

April 11, 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 Reorganization)

It is hereby notified that NH Foods Ltd. (the “Company” or “we”) determined to reorganize its consolidated subsidiaries and submitted applications to employees and the labor union as described below.

Description

1. Reasons for the Reorganization

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. 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 the circumstances, it is expected that the Nippon Food Packer Group, which plays an important role in the production of fresh meats in the group, will need to invest heavily in the future, in addition to investments due to the aging of facilities, ESG investments in environmental measures, animal welfare and other areas, as well as in response to labor reduction and the development of facilities to handle exports. Further, the Group aims to establish a stronger business foundation and achieve growth and development amid a dramatically changing business environment, including the acceleration of free trade and a shrinking working population. We have therefore decided to reorganize the Nippon Food Packer Group and the plants of Nippon Pure Food, Inc..

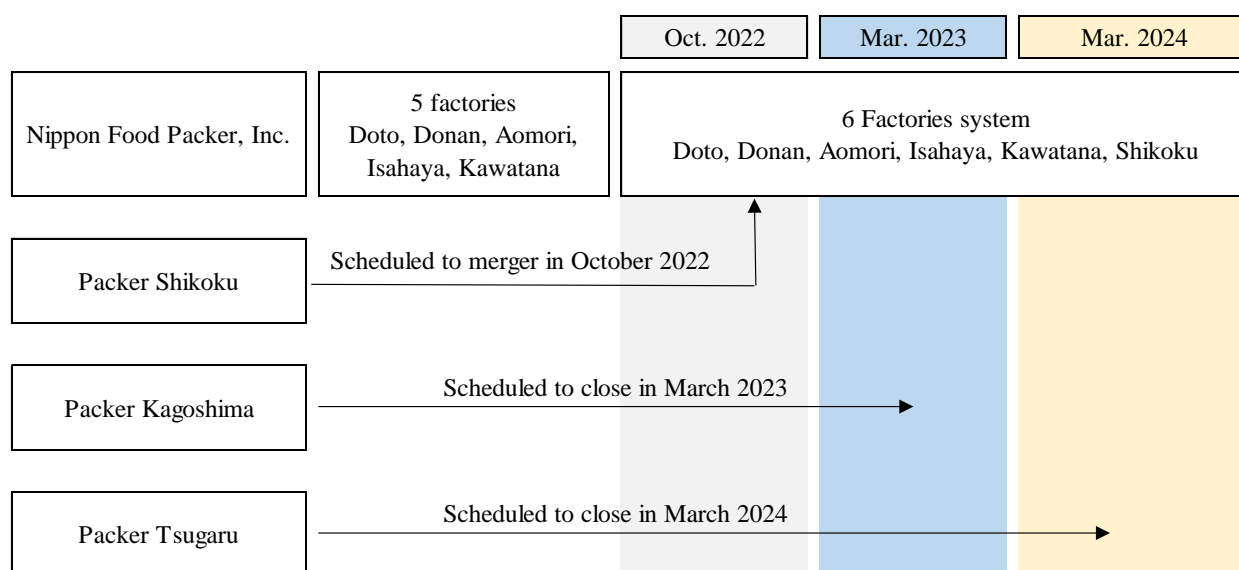
2. Outline of the company to be reorganized

(i) Reorganization of the Nippon Food Packer Group

1. Nippon Food Packer Shikoku, Inc. (“Packer Shikoku”) will be absorbed by Nippon Food Packer, Inc. in October 2022.

2. Nippon Food Packer Kagoshima, Inc. (“Packer Kagoshima”) will close its operations in March 2023 and then go into the liquidation procedure.

3. Nippon Food Packer Tsugaru Co., Ltd. (“Packer Tsugaru”) will close its operations in March 2024 and then go into the liquidation procedure.



(ii) Closure of the Kagoshima Plant of Nippon Pure Food, Inc. (“Pure Kagoshima Plant”)

Following the closure in March 2023 of Packer Kagoshima, which has been responsible for the supply of raw materials, the plant will close by March 2023 and go into the closure process.

3. Outline of the related companies to be reorganized

(i) Merger between Packer Shikoku and Nippon Food Packer, Inc.

	Merger company	Merged company
Name	Nippon Food Packer, Inc.	Nippon Food Packer Shikoku, Inc.
Location	2-132-35, Matsubara, Oirase-cho, Kamikita-gun, Aomori	838-1 Takagawara Aza Takagawara, Ishii-cho, Myozai-gun, Tokushima
Name and title of representative	Representative Director and President & CEO, Hiroaki Yoshihara	Representative Director and President & CEO, Hiroaki Yoshihara
Nature of business	Processing of meat and meat by-products	Processing of meat and meat by-products
Capital	470 million yen	30 million yen
Date of Establishment	December 8, 1986	March 14, 1979
Number of issued shares	9,400 shares	60,000 shares
Major shareholder and its shareholding ratio	NH Foods Ltd. 100%	NH Foods Ltd. 100%

(ii) Closure of the operations of Packer Kagoshima and Packer Tsugaru

Name	Nippon Food Packer Kagoshima, Inc.	Nippon Food Packer Tsugaru Co., Ltd.
Location	519 Okuchimiyahito, Isa, Kagoshima	84-1, Aza Tomioka, Oaza Kawabe, Inakadate-mura, Minamitsugaru-gun, Aomori
Name and title of representative	Representative Director and President & CEO, Hiroaki Yoshihara	Representative Director and President & CEO, Hiroaki Yoshihara
Nature of business	Processing of meat and meat by-products	Processing of meat and meat by-products

Capital	80 million yen	100 million yen
Date of Establishment	April 6, 1973	February 20, 2014
Number of issued shares	160,000 shares	2,000 shares
Major shareholder and its shareholding ratio	NH Foods Ltd. 100%	NH Foods Ltd. 100%
Scheduled date of closure of operations	March 2023	March 2024

(iii) Closure of the Pure Kagoshima plant

Name	Nippon Pure Food Kagoshima Plant, Inc.
Location	519 Okuchimiyahito, Isa, Kagoshima
Name and title of representative	Representative Director and President & CEO, Hideki Egi
Nature of business	Production, development and sales of meat-related products
Scheduled date of closure of operations	March 2023

4. Correspondence to employees

For the employees of each company that will be subject to this reorganization, we will sincerely consider how to treat them in the future.

5. Future outlook

The merger of Packer Shikoku and Nippon Food Packer in October 2022 will have virtually no impact on the consolidated financial results of operations for the fiscal years ended March 31, 2022 and 2023.

The closure of operations at the Packer Kagoshima, Packer Tsugaru and Pure Kagoshima plant will take place from March 2023 onward, but the impact on the consolidated financial results for the fiscal year ending March 2023 is expected to be immaterial.

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