

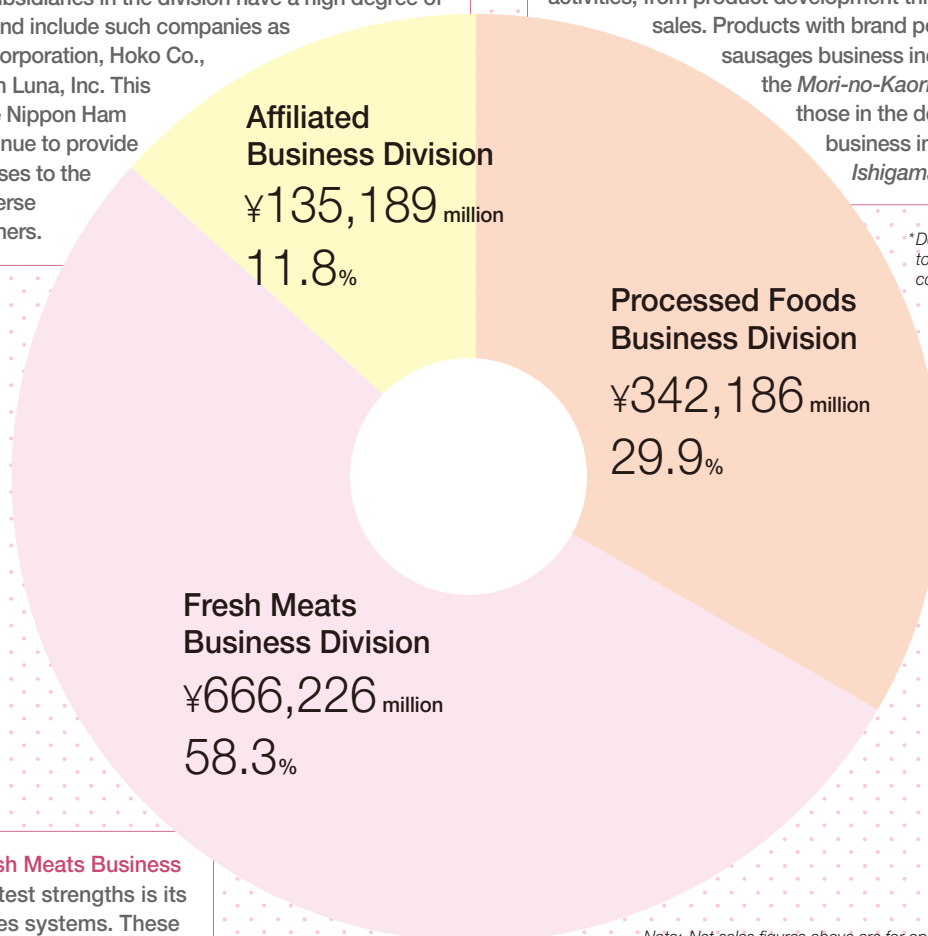
Business Segment

After starting out in hams and sausages, the Nippon Ham Group expanded into processed foods, fresh meats, dairy products, marine products and health foods.

The **Affiliated Business Division** consists of the marine products and dairy products businesses. The division also handles such products as freeze-dried foods and health foods, among others. Consolidated subsidiaries in the division have a high degree of specialization, and include such companies as Marine Foods Corporation, Hoko Co., Ltd., and Nippon Luna, Inc. This ensures that the Nippon Ham Group can continue to provide decisive responses to the increasingly diverse needs of customers.

The **Processed Foods Business Division** is composed of the hams and sausages business and the deli and processed foods* business, and encompasses a fully integrated range of business activities, from product development through to production and sales. Products with brand power in the hams and sausages business include *SCHAU ESSEN*, the *Mori-no-Kaori* series, and *Winny*, while those in the deli and processed foods business include *Chuka Meisai* and *Ishigama Kobo*.

*Deli and processed foods refer to delicatessen products and cooked foods.



One of the **Fresh Meats Business Division's** greatest strengths is its supply and sales systems. These systems are underpinned by the Nippon Ham Group's integrated production system, which encompasses all aspects of the fresh meats business from production through to sales. The division will primarily develop fresh meat brands.



Note: Net sales figures above are for operating segments and include intersegment transactions.

Business Models

Processed Foods Business Division



Product development

- Employing proprietary consumer monitoring systems, such as the Consumer Delegate Committee System and storefront information.
- Establishing a product development research facility within every core plant to develop technologies and products.
- Allocating chefs at plants to match professional tastes.
- Swift product development.



Production

- 23 domestic and 6 overseas plants.
- Securing Hazard Analysis and Critical Control Point (HACCP) system and ISO certifications and maintaining strict quality management.
- Implementing proprietary ham and sausage skill testing.
- Maintaining quality improvement committees at each plant.

Distribution and sales

- Fine-tuning deliveries through 15 distribution centers nationwide.
- Managing fridge and freezer facilities around the clock.
- Inventory management system that confirms information on inventories and shipments in real time.
- Approximately 80 sales bases in Japan.
- Allocating specialists for supermarkets, convenience stores, restaurants, and other customers.
- Deploying promotions to support sales.
- Constructed DS system that channels direct feedback from dialogue between sales representatives and customers to relevant departments.



Main Products

Hams and Sausages Business



Utsukushi-no-Kuni



Winnie



SCHAU ESSEN

Deli & Processed Foods Business



Chuka Meisai
Sweet and sour pork



Ishigama Kobo
Pizza Margherita



CHIKI-CHIKI Bone

Fresh Meats Business Division

Packing Plants

14 plants in Japan*

Skilled processing and cutting technologies accommodating various needs.

3 plants overseas

First in the industry to provide traceability for each cut of meat.



**Eleven plants are operated by the Fresh Meats Business Division, and three plants are operated by the Processed Foods Business Division.*

Farms

Japan:

Poultry: Nippon White Farm Co., Ltd. ships 57 million chickens annually

Pork: Interfarm Co., Ltd. ships 600,000 hogs a year

Overseas:

Pork: Texas Farm, LLC (U.S.) ships 800,000 hogs a year

Beef: Oakey Holdings Pty. Ltd. (Australia) ships 140,000 cattle a year

Distribution Centers

- Established a just-in-time in-house sales and logistics system.
- Constructed a nationwide distribution system.
- Asia's largest freezer and refrigerator capacity, at 120,000 metric tons.



Sales Offices

- Approximately 120 sales offices and 1,300 trucks around the nation.
- A sales network encompassing all of Japan's major cities.



Main Products

Imported Fresh Meats Business



Mate Tea Chicken from Brazil



U.S. corn-fed pork



Australian barley beef

Domestic Fresh Meats Business



Sakurayama poultry

Affiliated Business Division

Marine Products Business



Production and sales of processed marine products

Marine Foods Corporation

- Procures seafood for sushi and processed marine products from Japan and overseas, supplying volume retailers and restaurants through approximately 50 sales offices in Japan. Delivers fresher, tastier products by developing and producing at its own plants and engages in tuna aquaculture in Japan.

Hoko Co., Ltd.

- Sells raw marine materials in Japan and maintains an export business. Sells canned and frozen foods manufactured under strict quality management at in-house plants.

Dairy Products Business



Production and sales of cheese and other dairy products

Hoko Co., Ltd.

- Manufactures cheeses with a variety of shapes, tastes and functions using natural cheese sourced from all over the world. Sells to restaurants, bakeries, and other commercial channels and also markets to consumers.

Production and sales of yogurt and lactic acid probiotic beverages

Nippon Luna, Inc.

- Develops products from customer perspectives and supplies unique offerings through volume retailers and convenient stores.

Other Businesses



Production and sales of freeze-dried foods

Nippon Dry Foods Co., Ltd.

- Develops and manufactures ingredients for soups and instant foods, drawing on freeze-dried technologies offering outstanding convenience and storage stability.

Production and sales of health foods

Nippon Ham Health Creation Co., Ltd.

- Maintains a mail-order business for health foods, including supplements and beverages made using functional materials derived mainly from animal products developed by Nippon Meat Packers.

Main Products



Amori no Shojiki Chub
Mackerel



Seafood for sushi



Vanilla Yogurt



ROLF Baby Cheese



Glucosamine Chondroitin



Onion Soup
Incorporating
Domestically Grown
Onions and
Camembert Cheese

Market Position

Fresh Meats Industry (World)



Major Global Fresh Meats Companies based on Net Sales	Net Sales (Millions of Yen)	Headquarters	Fiscal Year Reported
JBS S.A.	2,802,550	Brazil	Year ended December 2011
Tyson Foods, Inc.	2,651,943	U.S.A.	Year ended September 2011
Brasil Foods S.A.	1,165,790	Brazil	Year ended December 2011
VION Food Group (non-listed)	1,042,002	Netherlands	Year ended December 2011
Nippon Meat Packers, Inc.	1,017,784	Japan	Year ended March 2012
Smithfield Foods, Inc.	1,002,965	U.S.A.	Year ended April 2011
Marfrig Alimentos S.A.	992,504	Brazil	Year ended December 2011
Danish Crown Group	763,889	Denmark	Year ended September 2011
Hormel Foods Corporation	648,890	U.S.A.	Year ended October 2011
Charoen Pokphand Foods PCL.	550,284	Thailand	Year ended December 2011

Food Industry (Japan)



Major Domestic Food Companies based on Net Sales	Millions of Yen		Fiscal Year Reported
	Net Sales	Operating Income	
Kirin Holdings Co., Ltd.	2,071,774	142,864	Year ended December 2011
Japan Tobacco Inc.	2,033,825	459,180	Year ended March 2012
Suntory Holdings Ltd. (non-listed)	1,802,791	114,161	Year ended December 2011
Asahi Group Holdings, Ltd.	1,462,736	107,190	Year ended December 2011
Ajinomoto Co., Inc.	1,197,313	72,584	Year ended March 2012
Meiji Holdings Co., Ltd.	1,109,275	20,189	Year ended March 2012
Nippon Meat Packers, Inc.	1,017,784	26,513	Year ended March 2012
Yamazaki Baking Co., Ltd.	932,794	28,677	Year ended December 2011
Maruha Nichiro Holdings, Inc.	816,121	16,431	Year ended March 2012
Morinaga Milk Industry Co., Ltd.	578,299	13,184	Year ended March 2012

Fresh Meats Industry (Japan)



Major Domestic Fresh Meats Companies based on Net Sales	Millions of Yen		Fiscal Year Reported
	Net Sales	Operating Income	
Nippon Meat Packers, Inc.	1,017,784	26,513	Year ended March 2012
Itoham Foods Inc.	447,399	2,880	Year ended March 2012
Prima Meat Packers, Ltd.	271,222	7,327	Year ended March 2012
Starzen Co., Ltd.	259,399	2,677	Year ended March 2012
Marudai Food Co., Ltd.	204,127	5,906	Year ended March 2012
Yonekyu Co., Ltd.	140,796	1,717	Year ended February 2012
S Foods Inc.	134,236	4,804	Year ended February 2012
Hayashikane Sangyo Co., Ltd.	48,314	614	Year ended March 2012
Fukutome Meat Packers, Ltd.	28,747	515	Year ended March 2012
Takizawa Ham Co., Ltd.	28,093	152	Year ended March 2012

Notes: 1. Operating results are taken from published financial data for the most recent fiscal year, with the exception of JBS S.A. and Brasil Foods S.A., for which pro forma figures are used for comparison purposes only.

2. Net sales for companies outside of Japan are translated into yen at the closing rate as of March 31, 2012.

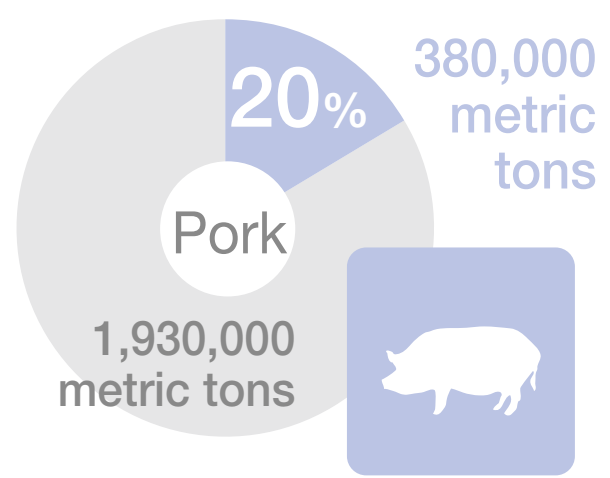
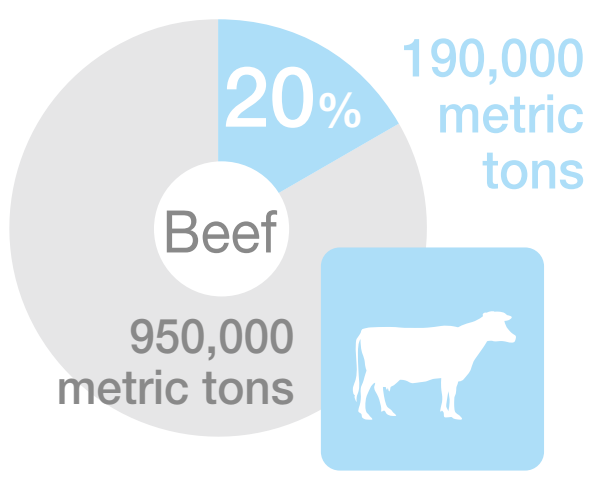
3. Japan Tobacco Inc. uses International Financial Reporting Standards (IFRS).

4. Based on Nippon Meat Packers data.

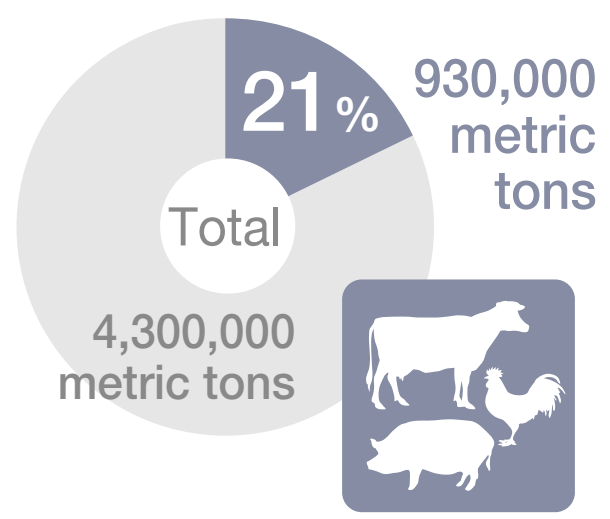
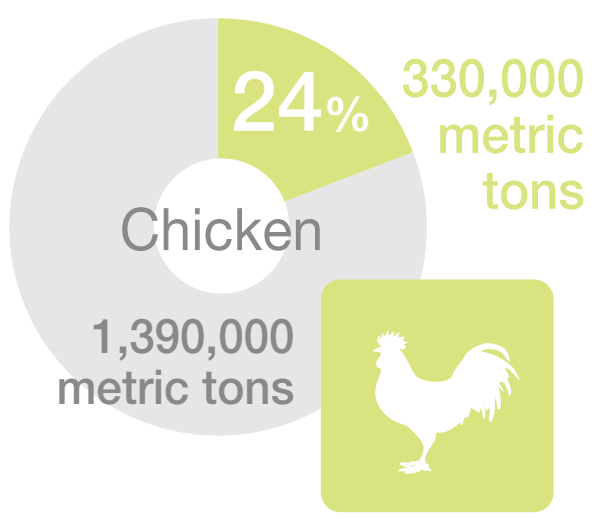
Fresh Meats Sales Market Shares

*Domestic market shares by sales volume in fresh meats (domestic and imported)

Top integrator in all three key livestock species



Top market share



Including other fresh meats

(Based on Nippon Meat Packers data as of March 2012)