

(Translation)

June 25, 2018

Dear Sirs and Madams:

Name of the Company:	NH Foods Ltd.
Representative:	Yoshihide Hata President and Representative Director (Code No. 2282, First Section of the Tokyo Stock Exchange)
Person to contact:	Masahito Kataoka Executive Officer, General Manager of Corporate Communication Department, Communication Strategy Division

**Notice of Acquisition and Cancellation of the Euro Yen Zero Coupon Convertible Bonds
Due 2018**

Notice is hereby given that, NH Foods Ltd. (the “Company”), at the extraordinary meeting of its Board of Directors held today, June 25, 2018, resolved, in respect of the Euro Yen Zero Coupon Convertible Bonds due 2018 issued on March 26, 2014 (hereinafter referred to as the “Convertible Bonds”), to exercise its call option clause (cash settlement type) and, in exchange of the delivery of the cash equivalent to the principal amounts as well as certain number of shares, etc. calculated as below, to acquire all of the outstanding Convertible Bonds and to cancel the acquired Convertible Bonds, as described below:

Description

1. Reason for exercising the call option clause (cash settlement type)

In April 2018, the Company introduced the business plan for the period of three years from April 1, 2018 to March 31, 2021 (74th Term to 76th Term) as “Medium-Term Management Plan 2020”.

“Medium-Term Management Plan 2020”, setting up “Building systems that pave the way to the future” as its theme, has developed the management policies, not just by accelerating its growth strategies but also by considering how the Company group ought to be in the future society from a long-term view and planning backward from it, in order to continue the Company group’s business in the future in the constantly and significantly changing domestic and overseas social environment and to contribute to realization of the sustainable society from food and health aspects.

The Company group, in addition to setting the goal to achieve ¥1.41 trillion of net sales, ¥56 billion of operating income, 4.0% of operating income ratio, 7.0% or above of ROE and 5.5% or above of ROIC in the final year of “Medium-Term Management Plan 2020”, is also aiming at “enhancement of the corporate value” by making efforts to improve our capital efficiency. In these circumstances, the Company’s current share price has been the same level as the conversion price of the Convertible Bonds, and if the Company’s share price is over the conversion price, they are convertible to shares. The more conversions of the Convertible Bonds to shares are carried out, the more share dilution occurs. And that would have certain effects on the indexes such as ROE, which is one of our goals. Therefore, the Company has decided to exercise the call option clause (cash settlement type) attached to the Convertible Bonds.

2. The details of the acquisition

(1) Acquiring brand

NH Foods Ltd. Euro Yen Zero Coupon Convertible Bonds Due 2018

(2) The acquiring subject

All of the outstanding Convertible Bonds

The outstanding amount as of June 25, 2018 is ¥5,220 million (principal amount)

(3) The notice date to holders of the Convertible Bonds

June 25, 2018

(4) Acquiring date

September 5, 2018

(5) Delivering assets

- (i) The amount equivalent to 100% of the principal amounts of the Convertible Bonds; and
- (ii) The Company's ordinary shares which number is to be calculated as follows (provided that: less than one share will be rounded down and no adjustment by cash will be made):

{the Conversion Value of the Convertible Bonds (as defined below) – the amount equivalent to the principal amounts of the Convertible Bonds (positive value only)} / Average VWAP Per Share

- Conversion Value: (Principal Amount / Conversion Price on the Final Day) x Average VWAP Per Share
- Conversion Price on the Final Day: Conversion Price on the final day for the calculation term of the Average VWAP Per Share (July 30, 2018)
- Average VWAP Per Share: Average value of the volume weighted average price of a Company's ordinary share which Tokyo Stock Exchange, Inc. publicized on each trading day included in the twenty consecutive trading days commencing on the 5th trading day from the next day of the day on which the Company made the acquiring notice (July 2, 2018 to July 30, 2018)

[For reference]

Euro Yen Zero Coupon Convertible Bonds Due 2018

1. Issuance date: March 26, 2014
2. Maturity date: September 26, 2018
3. Total issued amount: ¥30,000 million
4. Conversion price: ¥4,390

3. Effects on the Company's business results

The acquisition of the Convertible Bonds will not affect the Company's business results.

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