

(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)
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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 of the year ending March 31, 2021 publicized in “Notice of the Adjustment to the Forecast of Business Results” on October 31, 2020, and to the forecast of non-consolidated business results publicized in “Brief Statement of Accounts for the Year Ended March 31, 2020” on May 11, 2020, as described below.

Description

1. Adjustment to the forecast of business results

- 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)	1,180,000	42,000	38,000	26,000	252.97
Adjusted forecast (B)	1,180,000	48,000	39,000	26,000	254.55
Amount of increase or decrease (B)-(A)	—	6,000	1,000	—	
Rate of increase or decrease (%)	—	14.3%	2.6%	—	
(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

- Adjustment to the forecast of non-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	Ordinary income	Net income	Basic earnings per share (yen)
Previous forecast (A)	790,000	16,000	13,700	133.11
Adjusted forecast (B)	780,000	21,200	8,800	86.16
Amount of increase or decrease (B)-(A)	(10,000)	5,200	(4,900)	
Rate of increase or decrease (%)	(1.3)%	32.5%	(35.8)%	
(For reference) Actual results for the previous year (April 1, 2019 through March 31, 2020)	796,143	18,001	9,453	91.85

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

<Consolidated>

Net sales are expected to remain at the same level as the previous forecast.

In terms of business profit, increase in profitability was achieved in the processed foods business thanks to robust sales of the mainstay brand products, buoyed by the continued rise in demand for dining at home. In addition, in the fresh meats business, owing mainly to the continuing upward trend of the domestic chicken market price, profits are expected to exceed the previous forecast. Profit before tax is expected to be slightly higher than the previous forecast, mainly due to the recording of a total of ¥7,076 million in impairment loss relating to the equity method affiliate Panus Poultry Group Co., Ltd. (hereinafter “Panus”). Profit attributable to owners of parent is expected to be on par with the previous forecast.

<Non-consolidated>

Net sales are expected to fall below the previous forecast by a small margin because sales of commercial-use products for dining out continue to face harsh conditions, 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 ordinary income, 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, in the fresh meats business, income is expected to exceed the previous forecast, on account of robust market prices of domestic chicken and domestic pork. However, net income is expected to fall below the previous forecast, due to the recording of ¥7,553 million of valuation loss on capital stock of subsidiaries and associated companies as extraordinary losses, in line with the impairment of shares of a consolidated subsidiary, S.A.E Holding Pte. Ltd. (hereinafter “S.A.E”).

*Regarding the recording of impairment loss relating to Panus (consolidated) and extraordinary losses relating to S.A.E (non-consolidated), please also refer to “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),” which was publicized today.

<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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