

(Translation)

October 30, 2020

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)
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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 for the whole-year period and the cumulative second quarter period of the year ending March 31, 2021, which were publicized in “Notice of the Adjustment to the Forecast of Business Results” on July 31, 2020, as described below.

Description

1. Adjustment to the forecast of business results
 - Adjustment to the forecast of consolidated business results for the second quarter (cumulative) of the year ending March 31, 2021 (April 1, 2020 through September 30, 2020):

(millions of yen, unless otherwise indicated)

	Net sales	Business profit	Profit before tax	Profit attributable to owners of parent	Earnings per share (basic) (yen)
Previous forecast (A)	580,000	16,000	17,000	12,500	121.45
Adjusted forecast (B)	573,400	21,900	28,700	19,400	188.75
Amount of increase or decrease (B)-(A)	(6,600)	5,900	11,700	6,900	
Rate of increase or decrease (%)	(1.1)%	36.9%	68.8%	55.2%	
(For reference) Actual results for the second quarter of the previous year (Second quarter of the year ended March 31, 2020)	616,266	21,832	14,963	10,331	100.39

- Adjustment to the forecast of consolidated business results for the whole-year period of the year ending March 31, 2021 (April 1, 2020 through March 31, 2021):

(millions of yen, unless otherwise indicated)

	Net sales	Business profit	Profit before tax	Profit attributable to owners of parent	Earnings per share (basic) (yen)
Previous forecast (A)	1,200,000	37,000	30,000	22,000	213.75
Adjusted forecast (B)	1,180,000	42,000	38,000	26,000	252.97
Amount of increase or decrease (B)-(A)	(20,000)	5,000	8,000	4,000	
Rate of increase or decrease (%)	(1.7)%	13.5%	26.7%	18.2%	
(For reference) Actual results for the previous year (April 1, 2019 through March 31, 2020)	1,229,826	43,772	27,039	19,214	186.70

2. Reason for the adjustment to the forecast of business results

<Cumulative second quarter period (consolidated)>

Net sales are expected to fall below the previous forecast by a small margin mainly because sales of commercial-use products for dining out have still faced a harsh situation although sales to mass retailers have been strong on the back of rising demand for dining at home due to the impact of COVID-19.

In terms of profits, increase in profitability was achieved in the processed foods business thanks to the growth in sales of the mainstay brand products buoyed by rising demand for dining at home. In addition, the fresh meats business also saw the production division perform strongly on account of the market prices of domestic chicken and domestic pork continuing to be on an upward trend. Also, gain on valuation of fair value of biological assets exceeded the expectation due to the lower feed prices and the higher market prices of domestic pork, and overseas equity method affiliates performed well. As a result of reviewing the forecast of business results based on the above situation, profits are expected to exceed the previous forecast in every profit stage.

<Whole-year period>

In consideration of the adjustment to the forecast of the consolidated business results for the cumulative second quarter period, the Company has also adjusted the forecast for the consolidated business results for the whole-year period.

<Cautionary notice on information about the future>

The plans, forecast of operating results, and other prospects for the future described in this press release material are based on the information currently available to the Company and certain assumptions considered reasonable by the Company and are not contemplated to ensure the fulfillment thereof. The actual results in the future may materially differ from such plans and forecast in this press release, depending on various factors including risk factors in business. The Company, therefore, wishes to caution that readers should not place undue reliance on these descriptions to make investment decisions. Further, unless obligated by laws or ordinances or the rules of financial instruments exchanges, the Company will not necessarily, or is not obligated to, revise such descriptions about the future, including the forecast of business results notwithstanding any information or event in the future or any result arising therefrom, or publicize such revised information.

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