

February 9, 2022

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 General Manager, Public & Investor Relations Department (TEL: 06-7525-3031)

### **Notice of Change in Consolidated Subsidiaries (by Share Transfer)**

It is hereby notified that NH Foods Ltd. (the “Company” or “we”), at the meeting of its Board of Directors held on February 9, 2022, determined to transfer all of its shares and related assets of its consolidated subsidiary, The Marine Foods Corporation (“Marine Foods”), to Sojitz Corporation (“Sojitz”) (the “Transfer”), as described below.

#### Description

##### 1. Reasons for the Transfer

NH Foods Group (the “Group”) pledged, in the “Vision2030” which the Group publicized in March 2021, to strive for resolving social issues through its business activities and to contribute to the formation of a sustainable society, by promoting business strategies and sustainability strategies in tandem. Quantitatively, the Group has set targets for ROIC and ROE for the year ending March 31, 2030. In order to achieve these goals, the Group regards the fiscal years ending March 31, 2024 and March 31, 2027 as milestone years and has considered policies for the six-year period. At the same time, the Group formulated the “Medium-Term Management Plan 2023” as an initiative through the fiscal year ending March 31, 2024 and is working to improve the ROIC with the optimal portfolio and enhanced added-value, by leveraging the strengths of existing businesses to expand into growth areas and promoting structural reforms. Under such circumstances, the Group has carefully considered the positioning of marine products businesses including Marine Foods.

Marine Foods was established in 1964 in Tsukiji, Tokyo, as a company that develops and imports marine raw materials from overseas. Since joining the Group in 1981, Marine Foods has played a central role in the marine products division of the Group. Marine Foods has its procurement network capable of securing stable supply of quality marine raw materials within Japan and from overseas. In Japan, by utilizing its 45 sales bases throughout Japan, Marine Foods has established a sales system that enables direct business discussion with approximately 4,000 customers, without using intermediaries, and has established a solid position in the domestic marine products market. As its current business strategy, with the slogan of “evolving and transforming into a comprehensive marine products company with a strong presence,” Marine Foods has selected and concentrated

on highly profitable and promising areas, such as its own factory-made products and sushi varieties, and is steadily generating profits.

In order for Marine Foods to achieve further growth in the future while taking advantage of its business base and strengths, we determined that it is most appropriate to transfer the shares of Marine Foods to a partner outside the Group who can share the common growth vision in the marine products field and can utilize new resources and sales networks, and for Marine Foods to operate its business with the new partner.

Sojitz, having the retail sector including food products as one of its focused areas, has a track record of multiple business investments in this sector including its investment in ROYAL HOLDINGS Co., Ltd. in March 2021. In the marine products sector, in addition to trading, Sojitz is engaged in the tuna farming business and the tuna processing and wholesale business in China, and is said to be planning to further strengthen its production, processing and sales functions. Accordingly, we have determined the Transfer having considered that, with leveraging the resources such as the business infrastructure and global network of Sojitz and its investing companies, strengthening and expanding overseas business such as in the Asian and North American markets as well as expanding business by developing new sales channels such as dining out, e-commerce and mail-order services, will contribute to the sustainable growth and enhancement of the corporate value of Marine Foods, and will also be consistent with the Company's optimal portfolio and concentration of management resources. The Group will first transfer its own shares in overseas marine products companies to Marine Foods, and then the Company will transfer all of its own shares in Marine Foods (the "Share Transfer").

In the Group, even after the Share Transfer, Hoko Co., Ltd., a consolidated subsidiary of the Company, will continue to operate the processed marine foods business under the Processed Foods Business Division and will continue to provide marine foods products such as canned foods and retort pouches. Further, under the Processed Foods Business Division, the Deli Products Department will provide processed marine products.

## 2. Outline of the company to be changed (Marine Foods)

(1)	Name	The Marine Foods Corporation	
(2)	Location	ThinkPark Tower, 2-1-1 Osaki, Shinagawa-ku, Tokyo	
(3)	Name and title of representative	Representative Director and President, Katsunori Fujiwara	
(4)	Nature of business	Manufacturing and sale of processed marine food products and import and sale of marine raw materials	
(5)	Capital	1,133 million yen	
(6)	Year/Month of establishment	October 1964	
(7)	Major shareholder and its shareholding ratio	NH Foods Ltd. 100%	
(8)	Relationship between the Company and Marine Foods	Capital relationship	The Company holds 100% of voting rights of Marine Foods.
		Personnel relationship	One executive officer and one employee of the Company concurrently serve as a director (part-time) of Marine Foods. In addition, fourteen employees of the Company and Company's subsidiaries are being seconded to Marine Foods, and three employees of Marine Foods are being seconded to the Company.
		Business relationship	A subsidiary of the Company sells marine raw materials to Marine Foods. In addition, Marine Foods purchases secondary materials, etc. from the Company and the Company also provides inspection functions, partial back-office functions and a part of IT systems to Marine Foods. Marine Foods also leases its head office and some offices from the Company.
(9)	Operating results and financial position of Marine Foods in the past three years (non-consolidated)		

Fiscal year	Year ended March 2019	Year ended March 2020	Year ended March 2021
Net assets	4,961 million yen	5,115 million yen	6,035 million yen
Total assets	29,792 million yen	28,918 million yen	31,705 million yen
Net asset per share	218.88 yen	225.65 yen	266.25 yen
Net sales	84,683 million yen	85,836 million yen	83,700 million yen
Operating income	762 million yen	808 million yen	1,915 million yen
Ordinary income	772 million yen	815 million yen	1,887 million yen
Net income	567 million yen	513 million yen	1,207 million yen
Net income per share	25.02 yen	22.62 yen	53.24 yen
Dividend per share	15.00 yen	18.00 yen	43.00 yen

### 3. Outline of the counterparty of the Share Transfer (Sojitz)

(1) Name	Sojitz Corporation																					
(2) Location	1-1, Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo																					
(3) Name and title of representative	Representative Director and President & CEO, Masayoshi Fujimoto																					
(4) Nature of business	As a general trading company, expanded businesses in the following sectors: automobile; the aerospace & transportation project; the infrastructure & healthcare; the metals, mineral resources & recycling; the chemicals; the consumer industry & agriculture business; and the retail & consumer service.																					
(5) Capital	160,339 million yen (as of December 31, 2021)																					
(6) Year/Month of establishment	April 2003																					
(7) Net assets	709,033 million yen (as of December 31, 2021, consolidated)																					
(8) Total assets	2,509,173 million yen (as of December 31, 2021, consolidated)																					
(9) Major shareholders and their shareholding ratio (as of September 30, 2021)	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd.</td> <td>12.82%</td> </tr> <tr> <td>ICHIGO TRUST PTE LTD.</td> <td>10.69%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd.</td> <td>8.21%</td> </tr> <tr> <td>STATE STREET BANK AND TRUST COMPANY 505103</td> <td>1.43%</td> </tr> <tr> <td>JP MORGAN CHASE BANK 385781</td> <td>1.33%</td> </tr> <tr> <td>JAPAN SECURITIES FINANCE CO., LTD</td> <td>1.31%</td> </tr> <tr> <td>STATE STREET BANK WEST CLIENT – TREATY 505234</td> <td>1.29%</td> </tr> <tr> <td>THE BANK OF NEW YORK MELLON 140044</td> <td>1.22%</td> </tr> <tr> <td>SMBC Nikko Securities Inc.</td> <td>1.16%</td> </tr> <tr> <td>UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT</td> <td>1.06%</td> </tr> </table>		The Master Trust Bank of Japan, Ltd.	12.82%	ICHIGO TRUST PTE LTD.	10.69%	Custody Bank of Japan, Ltd.	8.21%	STATE STREET BANK AND TRUST COMPANY 505103	1.43%	JP MORGAN CHASE BANK 385781	1.33%	JAPAN SECURITIES FINANCE CO., LTD	1.31%	STATE STREET BANK WEST CLIENT – TREATY 505234	1.29%	THE BANK OF NEW YORK MELLON 140044	1.22%	SMBC Nikko Securities Inc.	1.16%	UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	1.06%
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(10) Relationship between the Company and Sojitz	Capital relationship	The Company has no capital relationship with Sojitz required to be specifically stated. No associated person or associated company of the Company has any capital relationship with any associated person or associated company of Sojitz required to be specifically stated.																				
	Personnel relationship	The Company has no personnel relationship with Sojitz required to be specifically stated. No associated person or associated company of the Company has any personnel relationship with any associated person or associated company of Sojitz required to be specifically stated.																				
	Business relationship	The Company and companies in the Group purchase and sell products and raw materials with Sojitz.																				
	Whether or not to fall under the category of related party	Sojitz does not fall under the category of related party to the Company. No associated person or associated company of Sojitz falls under the category of related party to the Company.																				

### 4. Number of transferred shares and status of shareholding before and after the transfer

(1) Numbers of shares owned before the change	22,666,000 shares (Number of voting rights : 22,666,000) (Percentage of voting rights held : 100.0%)
(2) Number of shares to be transferred	22,666,000 shares (Number of voting rights : 22,666,000)
(3) Corporate value	approximately 26.5 billion yen

(4)	Numbers of shares owned after Transfer	0 share (Number of voting rights : 0) (Percentage of voting rights held : 0.0%)
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5. Time schedule:

(1)	Date of resolution of the Board of Directors	February 9, 2022
(2)	Date of execution of agreement	February 9, 2022
(3)	Date of completion of the Share Transfer	March 31, 2022 (scheduled)

6. Future outlook:

For the effect of the Share Transfer on consolidated and non-consolidated business results, please refer to “Notice of Recording of Profits from Share Transfer associated with the Change in Consolidated Subsidiaries (by Share Transfer) and the Adjustment to the Forecast of Business Results” which is publicized by the Company today.

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