

January 31, 2023

Dear Sirs and Madams

Name of the Company:	NH Foods Ltd.
Representative:	Yoshihide Hata President and Representative Director (Code No. 2282, Prime Market 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 January 31, 2023, determined to transfer all of the shares of its consolidated subsidiary, Breeders & Packers Uruguay S.A. (“BPU”), to Minerva S.A. (“Minerva”) (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. 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 Plan2023” as an initiative through the fiscal year ending March 31, 2024 and is working to improve optimal portfolio, by leveraging the strengths of existing businesses to expand into growth areas and promoting structural reforms. Under such circumstances, the Company has carefully considered the positioning of BPU.

BPU operates the largest meat processing plant by capacity in Uruguay, and exports products processed at its state-of-the-art facility to China, Europe, the U.S., Japan, and other countries.

In order for BPU to further grow in the future while taking advantage of its business foundation and strengths, we have decided that the best way to do so is to transfer the shares of BPU to a partner outside our group that shares our vision for growth in the beef business and can utilize new resources and sales networks.

Minerva is a Brazil-based company primarily engaged in the production and sale of beef, with

slaughterhouses in five South American countries and Australia, and exports to more than 100 countries worldwide. We have determined that Minerva can leverage its resources, such as its business base and global network, and strengthen and expand its overseas operations in Asia, North America, and other regions to contribute to BPU's sustainable growth and increase its corporate value.. The decision to transfer the shares of BPU to Minerva was made based on this judgment and is in line with our strategy of portfolio optimization and concentration of management resources. The stock purchase agreement shall be actually concluded by ATHN Foods Holdings S.A., which is a wholly owned subsidiary of Minerva.

2. Outline of the company to be changed (BPU)

(1)	Name	Breeders & Packers Uruguay S.A.	
(2)	Location	Durazno and Montevideo, Oriental Republic of Uruguay	
(3)	Name and title of representative	CEO Kevin Koji Mimura	
(4)	Nature of business	Meat processing and sales (beef)	
(5)	Capital	81,475 thousand USD	
(6)	Year/Month of establishment	March, 2006	
(7)	Major shareholder and its shareholding ratio	NH Foods Ltd. 60% NH Foods Chile Y Compañía Limitada 35% NH Foods Australia Pty. Ltd. 5%	
(8)	Relationship between the Company and BPU	Capital relationship	The Company and its subsidiaries hold 100% of voting rights of BPU.
		Personnel relationship	Two employees of the Company and one employee of a subsidiary of the Company are seconded to BPU as directors, and one employee of the Company concurrently serves as a director (part-time) of BPU. In addition, one employee of the Company is seconded to BPU.
		Business relationship	BPU sells meat products to the Company's subsidiary.
(9)	Operating results and financial position of BPU in the past three years (non-consolidated)		

Fiscal Year	Year ended September 2020	Year ended September 2021	Year ended September 2022
Net assets	46,144 thousand USD	42,806 thousand USD	37,778 thousand USD
Total assets	94,212 thousand USD	108,886 thousand USD	99,485 thousand USD
Net sales	184,401 thousand USD	201,375 thousand USD	266,191 thousand USD
Income before income tax	▲12,233 thousand USD	▲4,604 thousand USD	▲6,664 thousand USD
Net income	▲15,245 thousand USD	▲3,338 thousand USD	▲5,027 thousand USD

Net assets per share, net income per share and dividends per share are omitted due to immateriality for disclosure.

3. Outline of the counterparty of the share transfer (Minerva)

(1)	Name	Minerva S.A.	
(2)	Location	Sao Paulo, Brazil	
(3)	Name and title of representative	CEO Fernando Galletti de Queiroz	
(4)	Nature of business	Meat processing and sales (beef)	
(5)	Capital	1,619,074 thousand R\$ (as of September 30, 2022)	
(6)	Year of establishment	1992	
(7)	Net assets	677,354 thousand R\$ (as of September 30, 2022, consolidated)	
(8)	Total assets	21,332,804 thousand R\$ (as of September 30, 2022, consolidated)	
(9)	Major shareholders and their shareholding ratio(as of September 30, 2022)	SALIC (UK) Limited	30.55%
		VDQ Holdings S.A.	22.36%
		Compass Group L.L.C.	5.46%
		Minerva S.A.	3.68%
(10)	Relationship between the Company and Minerva	Capital relationship	There is no capital relationship between the Company and Minerva concerned that should be noted. In addition, no noteworthy capital relationships exist between individuals or affiliated companies associated with the Company and individuals or affiliated companies associated with Minerva.
		Personnel relationship	There is no personal relationship between the Company and Minerva concerned that should be noted. In addition, no noteworthy personal relationships exist between individuals or affiliated companies associated with the Company and individuals or affiliated companies associated with Minerva.
		Business relationship	There is no business relationship between the Company and Minerva concerned that should be noted. In addition, no noteworthy transactional relationships exist between individuals or affiliated companies associated with the Company and individuals or affiliated companies associated with Minerva.
		Whether or not to fall under the category of related party	Minerva is not a related party of the Company. In addition, the related parties and affiliated companies of Minerva do not fall under the category of related parties of the Company.

The above outline of the counterparty is that of Minerva. The Stock Purchase Agreement shall be concluded with ATHN Foods Holdings S.A., which is a wholly owned subsidiary of Minerva.

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

(1)	Numbers of shares owned before the change	1,797,343,133 shares (Number of voting rights : 1,797,343,133) (Percentage of voting rights held : 100.0%)
(2)	Number of shares to be transferred	1,797,343,133 shares (Number of voting rights : 1,797,343,133)
(3)	Transfer price	The transfer price will be determined based on the enterprise value of 40 million USD, and the price adjustments stipulated in the stock purchase agreement, including net debt and working capital of BPU.
(4)	Numbers of shares owned after transfer	0 share (Number of voting rights : 0) (Percentage of voting rights held : 0.0%)

5. Time schedule

(1)	Date of resolution of the board of directors	January 31, 2023
(2)	Date of execution of agreement	January 31, 2023
(3)	Date of completion of the share transfer	October 31, 2023 (scheduled)

The share transfer is expected to be executed upon completion of the necessary procedures, including submission of required documentation to, and obtaining approval from, the competition law authorities in countries concerned, and fulfillment of the conditions precedent to the agreement on this transfer.

6. Impact on future business performance

The impact of this transfer on consolidated business results is expected to be immaterial, and we will promptly make an announcement if any matters that should be disclosed arise in the future.

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