

[Translation]

May 2, 2016

Dear Sirs and Madams:

Name of the Company: NH Foods Ltd.

Name of the
Representative Juichi Suezawa

President and Representative Director

(Code No. 2282)
Person to contact:

Masahito Kataoka
Executive Officer; General Manager of
Public & Investor Relations
Department, Corporate Management
Division

Notice of the Adjustment to the Forecast of Business Results and Dividends

Notice is hereby given that NH Foods Ltd. (the “Company”), in consideration of the recent development of its business results, has made adjustment to the forecast of consolidated business results publicized on October 30, 2015, and forecasts of non-consolidated business results and dividends publicized on May 11, 2015, as described below.

Description

Adjustment to the Forecasts of Business Results

Adjustment to the forecast of consolidated business results for the whole-year period of the fiscal year ended March 31, 2016 (April 1, 2015 through March 31, 2016):

(Millions of Yen, unless otherwise indicated)

	Net sales	Operating income	Income before income taxes and equity in earnings of associated companies	Net income attributable to NH Foods Ltd.	Earnings per share attributable to NH Foods Ltd. shareholders (Yen)
Previous forecast (A)	1,260,000	43,000	40,000	27,500	135.00
Adjusted forecast (B)	1,240,700	46,300	32,100	21,700	106.53
Amount of increase or decrease (B)-(A)	△19,300	3,300	△7,900	△5,800	
Rate of increase or decrease (%)	△1.5	7.7	△19.8	△21.1	
(For reference) Actual results for the previous year (April 1, 2014 through March 31, 2015)	1,212,802	48,444	44,544	31,048	152.43

Adjustment to the forecast of non-consolidated business results for the whole-year period of the fiscal year ended March 31, 2016 (April 1, 2015 through March 31, 2016):

(Millions of Yen, unless otherwise indicated)

	Net sales	Ordinary income	Net income	Net income per share (Yen)
Previous forecast (A)	786,000	14,700	13,000	63.82
Adjusted forecast (B)	791,400	15,780	5,320	26.12
Amount of increase or decrease (B)-(A)	5,400	1,080	△7,680	
Rate of increase or decrease (%)	0.7	7.3	△59.1	
(For reference) Actual results for the previous year (April 1, 2014 through March 31, 2015)	784,405	15,498	11,121	54.60

Reason for the adjustment:

<Consolidated>

Net sales are expected to be below the previous forecast due to slowdown of the growth of the overseas fresh meat business. With regard to operating income, it is expected to exceed the previous forecast due to the continuous and steady domestic fresh meat business. On the other hand, income before income taxes and equity in earnings of associated companies as well as net income attributable to NH Foods Ltd. are expected to be below the previous forecast because the impairment loss amounting to 9,579 million yen (6,125 million yen for the loss after deducting the amount attributable to the non-controlling interests) in respect of the goodwill and others which arose when Ege-Tav (a consolidated subsidiary) was acquired will be recorded as “other operating costs and expenses (loss) – net”.

<Non-Consolidated>

Net sales are expected to be the same level as the previous forecast. With regard to ordinary income, it is expected to exceed the previous forecast due to steady domestic market prices of fresh meats. On the other hand, with respect to net income, it is expected to be below the previous forecast because, as a result of the impairment loss of the Ege-Tav shares (a consolidated subsidiary), an extraordinary loss amounting to 7,571 million yen which is an impairment loss for shares of an associated company will be recorded.

*With respect to the recordings of the impairment loss (consolidated financial results) and the extraordinary loss (non-consolidated financial results) for the goodwill and others in respect of Ege-Tav, please refer to “Notice of the Recordings of an Impairment Loss for Goodwill and Others (Consolidated Financial Results) as well as an Extraordinary Loss due to an Impairment Loss of a Consolidated Subsidiary’s Shares (Non-consolidated Financial Results)” which was publicized today.

Adjustment to the Forecast of Dividends

(Yen)

	Annual dividend				
	First quarter-end	Second quarter-end	Third quarter-end	Yea-end	Total

Previous forecast (publicized on May 11, 2015)	-	-	-	40.00	40.00
Adjusted forecast	-	-	-	33.00	33.00
Results for the fiscal year ended March 31, 2016	-	-	-		
Actual results for the previous year (for the fiscal year ended March 31, 2015)	-	-	-	46.00	46.00

Reason for the adjustment:

The Company regards profit allocations to its shareholders as one of the important management issues, and has a basic policy of distributing profits to its shareholders in accordance with consolidated business results. While, based on profit allocations in accordance with consolidated business results, the Company is targeting for a consolidated dividend payout ratio of 30%, the Company will set the minimum limit of dividend per share to 16.00 yen. Based on this principle and having regard to the developments of its consolidated business results for the fiscal year ended March 31, 2016, the Company will adjust the forecast of a year-end dividend of common share to 33.00 yen per share, which is 7.00 yen down from the previous 40.00yen.

*The above forecasts were calculated based on the currently available information. The actual business results and others may vary materially depending on various factors in the future.

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