

(Translation)

May 10, 2024

Dear Sirs and Madams

Name of the Company: NH Foods Ltd.

Representative: Nobuhisa Ikawa
President and Representative Director
(Code No. 2282, Prime Market of the
Tokyo Stock Exchange)

Person to contact: Tomoya Matsuda
General Manager, Public & Investor
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Notice of Revisions to the Dividend Policy and Distribution of Retained Earnings
(Increase in Dividend)

It is hereby notified that NH Foods Ltd. (the “Company”), at the meeting of its Board of Directors held on May 10, 2024, resolved to revise its dividend policy and adopted to declare the distribution of retained earnings with a record date of March 31, 2024, as described below.

Description

1. Revisions to the Dividend Policy

(1) Reasons for Revisions

The Company has considered the return of profits to shareholders to be an important management issue since before, and this is seen as part of the Company’s capital policy aimed at realizing an optimal capital and liability composition with the aim of improving medium- to long-term corporate value, the Company has intended to pay dividends on a consistent basis.

Recently, the Company formulated its new business plan, to create the value which shareholders required, establishing the cost of capital and optimal capital and liability composition anew, and the Company intends to increase efficiency of the invested capital consciously of the management.

Furthermore, to enhance the return of profits to shareholders, the Company revises its dividend policy to improve the target dividend on equity ratio (DOE) of a 3.0% level, and using a payout ratio of 40% or above to distribute profits.

(2) Detail of Change

① Before Change

The Company will distribute its retained earnings, with the aim of pursuing stable and continuous

dividend growth at the target dividend on equity ratio (DOE) of a 2.3% level. The Company will acquire treasury stock in a flexible manner for the purpose of improving per-share shareholder value and ROE, in consideration of investments towards growth and its financial position. The Company will make effective use of the internal reserve funds as a source of investments that will maintain and improve its competitiveness for years to come.

② After Change

As DOE is dividend policy of the Company currently, during this medium-term management plan period, the Company targets to improve DOE of a 3.0% level, and raising a payout ratio of 40% or above to distribute profits to enhance the return of profits to shareholders on a consistent basis.

The Company also considers debt to equity ratio (D/E ratio) as a structure optimal capital and liability composition, to balance reducing cost of capital and maintaining creditworthiness for financing. Under this policy, the Company will acquire treasury stock in a flexible manner in terms of the most efficient level of equity maintained, and strive to enhance our corporate value.

(3) Effective Date of Change

The change will be effective from the year end dividends at the end of the fiscal year ending March 31, 2024.

2. Dividend of Surplus

(1) Details of Dividend

	Resolved amount	Most recent dividends forecast (announced May10, 2023)	Actual results for the previous fiscal year (ended March 31,2023)
Record Date	March 31, 2024	March 31, 2024	March 31, 2023
Dividends per share (Yen)	119	112	110
Total amount of dividends	12,251	—	11,275
Effective date	June 4,2024	—	June 2,2023
Source of dividends	Retained earnings	—	Retained earnings

(2) Reasons

Under the new dividend policy, the Company resolved to revise the year end dividend for the fiscal year ended March 31, 2024, dividends will be increased by ¥7 from ¥112 per share to ¥119 with DOE 2.4% and payout ratio of 43.5%.

For the year ending March 31, 2025, management plans to increase dividends by¥16 to pay a dividend of ¥135 per share.

For details, please refer to “Brief Statement of Accounts for the Fiscal Year Ended March 31, 2024 (Under IFRS) (Consolidated),” released today.

(Reference) Breakdown of Annual Dividends

Record date	Dividends per share		
	Second quarter-end	Year end	Total (Full year)
Actual dividends for the year ended March 31,2024	—	119yen	119yen
Actual dividends for the year ended March 31,2023	—	110yen	110yen

3. Others

The Company announced “Notice of Changes of Shareholder Special Benefit Plan” today separately.

<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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