

(Translation)

January 31, 2014

To whom it may concern:

Name of the Company: Nippon Meat Packers, Inc.  
Representative: Noboru Takezoe  
President and Representative Director  
(Code No. 2282, First Section of the Tokyo Stock Exchange)  
Person to contact: Shigeru Nakajima  
General Manager of  
Public Relations & IR Department

**Notice of Capital Increase by Consolidated Subsidiary in Australia and the Recording of an Extraordinary Income and an Extraordinary Loss (Non-Consolidated)**

Nippon Meat Packers, Inc. (the "Company"), at the meeting of its Board of Directors held on January 31, 2014, adopted a resolution to underwrite the entire capital increase of A\$80,000,000 (7,150 million yen\*) by its consolidated subsidiary in Australia Nippon Meat Packers Australia Pty. Ltd. ("NMPA"). Consequently, notice is hereby given that an extraordinary income and an extraordinary loss are expected to be recorded in its non-consolidated financial statements for the current fiscal year, as described below:

Description

1. Recording of an extraordinary income and an extraordinary loss:

(1) Recording of an extraordinary income:

Reversal of allowance for doubtful receivables: 7,150 million yen

The Company, which has recorded a loan receivable from NMPA as an allowance for doubtful receivables, will, with regard to the amount in the allowance for doubtful receivables equivalent to the capital increase to be underwritten by the Company, record a reversal of allowance for doubtful receivables in 7,150 million yen as an extraordinary income.

(2) Recording of an extraordinary loss:

Valuation loss on investments in associated companies: 7,150 million yen

As described above, the Company has determined to underwrite the capital increase by NMPA. However, the real prices of the stock of the subsidiary have continued to decline. Accordingly, the Company will record a valuation loss of 7,150 million yen on investments in associated companies as an extraordinary loss.

2. Content of the capital increase:

(1) Reason for the capital increase:

NMPA had a deficiency of net assets in A\$70,086,000 for the fiscal year ended March 31, 2013 due to the recent drought in Australia, higher market and a higher Australian dollar, among others. The capital increase is contemplated to resolve excessive debt of the subsidiary and bolster its capital.

(2) Outline of the consolidated subsidiary that will increase its capital:

- (i) Trade name: Nippon Meat Packers Australia Pty. Ltd.
- (ii) Representative: President and Director: Shigeru Sawada
- (iii) Location: Level 8, Elizabeth Plaza, North Sydney, NSW 2060, Australia
- (iv) Date of incorporation: January 1978
- (v) Business: Purchase and sale of fresh meats
- (vi) Fiscal year end: March 31
- (vii) Number of employees: 34 persons (as of March 31, 2013)
- (viii) Capital stock: A\$26,500,000
- (ix) Number of issued shares: 26,500,000 shares
- (x) Shareholding ratio: Nippon Meat Packers, Inc. 100%

(3) Content of the capital increase:

- (i) Class of shares: Shares of common stock
- (ii) Number of shares to be issued: 80,000,000 shares
- (iii) Issue price: A\$1 per share
- (iv) Total issue prices: A\$80,000,000
- (v) Underwriter: To be underwritten by the Company in entirety
- (vi) Payment date: February 24, 2014 (expected)
- (vii) Change in the number of issued shares as a result of the capital increase:
  - Total number of issued shares at present: 26,500,000 shares
  - Number of shares to be increased by the capital increase: 80,000,000 shares
  - Total number of issued shares after the capital increase: 106,500,000 shares

3. Future outlook:

As the amount of the extraordinary income associated with the underwriting of the capital increase of NMPA is equivalent to that of the extraordinary loss, there will be no effect on the non-consolidated business results of the Company. Neither will the recording of the extraordinary income and the extraordinary loss in its non-consolidated financial statements have any effect on its consolidated business results.

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\* Translated into the Japanese yen at the posted middle rate of A\$1 = 89.38 yen publicized by The Bank of Tokyo-Mitsubishi UFJ Ltd. on January 30, 2014.