

(Translation)

May 11, 2022

Dear Sirs and Madams:

Name of the Company:	NH Foods Ltd.
Representative:	Yoshihide Hata President and Representative Director (Code No. 2282, Tokyo Stock Exchange, Prime Market)
Person to contact:	Tomoya Matsuda General Manager of Public & Investor Relations Department (TEL: +81-6-7525-3031)

**(Correction) Partial Correction to “Business Results for the Fourth Quarter of
FY2022/3”**

As partial errors were discovered in the descriptions of “Business Results for the Fourth Quarter of FY2022/3” released on May 10, 2022, we hereby correct them as described below.

Description

1. Reason for Correction

After the release of “Business Results for the Fourth Quarter of FY2022/3”, partial errors were discovered in the numerical data in page 19 “1. FY2022/3 Business Results at a Glance and FY2023/3 Forecasts” and page 20 “2. Balance Sheets/ Capital Expenditures / Depreciation and Amortization”, leading to the correction of the relevant parts.

2. Corrected Parts

Please refer to the attachment. The corrected parts are being described in underlines.

–END–

[before correction]

1. FY2022/3 Business Results at a Glance and FY2023/3 Forecasts

(¥ million, %)

		FY2022/3 results						FY2023/3 forecasts					
		1st half	Variance	2nd half	Variance	Full year	Variance	1st half	Variance	2nd half	Variance	Full year	Variance
(1)	Net sales	569,118	(0.8)	605,271	13.6	1,174,389	6.1	610,000	7.2	630,000	4.1	1,240,000	5.6
(2)	Cost of goods sold	468,057	(0.3)	506,304	15.5	974,361	7.3	505,000	7.9	523,000	3.3	1,028,000	5.5
	Gross profit	101,061	(2.9)	98,967	4.9	200,028	0.8	105,000	3.9	107,000	8.1	212,000	6.0
	Gross profit ratio	17.8%	-	16.4%	-	17.0%	-	17.2%	-	17.0%	-	17.1%	-
(3)	Selling, General and Administrative expenses	75,502	(3.4)	82,448	15.1	157,950	5.4	79,000	4.6	88,500	7.3	167,500	6.0
	Other income and expenses	△596	-	2,651	-	2,055	-	(750)	(25.8)	(2,050)	(177.3)	(2,800)	(236.3)
	Finance income and costs	10	-	(1,801)	-	(1,791)	-	1,250	12.400	(450)	75.0	800	144.7
	Share of profit (loss) in investments accounted for using the equity method	3,100	34.3	5,924	(761.9)	9,024	538.6	1,000	(67.7)	1,000	(83.1)	2,000	(77.8)
	Profit before tax	28,073	(2.3)	23,293	23.4	51,366	7.9	27,500	(2.0)	17,000	(27.0)	44,500	(13.4)
	Income tax expense	8,069	(18.6)	4,599	(37.3)	12,668	(26.6)	7,000	(13.2)	4,500	(2.2)	11,500	(9.2)
	Tax rate	28.7%	-	19.7%	-	24.7%	-	25.5%	-	26.5%	-	25.8%	-
	Profit attributable to owners of the parent:	19,604	4.7	28,445	128.3	48,049	53.4	20,000	2.0	13,000	(54.3)	33,000	(31.3)
	(Profit from continuing operations)	19,911	6.3	18,694	62.1	39,100	27.5	-	-	-	-	-	-
	(Profit from discontinued operations)	(307)	-	9,256	-	8,949	-	-	-	-	-	-	-
(4)	Operating income (1)-(2)-(3)	25,559	(1.3)	16,519	(27.3)	42,078	(13.5)	26,000	1.7	18,500	12.0	44,500	5.8
(5)	Foreign exchange gains (losses)	(781)	(26.5)	(2,216)	46.0	(2,997)	16.1	-	-	-	-	-	-
(6)	Adjustments in accordance with IFRS and others	3,213	(36.2)	(3,939)	-	(726)	-	-	-	-	-	-	-
	Business profit (4)-(5)-(6)	24,252	10.6	23,864	(21.8)	48,116	(8.2)	24,000	(1.0)	22,000	(7.8)	46,000	(4.4)

[before correction]

2. Balance Sheets / Capital Expenditures / Depreciation and Amortization

Consolidated balance sheets

(¥ million, %)

	FY2021/3	FY2022/3	Year on Year	
	Year-end	Year-end	Variance(%)	Variance
Total assets	825,405	909,213	10.2	83,808
Total liabilities	381,096	419,659	10.1	38,563
Total equity attributable to owners of parent	433,595	479,069	10.5	45,474
Non-controlling interests	10,714	10,485	(2.1)	(229)
Total equity	444,309	489,554	10.2	45,245

Capital expenditures, depreciation and amortization

(¥ million, %)

	FY2021/3	FY2022/3				FY2023/3
	Full year Results	Full year Forecasts	Results	Year on Year		Full year Forecasts
				Variance(%)	Variance	
Capital expenditures	82,902	81,500	80,395	(3.0)	(2,507)	94,200
Processed Foods Business Division	26,032	11,630	11,038	(57.6)	(14,994)	16,000
Fresh Meats Business Division	15,966	18,620	17,083	7.0	1,117	31,300
Overseas Business Division	4,955	3,430	3,321	(33.0)	(1,634)	10,300
Others	35,949	47,820	48,953	36.2	13,004	31,400
Depreciation and amortization	33,939	36,000	36,379	7.2	2,440	37,700

Consolidated statements of cash flows

(¥ million)

	FY2021/3	2022/3	Year on Year	2023/3
	Year-end	Year-end	Variance	Full year forecasts
Cash flows from operating activities	82,518	33,387	(49,131)	69,500
Cash flows from investing activities	(57,827)	(22,837)	34,990	(94,200)
Cash flows from financing activities	(14,934)	(12,162)	2,772	(3,700)

Major reasons for increase/decrease

(1) Total Assets

Increased ¥19.4 billion mainly due to an increase in capital expenditures
Increased by ¥12.1 billion mainly due to rising prices of fresh meats (beef)

(2) Cash flows from operating activities

With regard to operating activities, profit before tax amounted to ¥51,366 million and depreciation and amortization expenses amounted to ¥36,464 million, while the increase of inventories amounted to ¥22,655 million and income tax paid amounted to ¥21,045 million. As a result, net cash provided by operating activities amounted to ¥33,387 million

(3) Cash flows from investing activities

With regard to investing activities, acquisition of fixed assets amounted to ¥44,473 million, while proceeds from sales of business amounted to ¥16,628 million. As a result, net cash used in investing activities amounted to ¥22,837 million.

(4) Cash flows from financing activities

With regard to financing activities, cash dividends amounted to ¥9,610 million and repayments of debt amounted to ¥47,490 million, while increase in short-term bank loans amounted to ¥17,065 million and proceeds from debt amounted to ¥27,462 million. As a result, net cash used in financing activities amounted to ¥12,162 million.

[after correction]

1. FY2022/3 Business Results at a Glance and FY2023/3 Forecasts

(¥ million, %)

		FY2022/3 results						FY2023/3 forecasts					
		1st half	Variance	2nd half	Variance	Full year	Variance	1st half	Variance	2nd half	Variance	Full year	Variance
(1)	Net sales	569,118	(0.8)	605,271	13.6	1,174,389	6.1	610,000	7.2	630,000	4.1	1,240,000	5.6
(2)	Cost of goods sold	468,057	(0.3)	506,304	15.5	974,361	7.3	505,000	7.9	523,000	3.3	1,028,000	5.5
	Gross profit	101,061	(2.9)	98,967	4.9	200,028	0.8	105,000	3.9	107,000	8.1	212,000	6.0
	Gross profit ratio	17.8%	-	16.4%	-	17.0%	-	17.2%	-	17.0%	-	17.1%	-
(3)	Selling, General and Administrative expenses	75,502	(3.4)	82,448	15.1	157,950	5.4	79,000	4.6	88,500	7.3	167,500	6.0
	Other income and expenses	△596	-	2,651	-	2,055	-	(750)	=	(2,050)	=	(2,800)	=
	Finance income and costs	10	-	(1,801)	-	(1,791)	-	1,250	=	(450)	=	800	=
	Share of profit (loss) in investments accounted for using the equity method	3,100	34.3	5,924	(761.9)	9,024	538.6	1,000	(67.7)	1,000	(83.1)	2,000	(77.8)
	Profit before tax	28,073	(2.3)	23,293	23.4	51,366	7.9	27,500	(2.0)	17,000	(27.0)	44,500	(13.4)
	Income tax expense	8,069	(18.6)	4,599	(37.3)	12,668	(26.6)	7,000	(13.2)	4,500	(2.2)	11,500	(9.2)
	Tax rate	28.7%	-	19.7%	-	24.7%	-	25.5%	-	26.5%	-	25.8%	-
	Profit attributable to owners of the parent:	19,604	<u>0.7</u>	28,445	<u>116.5</u>	48,049	<u>47.3</u>	20,000	2.0	13,000	(54.3)	33,000	(31.3)
	(Profit from continuing operations)	<u>19,917</u>	=	<u>19,027</u>	=	<u>38,944</u>	-	-	-	-	-	-	-
	(Profit from discontinued operations)	<u>(313)</u>	-	<u>9,418</u>	-	<u>9,105</u>	-	-	-	-	-	-	-
(4)	Operating income (1)-(2)-(3)	25,559	(1.3)	16,519	(27.3)	42,078	(13.5)	26,000	1.7	18,500	12.0	44,500	5.8
(5)	Foreign exchange gains (losses)	(781)	=	(2,216)	=	(2,997)	=	-	-	-	-	-	-
(6)	Adjustments in accordance with IFRS and others	3,213	(36.2)	<u>(3,959)</u>	-	<u>(746)</u>	-	-	-	-	-	-	-
(7)	<u>Adjustments in accordance with discontinued operations</u>	<u>(1,125)</u>	=	<u>(1,170)</u>	=	<u>(2,295)</u>	=	=	=	=	=	=	=
	Business profit (4)-(5)-(6)-(7)	24,252	10.6	23,864	(21.8)	48,116	(8.2)	24,000	(1.0)	22,000	(7.8)	46,000	(4.4)

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