

(Translation)

October 29, 2018

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: Masahito Kataoka
Executive Officer, General Manager
of Corporate Communication
Department, Communication Strategy
Division

Notice of the Adjustment to the Forecast of Business Results

Notice is hereby given that NH Foods Ltd. (the “Company”), in consideration of the recent development of its business results, has made adjustment to the forecast of consolidated business results for the whole-year period and the cumulative second quarter period of the year ending March 31, 2019 which were publicized in “Brief Statements of Accounts for the Year Ended March 31, 2018” on May 10, 2018, as described below.

Description

- Adjustment to the forecast of consolidated business results for the second quarter (cumulative) of the year ending March 31, 2019 (April 1, 2018 through September 30, 2018):

(millions of yen, unless otherwise indicated)

	Net sales	Operating income	Profit before tax	Profit attributable to owners of parent	Basic earnings per share (yen)
Previous forecast (A)	650,000	30,000	28,000	19,500	181.41
Adjusted forecast (B)	618,000	21,400	23,100	16,300	151.64
Amount of increase or decrease (B)-(A)	△32,000	△8,600	△4,900	△3,200	
Rate of increase or decrease (%)	△4.9	△28.7	△17.5	△16.4	
(For reference) Actual results for the second quarter of the previous year (Second quarter of the year ended March 31, 2018)	627,060	29,814	30,716	20,617	194.42

- Adjustment to the forecast of consolidated business results for the whole-year period of the year ending March 31, 2019 (April 1, 2018 through March 31, 2019):

(millions of yen, unless otherwise indicated)

	Net sales	Operating income	Profit before tax	Profit attributable to owners of parent	Basic earnings per share (yen)
Previous forecast (A)	1,310,000	50,000	46,000	32,000	297.69
Adjusted forecast (B)	1,260,000	36,000	33,000	23,000	213.97
Amount of increase or decrease (B)-(A)	△50,000	△14,000	△13,000	△9,000	
Rate of increase or decrease (%)	△3.8	△28.0	△28.3	△28.1	
(For reference) Actual results for the previous year (April 1, 2017 through March 31, 2018)	1,258,463	45,830	52,798	37,552	352.26

*The Company has adopted IFRS from the year ending March 31, 2019. Regarding values of the second quarter of the year ended March 31, 2018 and the year ended March 31, 2018, they have been indicated in compliance with IFRS.

* As of April 1, 2018, the Company carried out a share consolidation at a ratio of one share for each two shares of common stock. “Basic earnings per share” was computed on the assumption that the relevant share consolidation was carried out at the beginning of the year ended March 31, 2018.

[Reason for the adjustment]

<Cumulative second quarter period (consolidated)>

Net sales are expected to be below the previous forecast due to the drop of the market price for domestic fresh meat as well as sales struggle of the marine products business with the high competition, despite the steady recovery of beef exports in Australia. With respect to profits, in addition to drop of the market price of fresh meat and the soaring price of feed crop, due to the occurrence of write-downs of inventories and impairment loss of fixed assets as a result of the Typhoon No. 21 and the 2018 Hokkaido Eastern Iburi Earthquake, profits are expected to decrease in every stage.

<Whole-year period>

In consideration of the development of its business results for the cumulative second quarter period (consolidated) and following our review of our future outlook, the Company has also adjusted the forecast for the consolidated business results for the whole-year period, because the harsh business environment, such as the aftereffect of the disaster which mainly affected the fresh meat business, is expected to continue.

[For reference] The expected impact on the consolidated business results for the year ending March 31, 2019 from the Typhoon No. 21 and 2018 Hokkaido Eastern Iburi Earthquake

(millions of yen)

	Cumulative second quarter period of the year ending March 31, 2019	Whole-year period of the year ending March 31, 2019
Operating income	△1,897	△2,476
Profit before tax	△2,304	△3,233

- END -

<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.