

(Translation)

February 1, 2021

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: Tomoya Matsuda  
Public & Investor Relations  
Department  
(TEL: +81-06-7525-3031)

**Notice of Recording of Impairment Loss on Investments Accounted for Using the  
Equity Method (Consolidated) and Extraordinary Losses due to Impairment of  
Shares of a Consolidated Subsidiary (Non-Consolidated)**

Notice is hereby given that, NH Foods Ltd. (the “Company”) has recorded impairment loss on investments accounted for using the equity method (consolidated) and extraordinary losses due to impairment of shares of a consolidated subsidiary held by the Company (non-consolidated) in the third quarter of the year ending March 31, 2021.

Description

1. Impairment loss on investments accounted for using the equity method (consolidated)

The Company acquired 30% of the shares of Panus Poultry Group Co., Ltd. (hereinafter “Panus”), a chicken integrator in the Kingdom of Thailand, through its consolidated subsidiary S.A.E Holding Pte. Ltd. (hereinafter “S.A.E”) in January 2018. However, due to the market price of chicken falling below the expected price in the future plan formulated at the time of the investment, and a slump in sales to Europe because of the spread of COVID-19, the business results of Panus diverged significantly from the initially formulated plan. Therefore, the Company has reviewed the plan going forward. In line with this move, after considering the recoverable amount of the investment in Panus, impairment loss on investment in Panus of ¥5,291 million, and impairment loss on intangible assets of Panus of ¥1,785 million were recorded. (Total of ¥7,076 million)

The impairment loss on investment in Panus is included in and presented as “other expenses,” while the impairment loss on intangible assets of Panus is included in and presented as “share of profit in investments accounted for using the equity method.”

2. Extraordinary losses due to impairment of shares of a consolidated subsidiary (non-consolidated)

Against the aforementioned backdrop, after considering the recoverable amount of S.A.E shares held by the Company, valuation loss on capital stock of subsidiaries and associated companies of ¥7,553 million was recorded under extraordinary losses.

As these extraordinary losses that are recorded on the non-consolidated financial statements will be eliminated in the consolidated financial statements, they do not have any impact on the consolidated business results.

3. Future outlook

Regarding the impact on business results of the recording of the aforementioned impairment loss (consolidated), please refer to “Brief Statement of Accounts for the Third Quarter of the Year Ending March 31, 2021 (Under IFRS) (Consolidated),” which was publicized today.

Furthermore, in view of factors including the recording of the aforementioned impairment loss (consolidated) and extraordinary losses (non-consolidated), adjustments have been made to the forecasts of consolidated business results and non-consolidated business results for the whole-year period of the year ending March 31, 2021. Please also refer to “Notice of the Adjustment to the Forecast of Business Results,” which was publicized today.

–END–