

(Translated)

February 5, 2020

To whom it may concern

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Notice regarding a Fire at the Company's Subsidiary (Second Report) and Notice regarding Revisions to the Business Results Forecast

A fire occurred on December 3, 2019 at the Yume Plant managed by the Company's subsidiary, Yonekyu Corporation. We would like to offer our deepest apologies for causing concern and inconvenience to stakeholders in this incident, starting with those living near the plant, our business partners, and affiliated ministries. The following notice details the cause of the fire, measures taken, the status of damage and the product supply system, the impact the fire will have on business results, and revisions to the full-year business results forecast for the fiscal year ending March 31, 2020.

1. Location of the fire

The Yume Plant at Yonekyu Corporation
(1259, Okanomiya Terabayashi, Numazu, Shizuoka)

2. Cause of the fire and measures taken

The fire's outbreak originated from a roaster in the roast beef manufacturing line. It spread through the air duct system by way of the exhaust fan, and the entire first floor of the plant was impacted by the fire via its spread through the air duct system. The Group is working to prevent a reoccurrence of this incident going forward, and daily checks for equipment and thorough management are being undertaken at all of the Group's plants.

3. The status of damage and the product supply system

Due to fire damage, the entire ceiling on the first floor has collapsed at the affected plant. We require time to rehabilitate the building, therefore all operations at the affected plant have been suspended, and recommencement of these operations has not been determined at this point in time. As for the product supply system, we are transferring the manufacture of products in sequence to other plants within the Group, and we will continue to work toward full recovery of the product supply system as soon as possible.

4. Impact on business results

As we require time for rehabilitation, the Group is expecting that it will take some time to

make a final decision on the monetary figures. However, we will record extraordinary loss of ¥1,281 million in the third-quarter financial results in terms of equipment at the affected plant and related expenses. Excluding a certain portion, the loss for this incident is covered by insurance and once the insurance amount is confirmed, we will record the applicable amount as extraordinary income. We expect the majority of this income to be recorded after the beginning of the next fiscal year.

5. Revisions to the full-year business results forecast for the fiscal year ending March 31, 2020

Taking into consideration the impacts of the fire, including impacts until extraordinary loss that has been recorded this time and production transference are complete, the Group is also expecting additional factors such as rise in prices for key materials and distribution costs, and market impact on the meat business. Therefore, upon reviewing the business outlook, we have decided to make the following revisions to the consolidated business results for the fiscal year ending March 31, 2020 that were announced on November 6, 2019.

Revisions to the Consolidated Business Results Forecast for the Fiscal Year Ending March 31, 2020
(April 1, 2019 – March 31, 2020)

	Net sales (million yen)	Operating income (million yen)	Ordinary income (million yen)	Income attributable to owners of parent (million yen)	Net income per share (yen)
Previously announced forecast (A)	865,000	18,000	20,000	14,000	47.37
Revised forecast (B)	855,000	16,000	18,000	11,500	38.92
Change (B - A)	(10,000)	(2,000)	(2,000)	(2,500)	
Rate of change (%)	(1.2)	(11.1)	(10.0)	(17.9)	
(Reference) (FY ended March 31, 2019)	850,721	14,494	15,679	10,588	35.82

Note: The above forecast is based on certain assumptions with rational decision-making from information that the Group has obtained at this point in time. Actual business results may differ from the forecast figures depending on a number of factors going forward.