

(Translation)

January 31, 2017

Dear Sirs and Madams:

Name of the Company: NH Foods Ltd.

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

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 November 1, 2016 and forecasts of non-consolidated business results publicized on May 9, 2016, 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, 2017 (April 1, 2016 through March 31, 2017):

(millions of yen, unless otherwise indicated)

	Net sales	Operating income	Income from continuing operations before income taxes and equity in earnings (losses) of associated companies	Net income attributable to NH Foods Ltd.	Earnings per share attributable to NH Foods Ltd. shareholders (yen)
Previous forecast (A)	1,200,000	51,000	47,000	32,500	159.54
Adjusted forecast (B)	1,200,000	53,000	49,000	34,000	166.91
Amount of increase or decrease (B)-(A)	—	2,000	2,000	1,500	
Rate of increase or decrease (%)	—	3.9	4.3	4.6	
(For reference) Actual results for the previous year (April 1, 2015 through March 31, 2016)	1,229,324	49,207	35,309	21,779	106.92

Adjustment to the forecast of non-consolidated business results for the whole-year period of the fiscal year ended March 31, 2017 (April 1, 2016 through March 31, 2017):

(millions of yen, unless otherwise indicated)

	Net sales	Ordinary income	Net income	Net income per share (yen)
Previous forecast (A)	815,000	15,900	14,000	68.73
Adjusted forecast (B)	780,000	20,400	16,300	80.02
Amount of increase or decrease (B)-(A)	△35,000	4,500	2,300	
Rate of increase or decrease (%)	△4.3	28.3	16.4	
(For reference) Actual results for the previous year (April 1, 2015 through March 31, 2016)	791,426	15,784	5,322	26.13

Reason for the adjustment:

<Consolidated>

Net sales are expected to be the same level as the previous forecast. With regard to operating income, it is expected to exceed the previous forecast mainly due to the steady domestic fresh meat business. Further, income from continuing operations before income taxes and equity in earnings (losses) of associated companies as well as net income attributable to NH Foods Ltd. are expected to exceed the previous forecast because, in addition to a profit increasing factor of the operating income, a foreign exchange profit/loss and fix assets related profit/loss are expected to change toward increased profits than those of the previous forecast, despite the profit declining factor due to the recording of the special extra payments of 2,752 million yen being made as “Other operating costs and expenses (income)-net” in this third quarter as described in the “Notice of the Outcome of the Transfer Solicitation by NH Foods Ltd. and its Consolidated Subsidiaries” which was publicized today.

*With respect to the business results for the previous year, operations which were discontinued in the second quarter of the year ending March 31, 2017 are presented herein by partially reclassifying the numbers in accordance with Accounting Standards Codification (“ASC”) 205 “Presentation of Financial Statements.”

<Non-Consolidated>

Net sales are expected to be below the previous forecast due to sale prices generally having been sluggish. With regard to ordinary income, it is expected to exceed the previous forecast due to the improvement of the profit margin of processed foods products and the steady fresh meat business etc. With regard to net income, it is expected to exceed the previous forecast due to, in addition to the profit increasing factor of the ordinary income, the recording of the sales profits from investment securities etc., despite the profit declining factor of the special extra payments as was the case in the consolidated business results.

*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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