO) 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 Member of the Cultural Council, Agency for Cultural Affairs, Government of Japan
Director	Atsushi Iwasaki	Head of Iwasaki Certified Public Accountant Office Outside Director of ISEKI&CO., LTD. Outside Director of OLYMPUS CORPORATION
Director	Hideo Arase	Advisor of Atom Medical Corporation
Full-time Audit & Supervisory Board Member	Nobuyuki Tazawa	
Full-time Audit & Supervisory Board Member	Sadanori Miyagai	

(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. Member of the Compliance Committee, Digital Agency
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 26.
 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, 2022.
 - (1) Appointment
 - (i) Mr. Masahito Kataoka was newly elected as Director at the 76th Ordinary General Meeting of Shareholders held on June 24, 2021, and assumed his post.
 - (ii) Mr. Sadanori Miyagai was newly elected as Audit & Supervisory Board Member at the 76th Ordinary General Meeting of Shareholders held on June 24, 2021, and assumed his post.
 - (2) Resignation
 - (i) Mr. Sadanori Miyagai retired from his post as Director at the conclusion of the 76th Ordinary General Meeting of Shareholders held on June 24, 2021.
 - (ii) Mr. Koichi Nishihara retired from his post as Audit & Supervisory Board Member at the conclusion of the 76th Ordinary General Meeting of Shareholders held on June 24, 2021.

(TRANSLATION)

(Reference)

Management Structure as of April 1, 2022 is as follows:

Title	Name	Assignment and concurrent holding of important offices
President and Representative Director (President and CEO)	Yoshihide Hata	
Vice President and Representative Director (Executive Vice President)	Tetsuhiro Kito	General Manager of Fresh Meats Business Division and in charge of cross-business strategy
Vice President and Representative Director (Executive Vice President)	Nobuhisa Ikawa	General Manager of Corporate Planning Division and in charge of Research & Development Center, new business development and Hokkaido project
Director (Managing Executive Officer)	Fumio Maeda	General Manager of Processed Foods Business Division
Director (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
Director	Yasuko Kono	Director of Japan Consumers' Association (General Incorporated Foundation) Director General of Consumers' Smile Fund (NPO) 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 Member of the Cultural Council, Agency for Cultural Affairs, Government of Japan
Director	Atsushi Iwasaki	Head of Iwasaki Certified Public Accountant Office Outside Director of ISEKI&CO., LTD. Outside Director of OLYMPUS CORPORATION
Director	Hideo Arase	Advisor of Atom Medical Corporation
Full-time Audit & Supervisory Board Member	Nobuyuki Tazawa	
Full-time Audit & Supervisory Board Member	Sadanori Miyagai	
Audit & Supervisory Board Member	Akihiko Shiba	Attorney at law (Partner) of SHIBA & TANAKA LAW OFFICES Outside Statutory Auditor of Airport Facilities Co., Ltd. Member of the Compliance Committee, Digital Agency

(TRANSLATION)

Title	Name	Assignment and concurrent holding of important offices
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	Kohei Akiyama	In charge of Human Resources Department, Legal Affairs Department, Public and Investor Relations Department, Secretarial Office, Audit Department and Compliance Department, General Manager of Group Audit & Supervisory Board Members' Office, and in charge of corporate communications
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	Takao Seki	General Manager of Sales Management 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	Shuichi Narumi	General Manager of Domestic Red Meat Division, Fresh Meats Business Division
Executive Officer	Hirohide Fujiwara	General Manager of Corporate Planning Department, Corporate Planning Division and in charge of DX Promotion Department, IT Strategy Department and Sports & Group Business Promotion Department
Executive Officer	Akio Wakita	General Manager of Administrative Division, Processed Foods Business Division
Executive Officer	Yukihiro Matsumoto	General Manager of Product Management Division and Dairy and Marine Products Division, Processed Foods Business Division
Executive Officer	Yoshitaka Hasegawa	General Manager of Accounting & Finance Department and in charge of General Affairs Department
Executive Officer	Toyotake Imon	General Manager of Domestic White Meat Division, Fresh Meats Business Division

(TRANSLATION)

(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.

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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	Performance-based stock compensation
Directors	9	326	199	89	38
(Outside Directors)	(3)	(39)	(39)	(-)	(-)
Audit & Supervisory Board Members	6	90	90	-	-
(Outside Audit & Supervisory Board Members)	(3)	(39)	(39)	(-)	(-)
Total	15	416	289	89	38
(Outside Officers)	(6)	(78)	(78)	(-)	(-)

- (Notes)
1. The aggregate amount of compensation, etc., includes compensation for 1 Director and 1 Audit & Supervisory Board Member who retired at the conclusion of the 76th Ordinary General Meeting of Shareholders held on June 24, 2021.
 2. The maximum amounts of compensation (basic compensation and appraisal 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.
 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 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

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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, 2022, consolidated net sales amounted to ¥1,174,389 million, consolidated business profit amounted to ¥48,116 million and ROE amounted to 10.5%. 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 deteriorated in the Processed Foods Business Division and the Fresh Meats Business Division, while improving 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.

(3) Overview of the Directors and Officers Liability Insurance Contract

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 to insure the Company's and the Group's Directors, Audit & Supervisory Board Members, and Executive Officers, etc. 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 insurance premiums are fully paid by the Company.

(TRANSLATION)

(4) Matters concerning the Outside Officers:

(i) Major activities during the year ended March 31, 2022:

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 suggestions regarding promotion and implementation of the NH Foods Group's "Five Materialities," which we have identified as social issues to be addressed 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, from 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 suggestions regarding "Shift to a sustainable business model with profitability," 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, from his professional knowledge 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.

(TRANSLATION)

Director	Hideo Arase	18/18 (100%)	–	Mr. Arase, from time to time, expressed valuable suggestions regarding “Establish 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, from his abundant experience and deep insight in global-scale corporate management that may cope with changes gained through serving as a Director in charge of overseas business at a major manufacturer of medical equipment. 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 with expertise in the fields of risk and crisis management and compliance 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 who advises on a wide range of legal affairs, 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.

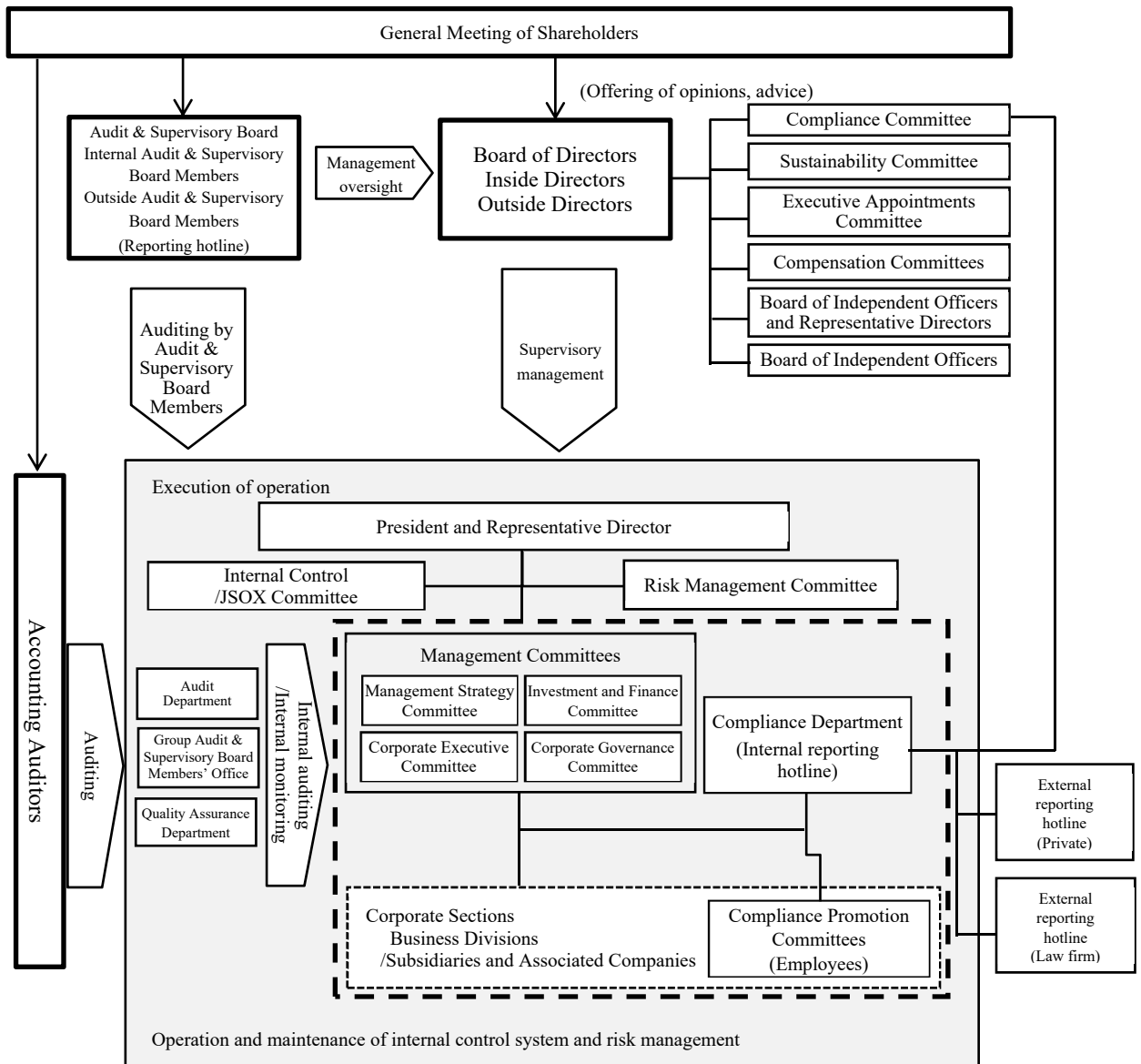
(TRANSLATION)

(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, 2022)



(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.

<p>Compliance Committee To comprehensively discuss the compliance for the Group as a whole and to submit recommendations to the Board of Directors and management committees.</p>	<p>Sustainability Committee To consider the Group's initiatives towards sustainability in a comprehensive manner and to report to and advise the Board of Directors.</p>
<p>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.</p>	<p>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.</p>
<p>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.</p>	<p>Board of Independent Officers To exchange information and to share understandings between Independent Officers from an independent and objective perspective.</p>

(TRANSLATION)

Composition of Optional Committees (As of April 1, 2022)

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	◎	◎		○	○	
Vice President and Representative Director	Tetsuhiro Kito	○	○			○	
Vice President and Representative Director	Nobuhisa Ikawa	○	○			○	
Director	Fumio Maeda	○	○				
Director	Masahito Kataoka		○				
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)

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	¥324 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 is 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:

For our systems to secure the properness of business activities and its implementation, see our website (<https://www.nipponham.co.jp/eng/ir/events/generalmeeting/>).

- (2) Fundamental policy on corporate control:

For our fundamental policy on corporate control, see our website (<https://www.nipponham.co.jp/eng/ir/events/generalmeeting/>).

- (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, 2022, NH Foods Ltd. will pay a dividend of ¥102 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 is indicated by discarding any fraction of the indicated unit.

(TRANSLATION)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(as of March 31, 2022)

(Millions of Yen)

Assets:

Current Assets:

Cash and cash equivalents	85,374
Trade and other receivables	136,017
Inventories	119,980
Biological assets	32,755
Other financial assets	24,648
Other current assets	15,532
Total Current Assets	414,306

Non-current Assets:

Property, plant and equipment	345,022
Right-of-use assets	46,090
Biological assets	1,240
Intangible assets and goodwill	15,269
Investments accounted for using the equity method	12,410
Other financial assets	35,232
Deferred tax assets	26,279
Other non-current assets	13,365
Total Non-current Assets	494,907

Total Assets	909,213
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(TRANSLATION)

(Millions of Yen)

Liabilities and Equity:

Current Liabilities:

Interest-bearing liabilities	90,056
Trade and other payables	103,719
Income taxes payable	6,494
Other financial liabilities	42,056
Other current liabilities	39,594
Total Current Liabilities	281,919

Non-current Liabilities:

Interest-bearing liabilities	121,351
Retirement benefit liabilities	12,951
Other financial liabilities	754
Deferred tax liabilities	1,045
Other non-current liabilities	1,639
Total Non-current Liabilities	137,740

Total Liabilities 419,659

Equity:

Common stock	36,294
Capital surplus	71,272
Retained earnings	360,900
Treasury stock, at cost	(2,856)
Accumulated other comprehensive income	13,459
Total Equity Attributable to Owners of the Parent	479,069
Non-controlling Interests	10,485
Total Equity	489,554

Total Liabilities and Equity 909,213

(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, 2021 to March 31, 2022)

	(Millions of Yen)
Net Sales	1,174,389
Cost of Goods Sold	974,361
Selling, General and Administrative Expenses	157,950
Other Income	10,609
Other Expenses	8,554
Financial Income	2,193
Financial Costs	3,984
Share of Profit in Investments Accounted for Using the Equity Method	9,024
Profit before Tax	51,366
Income Tax Expense	12,668
Profit from Continuing Operations	38,698
Profit from Discontinued Operations	8,949
Profit	47,647
Profit Attributable to:	
Owners of the Parent	
Continuing Operations	38,944
Discontinued Operations	9,105
Total	48,049
Non-controlling Interests	
Continuing Operations	(246)
Discontinued Operations	(156)
Total	(402)
Profit	47,647

(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, 2022)

(Millions of Yen)

<u>Assets:</u>	
Current Assets:	320,562
Cash on hand and in banks	39,891
Accounts receivable–trade	89,458
Merchandise and finished goods	33,161
Work-in-process	121
Raw materials and supplies	9,418
Short-term loans receivable	10,145
Short-term loans receivable from subsidiaries and associated companies	117,635
Accounts receivable–other	18,803
Other current assets	1,932
Allowance for doubtful accounts	(2)
Fixed Assets:	217,927
Property, Plant and Equipment	29,392
Buildings	7,701
Structures	1,133
Machinery and equipment	3,975
Vehicles and transportation equipment	17
Tools, furniture and fixtures	836
Land	15,579
Leased assets	49
Construction in progress	102
Intangible Assets	11,354
Software	1,684
Software in progress	9,535
Other intangible assets	135
Investments and Other Assets	177,181
Investment securities	21,052
Capital stock of subsidiaries and associated companies	51,609
Long-term loans receivable	99,332
Long-term prepaid expenses	95
Prepaid pension expenses	6,064
Deferred tax assets	808
Other investments	3,654
Allowance for doubtful accounts	(5,433)
Total Assets	538,489

(TRANSLATION)

(Millions of Yen)

Liabilities:	
Current Liabilities:	221,579
Notes payable–trade	448
Accounts payable–trade	113,329
Short-term bank loans	12,748
Current portion of bonds payable	10,000
Current maturities of long-term debt	9,140
Lease obligations	22
Accounts payable–others	1,489
Accrued expenses	10,604
Income taxes payable	4,851
Deposits received	3,959
Deposits received from subsidiaries and associated companies	54,756
Other current liabilities	233
Long-term Liabilities:	87,820
Corporate bonds	55,000
Long-term debt	31,422
Lease obligations	31
Long-term accounts payable	3
Liability for retirement benefits	315
Provision for loss on guarantees	432
Other long-term liabilities	617
	<hr/>
Total Liabilities	309,399
Net Assets:	
Shareholders' Equity:	223,498
Common stock	36,294
Capital surplus	55,212
Capital reserve	55,212
Retained earnings	134,848
Appropriated for legal reserve	6,041
Unappropriated	128,807
Reserve for deferral of capital gain on property	726
Reserve for promotion of open innovation	25
General reserve	95,000
Net retained earnings forwarded	33,056
Treasury stock, at cost	(2,856)
Valuation and Translation Adjustments:	5,569
Unrealized gains on other marketable securities	5,569
Stock Acquisition Rights	23
	<hr/>
Total Net Assets	229,090
	<hr/>
Total Liabilities and Net Assets	538,489

(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, 2021 to March 31, 2022)

(Millions of Yen)

Net Sales		775,354
Cost of Goods Sold		716,093
Gross Profit		59,261
Selling, General and Administrative Expenses		57,534
Operating Income		1,727
Non-operating Income		
Interest and Dividend Income	20,487	
Other Non-operating Income	1,103	21,590
Non-operating Expenses		
Interest Expense	578	
Provision of Allowance for Doubtful Accounts	389	
Provision for Loss on Guarantees	158	
Other Non-operating Expenses	732	1,857
Ordinary Income		21,460
Extraordinary Income		
Gain from Sales of Fixed Assets	48	
Gain from Sales of Investment Securities	205	
Gain on Sale of Shares of Subsidiaries and Associates	15,622	
Gain on Liquidation of Subsidiaries and Associates	420	16,295
Extraordinary Losses		
Loss on Sales of Fixed Assets	22	
Loss from Dispositions of Fixed Assets	106	
Impairment Losses	756	
Valuation Loss on Capital Stock of Subsidiaries and Associated Companies	130	
Valuation Loss on Investment Securities	1,018	
Loss on Sales of Investment Securities	14	2,046
Profit before Tax		35,709
Current Income Taxes	3,726	
Deferred Income Taxes	89	3,815
Profit		31,894

(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, 2022

To the Board of Directors of
NH Foods Ltd.:

Deloitte Touche Tohmatsu
LLC
Osaka office

Designated Engagement
Partner,
Certified Public Accountant:

Koichi Sekiguchi

Designated Engagement
Partner,
Certified Public Accountant:

Takashige Ikeda

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, 2022, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2021 to March 31, 2022, 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, 2022, 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.

Other Information

Management is responsible for the other information. 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 other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

(TRANSLATION)

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:

- 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,

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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.

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, 2022

To the Board of Directors of
NH Foods Ltd.:

Deloitte Touche Tohmatsu
LLC
Osaka office

Designated Engagement
Partner,
Certified Public Accountant:

Koichi Sekiguchi

Designated Engagement
Partner,
Certified Public Accountant:

Takashige Ikeda

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, 2022, and the non-consolidated statement of income and non-consolidated statement of changes in net asset for the 77th fiscal year from April 1, 2021 to March 31, 2022, 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, 2022, 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.

Other Information

Management is responsible for the other information. 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 other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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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.
- 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.

(TRANSLATION)

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 77th fiscal year from April 1, 2021 to March 31, 2022, 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 maintained by the

(TRANSLATION)

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 9, 2022

The Audit & Supervisory Board
NH Foods Ltd.

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

Sadanori Miyagai (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.