

(Translation)
May 9, 2017
Dear Sirs or Madams:

Name of the Company :	NH Foods Ltd.
Representative:	Juichi Suezawa President and Representative Director (Code No.2282, First Section of the Tokyo Stock exchange)
Person to contact:	Masahito Kataoka Executive Officer, General Manager of Public & Investor Relations Department, Corporate Management Division

Notice of Share Consolidation, Change in the Number of Shares Constituting One Share Unit and Partial Amendment of Articles of Incorporation

It is hereby notified that NH Foods Ltd. (the "Company"), at the meeting of the Board of Directors held today, resolved to submit a proposal for share consolidation to the 72nd annual general meeting of shareholders scheduled to be convened on June 28, 2017 (the "Annual General Meeting of Shareholders"). Also, subject to the approval of the proposal regarding the share consolidation at the Annual General Meeting of Shareholders, change in the number of shares constituting one share unit and the partial amendment of the Articles of Incorporation have been resolved, as described below.

Description

1. Share Consolidation

(1) Purpose of Share Consolidation

Japanese stock exchanges have announced the "Action Plan for Consolidating Trading Units", aiming to unify the trading unit of common stock of domestic companies listed on Japanese stock exchanges to one hundred (100) shares by October 2018.

As a company listed on the Tokyo Stock Exchange Inc. ("TSE"), the Company, respecting this intention and pursuant to the Companies Act, Article 195, Paragraph 1, has resolved at the meeting of the Board of Directors held today to change its number of shares constituting one share unit from one thousand (1,000) shares to one hundred (100) shares as of April 1, 2018.

Also, in order to have our shareholders stably possess the Company's shares and to not impact the rights of the shareholders, while taking into account the mid to long term stock price fluctuation, the Company will carry out a share consolidation (every two (2) shares will be consolidated into one (1) share) (the "Share Consolidation") with a view to adjusting the investment unit to an appropriate level.

(2) Details of the Share Consolidation

① Type of shares subject to the Share Consolidation:
Common shares

② Method of the Share Consolidation

Consolidation to be executed on April 1, 2018 at a ratio of one (1) share for each two (2) shares owned by shareholders of record in the latest shareholder register as of March 31, 2018 (virtually March 30, 2018).

③ Share reduction resulting from the Share Consolidation (the reduced number of shares is subject to fluctuation going forward):

Total number of outstanding shares before share consolidation (as of March 31, 2017)	210,895,298 shares
Number of share decrease due to share consolidation	105,447,649 shares
Total number of outstanding shares after share consolidation	105,447,649 shares

(Note) 1. The total number of outstanding shares as of March 31, 2017 has increased by 6,895,298 shares compared to the number at the end of the previous fiscal year, due to the execution of the stock acquisition rights under the “Euro Yen Zero Coupon Convertible Bonds Due 2018”.

2. “Number of share decrease due to the consolidation” is a theoretical value calculated based on multiplying the total number of outstanding shares before the consolidation by the share consolidation ratio.

(3) Impact of the Share Consolidation

Although the total number outstanding shares will decrease to one half due to the Share Consolidation, net assets etc. will not change. Therefore, the net assets amount per share will double and the asset value of the Company’s shares will not fluctuate aside from other factors such as market fluctuations.

(4) Shareholder decline due to Share Consolidation

The shareholder composition based on the Company’s shareholder register as of March 31, 2017 is as follows.

	Number of shareholders	Number of shares owned
Total number of shareholders	10,097(100%)	210,895,298shares (100%)
Less than 2 shares	134 (1.3%)	134 shares (0.0%)
2 or more shares	9,963 (98.7%)	210,895,164 shares (100%)

If the Share Consolidation is carried out with the shareholder composition above, 134 shareholders who each own less than two (2) shares (total of 134 shares owned) would lose their status as a shareholder. Such shareholders may, prior to the Share Consolidation taking effect, use the procedures of “request for the Company to sell to them the number of shares needed to make up one share unit” or “request for the Company to purchase shares that are less than one share unit”. For the specific details on such procedures, please contact your securities company or the Company’s shareholder register manager as stated below if the shareholder does not hold an account at a securities company.

(5) Treatment when less than one (1) share arises

If fractional number of shares of less than one (1) share arises as a result of the Share Consolidation, all of such fractional numbers of shares shall be subject to a bulk sale by the Company in accordance with the provisions of the Companies Act. The proceeds of the said sale shall be distributed to the shareholders who resulted in owning fractional shares in proportion to their respective fractional shareholdings.

(6) Total number of authorized shares as of the effective date

In conjunction with the reduction of the total number of the outstanding shares as a result of the Share Consolidation, in order to adjust the total number of authorized shares to an appropriate level, the total number of authorized shares shall be reduced in accordance with the Share Consolidation ratio (one-half) as of the effective date (April 1, 2018).

Total number of authorized shares before change	Total number of authorized shares after change (as of April 1, 2018)
570,000,000 shares	285,000,000 shares

(7) Conditions of the Share Consolidation

The Share Consolidation is conditional on the approval of the Annual General Meeting of Shareholders in respect of the proposal of the Share Consolidation.

2. Change in the number of shares constituting one share unit

(1) Reason for change in the number of shares constituting one share unit

In order to respond to the “Action Plan for Consolidating Trading Units” as stated in “1. (1) Purpose of Share Consolidation” above.

(2) Details of change in the number of shares constituting one share unit

Effective from April 1, 2018, the number of share constituting one share unit of the Company will be changed from one thousand (1,000) shares to one hundred (100) shares.

(3) Conditions of change in the number of shares constituting one share unit

The above change is conditional on the approval of the Annual General Meeting of Shareholders in respect of the proposal of the Share Consolidation.

3. Partial Amendment of Articles of Incorporation

The Articles of Incorporation of the Company will be amended as follows on April 1, 2018, subject to the approval of the proposal in respect of the Share Consolidation at the Annual General Meeting of Shareholders.

(Underlines reflect the amendment)

Current Articles of Incorporation	Proposed amendments of Articles of Incorporation
(Total number of authorized shares) Article 6 The total number of authorized shares to be issued by the Company shall be <u>570,000,000</u> shares.	(Total number of authorized shares) Article 6 The total number of authorized shares to be issued by the Company shall be <u>285,000,000</u> shares.
(Share Unit) Article 7 The share unit of the Company shall be <u>1,000</u> shares.	(Share Unit) Article 7 The share unit of the Company shall be <u>100</u> shares.

4. Schedule

Meeting of Board of Directors	May 9, 2017
Annual General Meeting of Shareholders	June 28, 2017
Effective date of change in the number of shares constituting one share unit, share consolidation and partial amendment of the Articles of Incorporation	April 1, 2018 (scheduled)

(Note) As set forth above, the effective date of the change in the number of shares constituting one share unit and the share consolidation is scheduled to be April 1, 2018, however due to requirement of book-entry procedures, trade unit on the TSE will be changed from one thousand (1000) shares to one hundred (100) shares on March 28, 2018.

END.

(Attached Materials)

(Reference) Q&A regarding Change in the Number of Shares Constituting One Share Unit and Share Consolidation

(Reference)

Q&A regarding Share Consolidation and Change in the Number of Shares Constituting One Share Unit

Q1. What is a share consolidation?

A. Share consolidation means consolidating a number of shares to a smaller number of shares. The Company will consolidate two (2) shares into one (1) share this time.

Q2. What is a change in the number of shares constituting one share unit?

A. A change in the number of shares constituting one share unit means a change in the share units which are the basis of the number of voting rights at a general meeting of shareholders and the number of trading units on the stock exchanges. The number of shares constituting one share unit of the Company will change from one thousand (1,000) shares to one hundred (100) shares this time.

Q3. What is the purpose of the share consolidation and the change in the number of shares constituting one share unit?

A. Japanese stock exchanges including the TSE have announced the “Action Plan for Consolidating Trading Units”, aiming to unify the trading units of all domestic companies listed on the Japanese stock exchanges to one hundred (100) shares under a purpose to improve the convenience of market users including investors and strengthen the international competitiveness of the Japanese stock market.

As a company listed on the TSE, the Company, respecting this intention, has decided to change the trading unit of the Company’s shares from one thousand (1,000) shares to one hundred (100) shares. Also, in order to have our shareholders stably possess the Company’s shares while taking into account the mid to long term stock price fluctuation, the Company has decided to carry out a share consolidation (every two (2) shares will be consolidated into one (1) share) with a view to adjusting the investment unit to an appropriate level.

Q4. The number of shares owned will decline after the Share Consolidation. Will this affect asset value?

A. While the number of shares owned by shareholders will be one-half after the Share Consolidation, the Company’s assets and capitalization will not change before or after the Share Consolidation. Thus, the asset value per share will double. Therefore, aside from market fluctuations or other factors, the shareholder’s asset value will not be affected by the Share Consolidation. Theoretically, the share price after the Share Consolidation will also be double the share price prior to the consolidation.

Q5. What will happen to the dividends to be paid?

A. Although the number of the Company’s shares owned will become one-half after the Share Consolidation, we plan to set dividend per share taking the consolidation ratio (every two (2) shares will be consolidated into one (1) share) into account, after the effective date of the Share Consolidation. Therefore, the total dividends to be received by shareholders will not be changed due to the Share Consolidation. However, dividends will not be paid on the fractional shares (shares less than one share) resulting from the Share Consolidation.

Q6. What will happen to share ownership and voting rights?

A. Share ownership after the Share Consolidation will be the number of shares recorded in the latest shareholder register as of March 31, 2018 (virtually March 30, 2018) multiplied by 1/2 (any fraction less than one share shall be rounded off). The number of voting rights will be one (1) per one hundred (100) shares owned.

Specifically, share ownership and voting rights will be as follows before and after the effective date of the Share Consolidation and change in the number of shares constituting one share unit.

	Before effective date		After effective date		
	Share ownership	Voting rights	Share ownership	Voting rights	Fractional shares
Example (1)	1,575 shares	1	787 shares	7	0.5 share
Example (2)	1,000 shares	1	500 shares	5	Nil.
Example (3)	999 shares	0	499 shares	4	0.5 share
Example (4)	200 shares	0	100 shares	1	Nil.

Example (5)	199 shares	0	99 shares	0	0.5 share
Example (6)	1 share	0	0 share	0	0.5 share

If fractional shares (shares less than one share) arise as a result of the Share Consolidation (as in Examples (1), (3), (5) and (6) above), all of such fractional shares shall be subject to a bulk sale by the Company and the proceeds of the said sale shall be distributed to the shareholders who resulted in owning fractional shares in proportion to their respective fractional shareholdings. Such proceeds are scheduled to be paid around June 2018.

If a shareholder owns only one (1) share (Example (6) above) before the effective date of the Share Consolidation, such one (1) share will be disposed as a fractional share. As a result, no share will be held after the Share Consolidation in such case and such shareholder would lose its status as a shareholder. We appreciate your understanding.

Q7. Is there any way to prevent fractional shares from arising?

A. Disposal of fractional shares may be avoided by using the procedures of “request for the Company to sell to them the number of shares needed to make up one share unit” or “request for the Company to purchase their shares that are less than one share unit”, prior to the Share Consolidation taking effect. For the specific details on such procedures, please contact the securities company with which the shareholder has business or the Company’s shareholder register manager as stated below if the shareholder does not hold an account at a securities company.

Q8. Fractional shares may arise even after the Share Consolidation. Is the Company willing to purchase such fractional shares or sell additional shares?

A. Procedures for “request for the Company to sell to them the number of shares needed to make up one share unit” or “request for the Company to purchase their shares that are less than one share unit” for fractional shares can be used even after the Share Consolidation. For the specific details of such procedures, please contact your securities company or the Company’s shareholder register manager as stated below if the shareholder does not hold an account at a securities company.

Q9. Are there certain procedures which need to be undertaken by the shareholders?

A. There are no special procedures to be taken.

Q10. What will happen to the shareholder benefit plan?

A. The Company is considering to review the shareholder benefit plan. The details will be announced at a later date.

Q11. Please tell us the specific schedule of your plan.

A. Our schedule is as follows:

June 28, 2017	Resolution of General Meeting of Shareholders
March 27, 2018	Final trading day under 1,000 share unit
March 28, 2018	First trading day under 100 share unit
April 1, 2018	Effective date of Change in Share Unit and Share Consolidation
Mid- April 2018	Sending out Notice of Share Allotment (scheduled)
Early June 2018	Payment of disposal proceeds of fractional shares (scheduled)

[Inquiries]

If you have any questions regarding share consolidation or change in the number of shares constituting one share unit, please contact your securities company or the following account management institution regarding special accounts (shareholder register manager).

Mitsubishi UFJ Trust and Banking Corporation Osaka Corporate Agency Division, 3-6-3, Fushimi-machi, Chuo-ku, Osaka, 541-8502 Telephone: 0120-094-777(toll-free) Hours: 9:00 to 17:00 (except Saturdays, Sundays and public holidays)
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