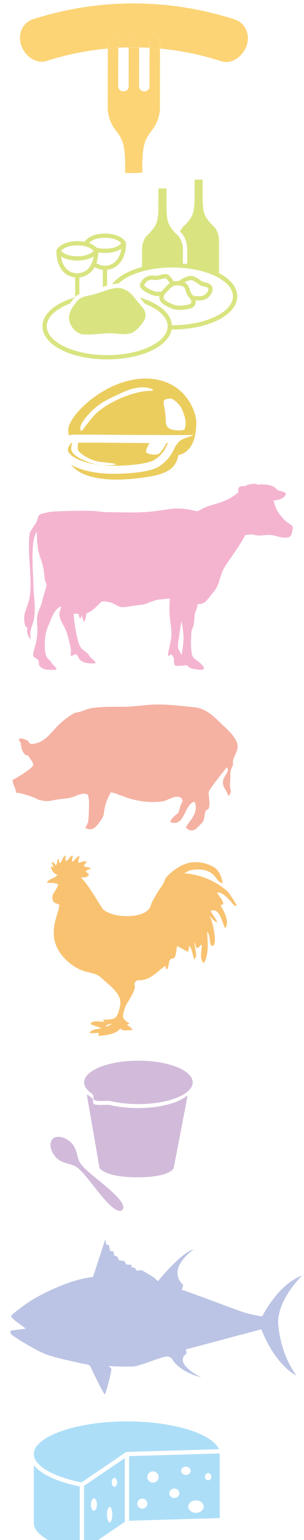
Nippon Ham Group

Nippon Meat Packers, Inc.

Annual Report 2013

Year Ended March 31, 2013



Management for

No.1 Quality

Establishing a progressive corporate culture dedicated to ensuring product quality and customer satisfaction

Corporate Philosophies

1. Under the basic theme of “Joy of Eating,” our company creates a culture that marks an epoch and contributes to society.
2. Our company is a place where employees can feel truly happy and fulfilled.

Management Principles

1. Act with noble ideals and the determination to achieve them.
2. Learn from others, teach others, and be willing to be taught by others.
3. Create the times by meeting the needs of the times.
4. Expand relationships through quality and service, and take responsibility for all people with whom we have relationships.
5. Strive for a highly functional organization.

The Nippon Ham Group’s Brand Statement

The Brilliance of People for the Future of Food

The Nippon Ham Group Brand Pledges

We aspire to share the pleasures of good eating and the joys of health
with people around the world.

We pledge to impart the “Joy of Eating” with the greatest of care,
through products that reflect our appreciation of the bounty of nature
and our uncompromising commitment to quality,
and to remain at the forefront in our exploration of
food’s contribution to a happy and healthy life.

Nippon Ham Group

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Forward-Looking Statements

This annual report includes forecasts regarding targets, strategies, and earnings. These forecasts are based on information available at the current time and contain certain assumptions about the future. They are subject to numerous external uncertainties in areas such as the economic environment, market trends, and exchange rates. Actual performance may differ significantly from the targets in this presentation, and investment decisions should not be based exclusively on them.

Helping to fulfill "The Brilliance of People for the Future of Food" by imparting the "Joy of Eating"

Reflecting on the past year, it seems clear that Japan still needs to overcome several challenges for its economy to recover. These include a worldwide economic downturn stemming from the financial crisis in Europe, as well as surging grain prices. In addition, trade liberalization, notably through the Trans-Pacific Strategic Economic Partnership Agreement and free trade agreements, population changes, and other developments are transforming global supply and demand trends.

Competition in the food industry has intensified amid rising prices for crude oil, materials, grains, and other resources, and such factors as the growth of private brand products and evolving consumer buying patterns.

Against this backdrop, the Nippon Ham Group tackled various management challenges to realize its New Medium-Term Management Plan Part IV, launched in April 2012, which aims to "Improve the profitability of domestic operations and reinforce the foundation of overseas operations." We steadily implemented measures for the three management policies of this initiative, which are to "Brush up the concept of Management for No. 1 Quality," "Allocate management resources in prioritized areas," and "Enhance the Group brand value." We expect the operating climate to be even more challenging in the current fiscal year. All Group employees will nonetheless strive concertedly in keeping with our corporate philosophy to pursue our goals and drive further growth. By delivering the joy of eating under our Group Brand Pledges, we will help realize "The Brilliance of People for the Future of Food."

We look forward to your ongoing encouragement and support for the development of the Group's business.

July 2013

Hiroshi Kobayashi

Hiroshi Kobayashi
Chairman and Representative Director

Overview of Medium-Term Management Plan and Performance of Key Indicators

The fiscal year ending March 31, 2014 will be the second year of the New Medium-Term Management Plan Part IV. We will draw on our achievements in the first year of this plan to continue forging ahead in our efforts to keep with the plan's priorities of "Improving the profitability of domestic operations and reinforcing the foundation of overseas operations." Below, we present the Group's objectives and management plans.

Nippon Ham Group's Objectives

Corporate value improvement by continuous reform and challenge

New Medium-Term Management Plan Part II

April 2006 to March 2009

Solidifying domestic operations and becoming a global enterprise

New Medium-Term Management Plan Part III

April 2009 to March 2012

Improve profitability of domestic operations and reinforce the foundation of overseas operations

New Medium-Term Management Plan Part IV

April 2012 to March 2015

Overseas sales to be at least 10% of total

Target Profile

Among top five food companies in Japan

Among top three fresh meat companies globally

A globalized, diversified enterprise specializing in proteins

Ensure capex does not outstrip depreciation and amortization, strengthen financial fundamentals

Generate cash flow by building market share, invest in new growth businesses

Part II Results

Net sales	¥1,028.4 billion
Operating income	¥21.4 billion
Operating income ratio	2.1%
ROE (after tax)	0.6%

Part III Results

Net sales	¥1,017.8 billion
Operating income	¥26.5 billion
Operating income ratio	2.6%
ROE (after tax)	4.1%

Part IV Targets

Net sales	¥1,080.0 billion
Operating income	¥43.0 billion
Operating income ratio	4.0%
ROE (after tax)	7.0%

Operating income ratio exceeding 5.0% and ROE exceeding 8.0%

Note: Figures are for the final fiscal years of each Part.

Management Policies

Brush up the concept of Management for No. 1 Quality

- Enhance the quality of products and quality of management
- Continue to strengthen compliance and governance

Ongoing development of the Group

Improve profitability of domestic operations and reinforce the foundation of overseas operations

Allocate management resources in prioritized areas

- Inject management resources into business expansion measures
- Rearrange and restructure the business portfolio

Allocate management resources in prioritized areas and reinforce management efficiency

Enhance the Group brand value

- Strengthen communications in and outside of the Group
- Promote Group brand management

Enhance the Group brand value and corporate value

Overview of Medium-Term Management Plan and Performance of Key Indicators (Consolidated)

Statements of Income

(Billions of Yen)	Fiscal 2012 Target	Fiscal 2012 Actual	Fiscal 2012 Percentage result	Fiscal 2013 Target	Fiscal 2014 Target
Net sales	¥1,040.0	**¥1,022.8**	98.3%	¥1,060.0	¥1,080.0
Operating income	¥ 30.0	**¥ 28.0**	93.3%	¥ 34.0	¥ 43.0
Income before income taxes and equity in earnings of associated companies	¥ 23.0	**¥ 28.0**	121.7%	¥ 30.0	¥ 38.0
Net income	¥ 12.0	**¥ 16.5**	137.5%	¥ 17.0	¥ 22.0
Operating income ratio	2.9%	**2.7%**	—	3.2%	4.0%

Key Factors

Net income

Jumped 41.2%, to ¥16.5 billion, on higher income before income taxes and equity in earnings of associated companies and lower taxes.

Balance Sheets, Cash Flows, Capital Expenditures, and Depreciation and Amortization

(Billions of Yen)	Fiscal 2011 Actual	**Fiscal 2012 Actual**	Fiscal 2014 Target
Total assets	¥589.1	**¥610.3**	¥610.0
Interest-bearing debt	¥139.2	**¥149.8**	¥120.6
Shareholders' equity	¥290.0	**¥293.4**	¥325.2
ROE (after tax)	4.1%	**5.6%**	7.0%

(Billions of Yen)	New Medium-Term Management Plan Part III (Three-year total)	**Fiscal 2012 Actual**	New Medium-Term Management Plan Part IV (Three-year total)
Cash flow from operating activities	¥130.6	**¥37.4**	¥ 134.0
Cash flow from investing activities	¥ (41.6)	**¥(54.8)**	¥(113.0)
Free cash flow	¥ 89.0	**¥(17.4)**	¥ 21.0
Cash flow from financing activities	¥ (65.9)	**¥(11.0)**	¥ (34.9)

(Billions of Yen)	New Medium-Term Management Plan Part III (Three-year total)	**Fiscal 2012 Actual**	New Medium-Term Management Plan Part IV (Three-year total)
Capital Expenditures	¥56.5	**¥33.3**	¥100.0
Depreciation and Amortization	¥72.3	**¥19.3**	¥ 70.0

Key Factors

ROE: 5.6%

Rose 1.5 percentage points, to 5.6%, largely reflecting a rise in net income and the acquisition of treasury stock.

Cash flow from operating activities: ¥37.4 billion

Net cash provided by operating activities was ¥37.4 billion, largely owing to increases in net income, depreciation and amortization, and trade payables.

Cash flow from investing activities: ¥(54.8) billion

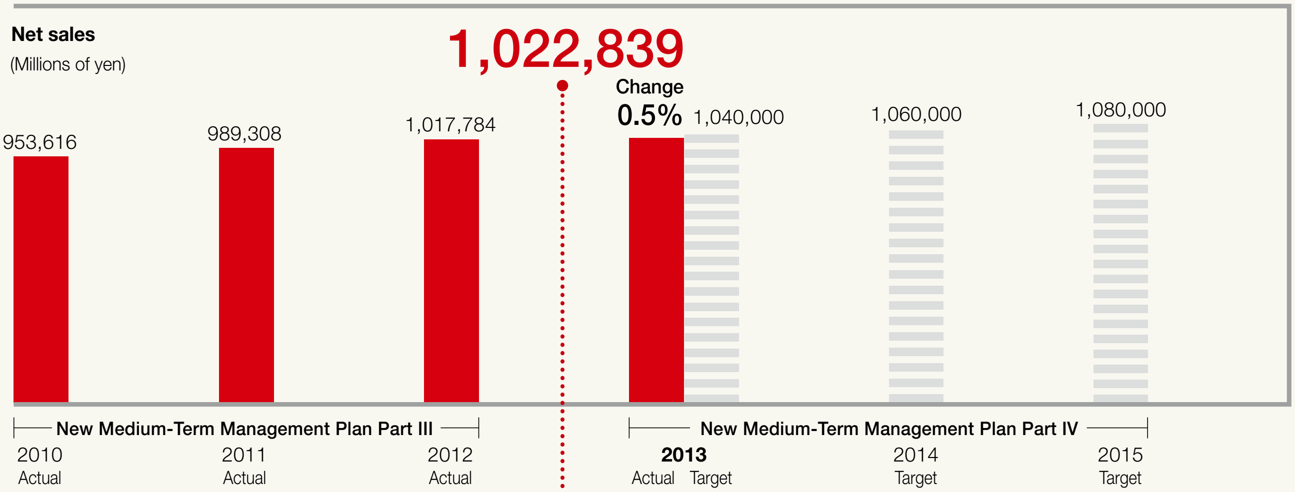
Net cash used in investing activities was ¥54.8 billion, largely owing to increases in capital expenditures and in short-term investments.

Cash flow from financing activities: ¥(11.0) billion

Net cash used in financing activities was ¥11.0 billion, largely owing to repayments of debt and the acquisition of treasury stock.

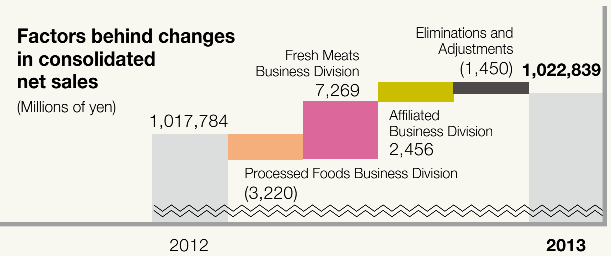
Capital Expenditures: ¥33.3 billion

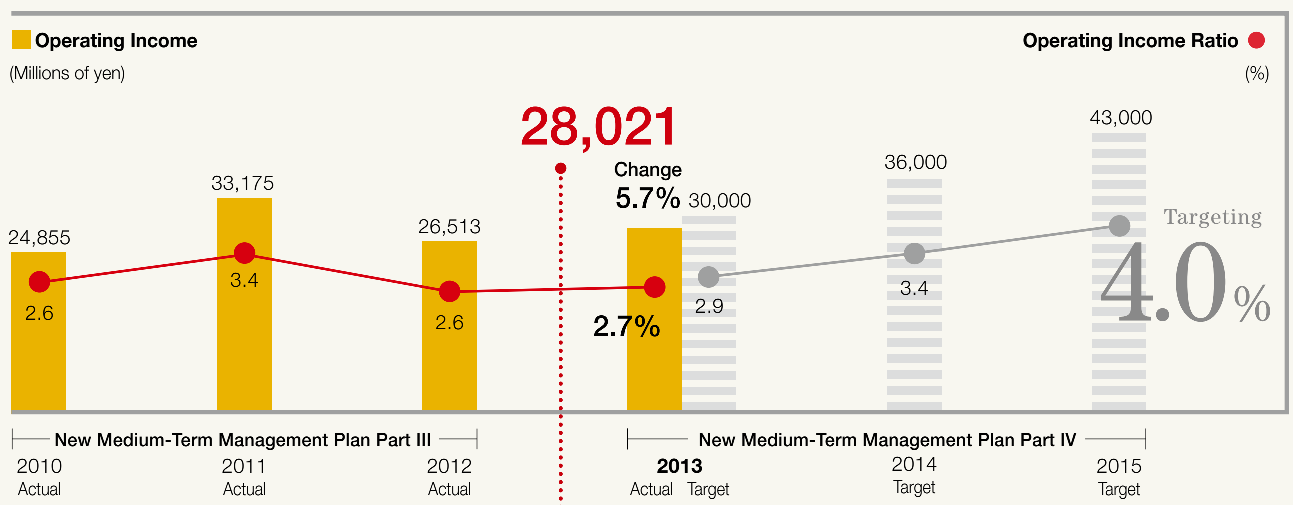
Capital expenditures were up 70.8%, to ¥33.3 billion, due to investments in production, sales and distribution, and farm and processing facilities.



Key Factors

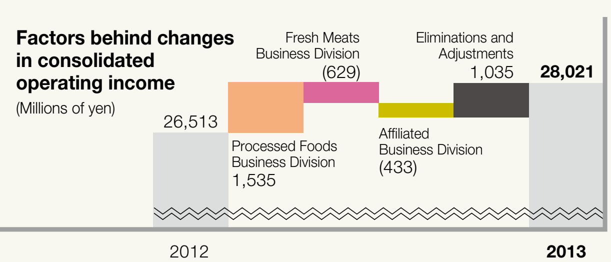
Despite an adverse operating climate due to lower prices for domestically produced pork and chicken and intensified sales competition, net sales advanced 0.5%, to ¥1,022.8 billion.





Key Factors

Cost-cutting and supply chain management efforts in the Processed Foods Business offset lower earnings in the Fresh Meats Business, from a downturn in domestic fresh meat prices, boosting operating income 5.7%, to ¥28.0 billion.

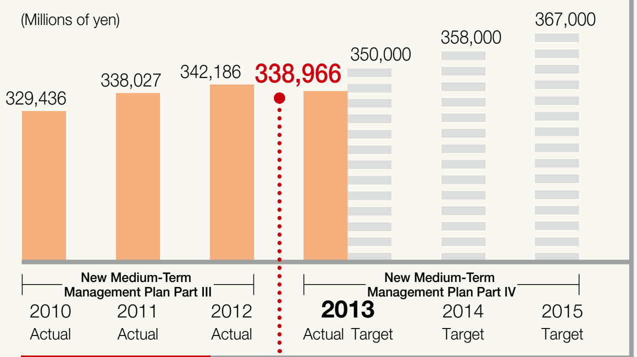


Overview of Medium-Term Management Plan and Performance of Key Indicators (by Segment)

Processed Foods Business Division

Sales

(Millions of yen)

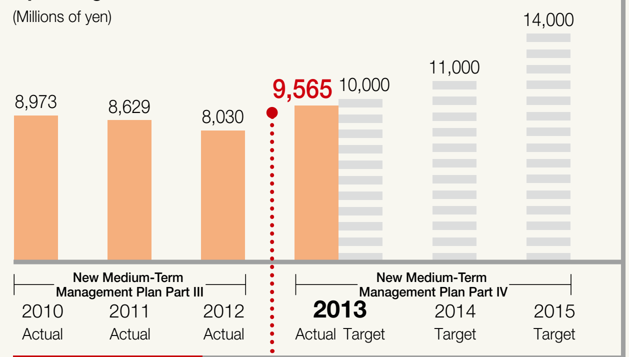


Key Factors Sales down **0.9**%

Sluggish growth in commercial offerings offset solid demand for new and core offerings as a result of aggressive sales promotions.

Operating Income

(Millions of yen)

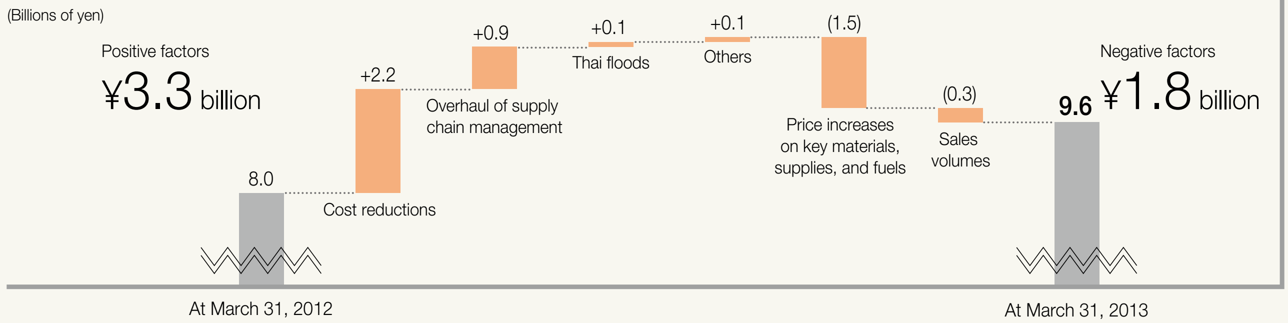


Key Factors Operating income up **19.1** %

We offset higher fuel and materials expenses by lowering costs and overhauling supply chain management, thereby enhancing earnings.

Operating Income Factors

(Billions of yen)



Sales of Core Consumer Brands Compared with the Previous Fiscal Year

Hams and Sausages	*SCHAU ESSEN* series	103%
	Loin Ham series	95%
	Bacon series	104%
	Grilled pork series	123%
Deli & Processed Foods	*Ishigama Kobo* series	104%
	Chuka Meisai series	101%
	Prefried series	90%
	Hamburg and meatball series	125%
	Curry series	107%

Sales by Channel Compared with the Previous Fiscal Year

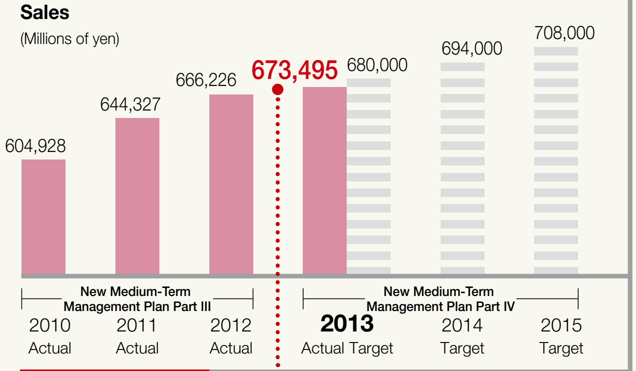
	Consumer	Commercial	Total
Hams and Sausages	103%	102%	102%
Deli & Processed Foods	102%	93%	97%

Sales of Gift Products

	Fiscal 2012 (Thousand units)	Change
Summer gifts	2,026	101%
Year-end gifts	4,759	99%
Total	6,785	100%

Fresh Meats Business Division

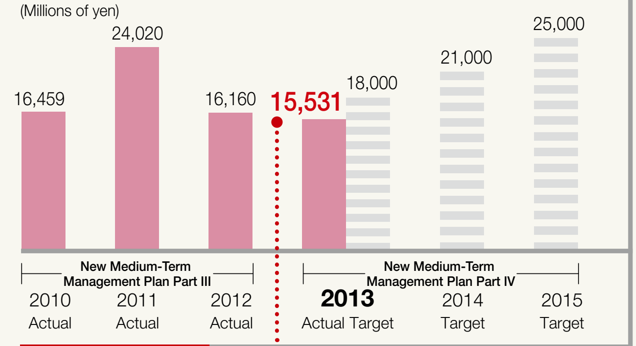
Sales
(Millions of yen)



Key Factors Sales up **1.1**%

With fresh meat prices generally sluggish, sales rose as increased volumes offset falling unit prices.

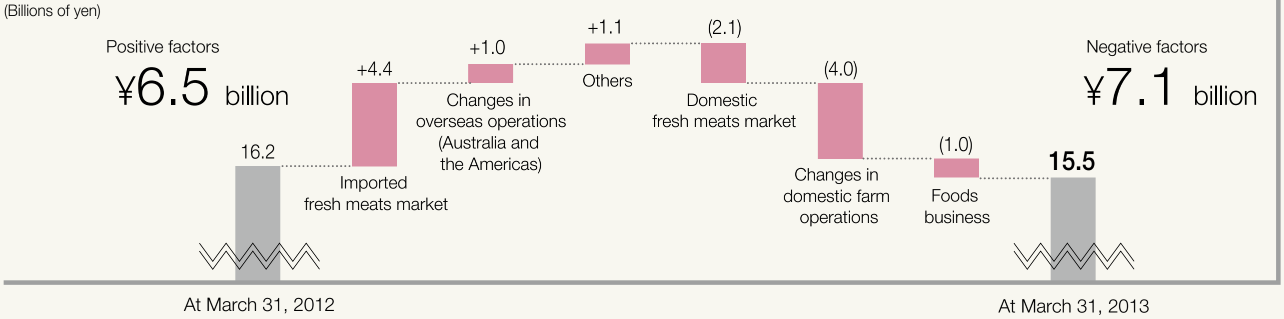
Operating Income
(Millions of yen)



Key Factors Operating income down **3.9**%

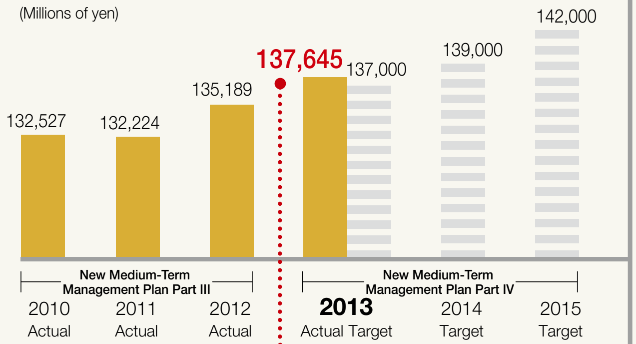
Operating income declined owing to an ongoing downturn in domestic fresh meat prices and because of the impact of a major drought in the United States.

Operating Income Factors
(Billions of yen)



Affiliated Business Division

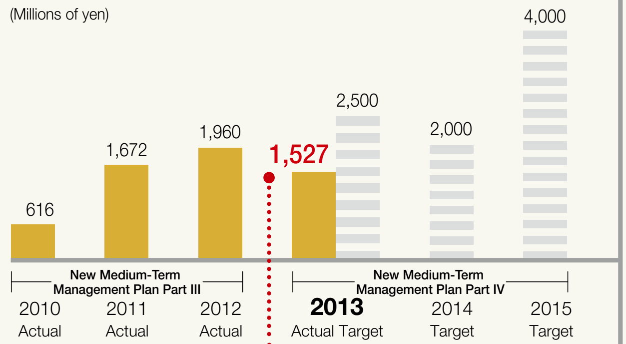
Sales
(Millions of yen)



Key Factors Sales up **1.8**%

Sales rose only slightly in the marine products business because of lower unit prices. The dairy products business expanded steadily.

Operating Income
(Millions of yen)



Key Factors Operating income down **22.1**%

The increased profitability of the dairy products business offset lower earnings in the marine products business, owing to lower margins and higher costs.

Ten-Year Summary

Nippon Meat Packers, Inc. and Subsidiaries
For the Years Ended March 31

	2013	2012	2011	2010	2009	2008
Net Sales	**¥1,022,839**	¥1,017,784	¥ 989,308	¥ 953,616	¥1,028,449	¥1,029,694
Operating Income	**28,021**	26,513	33,175	24,855	21,417	17,769
Income from Continuing Operations before Income Taxes and Equity in Earnings (Losses) of Associated Companies	**28,031**	26,766	29,523	24,024	6,287	7,760
Net Income Attributable to Nippon Meat Packers, Inc.	**16,459**	11,655	16,731	15,721	1,657	1,555
Total Assets	**610,293**	589,125	590,688	604,201	583,684	608,809
Total Nippon Meat Packers, Inc. Shareholders' Equity	**293,414**	290,020	281,067	271,908	270,439	287,457
Interest-Bearing Debt	**149,821**	139,187	155,263	187,585	168,950	183,539
Net Cash Provided by (Used in) Operating Activities	**37,407**	26,432	36,761	67,448	37,776	29,690
Net Cash Provided by (Used in) Investing Activities	**(54,813)**	9,750	8,745	(60,134)	(15,397)	(26,793)
Free Cash Flow	**(17,406)**	36,182	45,506	7,314	22,379	2,897
Net Cash Provided by (Used in) Financing Activities	**(10,964)**	(23,745)	(36,951)	(5,227)	(24,761)	7,451
Capital Expenditures	**33,285**	19,487	17,189	19,754	22,148	18,627
Depreciation and Amortization	**19,323**	23,756	24,115	24,408	24,000	23,939

Per Share Amounts						
Basic Earnings per Share Attributable to Nippon Meat Packers, Inc. Shareholders	**¥ 79.42**	¥ 54.79	¥ 78.67	¥ 69.69	¥ 7.26	¥ 6.81
Diluted Earnings per Share Attributable to Nippon Meat Packers, Inc. Shareholders	**¥ 71.44**	¥ 49.40	¥ 70.92	¥ 68.99	¥ 7.25	¥ 6.80
Total Nippon Meat Packers, Inc. Shareholders' Equity	**¥1,474.60**	¥1,363.34	¥1,321.37	¥1,278.83	¥ 1,185.25	¥ 1,259.74
Cash Dividends	**¥ 24.00**	¥ 18.00	¥ 16.00	¥ 16.00	¥ 16.00	¥ 16.00

Financial Indicators						
Ratio of Operating Income to Net Sales	**2.7%**	2.6%	3.4%	2.6%	2.1%	1.7%
Return on Equity (ROE)	**5.6%**	4.1%	6.1%	5.8%	0.6%	0.5%
Return on Assets (ROA)	**4.7%**	4.5%	4.9%	4.0%	1.1%	1.3%
Nippon Meat Packers, Inc. Shareholders' Equity Ratio	**48.1%**	49.2%	47.6%	45.0%	46.3%	47.2%

Debt/Equity Ratio	**0.51**	0.48	0.55	0.69	0.62	0.64
Interest Coverage Ratio	**22.8**	14.5	17.0	31.6	15.0	11.0

			Millions of Yen	Thousands of U.S. Dollars
2007	2006	2005	2004	**2013**
¥ 975,466	¥ 962,369	¥ 933,471	¥ 926,019	**$10,881,266**
16,533	10,181	27,270	23,625	**298,096**
13,835	2,550	22,552	19,708	**298,202**
11,386	952	11,839	10,641	**175,095**
612,933	591,426	611,250	610,663	**6,492,479**
298,428	291,580	268,621	262,096	**3,121,426**
171,211	169,701	167,019	179,797	**1,593,841**
33,164	(21,793)	34,679	35,040	**397,947**
(19,740)	(16,661)	(23,530)	(7,084)	**(583,117)**
13,424	(38,454)	11,149	27,956	**(185,170)**
(6,322)	(1,745)	(18,145)	(41,113)	**(116,638)**
19,441	20,996	27,193	19,626	**354,096**
22,975	23,731	22,954	24,336	**205,564**

			Yen	U.S. Dollars
¥ 49.89	¥ 4.17	¥ 51.86	¥ 46.61	**$ 0.84**
¥ 49.83	¥ 4.17	¥ 51.85	¥ 46.32	**$ 0.76**
¥1,307.77	¥1,277.41	¥1,176.72	¥1,147.95	**$ 15.69**
¥ 16.00	¥ 16.00	¥ 16.00	¥ 16.00	**$ 0.26**

			Percent
1.7%	1.1%	2.9%	2.6%
3.9%	0.3%	4.5%	4.2%
2.3%	0.4%	3.7%	3.2%
48.7%	49.3%	43.9%	42.9%

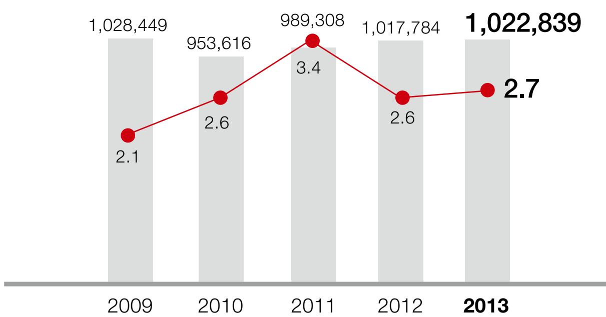
			Times
0.57	0.58	0.62	0.69
11.4	—	13.0	12.2

Notes:
1. The above figures are based on the consolidated financial statements prepared in conformity with accounting principles generally accepted in the United States of America.
2. The United States dollar amounts represent translations of Japanese yen at the rate of ¥94=$1. See Note 1 to the consolidated financial statements.
3. See Note 1 to the consolidated financial statements with respect to the determination of the number of shares in computing the per share amounts attributable to Nippon Meat Packers, Inc. shareholders.
4. The consolidated financial statements for the years ended on or before March 31, 2009, have been reclassified to conform to the presentation requirements in accordance with the Accounting Standards Codification (“ASC”) of the U.S. Financial Accounting Standards Board Topic 810, “Consolidation.”
5. In accordance with ASC Topic 205, “Presentation of Financial Statements,” the Companies present the results of discontinued operations as a separate line item in the consolidated statements of income under income (loss) from discontinued operations—net of applicable income taxes.
6. Operating income represents net sales less cost of goods sold and selling, general and administrative expenses.
7. Interest-bearing debt consists of short-term bank loans, current maturities of long-term debt and long-term debt, less current maturities (including zero coupon convertible bonds) in the consolidated balance sheets.
8. Capital expenditures represent the additions to tangible and intangible fixed assets.
9. Depreciation and amortization consist of depreciation of tangible fixed assets and amortization of intangible fixed assets.
10. ROE = (Net income attributable to Nippon Meat Packers, Inc. / Average total Nippon Meat Packers, Inc. shareholders’ equity) × 100
    ROA = (Income from continuing operations before income taxes and equity in earnings (losses) of associated companies / Average total assets) × 100
    Free Cash Flow = Net cash provided by (used in) operating activities + Net cash provided by (used in) investing activities
    Nippon Meat Packers, Inc. Shareholders’ Equity Ratio = (Nippon Meat Packers, Inc. shareholders’ equity / Total assets) × 100
    Debt/Equity Ratio = Interest-bearing debt / Nippon Meat Packers, Inc. shareholders’ equity
    Interest Coverage Ratio = Net cash provided by operating activities / Interest paid

Consolidated Financial Highlights

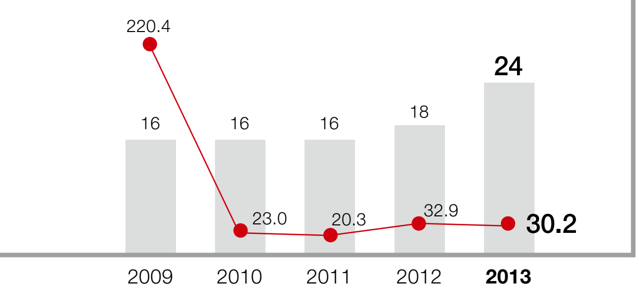
Net Sales **Ratio of Operating Income**

(Millions of Yen) (%)



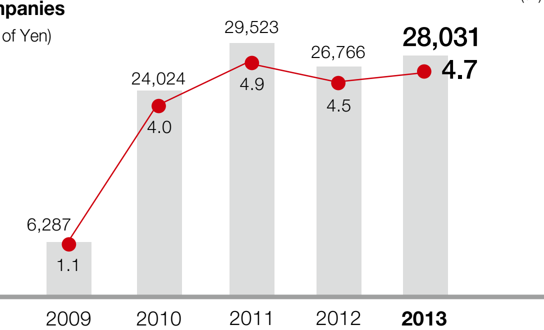
Cash Dividends **Dividend Payout Ratio**

(Yen) (%)



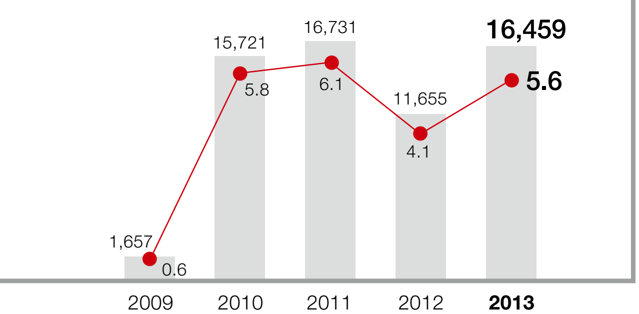
Income from Continuing Operations before Income Taxes and Equity in Earnings (Losses) of Associated Companies **ROA**

(Millions of Yen) (%)



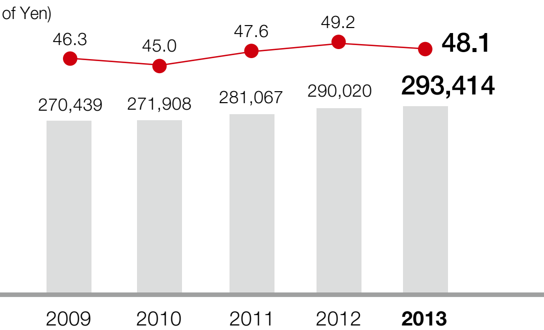
Net Income Attributable to Nippon Meat Packers, Inc. **ROE**

(Millions of Yen) (%)



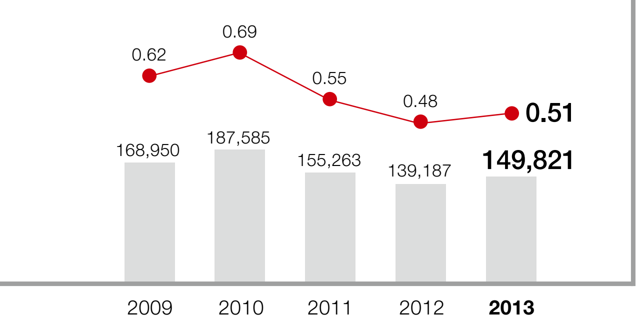
Total Nippon Meat Packers, Inc. Shareholders' Equity **Equity Ratio**

(Millions of Yen) (%)



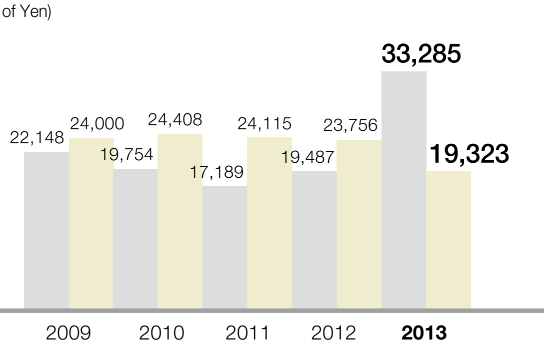
Interest-Bearing Debt **Debt/Equity Ratio**

(Millions of Yen) (Times)



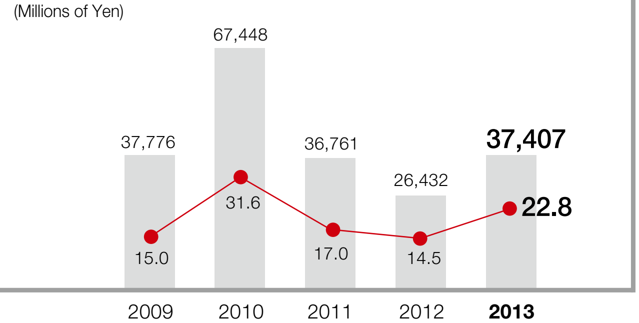
Capital Expenditures **Depreciation and Amortization**

(Millions of Yen)



Net Cash Provided by Operating Activities **Interest Coverage Ratio**

(Millions of Yen) (Times)



Growth Strategy: Progress of Medium-Term Management Plan

Chapter 1

Page

Key messages for the second year of the New Medium-Term Management Plan Part IV

1 External Climate Assessment

- A constantly changing external climate
- Seeking to shield the organization from fluctuations in the external climate

2 Progress in the First Year of New Medium-Term Management Plan Part IV

- Boosting revenues and earnings despite admittedly not reaching operational targets
- Boosting market share through aggressive investments
- Enhancing Group brand value by reinforcing brand strategies

3 Outlook for the Fiscal Year Ending March 31, 2014

- Retaining operating income growth target of ¥6 billion

4 Capital Strategies and Shareholder Returns Policy

- Seek an ROE of 7% and focus on shareholder returns by attaining a consolidated dividend payout ratio of 30%

5 Long-Term Vision

- Become the world leader in delivering the “Joy of Eating”

Noboru Takezoe

Noboru Takezoe
President and Representative Director

1 External Climate Assessment

A Constantly Changing External Climate

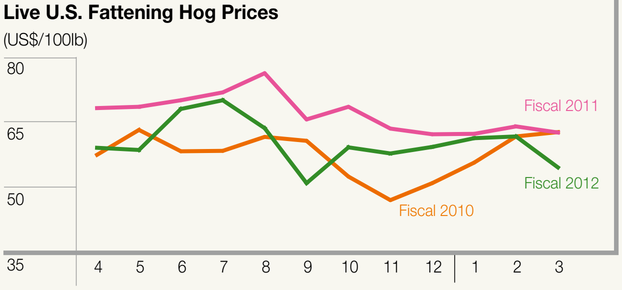
In the fiscal year ended March 31, 2013, the global economy stagnated amid sluggish conditions in Europe owing to its financial crisis and waning demand growth in the Chinese market.

Conditions in our industry have remained adverse as sales competition has intensified amid ongoing deflation, with the gift market slowing as a result of economic stagnation. Price hikes on feed due to a drought in the United States were particularly unexpected. Normally, pork and feed prices rise together, but the supply of pork increased in 2012 because many U.S. farms shipped earlier and shipped more sows, keeping prices low. We look for the market to recover gradually as the numbers of farms and sows decline.

The second half of the fiscal year saw the domestic beef, pork, and chicken markets begin recovering. We expect the domestic fresh meats market to continue turning around in the fiscal year ending March 31, 2014. That said, higher prices of raw materials will probably hamper the operating climate in the processed foods business.

At the same time, the Group should benefit from Japan's relaxation of import restrictions on U.S. beef in February 2013, as we dominate the fresh meats industry, with a market share of around 22%. Japanese demand for American beef tongue and internal organs is particularly high, and we look for imports to increase. Still, we do not think that there will be dramatic increases in imports of such general cuts as ribs and loins, as U.S.-based producers are exporting more to other countries, while low cattle production within the United States is boosting the local market.

Live U.S. Fattening Hog Prices



Source: Agriculture & Livestock Industries Corporation
(all graphs based on average prices)

Seeking to Shield the Organization from Fluctuations in the External Climate

A key challenge for the operations of the Nippon Ham Group is its vulnerability to fluctuating raw materials and feed prices and to conditions in the fresh meats and marine product markets.

One issue in the processed foods business is that much depends on our ability to absorb higher raw materials costs. It is therefore vital to improve our profitability in various ways, such as by deploying high-speed lines to cut manufacturing costs and overhauling supply chain management. We must also tackle the challenges of developing products as successors to our market-dominating *SCHAU ESSEN*.

In the fresh meats business, market conditions tend to shape profitability. The Nippon Ham Group dominates the domestic fresh meats market, with a share of around 22%. By further expanding the share, we will become more robust and less exposed to the external climate. To help expand market share, we will brand more of the fresh meats that we supply. We introduce *Sakurahime* brand chicken for consumers in July 2013 to secure a foothold in that direction.

In the affiliated business, one key to our future is to develop products while absorbing hikes in raw materials costs. Nippon Luna, Inc., will create more products in its solidly performing yogurt business. Hoko Co. Ltd., will apply its expertise in commercial-use cheese, which has driven its growth to date, in consumer products. The Marine Foods Corporation will boost production capacity with products made at its high-added-value factory.

Such efforts should strengthen our organization and make us more adept at tackling changes in the external climate.

2 Progress in the First Year of New Medium-Term Management Plan Part IV

Boosting Revenues and Earnings Despite Admittedly not Reaching Operational Targets

Our operating targets for the fiscal year ended March 31, 2013, the first year of the New Medium-Term Management Plan Part IV, were ¥1,040 billion in net sales and ¥30 billion in operating income. During the fiscal year, however, we posted ¥1,022.8 billion in net sales and ¥28 billion in operating income. While not reaching our operating targets, we boosted net sales by ¥5 billion and operating income by ¥1.5 billion.

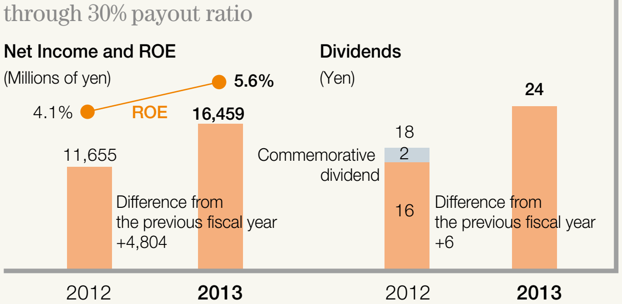
Prime factors behind the revenue shortfall were the impact of feed price hikes from the drought in the United States, as I mentioned earlier, lower unit prices amid a slowdown in the domestic fresh meats market, and flooding at a processed foods plant in Thailand. On the positive side, I note that the plant is again operational. Factors behind our inability to reach our earnings target included decreased shipments of commercial products in the processed foods business and deteriorating profitability in the farm, U.S. hog-raising, and marine products businesses. Net income advanced from ¥11.7 billion in the previous fiscal year, to ¥16.5 billion. Our return on equity rose from 4.1%, to 5.6%.

Brush Up the Concept of Management for No. 1 Quality

We will fine-tune, or brush up, the “Management for No. 1 Quality” by enhancing the quality of our products and the quality of management. The goal here is to ensure ongoing development of the Nippon Ham Group by improving the quality of products as a food business while continuing to reinforce compliance and governance. To enhance product quality, we employ 888 Group quality assurance officers, of whom 729 are in Japan and 159 are overseas. That scale underpins the strength of the Nippon Ham Group brand.

Boosting revenues and earnings despite admittedly not reaching operational targets

Improved net income and ROE and increased dividends through 30% payout ratio



Strengthening of business bases and aggressive development of overseas businesses

Boosted market share by expanding sales volumes

Attained increases of
0.5 percentage point for hams and sausages — 21.5%
and
1.0 percentage point for fresh meats — 22.0%

Created new categories

Such value-added products as the *Mou Kittemasuyo!* series

Restructured businesses in Australia and reinforced approaches to Asian markets

Including Myanmar, the Philippines, Vietnam, and Taiwan

Brush up the concept of Management for No. 1 Quality

- Enhance the quality of products and quality of management
- Continue to strengthen compliance and governance

▶ Ongoing development of the Group

Allocate Management Resources in Prioritized Areas

The Nippon Ham Group's greatest attribute and strength is its vertical integration system, through which it handles everything from production to marketing. As of April 2013, we were growing three key livestock species—cattle, hogs, and chickens—at 498 of our own or partner farms (408 in Japan and 90 overseas). We manufacture at 86 plants (66 in Japan and 20 overseas), and operate 385 logistics and sales locations (356 in Japan and 29 overseas). We are endeavoring to strengthen integration by allocating management resources to these operations. To boost our market share in the fresh meats business, it will be especially important to reinforce our procurement capability in upstream businesses. This is a key focus for management resource allocations.

Procurement and Cultivation of Human Resources

We believe that Groupwide growth will depend heavily on our ability to cultivate the skills of younger and female employees. For that reason, we appointed six new executive officers with an average age of less than 50 and one female senior manager. We cultivate experts through such programs as the Master and Meister systems and our approval setup for quality assurance specialists. During the fiscal year ended March 31, 2013, many more experts passed our tests. In exploring overseas strategies, we need to recruit and cultivate talented people from around the world. During this fiscal year, we increased the number of such personnel by stepping up local hiring and recruiting efforts. We also sent young employees overseas to foster an international perspective so that they can help us build our overseas presence.

Strengthening of R&D and Quality Assurance Systems

As a part of "Management for No. 1 Quality," we are reinforcing research and development and our quality assurance system. The Group's quality assurance system ensures safety by organically linking "Safety Assessments," "Quality Audits," and "Safety Inspections" to deliver safe and secure products to customers. We have reinforced this system by increasing the number of both safety assessments and safety inspections. The Research and Development Center, whose tasks include R&D into quality inspections and inspection techniques, obtained recognized third-party certification under ISO/IEC 17025, an international radioactivity inspection standard, to further enhance credibility. In March 2013, we opened the Tsukuba Analytical Plaza (TAP) as a new testing unit, to reinforce testing and training capabilities.

Cultivation and Commercialization of Business Seeds

We always have bone, skin, and other leftovers from processing pork and chicken that are not fully utilized. The Nippon Ham Group expresses its gratitude for the bounty of nature by doing its best to value resources and minimize waste. For example, we use collagen extracted from pigskins for regenerative medicine. We also use collagen from hogs and chicken for beauty supplements for women and joint supplements. Our health support business is highly profitable, handling functional food materials used in health foods and food inspection kits. We see great potential for transforming this area into a full-fledged business segment.

Boosting Market Share through Aggressive Investments

I consider boosting market share our greatest priority under the New Medium-Term Management Plan Part IV. During the fiscal year ended March 31, 2013, we increased our market shares by 0.5 percentage point in hams and sausages and 1.0 percentage point in fresh meats. Our domestic businesses are progressing as planned. The processed foods business increased sales of such value-added offerings as *Utsukushi-no-Kuni* gift products and enjoyed great success with the *Mou Kittemasuyo!* series. The affiliated business developed a new business area of consumer baby cheese.

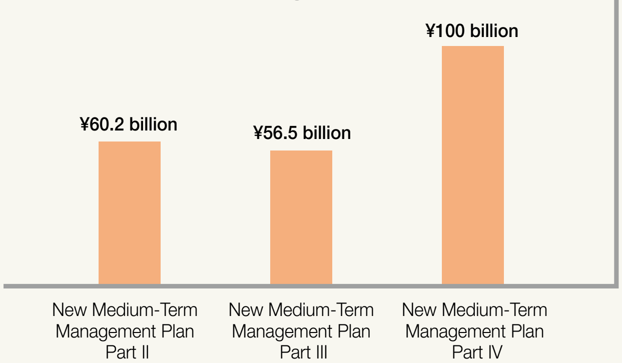
We need to invest heavily to keep raising our market share. Under the New Medium-Term Management Plan Part IV, we plan to invest ¥100 billion over three years as a part of our growth strategy. Specifically, we will allocate capital expenditures of ¥20.5 billion to farms, ¥54 billion to plants, and ¥25.5 billion to sales facilities. In business segment terms, we are allocating funds to deploy high-speed, high-productivity lines for the processed foods business. The goal here is to swiftly enhance productivity by eliminating duplicate lines and reducing labor. In the fresh meats business, we will reinforce procurement by expanding our farms and fresh meat packing plants. In the dairy products business, we will expand production lines for yogurt and baby cheese, for which we look for demand to keep growing. In the marine products business, we will expand cannery capacity. In addition to investing ¥100 billion, we have secured ¥30 billion in development funds that we will harness for mergers and acquisitions and other purposes.

Enhancing Group Brand Value by Reinforcing Brand Strategies

I believe that a strategy of organically linking product, individual company, and Group brands is central to enhancing corporate value. We have numerous products that are category leaders. Yet, few consumers know that these products come from the Nippon Ham Group. We will push ahead with Group brand management to drive sales by conveying to consumers that such offerings come from us, enhancing reliability and trust in our products in the process. As a part of these efforts, we will systemize product, company, and Group brands. We will therefore need to deploy external and internal marketing while engaging in relationship marketing to maintain ties with customers and social marketing to build bonds with the community at large. To deploy Groupwide initiatives in these four areas, we inaugurated the Corporate Strategic Task Force, which reports directly to the president. That entity spearheads Groupwide branding by reinforcing internal and external communications and enhancing Group synergies so that we can boost corporate value.

Expanding investment framework for business growth

Plans to significantly exceed capital expenditures under the New Medium-Term Management Plan Parts II and III



Expand investment framework as growth strategy for competitive dominance

Domestic			Overseas	
Number of bases	Investment (Billions of yen)		Investment (Billions of yen)	Number of bases
408	19.0	Farms	1.5	90
66	49.0	Plants	5.0	20
356	25.0	Logistics and sales	0.5	29
		¥100 billion		

3 Outlook for the Fiscal Year Ending March 31, 2014

Retaining Operating Income Growth Target of ¥6 Billion

Our targets for the fiscal year ending March 31, 2014, which is the second year of the New Medium-Term Management Plan Part IV, are ¥1,060 billion in net sales and ¥34 billion in operating income. Although we have retained our initial sales target, we lowered our operating income target by ¥2 billion from an original ¥36 billion. Still, we look to boost operating income to ¥6 billion above the ¥28 billion posted in the previous fiscal year. We have thus retained our growth target. For the fiscal year ending March 31, 2015, the final year of the New Medium-Term Management Plan Part IV, we seek to generate ¥43 billion in operating income target, as initially projected.

- For the Processed Foods Business Division, our outlooks and major plans for the fiscal year ending March 31, 2014, are as follows.

- We expect prices of key raw materials, supplies, and fuels to increase, so we will revise our prices, mainly of major consumer products, from July 2013 by changing specifications (weights).
- Deepen ongoing overhaul of supply chain management to further improve efficiencies and cost effectiveness.
- Looking to increase sales of hams and sausages, and deli food products by creating hot selling items.

Operating income for the fiscal year ending March 31, 2014

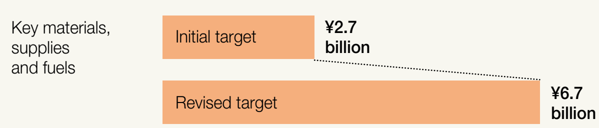
Target: ¥34 billion (down ¥2 billion from initial target)

Fiscal year ended March 31,	2013		2014
Initial target:	¥30 billion	(¥6 billion increase)	¥36 billion
New target:	¥28 billion	(¥6 billion increase)	¥34 billion

No change in gain (¥6 billion)

Effects of raw material price hikes and price revisions

Differences from initial targets

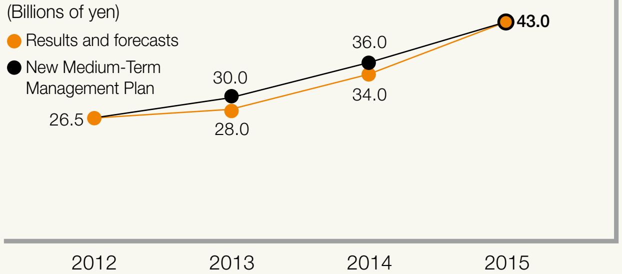


Raw materials and supplies:
An estimated ¥4 billion higher than initially projected

▶ Cover by cutting costs and revising prices

Outlook under the New Medium-Term Management Plan (Operating Income)

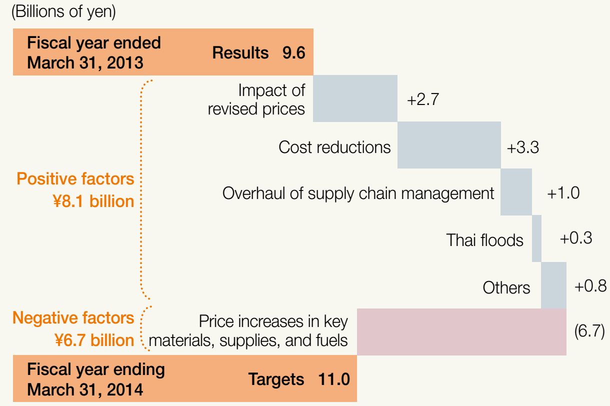
(Billions of yen)



Processed Foods Business Division
Fiscal year ending March 31, 2014

Factors in changes in full-year targets (operating income)

(Billions of yen)



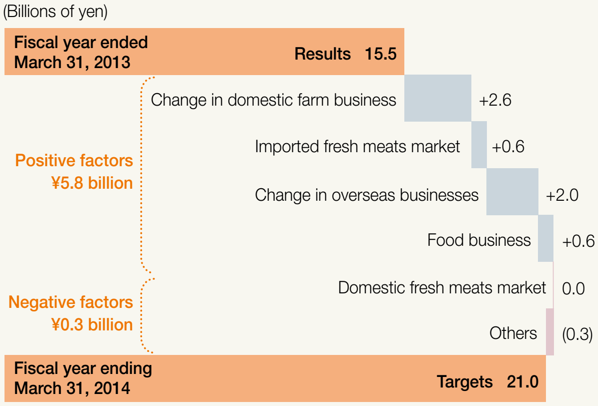
● For the Fresh Meats Business Division, our outlooks and major plans for the fiscal year ending March 31, 2014, are as follows.

- Promote branding of three domestic livestock species (beef, pork, and chicken). Develop added-value products that are less vulnerable to fluctuations in the fresh meats market.
- Reinforce domestic farm businesses. Improve net revenues by increasing the number of chickens and productivity for chicken and pork.
- With regard to imported fresh meats, stabilize net revenues for chicken and expand sales of chilled pork and beef.
- Improve net revenues in Australian operations by expanding products for Japan, notably Whyalla beef, instituting production reforms, expanding sales to Southeast Asia, and undertaking other measures.
- In the food business, expand market share among volume retailers. Expand overall shipments by 5% year on year.

Fresh Meats Business Division
Fiscal year ending March 31, 2014

Factors in changes in full-year targets (operating income)

(Billions of yen)



● For the Affiliated Business Division, our outlooks and major plans for the fiscal year ending March 31, 2014, are as follows.

Sales Expansion Measures for the Marine Products Business

The Marine Foods Corporation

- Expand domestic in-house brand sales by reinforcing product development.
- Increase market share with volume retailers by boosting sales of key products made from shrimp and salmon.
- Increase sales of seafood for sushi by engaging in proposal-based sales to sushi restaurants.

Hoko Co., Ltd.

- In the marine products business, reinforce our downstream strategy, notably for volume retailers and restaurant channels.
- For the canned ambient storage foods business, greater production capacity at the Hachinohe Factory should boost sales of that facility's offerings.

Sales Expansion Measures for Dairy Products

Cheese

- Expand sales by strengthening proposal-based sales to major sales channels.
- Boost sales of consumer products by strengthening product lineups.

Yogurt

- Bolster offerings for convenience stores, especially cup-type beverages, and reinforce development of our own product brand.
- Leverage the key Vanilla Yogurt brand lineup to capture demand from volume retailers.

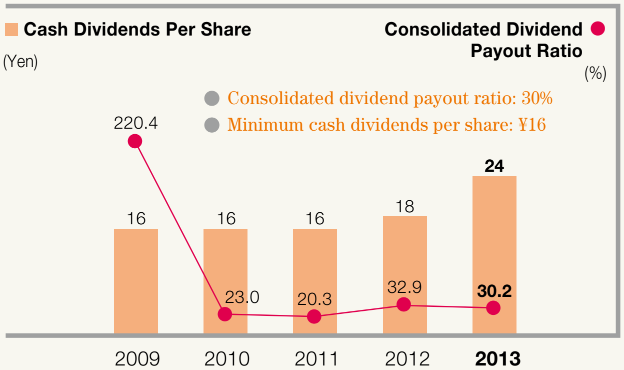
4 Capital Strategies and Shareholder Returns Policy

Seek an ROE of 7% and Focus on Shareholder Returns by Attaining a Consolidated Dividend Payout Ratio of 30%

In April 2012, we became the first in the domestic fresh meats industry to adopt return on equity (ROE) as a management benchmark. This move stemmed from rediscovering the importance of this financial indicator through our long-term investor relations efforts. Elements in improving ROE are the operating income ratio, total asset turnover, and financial leverage. I consider it especially important to improve operating income. By increasing the operating income ratio to 4%, the net profit margin would be 2%; and multiplying the total asset turnover of 1.8 by the financial leverage of 1.95 would result in an ROE of 7%. At the same time, we would compress total assets and acquire treasury stock to improve the overall rate of return. Also, we set up a new capital expenditure budget and business exit standards to help optimize capital efficiency.

Over the years, the Nippon Ham Group's basic dividend policy has been to deliver stable, long-term returns. Since deploying the New Medium-Term Management Plan Part IV, however, we have clarified our dividend policy, which is now to deliver a consolidated dividend payout ratio of 30% (with a minimum cash dividend of ¥16 per share, for the time being). During the fiscal year ended March 31, 2013, we acquired ¥16 billion in treasury stock. We intend to continue enhancing the total returns ratio by flexibly repurchasing shares.

A 7% ROE is just one milestone. In my view, the Nippon Ham Group should generate an ROE exceeding 8%. To this end, we need to attain an operating income ratio of 5% and a net profit margin of 2.5%. Those levels would increase our stock price and thereby optimize shareholder value.



5 Long-Term Vision

Become the World Leader in Delivering the "Joy of Eating"

When we initiated the New Medium Term Management Plan Part IV in April 2012, I presented four clear management objectives. First, we seek to "Value the 'Bounty of Nature'" as a company that nurtures life. Second, we have an "Uncompromising commitment to quality" as a manufacturer. Third, we "Explore the 'New Potential of Food'" as a company that has expanded its involvement in the food business from hams and sausages to encompass fresh meats, processed foods, marine products, dairy products, and collagen. Fourth, we "Contribute to happy and healthy lives by providing the 'Joy of Eating.'" This is important because the "Joy of Eating" is part of the Nippon Ham Group's corporate philosophy, expressing the pleasures and feelings of good health that great taste can deliver. By expanding in line with these four objectives, we aim to realize the Group brand statement of "The Brilliance of People for the Future of Food."

The Nippon Ham Group is the only entity with an integration system for three livestock species—cattle, hogs, and chickens. Our goal is to become a globalized, diversified enterprise specializing in proteins and to lead the world in delivering the "Joy of Eating."

Four Management Objectives

Key messages on progress in overseas businesses

1 Tremendous Advances in Overhauling Australian Operations

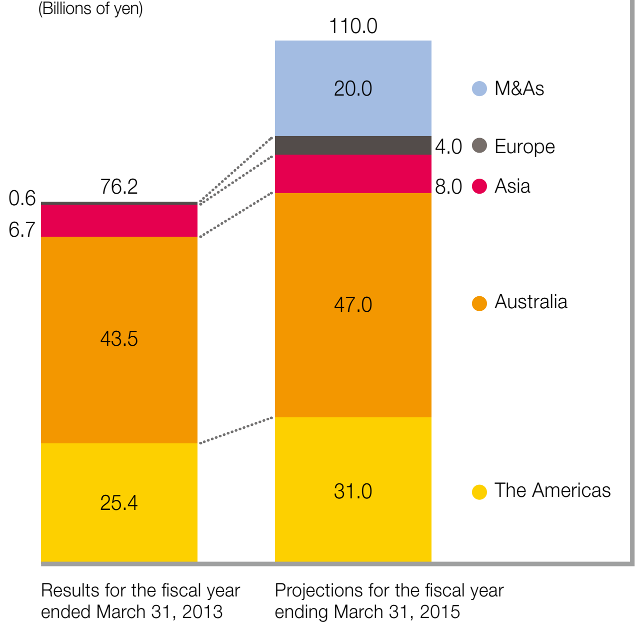
2 Progress in Initiatives in the Americas and Europe

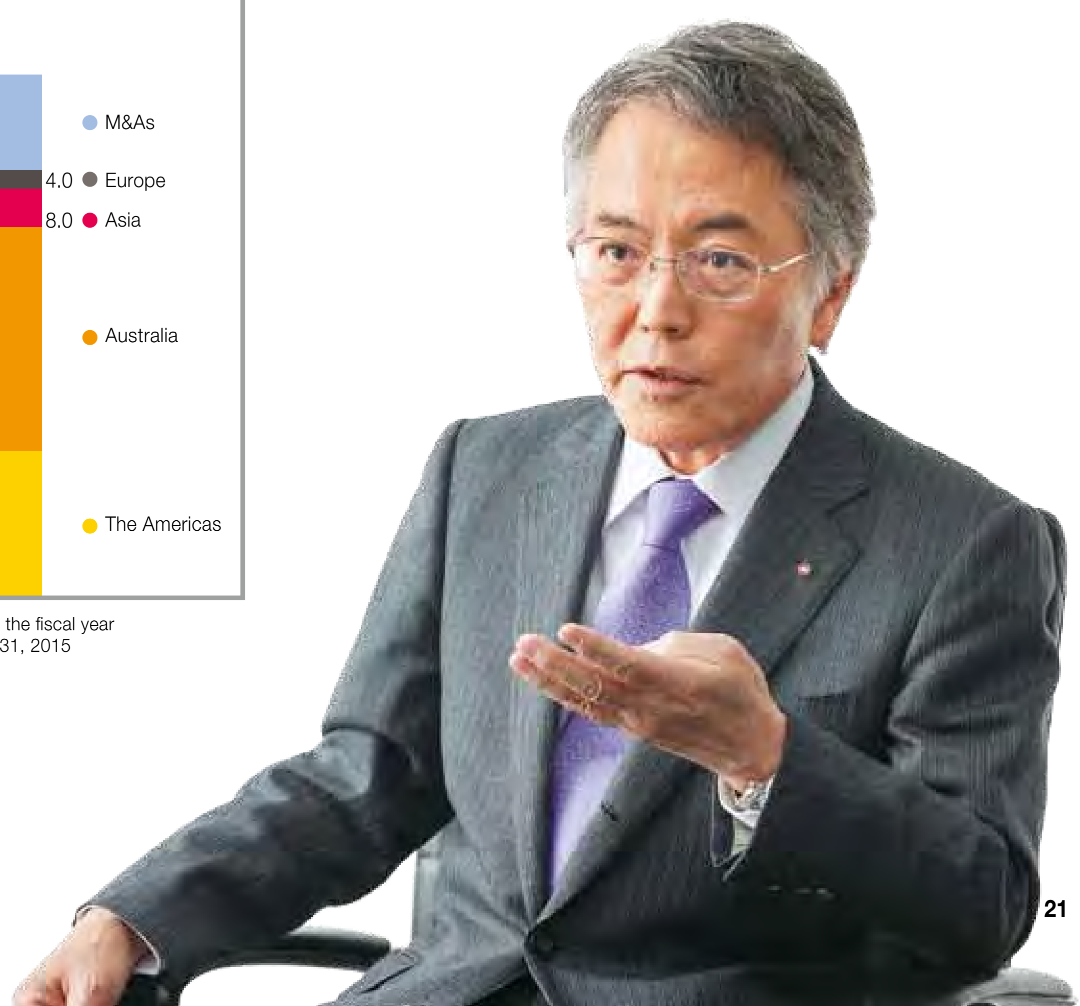
3 Reinforcing Approaches in Southeast Asia

Overseas companies account for more than 10% of consolidated net sales

Sales of Overseas Subsidiaries

(Billions of yen)





Aggressive Development of Overseas Businesses

1 Tremendous Advances in Overhauling Australian Operations

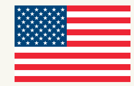
Our Australian businesses long incurred operating losses, but we have now dramatically improved results. The losses reflected such factors as poor productivity and foreign exchange issues. We therefore pushed ahead with selectivity and focus initiatives that included selling the unprofitable leather business and reassessing breeding periods. At the same time, we generated strong sales to third countries, especially in emerging countries.

These efforts have borne fruit. Following a ¥3.9 billion loss in the fiscal year ended March 31, 2012, we pared the loss to ¥1.4 billion in the fiscal ended March 31, 2013, which was the first year of the New Medium-Term Management Plan Part IV. This was a great turnaround, in line with our projection of a ¥2.5 billion improvement. As we made more progress than envisioned in this fiscal year, we look to eliminate losses in the fiscal year ending March 31, 2014 and become profitable as swiftly as possible.

We seek to expand sales by reinforcing marketing while undertaking initiatives to enhance productivity. We reformed the sales structure to that end. We also established a system that allows us to exchange timely information on supply-demand relationships with farms around Australia through managers we send to Australian beef import locations. We will showcase offerings at European trade shows to cultivate customers in the region. The Trans-Pacific Partnership and increased demands in emerging countries should heighten the presence of Australian beef.

Whyalla Feedlot (Australia)

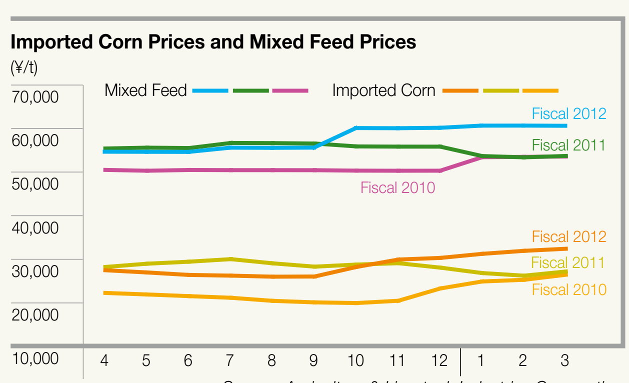
2 Progress in Initiatives in the Americas and Europe



At Texas Farm, LLC, a hog farming business in the United States, feed prices spiked in 2012 as speculative investments flowed into the corn market, exacerbating the impact of a drought. Normally, pork and feed prices rise together, but the supply of pork increased in 2012 because many U.S. farms shipped earlier and shipped more sows, keeping prices low. These factors led to the business' sluggish performance. We look for the market to recover gradually as the number of farms and sows declines. In the fiscal year ending March 31, 2014, we should improve the performance of our operation in the Americas by promoting sales within the United States and boosting exports.

In Europe, we opened an office in Düsseldorf, Germany. Currently, we are developing products that we plan to market from Düsseldorf to various countries, including Japan.

Texas Farm (the United States)



Source: Agriculture & Livestock Industries Corporation
(all graphs based on average prices)

3 Reinforcing Approaches in Southeast Asia

We aim to increase the contribution of overseas operations from 7.4% of consolidated net sales, to more than 10% by the final year of the New Medium-Term Management Plan Part IV. Over the longer term, we look for a 20% contribution. Southeast Asian markets are essential for us to reach that goal.

The world's population will continue to grow in the years ahead. Global fresh meat consumption is currently around 280 million metric tons annually. By 2020, consumption should increase by around 43 million metric tons, to about 323 million metric tons. About 20 million metric tons of that growth would come from chicken, with pork and beef generating about 15 and 8 million metric tons of growth, respectively. On a regional basis, emerging countries would account for 33 million metric tons of expanded demand, with developed nations being responsible for the other 10 million metric tons. The projection indicates that the key elements in fresh meat consumption growth would be chicken and chicken processed foods, and emerging countries. Demand is certain to grow in Asia. In Southeast Asia, we are accordingly building businesses in Myanmar and the Philippines, and augmenting existing presences in Thailand, Vietnam, and Singapore.

In Thailand, we have manufactured mainly for the Japanese market. In the years ahead, we will promote sales expansion within Thailand and develop products for Europe, complementing exports to Japan.

In Vietnam, we acquired, Nippon Golden Pig Joint Stock Company Co., Ltd., a hams and sausages production and sales company. We increased the number of sales offices in Hanoi and Ho Chi Minh. We will establish a route sales framework based on these offices. As well as ham and sausage, the plant processes chicken products for sale within Vietnam.

In Myanmar, we are preparing to launch a chicken business. We set up a branch office in Manila in keeping with the market potential of the Philippines and also aim to sell marine products in that market.

Outside Southeast Asia, our efforts include reinforcing proposal-based marketing in China, as more than five years have passed since we set up a trading firm in Shanghai. In China, we plan to expand sales of Australian beef and are proactively cultivating business with Japanese distribution channels.

In Taiwan, we launched a joint venture to produce extracts and will sell these offerings within Taiwan, as well as in Japan and Southeast Asia.

Global Fresh Meat Consumption

By the year 2020, fresh meat consumption in Asia and Africa is expected to grow by more than 20%.

(Millions of metric tons)	2012 (estimate)	2020 (projection)	Volume increase	Rate of increase
North America	39	44	5	12.8%
Europe	56	59	3	5.4%
Africa	11	14	3	27.2%
Central and South America	44	51	7	15.9%
Asia	117	140	23	20.0%
Japan	5.39	5.40	0.01	0.2%
Others	13	15	2	15.4%
Total	280	323	43	15.4%

(Source: Estimates based on OECD-FAO Agricultural Outlook)

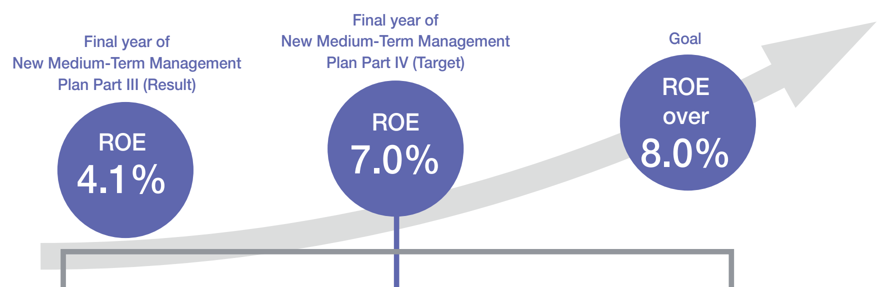
Nippon Golden Pig Joint Stock Company (Vietnam)

The Nippon Ham Group believes that shareholder-driven management entails expanding its ability to produce cash flows and increasing ROE, which should boost corporate value.

We seek to boost ROE by pursuing growth strategies to enhance sales and profitability while deploying capital strategies to generate capital returns. In addition, we look to bolster capital efficiency by enhancing asset efficiency (asset turnover ratio).

We seek “Enhancement of capital efficiency and optimization of efficient use of funds” by balancing our business strategies and our financial and capital strategies.

Initiatives to Boost ROE



Capital strategy and measures to boost ROE

Expand earnings and margins

- First raise operating income ratio to 4%
- Improve earnings capability by strengthening and expanding core businesses
- Boost market share
- Proactively expand business domains and build overseas operations
- Reduce tax expenditures

Enhance asset efficiency

- Increase total asset turnover through selectivity and focus
- Keep inventories at appropriate levels

Shareholders’ equity management

- Flexibly acquire treasury stock to improve total return ratios
- Optimize capital and debt structures

Increasing shareholder value through shareholder returns and ROE management

Goals of New Medium-Term Management Plan Part IV

- Dividend payout ratio of 30%
- Minimum cash dividend of ¥16 per share
- Improved total returns ratio

ROE 7% = (Ratio of Net income attributable to Nippon Meat Packers, Inc. 2.0%) × (Total asset turnover 1.8 times) × (Financial leverage 1.95 times)

Yoshihide Hata

Director and Managing Executive Officer

General Manager of Corporate Management Division, in charge of Accounting & Finance Department and IT Strategy Department

Initiatives to Boost ROE

Enhancement of Capital Efficiency and Optimization of Efficient Use of Funds

More than anything, we must boost earnings and margins to raise ROE as a benchmark for capital profitability. As part of our efforts to "Allocate management resources in prioritized areas," our prime focus is on maximizing operating income while lifting the operating income ratio by reinforcing cornerstone businesses to expand profitability and broadening our business scope and cultivating overseas operations. At the same time, we recognize the need to improve non-operating income and lower corporate tax rates. We will promote international tax strategies in line with Groupwide tax strategies and aggressively develop overseas operations. In addition, we seek to enhance shareholder value per share and ROE by flexibly acquiring treasury stock by taking into account cash flows and our financial position. In the fiscal year ended March 31, 2013, we acquired ¥16 billion of treasury stock, increasing the number of shares to 29,466,532 at the end of the fiscal year and further enhancing our capital productivity.

We will increase our total asset turnover to enhance capital efficiency. In particular, we will shorten the inventory and the trade receivable turnover periods while improving our working capital cash conversion cycle. In the fiscal year ended March 31, 2013, the inventory turnover period was around 40 days. By overhauling supply chain management and implementing other reforms, we will revamp logistics, employing such measures as consolidating inventories upstream and properly managing inventories to shorten turnover periods.

In keeping with a management policy of "Allocating management resources in prioritized areas," we will deploy a new performance management system from the fiscal year ending March 31, 2014, to enhance our approach.

Our first effort will be to introduce new standards for investment criteria and deploy business review standards and carefully verify investment efficiency and business continuity. By carefully selecting investments based on benchmarks for returns on such investments, we will properly allocate funds and enhance profitability.

We will reinforce monthly results management, applying the costs of capital with respect to working capital and capital expenditures and will extensively manage monthly inventories, thereby enhancing asset and capital efficiencies.

We will also leverage IT in reviews that *visualize* management information, thereby boosting the efficiency of Group management and capital efficiencies.

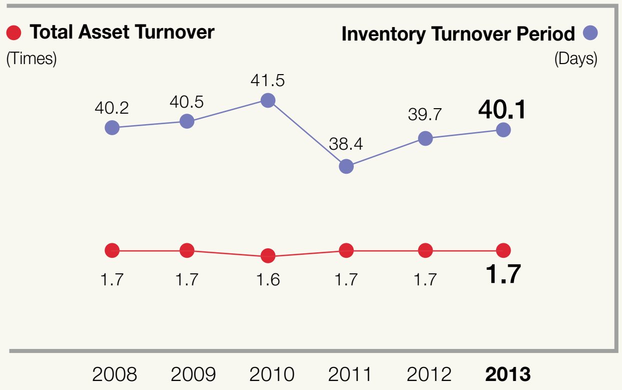
Financial and Capital Strategy Policies

The basic policies of our financial and capital strategies are to balance interest-bearing debt and cash flows and maintain safety while increasing ROE and maximizing cash flow to increase capital efficiency.

We will push ahead with financial and capital strategies that optimize capital and debt structure (debt/equity ratio) to lower the weighted-average cost of capital. Under our current financial position, we believe that a ratio at around 0.5 is an appropriate balance between debt and equity.

There are numerous funding vehicles in the financial and capital markets. We choose the funding techniques that beneficially match our management strategy vector. We will endeavor to boost evaluations from rating institutions and secure more advantageous funding terms to lower procurement costs.

Under the New Medium-Term Management Plan Part IV, our three-year cash flow plans are to generate ¥134 billion in cash from operating activities, use ¥113 billion in investing activities, and produce ¥21 billion in free cash flow. Our investment cash flow plan is to allocate ¥100 billion in capital expenditures over three years to drive revenue growth, which we would augment with a ¥30 billion strategic investment budget for business domain expansion. We would allocate ¥51 billion—combining our ¥21 billion in free cash flow and our ¥30 billion strategic investment budget—to foster ongoing growth, ensure investor returns in keeping with our dividends policy, and repay interest-bearing debt.



Processed Foods Business Division

Key messages for the second year of the New Medium-Term Management Plan Part IV

1 Boosting Our Brand Value and Building Customer Loyalty to Increase Market Share

- Overview of the fiscal year ended March 31, 2013
- Focusing completely to expand sales
- Growth with new and private brand offerings
- Accelerating the development of overseas operations
- Seeking to further enhance brand value

2 Progress in Strategies to Improve Efficiency

- Progressing steadily with overhaul of supply chain management

Koji Uchida
Director and Senior Managing Executive Officer,
General Manager of Processed Foods Business Division

1 Boosting Our Brand Value and Building Customer Loyalty to Increase Market Share

Overview of the Fiscal Year Ended March 31, 2013

The food industry again experienced difficult conditions in the fiscal year ended March 31, 2013. Key factors were intensifying sales competition amid deflation, higher sheep casing and fuel costs, and sluggish demand in the gift market.

Customers were again very thrifty, driving prices down. Despite strong growth in hams and sausages volumes, the market shifted toward low-cost offerings, leading to lackluster sales.

In the hams and sausages business, volumes rose steadily on the strength of solid demand for the new *Mou Kittemasuyo!* series and television commercials, particularly for the flagship *Utsukushi-no-Kuni* gift brand, and extensive store promotions. In the deli and processed foods business, we performed well with new hamburg and meatball offerings and enjoyed solid demand for the *Chuka Meisai* and chilled pizza lines. Nonetheless, overall sales growth was sluggish, reflecting intensified competition in commercial products and the impact of the flooding at our Thai facilities.

We boosted earnings despite higher raw materials costs in the second half of the fiscal year. Key contributors to this gain included expanded sales of key offerings and the launches of new products, an overhaul of supply chain management, improved productivity, revised sales promotion expenses, and other efforts.

We will move forward by deploying growth strategies that would expand demand for unrivaled products, while rolling out efficiency strategies, including an overhaul of supply chain management, so that we can transform our earnings structure to reduce vulnerability to market fluctuations.

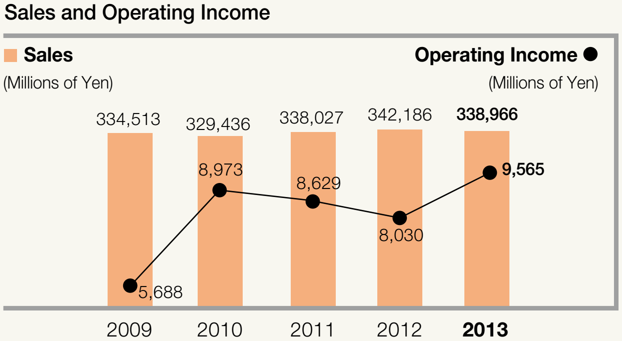
Focusing Completely to Expand Sales

We focused on boosting sales of such unrivaled offerings as *SCHAU ESSEN*, *Chuka Meisai*, and *Ishigama Kobo* and restored the attractiveness of *Irodori Kitchen*, *Mori-no-Kaori*, and *CHIKICHIKI Bone*, and thanks to these efforts, we were able to secure new customers and expand our market share. With the *Irodori Kitchen* series, we will thus endeavor to increase awareness and market share through television commercials and campaigns, among other promotional activities. We have cultivated markets for such new categories as the *Mou Kittemasuyo!* series, as well as for *Four Cheese Hamburg* and *Hanetsuki Gyoza*. With more people on the go today and increasing demand for simple food preparation, we aim to accommodate this demand with such offerings as boxed lunches and delicatessen items, as well as pursue other growing markets for prepared foods.

Growth with New and Private Brand Offerings

Alongside the trend toward a preference for simpler food preparation, which is driving the demand for highly processed foods, there is also a growing interest among consumers in quality over quantity. In response to this demand, we are providing health-oriented and premium goods and more items in small packs or more affordable portions. As a result, we are enjoying growth with the *Mou Kittemasuyo!* series and such premium products as *Entier*, and are also enjoying high demand with the high-end breakfast chilled pancakes *Sucre et Sucre*. In the fast-growing private brand category, we are doing well in joint development with clients and are expanding sales volumes.

Sales and Operating Income



Unrivaled Products

Ishigama Kobo (Pizza Margherita)

Chuka Meisai (Sweet and sour pork)

SCHAU ESSEN

Unrivaled products incorporate proprietary technologies, outstripping second-tier offerings and contributing to earnings.

2 Progress in Strategies to Improve Efficiency

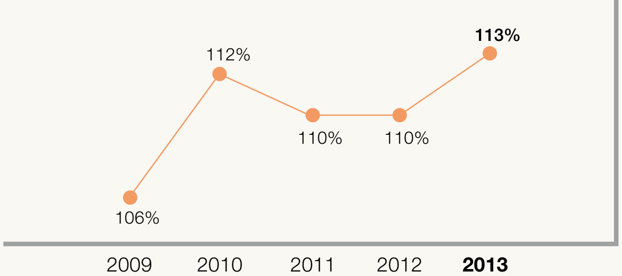
Accelerating the Development of Overseas Operations

We aim to reinforce the product development structures of our Chinese, Thai, and other overseas production operations and expand sales within those markets. We have strategically approached Japanese operators of convenience stores, restaurants, volume retailers, and other operations in these countries as prospective reliable partners. We are focusing on countries in the Association of South East Asian Nations (ASEAN), as living standards in the region are rising, and there is considerable potential for premium market expansion. We also seek to expand internal sales in local markets. Vietnam, Myanmar, and the Philippines are promising because of their ample human resources. We look to create joint ventures with or acquire local enterprises and reinforce our marketing capabilities.

Seeking to Further Enhance Brand Value

Consumers increasingly seek safety and security, and demand for trusted long-selling brands is strengthening. *SCHAU ESSEN*, whose 30th anniversary we will celebrate this fiscal year, has maintained massive consumer support as a high-end sausage that we have constantly improved to keep abreast of the times, attaining the highest quality under the Japan Agricultural Standard. Sales of this product continue to increase. Notwithstanding general consumer thriftiness, we have been able to significantly expand sales of the premium *Utsukushi-no-Kuni* gift brand, and are establishing positions in markets that we are creating for *soft salami*, *terrine*, and *pepper pork* and other new lifestyle offerings. Markets are expanding for high-value-added products that consumers seek. We are endeavoring to build brand value by creating uniquely authentic offerings that customers love.

***SCHAU ESSEN* Sales Growth**
(Fiscal Year ended March 31, 2008 = 100)



Progressing Steadily with Overhaul of Supply Chain Management

We separated distribution and sales functions through an overhaul of supply chain management. We now have a structure in which we aggregate and deliver product inventories upstream (distribution centers), with salespeople concentrating on marketing. We significantly increased per capita sales efficiency by consolidating and restructuring sales offices and streamlining operations. We also reviewed advertising and in-store sales activities and updated our brand strategies. Our production operations have pushed ahead with the streamlining of our product portfolio. We are also deploying advanced, high-productivity lines, thereby enhancing quality and cost competitiveness.

We integrated the operations of four hams and sausages production facilities into Nippon Ham Factory Co., Ltd. To keep up with globalization, we are building a more competitive business management structure while constructing a new facility at our Ibaraki Plant as part of a reorganization of production unit functions. In the years ahead, we look to set up overseas plants and otherwise invest in growth fields.

Ibaraki Plant of Nippon Ham Factory Co., Ltd. (Chikusei, Ibaraki Prefecture)

Fresh Meats Business Division

Key messages for the second year of the New Medium-Term Management Plan Part IV

1 Bolstering Market Share

- Overview of the fiscal year ended March 31, 2013
- Expanding sales volumes and bolstering procurement
- Strengthening our product lineup
- Reinforcing our logistics system
- Streamlining our organization and cultivating human resources
- Strategically launching consumer products such as *Sakurahime* brand chicken

2 Aggressively Building Our Overseas Businesses

- Boosting sales of Australian operations
- Investing heavily in the ASEAN market

Juichi Suezawa

Director and Managing Executive Officer,

General Manager of Fresh Meats Business Division

1 Bolstering Market Share

Overview of the Fiscal Year Ended March 31, 2013

The operating climate in the fiscal year ended March 31, 2013 remained challenging. Key factors were rising feed costs stemming from an unexpected U.S. drought and sluggish pork and chicken markets. On the positive side, we continued to bolster procurement capabilities in the New Medium-Term Management Plan Part IV, and as a result, production increased steadily.

One challenge in the Fresh Meats Business Division is to stabilize profitability amid changing market and other external conditions. To that end, we need to reaffirm and fully leverage the strengths of the Nippon Ham Group. It is more important than ever to highlight a key strength, which is our integrated production system—from farming to packing, logistics, and sales—to ensure stable supplies of fresh meats that are safe, reliable, and tasty.

Expanding Sales Volumes and Bolstering Procurement

We aim to increase volumes by 5% and market share by 1% each fiscal year. In the first year of the New Medium-Term Management Plan Part IV, we nearly achieved our targets. In terms of bolstering procurement, we were able to procure 960,000 metric tons of fresh meat without problems even after Japan relaxed restrictions on imports of U.S. beef.

Strengthening Our Product Lineup

One issue in our fresh meats business is that the Nippon Ham brand has low recognition. We will enhance awareness by putting our corporate name on product packaging and by highlighting the advantages that come from running our own farms. We believe that we can differentiate by emphasizing the safety and other product quality advantages that come from our integrated system.

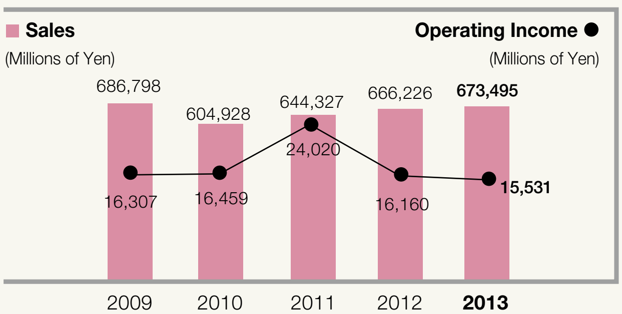
Reinforcing Our Logistics System

The Nippon Ham Group ships domestic offerings directly from its farms to consumption points, and we deliver imported goods to those locations through our distribution centers in Tokyo and Osaka. We are constructing relay logistics networks to further lower distribution costs and to create a system that supplies meats with a high degree of freshness.

Streamlining Our Organization and Cultivating Human Resources

A strong organization and talented people underpin the Fresh Meats Business Division's united efforts to convey the benefits of integration and cultivate branded offerings from consumer perspectives. We have endeavored to revitalize our organization by recruiting executives with experience outside the fresh meats business and by exchanging personnel between production and sales units.

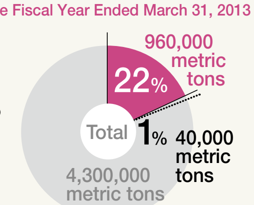
Sales and Operating Income



Targeting a 23% market share in the fiscal year ending March 31, 2014

The Nippon Ham Group is Japan's top producer of fresh meats, with around 960,000 metric tons accounting for 22% of the roughly 4,300,000-metric-ton domestic market. We need to expand sales volume by around 40,000 metric tons to boost our share by 1%.

Fresh Meats Market Share
in the Fiscal Year Ended March 31, 2013



2 Aggressively Building Our Overseas Businesses

Strategically Launching Consumer Products Such As *Sakurahime* Brand Chicken

Volume retailers commonly sell fresh meats in portions at fresh meat counters. Customers thus have no idea if we supplied the meat. We aim to brand our fresh meats by leveraging our credibility as a top producer. We therefore set about developing such consumer products as *Sakurahime* brand chicken, the packaging of which prominently shows our corporate name.

We do not package *Sakurahime* chicken with trays. This approach is a response to environmentally conscious consumers and reduces labor in the backyards of volume retailers, resulting in cost reductions. We are thus pushing ahead with brand development that benefits consumers and volume retailers alike.

Sakurahime brand chicken

Whyalleaf brand beef

Whyalleaf is an Australian brand of beef that the Nippon Ham Group grows by integrating everything from introducing feeder cattle through to sales. The brand has been well received, with sales rising steadily on the strength of a reputation for safety and reliability.

Boosting Sales of Australian Operations

We have dramatically improved the profitability of our Australian operations by selling surplus farms and the unprofitable leather business while boosting productivity. Our challenge as a result of solidifying our business foundations through selectivity and focus will be to reinforce sales.

In Japan, volume retailers continue to struggle in procuring beef. We will offer Australian beef more proactively to expand sales. Other fresh meat suppliers import beef produced by Australian companies, but we import beef produced within the Group. We believe that we can differentiate our offerings by highlighting our safety and procurement advantages. We are building sales channels to supply Australian beef to third countries, especially those in which we have our own representatives.

Investing Heavily in the ASEAN Market

In the ASEAN region, we have representatives in Singapore, as well as in Thailand, Vietnam, Myanmar, the Philippines, and Indonesia. We invest heavily in these markets to boost sales. We expect Vietnam, the Philippines, Indonesia, and Malaysia to offer particularly high demand potential.

In the Philippines, we set up a branch office in Manila to promote marine product sales, and in Indonesia, we are reinforcing Australian beef sales.

We plan to expand sales of overseas products by combining exporting to Japan and other countries from our overseas operations with marketing our products in local markets where they are produced.

Affiliated Business Division

Key messages for the second year of the New Medium-Term Management Plan Part IV

1 Building Affiliated Business into a Third Pillar

- Overview of the fiscal year ended March 31, 2013
- Reinforcing craftsmanship
- Enhancing marketing-based product development and sales capabilities
- Overseas strategies

2 Creating Group Synergies

Koji Kawamura
Director and Executive Officer,
General Manager of Affiliated Business Division

1 Building Affiliated Business into a Third Pillar

Overview of the Fiscal Year Ended March 31, 2013

Our dairy products business was robust in the fiscal year ended March 31, 2013. We enjoyed strong sales of cheeses in line with the growth of the consumer product market that we fully entered two years earlier. We expanded sales of yogurt, reflecting an almost doubling in demand for yogurt beverages from the previous fiscal year. On the other hand, the profitability of the marine products business declined amid slipping demand and losses on sales of some fish species as markets deteriorated, leading to a lackluster performance.

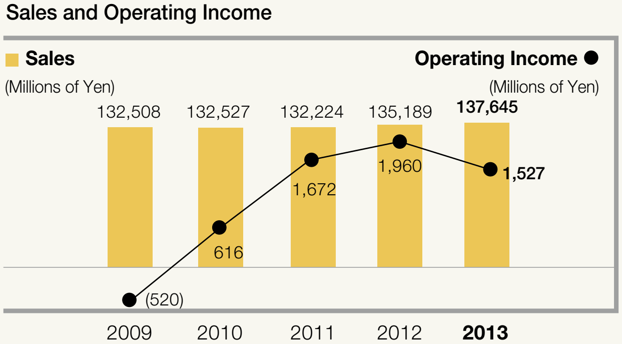
Reinforcing Craftsmanship

The prime objective of the Affiliated Business Division is to "Become the Group's 'Third Pillar' of operations" by improving its manufacturing capabilities, which is why it is urgently reinforcing craftsmanship. In the dairy products business, we are investing heavily in the cheese and yogurt markets, as we look for sales to expand against the backdrop of expanding menu choices and a rising consumer interest in health. Although domestic demand has stagnated, the marine products business still serves a market estimated at more than ¥4 trillion after factoring in processed food and restaurant demand. We therefore believe that there is still plenty of scope for sales growth. The first challenge is to improve profitability by enhancing the proportion of high-value-added in-house brands and seafood for sushi. We will therefore reinforce product development to meet consumer demand. We will expand sales by differentiating, shifting away from merely handling commodities to penetrate upstream areas and collaborate more with producers in Japan and abroad. Such sales expansion should boost profitability.

In the dairy products business, Nippon Luna, Inc., inaugurated a second large beverage container line. We will expand manufacturing of private brand items for convenience stores and step up development of our own product brand. We will also create yogurt beverages as a second core offering after *Vanilla Yogurt*. To take advantage of sales expansion for baby cheeses, Hoko Co., Ltd., decided to set up a second manufacturing line. Hoko has a high share of the market for commercial-use cheeses. We intend to boost sales of consumer cheeses, centered around baby cheeses, and increase awareness of the *ROLF* brand. Nippon Luna and Hoko will develop distinctive products and make them truly attractive.

In the marine products business, we expanded Hoko's Hachinohe Factory to double canned production capacity, as we urgently needed to increase sales of products produced at that facility. As well as taking advantage of this site for its core canned mackerel, we will also focus on producing canned meats sourced from Nippon Ham Group farms in Aomori Prefecture. We will start developing consumer products in more convenient packages in response to a growing number of single-person households.

Sales and Operating Income



Vanilla Yogurt

Tokimeki Café Ajiwai-to-Koku Nomu Yogurt

ROLF Baby Cheese

2 Creating Group Synergies

Enhancing Marketing-Based Product Development and Sales Capabilities

The Affiliated Business Division's offerings have mainly been for commercial channels. Today, however, we are striving to expand sales of consumer offerings and develop distinctive products based on customer-oriented marketing. For example, extensive marketing research in the marine products business revealed that many people still wish to eat fish despite an overall consumer trend away from this food source. People cite difficult preparation and cleanup as reasons for avoiding seafood. This is happening as the number of single-person households rises. We believe that we can expand sales by developing simple, convenient, and tasty precooked marine products that overcome these issues. We will review our processes to enhance our product development capabilities.

We will provide training and develop sales support tools to ensure that all sales personnel can properly suggest product concepts to buyers based on understanding the development backgrounds and targets and meeting customer needs. In-store promotions are also important for highlighting the value of products to consumers. Our efforts will encompass undertaking sales promotions that use digital photo frames to offer menu options.

Overseas Strategies

Japanese food and sushi markets are expanding overseas. Marine Foods Corporation is collaborating with overseas Group affiliates to market seafood for sushi prepared at partner plants in Thailand and Vietnam. We will expand sales of marine delicacies that we prepare at the Mie Plant and sell to Japanese and other restaurants in the United States by taking advantage of a weaker yen.

We are promoting freeze-dried products in China through a local manufacturing subsidiary. This unit originally made cup noodle ingredients for Japan. Since the previous year, however, this subsidiary has expanded supplies of soups and cup noodle ingredients for food companies in China. In the current fiscal year, this subsidiary aims to generate around half of its sales within China.

The Affiliated Business Division is striving to generate Group synergies. In the previous fiscal year, we launched a project to foster collaboration between the marine products operations of Marine Foods and Hoko. For example, Hoko commissioned a Vietnamese sushi preparation partner of Marine Foods to produce fried shrimp; this approach has been favorable, contributing to sales expansion. Marine Foods used to externally procure fish for its jars of flaked salmon, but it is currently adjusting its specifications to prepare for the procurement of this product from Hoko's Hachinohe Factory. During the current fiscal year, Marine Foods aims to expand sales of fish roe procured through Hoko's channels in Russia.

We plan to step up collaboration within the Group, centered around the Processed Foods Business Division, which has strong ties with many volume retailers. The idea is to expand the Affiliated Business Division's sales. During the current fiscal year, we also plan to hold a fair for Group companies.

We intend to extend synergies between the Research and Development Center and a Group company that manufactures extracts. We will commence research to harness the organs of farmed tuna and inedible mackerel pieces from canning lines—normally disposed of—by extracting useful compounds and transforming them into value-added resources.

We will reinforce collaboration among our Group brand, the corporate brand of each company, and product brands. I previously outlined efforts to improve the value of each corporate brand. While conveying each product's features and the distinctiveness of each company through brands, we can further enhance the trust and safety that customers accord to our products by concurrently highlighting the Group brand on products. As the Group brand interacts more with customers, we will enhance Group brand recognition. We will undertake brand management to drive a virtuous mutual support cycle for each brand.

The New Potential of Food

As an entity that deals with the stuff of life, we maintain a corporate philosophy that aims to take the greatest care in delivering the "Joy of Eating." The Group seeks to contribute to happier and healthier lifestyles in keeping with its brand statement of "The Brilliance of People for the Future of Food." The Group nurtures life and never compromises on quality because it treasures the lives it nurtures, endeavoring every day to deliver safe and secure products that bring joy to customers.

The Nippon Ham Group strives to treasure the "Bounty of Nature." We therefore use not only the meat of livestock but also the bones, hides, blood, and other inedible parts. This is our way of expressing gratitude for life, and paves the way to cultivating new potential for food in our industry.

For example, we process bone marrow into ingredients or seasonings for noodle soups. We process hides into bags and belts or dry and powder them for use as fertilizer or feedstuffs. Our Research and Development Center produces collagen from chicken legs and pigskins to manufacture health foods and cosmetics. In the regenerative medicine field, we also produce unheated collagen for such applications as nerve conduits. Many health, beauty, and food products incorporate pig placenta extracts. The Group is reinforcing efforts to treasure the "Bounty of Nature" while exploring the new potential of food in diverse fields.

The New Potential of Food

Cultivating New Potential for Food

The Nippon Ham Group has pursued new potential for food throughout its history. After we started out as a hams and sausages business, management recognized a need for fresh ingredients to create tasty products, building an ingredients plant on its premises. Management then established a fresh meat sales division in anticipating that demand for such offerings would grow. We drew on the expertise we gained in fresh meat sales to set up a division that processed sauces for meats, and developed and expanded hamburg and other meat delicatessen business offerings. We have since expanded into marine and dairy products as part of an ongoing quest to cultivate new potential for food.

In product development, too, we have anticipated evolving consumer needs and have cultivated new potential for food. We have constantly developed and commercialized such pioneering offerings in Japan as *Winny* skinless wieners in 1966, *Swift Loaf*, a hit product in the 1970s that catered to rising demand for Western fare, *Thin Slice* hams in the 1980s, and *SCHAU ESSEN*, which popularized coarse-ground sausages in Japan. We also have focused on creating new processed food category brands. They include *Chuka Meisai*, *Hanryu-en*, and *Ishigama Kobo*. We also commercialized *Minna-no-Shokutaku*®, a series of allergy-safe products.

Winny

SCHAU ESSEN

Chuka Meisai

Ishigama Kobo

Hanryu-en

Minna-no-Shokutaku®

Initiatives at Research and Development Center

As a core research facility of the Nippon Ham Group, the Research and Development Center (RDC) explores new areas under the banner of food safety and security, foods and ingredients that support good health, and the development of production technologies for tasty and high-quality fresh meats and other foods.

In March 2013, we opened the Tsukuba Analytical Plaza (TAP) within the RDC as a new testing and research unit to strengthen our food safety and security efforts. TAP's roles are to increase reliability by expanding external authentication under the ISO/IEC 17025 standard, bolster and quickly accommodate inspection technologies, train personnel and manage with precision in collaboration with the Quality Assurance Department, and handle external inspections.

Interview with RDC Director

Q What initiatives are you undertaking to ensure food safety and security, conduct research to develop foods and ingredients that support good health, and develop production technologies for tasty and high-quality fresh meats and other foods?

A With regard to food safety and security, we engage in research to improve testing and precision control for the Group's products and raw materials. The number of external inspections is rising, so we are looking to commercialize such activities. We are collaborating with the Quality Assurance Department in providing advanced test training.

For foods and ingredients that support good health, we develop such functional materials as collagen for health foods

The development of production technologies for tasty and high-quality fresh meats and other foods encompasses enhancing livestock productivity so that our fresh meats business can become more competitive. For example, we developed a lactic acid probiotic to improve immunity against disease in hogs and are using it to help to raise the productivity of existing operations.

Fumiki Morimatsu
(Doctor of Agriculture),
Director of Research and Development Center,
Nippon Meat Packers, Inc.

and cosmetic ingredients and engage in scientific research on the efficacy of such materials. We set up the health support unit as a profit center within the RDC, and are exploring new business models for functional materials for health foods and food testing kits.

The development of production technologies for tasty and high-quality fresh meats and foods encompasses enhancing livestock productivity so that our fresh meats business can become more competitive. For example, we are breeding disease-resistant hogs and conducting blood testing on farm sows to ensure that we can minimize the use of medicines in growing healthy livestock.

We also focus on food taste analysis. We scientifically guarantee the good taste of such brands as *Sakurahime* chicken by quantifying taste, texture, aroma, and appearance, helping to raise product value. We also employ taste analysis for marine and dairy products, and have received numerous external requests for inspections.

Q How does the newly built TAP help improve corporate value?

A I believe it contributes to the enhancement of the Company's value, by scientifically guaranteeing food safety through testing and analysis and by properly conveying information to customers, thereby solidifying trust in the Nippon Ham Group. The RDC acquired accreditation under ISO/IEC 17025, the international standard for testing capabilities. We endeavor to improve ingredient and product quality through extensive precision management. We improve our inspection capabilities at testing units at each plant through courses and on-the-job training at TAP. We use state-of-the-art technologies to provide analyses more efficiently, and as a result, we plan to boost earnings by handling inspection requests from outside the Group.

External inspection requests are often from volume retailers as well as from manufacturers and inspection institutions, so we have built close ties with the Quality Assurance Department of such entities. Inspections and analyses must be neutral and conducted from a third-party perspective. These quality assurance departments have high regard for the RDC's capabilities, and this also fosters confidence in the offerings of the Nippon Ham Group, which is why more customers are selling our products.

Q Tell us about the RDC's operations.

A One of the key roles of the RDC is to cultivate new businesses based on the results of various research. For example, the RDC's pet food research involves actually producing and testing foods, which led us to set up a pet food business at Minami Nippon Ham Co., Ltd. Our food allergy studies blossomed into an allergy care operation at Tohoku Nippon Ham Co., Ltd., which makes allergy-safe products at a dedicated facility. We have been studying the effective use of livestock byproducts for 30 years, and our health support unit is marketing functional materials for health foods as part of efforts to create new businesses. Safety is a vital advantage of such materials that the RDC develops, as we can draw on our own farms and inspection techniques. Here, too, the integration strengths of the Nippon Ham Group are evident. We confirm the efficacy of our food inspection kits through safety inspections with our own products, including testing kits for food poisoning, mycotoxin detection, and food allergen identification. We also offer kits to food plants, inspection institutions, and public agencies outside the Group. Sales of these offerings are soaring.

Q Tell us about your initiatives for the future.

A The RDC is committed to being a progressive research facility that constantly anticipates changes, creates new value, and returns value to the Group. For that reason, we will promote initiatives to shorten our R&D lead times to deliver results as quickly as possible. At the same time, we need to undertake R&D that looks ahead one or two decades. For example, we have instituted research into rotation agriculture in Hokkaido as a contingency for feedstuff shortages should any adverse developments occur globally. Our study focuses on a business model in which we cultivate crops with pig manure, using the crops to grow hogs.

Most food makers' research centers concentrate on product development. The Nippon Ham Group is one of the few food producers to maintain basic research facilities. We believe that such research is essential when developing products, particularly in terms of studying livestock health to provide safe fresh meat and exploring how fresh meat can benefit human health.

The Nippon Ham Group will continue striving to fulfill the promise of its brand statement—"The Brilliance of People for the Future of Food."

Effectively Using Animal Products and Byproducts

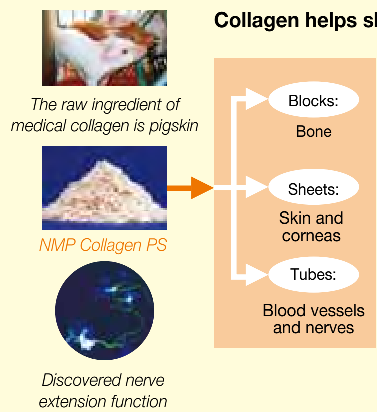
Placenta Extract

This is a functional food material made from the broken down enzymes of hog placentas. The extract is used in health and beauty foods because of its skin whitening and beautification roles.

Medical Collagen

This is made from pigskin, and is used as a base for regenerative medicine because it can extend nerves. We are conducting regenerative studies of bone with collagen blocks, skin and corneas with collagen sheets, and blood vessels and nerves with collagen tubes.

Collagen helps shape the human body



We manufacture unheated and unmodified hog-derived medical collagen through advanced purification and sterile filtration at an exclusive plant within the RDC. The pigskins come from selected healthy hogs at a designated farm within the Group.

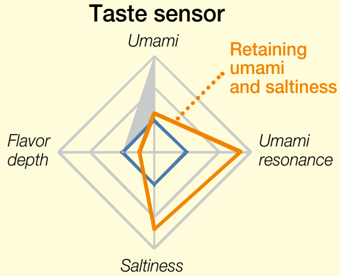
Used as a base material for regenerative medicine by harnessing nerve extension features

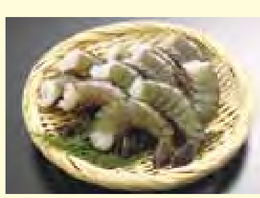
Taste Quantification Studies

Marine Foods Corporation Case Study

Regular seafood processing entails killing the catch in icy seawater when loading onto trucks for delivery to processing plants. Our taste analysis revealed that freshness, taste, and glutamic acid (an umami-inducing amino acid) are vastly superior if the catch is alive at delivery. We thus adopted a procedure to keep seafood alive during delivery to processing plants and then freeze the seafood in icy seawater.

Taste sensor





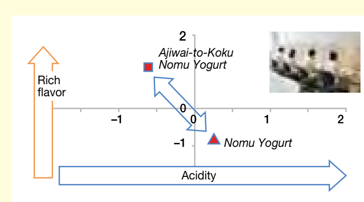
The K value is used widely as a freshness benchmark. The smaller the K value, the fresher the product is.

Nippon Luna, Inc., Case Study

When renewing a yogurt beverage line, we conducted sensory assessments by actual taste testing and used taste sensors to compare the products with rival offerings. As a result, we were able to propose offerings that are much more flavorful and less acidic than those of competitors.

Sensory assessment by RDC

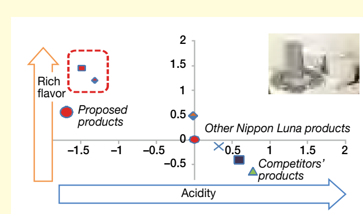
In sensory assessments, RDC panelists compared two richly flavored Nippon Luna products and defined their characteristics.



Results of sensory assessment by 20 members of analysis panel

Taste mapping using taste sensors

Mapping taste sensor comparisons with competitors' offerings showed that we differentiate by focusing on flavor richness while many other products are more acidic.



Allergy-safe plant in Sakata, Yamagata Prefecture

Rice Flour Bread Initiatives to Assist Wheat Allergy Sufferers

In 1996, when we started to research allergy-safe foods, public awareness of food allergies was quite low. We launched research in this area in response to customers wanting us to develop hams and sausages that would be safe for their allergic children. Our initiatives were in keeping with our desire to deliver the “Joy of Eating” to people in all circumstances.

In 2004, we launched *Minna-no-Shokutaku*®, a series of delicious, allergy-safe foods. We make these products at an exclusive Tohoku Nippon Ham plant that bars entry onto the premises of eggs, milk, wheat, buckwheat, peanuts, shrimp, and crabs. Rice flour bread commercialized in 2009 under the *Minna-no-Shokutaku*® brand carries a rice flour product emblem that the Ministry of Agriculture, Forestry and Fisheries is promoting to raise Japan’s food self-sufficiency.

In 2012, we launched the *Okome-de-Tsukutta-Marui-Pan* line of dinner rolls made from rice to augment the *Minna-no-Shokutaku*® series. The rolls are delicately baked with domestic rice flour and are free of wheat flour or gluten.

Tohoku Nippon Ham’s *Sakata Dayori* rice flour bread won the top prize in the Yamagata Rice Flour Food Contest. Judges lauded the plant’s technological caliber in commercializing a wholly rice flour-based bread for wheat allergy sufferers, and also had a high regard for its great taste and texture. Audience members trying the product liked it for the sweetness of the rice and its spongy texture.

The Nippon Ham Group will continue to undertake food allergy initiatives in the years ahead.

Management Structure Underpinning Growth and Management Information

Chapter 2

Page

Working to Enhance Corporate Value

The Nippon Ham Group strives to enhance compliance and corporate governance to increase overall management transparency and efficiency and boost corporate value. We seek to remain accountable and credible to customers, shareholders, business partners, employees, and other stakeholders.

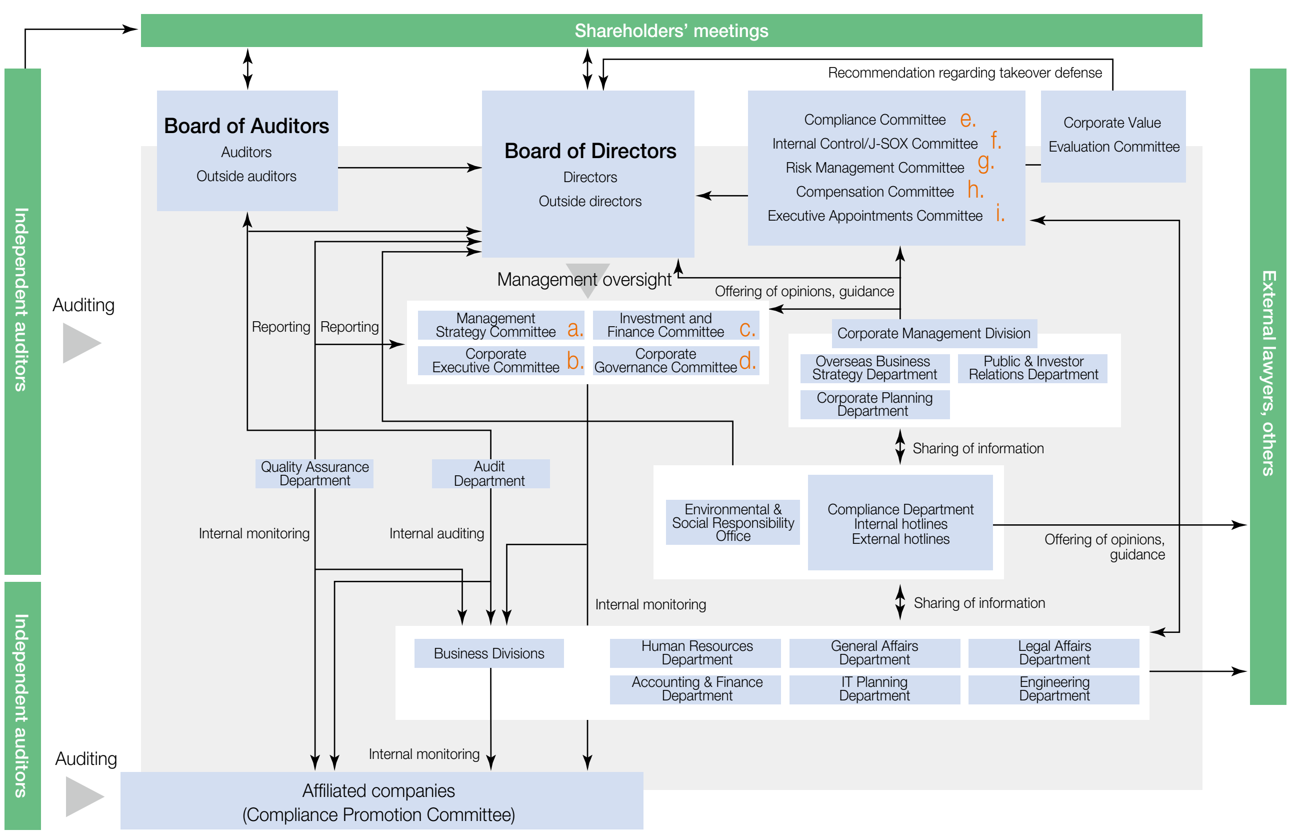
Basic Policy on Corporate Governance

Our basic policy on corporate governance is to clarify responsibility and authority for monitoring by directors and business implementation by executive officers.

Efforts to Strengthen Corporate Governance

April 2003	Established Investment and Finance Committee
April 2004	Established Corporate Governance Committee
May 2006	Established Corporate Value Evaluation Committee
April 2007	Established Risk Management Committee
April 2008	Established J-SOX Committee
April 2009	Renamed this body the Internal Control/J-SOX Committee
April 2011	Established Executive Appointments Committee

Corporate Governance System



Profiles of Key Committees

	Objectives	Members (definition)	When convened
a. Management Strategy Committee	Discusses and decides on substantive matters concerning management policies and streamlining business operations by liaising and coordinating among consolidated Group companies.	The members are executive officers appointed by directors (excluding outside directors) and the president.	Meets twice a month and otherwise as needed.
b. Corporate Executive Committee	Informs divisional executive officers of decisions from Board of Directors' meetings, Management Strategy Committee, and other occasions and shares information among these officers.	Members are all executive officers, directors appointed by the president and director, the president and director, and chairman and director.	Meets quarterly and otherwise as needed.
c. Investment and Finance Committee	Conducts preliminary reviews or makes decisions on management policies relating to significant investment and finance matters and helps streamline business operations among consolidated Group companies.	Members are directors appointed by the president and director, heads of directly managed departments, the Corporate Management Division, and headquarters' administrative departments.	Meets twice a month and otherwise as needed.
d. Corporate Governance Committee	Conducts preliminary reviews and reaches a consensus on matters brought up for discussion by the Board of Directors and Management Strategy Committee, dealing with substantive matters concerning policies, organizations, and systems among consolidated Group companies. Also reinforces corporate governance by liaising between consolidated Group companies, and preparing drafts and alternative proposals.	Members are directors appointed by the president and director, heads of directly managed departments, the Corporate Management Division, the headquarters' administrative departments, and General Managers of business divisions.	Meets twice a month and otherwise as needed.
e. Compliance Committee	To accomplish the Nippon Ham Group's goal of becoming the most trustworthy corporate group in Japan, the committee comprehensively reviews Groupwide compliance and makes proposals to the Board of Directors and Management Strategy Committee.	Members are directors appointed by the president and director, executive officers, full-time advisors, the Compliance Department manager, and union representatives.	Meets quarterly and otherwise as needed.
f. Internal Control/J-SOX Committee	Discusses and decides on substantive matters concerning internal control evaluations and reports within the Group.	In addition to a committee chairperson appointed by the president and director and those appointed by the committee chairperson from among directors, corporate auditors, and executive officers, members are appointed by the committee chairperson, including from among heads of the Accounting & Finance Department, Human Resources Department, Compliance Department, General Affairs Department, Corporate Planning Department, IT Strategy Department, Legal Affairs Department, Audit Department, Overseas Business Strategy Department, and executives in each business division.	In principle, meets at least twice annually and otherwise as needed.
g. Risk Management Committee	Contributes to Group management by discussing issues and measures relating to Group risk management (risk prevention and emergency responses during management crises).	In addition to a committee chairperson appointed by the president and director and a vice committee chairperson who is a manager of the Quality Assurance Department, and a manager of the Compliance Department, members are appointed by the committee chairperson from among directors, heads of directly managed departments, the Corporate Management Division, headquarters' administrative departments, and executives in each business division.	In principle, meets quarterly. The Compliance Department manager or others can convene extraordinary gatherings or meetings with expert panels as needed.
h. Compensation Committee	Constructs systems for director evaluations and compensation, such as a fair evaluation system of directors' business achievements (including those of executive officers) to enhance management transparency, and ensures appropriate management of these systems.	Chaired by an independent (outside) director appointed by the president and director, and members are appointed by the committee chairperson from among directors, executive officers, and heads of departments or offices.	Convenes as needed.
i. Executive Appointments Committee	To reinforce management monitoring and improve transparency, the committee reviews the president's directorship nominees (except executive officers) and submits reports of its reviews to the Board of Directors.	Chaired by an outside (independent) director appointed by the president and director, and members are directors appointed by the committee chairperson.	In principle, meets once annually and otherwise as needed.

Basic Structure

Management Framework

We limited the Board of Directors to less than 13 members to ensure prompt and proper decision making and minimize the scope of liability of that body, which is responsible for monitoring management. Thus, headquarters' departments and committees, which support the Board of Directors, have been enhanced.

A director's term is one year for the purpose of facilitating annual accountability. The Board of Directors convened 18 times during the fiscal year ended March 31, 2013.

Roles of Outside Directors

In principle, we appoint more than one outside director to ensure transparency. Outside directors attend regular and special meetings of the Board of Directors, providing objective opinions and advice.

Toshiko Katayama

Reasons for Appointment of Candidate

We consider Ms. Katayama suitable as an outside director because she has outstanding experience and knowledge about consumer issues, having dealt with them for many years as an attorney. As an entity whose core business is to produce and market foods, we recognize that engaging in consumer-oriented management is vital to our business progress, and we believe that Ms. Katayama will accordingly be of great benefit to shareholders.

Iwao Taka

Reasons for Appointment of Candidate

Mr. Taka has researched corporate ethics and corporate social responsibility for many years, and has broad perspectives about international economics. We believe that these qualities made Mr. Taka a suitable outside director. Mr. Taka chaired the Nippon Ham Group Corporate Ethics Committee from 2002 to 2004. He was thereafter a member of our Corporate Value Evaluation Committee, helping to set up our compliance management system and enhance corporate value.

Notes: 1. There are no special capital, personal, or transactional interests between Ms. Katayama and Mr. Taka and the Company.
2. We appointed Ms. Katayama and Mr. Taka as outside directors on the basis that they are independent officers, without interests conflicting with those of shareholders, as set forth in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. (TSE), and have made filings to that effect with the TSE and the Osaka Securities Exchange.

Attendances of Outside Directors at Board of Directors' Meetings in Fiscal 2012

Toshiko Katayama	Attended 18 of the 18 Board of Directors' meetings
Iwao Taka	Attended 18 of the 18 Board of Directors' meetings

Auditing

We established a monitoring framework comprising corporate auditors and the Board of Corporate Auditors. In principle, the number of corporate auditors is five, of whom at least three are outside, to ensure proper monitoring.

Fumio Motoi

Reasons for Appointment of Candidate

Mr. Motoi has worked for many years as an attorney, and is thoroughly versed in all aspects of criminal law, notably corporate criminal law and administrative penalties for tax law violations, as well as compliance. We believe that Mr. Motoi's timely advice to management from various perspectives will contribute to the soundness of our management, thereby greatly benefiting shareholders.

Akira Otsuka

Reasons for Appointment of Candidate

Mr. Otsuka has a broad and deep knowledge of the law from his long career as an attorney. We believe that Mr. Otsuka's timely advice to management from various perspectives will contribute to the soundness of management, thereby greatly benefiting shareholders.

Tamio Morimoto

Reasons for Appointment of Candidate

Mr. Morimoto long worked as a certified public accountant, and has served for many years at an auditing firm. He has extensive knowledge of corporate finance and accounting. We believe that Mr. Morimoto's timely advice to management from finance and accounting perspectives will contribute to the soundness of our finance and accounting practices and systems, thereby greatly benefiting shareholders.

Attendances of Outside Corporate Auditors' at Board of Directors' and Board of Corporate Auditors' Meetings in Fiscal 2012

Fumio Motoi	Attended 18 of 18 Board of Directors' meetings and 15 of 15 Board of Corporate Auditors' meetings
Akira Otsuka	Attended 18 of 18 Board of Directors' meetings and 15 of 15 Board of Corporate Auditors' meetings
Tamio Morimoto	Attended 13 of 13 Board of Directors' meetings and 10 of 10 Board of Corporate Auditors' meetings

Note: The number of meetings Mr. Morimoto attended was after he assumed office.

Basic Policy on Director and Auditor Compensation

We maintain a very transparent, just, and rational compensation system that is designed to attract talented executives who can optimize corporate value in performing their duties as directors and auditors.

We ensure that directors' and auditors' compensations are indeed transparent, just, and rational by having the Compensation Committee, whose outside director acts as chairman, to deliberate on these matters, with the Board of Directors resolving them.

Total Compensation by Director and Auditor, Total for All Types of Compensation, and Number of Directors and Auditors

Category	Total compensation (Millions of yen)	Total for all types of compensation (Millions of yen) Basic compensation	Number of directors and auditors
Directors (excluding outside directors)	298	298	10
Auditors (excluding outside auditors)	48	48	2
Outside directors and auditors	41	41	6

Note: The basic compensation of directors (excluding outside directors) includes performance- and stock acquisition-based compensation.

Internal Control Functions

Recognizing the importance of cumulative efforts, we strengthen corporate governance through our management framework and through internal controls at our sites and in Group companies.

Compliance

Recognizing compliance as the foundation of corporate management, the Nippon Ham Group continues to take steps to ensure a thorough understanding of compliance.

To strengthen compliance Groupwide, we have defined clear guidelines for compliance management policy in, among others, the Group action standards. In line with these guidelines, we engage in publicity campaigns, provide training sessions, and stage events, all aimed at promoting compliance awareness—and the effectiveness of such activities is carefully monitored. Central to this effort is the Plan-Do-Check-Act (PDCA) cycle, which is repeated continuously with the aim of firmly establishing the concept of compliance as an essential component of management.

1. Establishment of clear guidelines for compliance

- The Nippon Ham Group's action standards
- Manuals for Group company action standards

2. Execution of publicity campaigns

- Compliance training
- Compliance meetings
- Office study groups


Compliance training

3. Monitoring

- Compliance questionnaires/surveys
- Consultation system
- Centralized management of critical information in accordance with the Company's rules for information processing and management

The Compliance Committee, established by Nippon Meat Packers, Inc., is charged with evaluating the compliance policies and implementation measures of Group companies and offering opinions to the Board of Directors, among others. Compliance promotion committees have been established within individual Group companies and divisions, which are responsible for devising compliance-related strategies and promoting compliance awareness.

We have also established compliance consultation desks in four locations, two within the Group and two outside. These desks enable any and all employees to report violations or confer on compliance-related issues freely without concern for organizational restrictions. In addition to contributing to the prompt resolution of problems, these desks provide valuable information that is analyzed and used in the formulation of subsequent proposals for activities to reinforce compliance awareness.

Risk Management

The Risk Management Team was established within the General Affairs Department to comprehensively manage the risks that face the entire Group. Through close cooperation with the Compliance Department and other relevant departments, the team—acting in line with risk management guidelines—has put systems in place for conveying information promptly and accurately and for establishing a quick response in the event that any of the anticipated risks should materialize. The Risk Management Committee is responsible for discussing and deciding on issues and countermeasures pertaining to the promotion of risk management throughout the Group.

Audit Department Functions

The Audit Department, which answers directly to the President, has formulated a mechanism for conducting effective audits and promotes the operation thereof throughout the Group, in cooperation with the departments in charge of monitoring activities and the auditing departments of affiliated companies.

Quality-related audits are conducted by the Quality Assurance Department, while environmental audits are conducted by the Environmental & Social Responsibility Office.

Groupwide Efforts to Deliver Safe and Reliable of Foods

It is essential in the food business to deliver foods that are safe and completely trustworthy for consumers. To ensure this vital principle, we must first take advantage of the Group's integrated production system, which covers everything from breeding to processing, production, distribution, and sales, with employees involved in different areas endeavoring daily to adhere to strict quality management and quality assurance system standards. We must draw on our expertise and commitment to producing safe foods. To implement the above, we must secondly improve the workplace atmosphere and the desire throughout the organization to concertedly deliver safe foods through close communication between employees.

To deliver trustworthy foods, we need to remain dedicated to heeding and resolving the concerns and questions of consumers from their point of view, always valuing every interaction with consumers.

Delivering safe and reliable foods will always be the prime and enduring mission of the Nippon Ham Group. I will continue to advocate efforts toward that goal and share this mission with all Group employees so that we can move forward together.

Toshiko Katayama

Outside Director

Three Requirements for the Nippon Ham Group to Continue Growing

I emphasize the following three requirements to ensure the sustainable growth of the Nippon Ham Group.

The first requirement is to cultivate cosmopolitan outlooks among employees. Given that the Group will expand globally in the years ahead, particularly in the rapidly growing Asian market, it is important for us to more actively cultivate younger employees with worldwide expertise. We should not leave these challenges up to each operation. I believe we should consider it a Groupwide challenge over the long term to cultivate a worldly perspective under top management's direction.

The second requirement is to reinforce our social and environmental initiatives. The Group has already achieved much in this respect, for which it has earned some admiration. That said, expectations are growing year by year around the world. While maintaining our basic focus on delivering safe, reliable, and tasty foods, the Group should work harder in such areas as ensuring stable supplies of allergy-safe products and using water responsibly.

Third, it is necessary to rebuild workplaces to instill pride. Japan's demographics suggest that domestic consumer demand will shrink in the years ahead. We will have to compete fiercely over a smaller pie, so wrong management decisions could harm human relationships in workplaces. I would like to suggest reconstructing workplaces to enhance employee pride so that we can demonstrate our true competitive edge and evolve into a more global business.

Iwao Taka

Outside Director

Board of Directors, Corporate Auditors, and Executive Officers

As of June 26, 2013

Hiroshi Kobayashi
Chairman and Representative Director

April 1969	Joined the Company
March 1993	General Manager of Imported Broiler Department of the Company
April 1999	Acting General Manager of Fresh Meats Sale Second Group, Imported Fresh Meats Sales Division of the Company
June 2000	Director, General Manager of Fresh Meats Sale Second Group, Imported Fresh Meats Sales Division of the Company
April 2003	Senior Executive Officer, General Manager of Operations Management Department and Affiliated Business Division of the Company
February 2005	Senior Executive Officer, Assistant General Manager of Processed Foods Business Division of the Company
April 2005	Managing Executive Officer, General Manager of Processed Foods Business Division of the Company
June 2005	Director and Managing Executive Officer, General Manager of Processed Foods Business Division of the Company
April 2007	President and Representative Director of the Company
April 2012	Chairman and Representative Director of the Company, to date

Noboru Takezoe
President and Representative Director

April 1972	Joined the Company
March 1999	General Manager of Coordination Office of the Company
April 2003	Executive Officer, General Manager of Corporate Planning Department of the Company
April 2004	Executive Officer, General Manager of Corporate Planning Department, General Manager of Corporate Planning Division and in charge of Research and Development Center of the Company
April 2005	Senior Executive Officer, General Manager of Corporate Planning Department and General Manager of Corporate Planning Division of the Company
June 2005	Director and Senior Executive Officer, General Manager of Corporate Planning Department and General Manager of Corporate Planning Division of the Company
April 2007	Director and Managing Executive Officer, General Manager of Corporate Strategy Office and General Manager of Corporate Planning Division of the Company
April 2008	Director and Managing Executive Officer, General Manager of Corporate Management Division of the Group and in charge of Audit Department of the Company
April 2009	Representative Director and Vice President, Executive Officer, General Manager of Corporate Management Division of the Company
June 2009	Vice President, Representative Director and Executive Officer, General Manager of Corporate Management Division of the Company
April 2011	Vice President, Representative Director and Executive Officer, General Manager of Corporate Management Division and in charge of Research and Development Center of the Company
April 2012	President and Representative Director of the Company, to date

Hiroji Okoso
Director and Senior Managing Executive Officer

April 1980	Joined the Company
June 1990	Director, General Manager of Market Development Office, General Manager of Sales Planning Department of the Company
March 1991	Director, General Manager of Sales Planning Department of the Company
June 1992	Executive Managing Director, General Manager of Sales Planning Department of the Company
June 1994	Senior Executive Managing Director, General Manager of Sales Planning Department of the Company
July 1994	Senior Executive Managing Director, General Manager of Marketing Division of the Company
June 1995	Senior Executive Managing Director, General Manager of Kinki Area Business Division and General Manager of Marketing Division of the Company
June 1996	President and Representative Director of the Company
August 2002	Senior Executive Managing Director, General Manager of Tokyo Branch Office of the Company
April 2003	Director and Managing Executive Officer, General Manager of Tokyo Branch Office, General Manager of Affiliated Business Division of the Company
August 2003	Representative Director of Hokkaido Nippon-Ham Fighters Baseball Club Co., Ltd.
April 2005	Director and Managing Executive Officer, General Manager of Affiliated Business Division of the Company
December 2005	Director and Managing Executive Officer, General Manager of Operations Management Department and General Manager of Affiliated Business Division of the Company
April 2006	Director and Managing Executive Officer, General Manager of Affiliated Business Division of the Company
April 2007	Director and Senior Managing Executive Officer, General Manager of Affiliated Business Division of the Company
April 2008	Director and Senior Managing Executive Officer, in charge of Quality Assurance Department, Customer Communications Department and Research and Development Center and General Manager of Tokyo Branch Office of the Company
April 2009	Director and Senior Managing Executive Officer, in charge of Quality Assurance Department, Customer Communications Department and Research and Development Center and General Manager of Tokyo Branch Office of the Company
April 2011	Director and Senior Managing Executive Officer, in charge of Quality Assurance Department, Customer Communications Department and Audit Department and General Manager of Tokyo Branch Office of the Company, to date

Koji Uchida
Director and Senior Managing Executive Officer

April 1973	Joined the Company
April 2000	General Manager of Manufacturing Coordination Department, Processed Foods Division of the Company
January 2003	Assistant General Manager of Processed Foods Department of the Company
January 2004	General Manager of Processed Foods Department of the Company
April 2004	Executive Officer, General Manager of Deli & Processed Foods Division, Processed Foods Business Division of the Company
February 2005	Executive Officer, General Manager of Deli & Processed Foods Division and General Manager of Manufacturing Coordination Department, Processed Foods Business Division of the Company
April 2005	Senior Executive Officer, General Manager of Deli & Processed Foods Division and General Manager of Manufacturing Coordination Department, Processed Foods Business Division of the Company
April 2007	Managing Executive Officer, General Manager of Manufacturing Coordination Department and General Manager of Processed Foods Business Division of the Company
June 2007	Director and Managing Executive Officer, General Manager of Manufacturing Coordination Department and General Manager of Processed Foods Business Division of the Company
April 2008	Director and Managing Executive Officer, General Manager of Processed Foods Business Division of the Company
September 2008	Director and Managing Executive Officer, General Manager of Deli & Processed Foods Division and General Manager of Processed Foods Business Division of the Company
April 2009	Director and Managing Executive Officer, General Manager of Processed Foods Business Division of the Company
April 2013	Director and Senior Managing Executive Officer, General Manager of Processed Foods Business Division of the Company, to date

Yoshihide Hata
Director and Managing Executive Officer

April 1981	Joined the Company
April 2008	General Manager of Accounting & Finance Department of the Company
April 2009	Executive Officer, General Manager of Accounting & Finance Department of the Company
April 2011	Executive Officer, General Manager of Accounting & Finance Department and in charge of IT Planning Department of the Company
June 2011	Director and Executive Officer, General Manager of Accounting & Finance Department and in charge of IT Planning Department of the Company
April 2012	Director and Managing Executive Officer, General Manager of Corporate Management Division, in charge of Accounting & Finance Department and IT Strategy Department of the Company, to date

Juichi Suezawa
Director and Managing Executive Officer

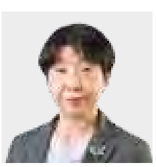
April 1976	Joined the Company
April 1997	Seconded to Nippon Food Kanto Hokuriku Co., Ltd.; General Manager, Nippon Food Kanto Hokuriku Co., Ltd.
May 1997	Director of Nippon Food Kanto Hokuriku Co., Ltd.
May 1999	Representative Director and Managing Executive of Nippon Food Kanto Hokuriku Co., Ltd.
April 2002	President and Representative Director of Nippon Food, Inc.
June 2003	Representative Director and Senior Managing Executive of Hoko Co., Ltd.
June 2004	President and Representative Director of Hoko Co., Ltd.
April 2011	Executive Officer, General Manager of Overseas Fresh Meats Operations Division, Fresh Meats Business Division, General Manager of Operations Management Office, Overseas Fresh Meats Operations Division, and General Manager of Operations Management, Asia and EU of the Company
April 2012	Managing Executive Officer, General Manager of Fresh Meats Business Division of the Company
June 2012	Director and Managing Executive Officer, General Manager of Fresh Meats Business Division of the Company, to date

Kazuhiro Tsujimoto
Director and Executive Officer

April 1974	Joined the Company
March 1998	General Manager of North Kanto Sales Department of the Company
April 2000	General Manager of Wide-area General Merchandising Department of the Company
April 2003	Executive Officer, General Manager of Wide-area General Merchandising Department, Sales & Marketing Division of the Company
February 2005	Executive Officer, General Manager of General Merchandising Division and Assistant General Manager of Sales & Marketing Division, Processed Foods Business Division of the Company
April 2007	Senior Executive Officer, General Manager of Hokkaido Sales Department, General Manager of General Merchandising Division and General Manager of Sales & Marketing Division, Processed Foods Business Division of the Company
April 2008	Senior Executive Officer, General Manager of Hokkaido Sales Department and General Manager of Sales & Marketing Division, Processed Foods Business Division of the Company
October 2008	Senior Executive Officer, General Manager of Sales & Marketing Division, Processed Foods Business Division of the Company
April 2009	Executive Officer, General Manager of Sales & Marketing Division, Processed Foods Business Division of the Company
June 2009	Director and Executive Officer, General Manager of Sales & Marketing Division, Processed Foods Business Division of the Company
February 2011	Director and Executive Officer, General Manager of Sales & Marketing Division and General Manager of General Merchandising Division, Processed Foods Business Division of the Company
April 2013	Director and Executive Officer, General Manager of Sales & Marketing Division, Processed Foods Business Division of the Company, to date

Koji Kawamura
Director and Executive Officer

April 1983	Joined the Company
April 2007	General Manager of Corporate Planning Department, Corporate Planning Division of the Company
April 2008	General Manager of Corporate Planning Department, Corporate Management Division of the Company
April 2009	Executive Officer, General Manager of Corporate Planning Department, Corporate Management Division of the Company
April 2010	Executive Officer, General Manager of Affiliated Business Division of the Company
June 2010	Director and Executive Officer, General Manager of Affiliated Business Division of the Company, to date



Toshiko Katayama
Outside Director

August 1977	Appointed as Legal Clerk for Osaka Family Court
April 1980	Appointed as Legal Secretary for Family Division of Osaka Family Court
April 1988	Registered with the Osaka Bar Association
April 1993	Opened Katayama Toshiko Law Office
July 2005	Attorney-at-law, Katayama, Kuroki and Hiraizumi Law Office, to date
June 2008	Director of the Company, to date

Iwao Taka
Outside Director

September 1991	Fisher-Smith Visiting Fellow at the Wharton School of Business, University of Pennsylvania
April 1994	Full-time lecturer, Faculty of International Economics, Reitaku University
April 2001	Professor, Faculty of International Economics (Current School of Economics), Reitaku University, to date
April 2002	Professor, School of International Economics (Current School of Economics), Graduate School, Reitaku University, to date
June 2005	Outside Director of Mitsui Sumitomo Insurance Company, Ltd.
April 2007	Visiting Professor, Business Management Graduate School, Kyoto University, to date
April 2008	Outside Director of Mitsui Sumitomo Insurance Group Holdings, Inc.
April 2009	Dean, Faculty of Economics, Reitaku University
June 2010	Director of the Company, to date

Hiroshi Itagaki
Corporate Auditor

April 1974	Joined the Company
September 2002	Head of Secretary's Office of the Company
August 2003	Leader of Internal Controls Development Support Project, Management Division of the Company
April 2005	Leader of NT Project Promotion Team, Management Division of the Company
April 2006	General Manager of General Affairs Department, Management Division of the Company
April 2008	General Manager of General Affairs Department, person responsible for promoting implementation of J-SOX at the Company
March 2009	Senior Manager of General Affairs Department of the Company
June 2009	Audit & Supervisory Board Member of the Company, to date

Katsutoshi Nishio
Corporate Auditor

April 1972	Joined the Company
July 2000	Deputy General Manager, Accounting Department of the Company
June 2003	General Manager, Accounting Department of the Company
April 2004	Executive Officer, Corporate Management Division, General Manager of Accounting Department of the Company
April 2007	Senior Executive Officer, Corporate Management Division, General Manager of Accounting Department of the Company
April 2008	Senior Executive Officer, in charge of Accounting and Finance Department and IT Planning Department of the Company
June 2008	Director and Senior Executive Officer, in charge of Accounting and Finance Department and IT Planning Department of the Company
April 2009	Director and Executive Officer, in charge of Audit Department, IT Planning Department and Engineering Department of the Company
April 2011	Director of the Company
June 2011	Audit & Supervisory Board Member of the Company, to date

Fumio Motoi
Outside Corporate Auditor

April 1969	Appointed as Judge of the Tokyo District Court
May 1975	Registered with the Osaka Bar Association, joined the Midosuji Legal Profession Corporation
June 1994	Outside Auditor of Chugai Ro Co. Ltd., to date
July 2001	Ministry of Justice Human Rights Volunteer
December 2001	Osaka District Court Civil Law Mediator
January 2003	Partner of Midosuji Legal Profession Corporation, to date
June 2005	Outside Auditor of ZETT Corporation, to date
June 2011	Audit & Supervisory Board Member of the Company, to date

Akira Otsuka
Outside Corporate Auditor

April 1973	Registered with Kobe Bar Association (current Hyogo-ken Bar Association)
May 1977	Established Kobe Law Office
June 1977	Registered as Maritime Counselor
July 1988	Maritime Arbitrator of The Japan Shipping Exchange, Inc., to date
April 1994	Kobe Summary Court, Civil Law Mediator
April 2001	President of Hyogo-ken Bar Association
October 2003	Kobe City Education Board Member, to date
April 2004	Vice President of the Japan Federation of Bar Associations
April 2005	Visiting Professor at Kobe Gakuin University, Graduate School of Law Practices
April 2008	Established Kobe Kyoruchi Law Firm, Professor of Kobe Gakuin University, Graduate School of Law Practices, to date
March 2011	Reserve Auditor of Noritz Corporation, to date
June 2011	Audit & Supervisory Board Member of the Company, to date

Tamio Morimoto
Outside Corporate Auditor

April 1964	Joined Kureha Boseki Co., Ltd. (current Toyobo Co., Ltd.)
August 1968	Joined Tomishima Accounting Firm (current Ernst & Young ShinNihon LLC)
June 1971	Registered as certified public accountant
May 2000	Director of Century Ota Showa & Co. (current Ernst & Young ShinNihon LLC)
June 2005	Retired from ShinNihon Audit Firm (current Ernst & Young ShinNihon LLC)
June 2007	Outside Corporate Auditor of Sekisui Chemical Co., Ltd.
June 2011	Resigned as Outside Corporate Auditor of Sekisui Chemical Co., Ltd.
June 2012	Audit & Supervisory Board Member of the Company, to date

Executive Officers Not Concurrently Serving as Directors

Katsumi Inoue
Takahito Okoso
Shunichi Ogata
Kazunori Shinohara
Kanji Bando
Tetsuhiro Kito
Koichi Nishihara
Kazuhiro Mikuni
Sadanori Miyagai
Hajime Takamatsu
Koichi Oyama
Hiroyuki Yano
Shuji Okoso
Sadakazu Ogawa
Chiharu Moriyama
Fumio Maeda
Masahito Kataoka
Hideki Fujii

The Nippon Ham Group Quality Assurance System

We consider it our social responsibility to supply safe products. To this end, we are building a Groupwide quality assurance system that organically links safety assessments, quality audits, safety inspections, and human-resource development to ensure product safety.

Note: As of April 2013, the Nippon Ham Group employed 888 safety assurance officers (729 in Japan and 159 overseas)

Nippon Ham Group Quality Policies

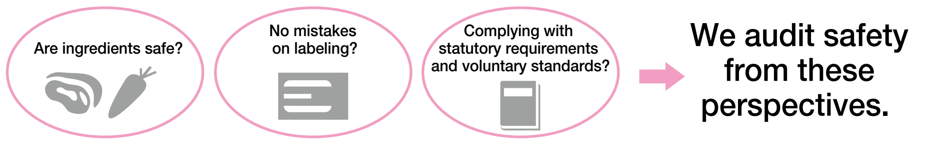
The Nippon Ham Group meets customers' expectations and earns their trust through promoting an "OPEN Quality" system that enables transparency in food production.

We have deployed five fundamental quality improvement policies to ensure product quality that both satisfies and inspires customers. We have also built a customer-oriented quality assurance network—facilitated by close, organic collaborations among Group businesses—that extends from farm to table.

Safety Assessments

We deliver safe products to customers by assessing the safety of ingredients, and by reviewing labeling and specifications compliance with statutory requirements and by maintaining product labels and records.

What are safety assessments?



Assessment Flow

1 Obtain information on ingredients

Our product information is based on accumulating ingredients data. Obtaining such information is the first and the most important step.

2 Examination of detailed product information

We combine product quality specifications with information on ingredients whose safety we have confirmed. After checking that products are safe, we commercialize only those products that pass our approvals at every stage.

3 Launching products and issuing product record

We deliver accurate product information to customers.

Audit Items

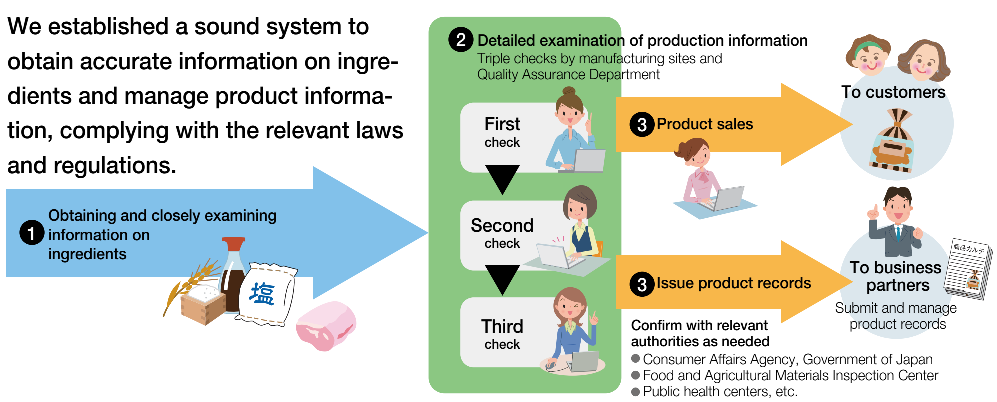
We ensure safety by conducting strict assessments from various perspectives.

**1: FT-CCP (Fresh & Tasty Critical Control Point):*
The Nippon Ham Group's own initiative for prioritizing the management of freshness and taste

**2: Quality and benefits misrepresentation:*
***Quality misrepresentations** include false advertisements claiming that the quality of a product or service is better than what it really is, or falsely advertising that the quality of a product or service is superior to that of a competitor when that is not the case.*
***Benefits misrepresentations** include false advertisements claiming that product or service terms are more advantageous than they really are, and falsely advertising that products or services are cheaper than competitors' offerings when that is not the case.*

Safety Assessment Flow

We established a sound system to obtain accurate information on ingredients and manage product information, complying with the relevant laws and regulations.



Quality Audits

The Nippon Ham Group's Quality Assurance Department conducts exhaustive quality audits, improving the production environment to guarantee consistently reliable quality for customers.

What do quality audits entail?

To deliver safe and reliable products to customers through quality audits, the Group's quality assurance personnel conduct on-site audits to verify quality criteria at production sites, plants, and sales sites in Japan and overseas. They not only confirm conditions but also ensure that contractors in Japan and overseas understand the Nippon Ham Group's Quality Policies, and request improvements where needed.

At production sites:
Conduct first-hand checks of product ingredients

At manufacturing plants:
Check sanitation standards of domestic and overseas plants

At points of sale:
Check product storage conditions

The Nippon Ham Group Quality Audits

By constantly improving the manufacturing environment, we deliver safe products to customers.

We implement quality audits based on our own quality assurance regulations and by addressing various potential risks.

The Group's own quality assurance regulations

- **Confirm ISO and HACCP requirements**
- **General sanitary control, allergen management, and traceability management, etc.**
  We audit quality in line with the international standards for quality assurance, including ISO, SQF, and HACCP, as well as the Nippon Ham Group's own 24 quality assurance regulations*.

Risks

- **Food industry risks**
  Confirming ingredients and places of origin, etc.
- **Understanding trends in industrial and academic circles and among domestic and overseas governments**
  Implementation based on risk analysis evaluations

The Nippon Ham Group's 24 quality assurance regulations

**The 24 quality assurance regulations* are the Nippon Ham Group's own quality standards, which encompass managing development and design, overseeing employee hygiene, and managing procured goods. Each business site controls quality based on these regulations.*

Safety Inspections

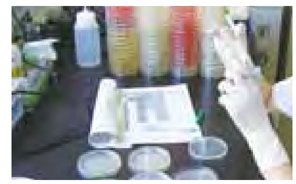
The inspection and research departments in Japan and abroad collaborate to supply safe products.

What are safety inspections?

These aim to confirm that our products are free of hazardous microorganisms, food allergens, agricultural chemicals, and veterinary drug residues. We confirm product safety through regular sampling inspection.


Veterinary drug residue testing


Food allergen testing


Microorganism testing

Expansion of Safety Inspection Network

While gathering agricultural chemical and veterinary drug usage information overseas, we are endeavoring to enhance and expand our inspection system.


Weihai Quality Assurance Center in China (Weihai, Shandong Province, China)

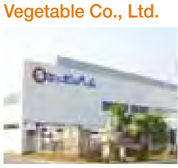

Tianjin Longtai Sub-branch in China (Wuqing District, Tianjin, China)

In China, we use standards matching those in Japan based on guidance from Safety Testing Laboratory at two quality assurance centers.


Nippon Shokuhin Mexicana S.A. de C.V.


Outsourcing in Brazil


Thai Nippon Vegetable Co., Ltd.


Thai Nippon Foods Co., Ltd.


Outsourcing in Thailand


Research and Development Center in Tsukuba, Ibaraki Prefecture
The core of the Nippon Ham Group's research program


Safety testing laboratory in Tsukuba, Ibaraki Prefecture
Inspection department that focuses on ensuring food safety


Product development research facility in Joso, Ibaraki Prefecture
Development of processed foods and inspection department

Plant Quality Inspection System

We conduct daily checks of product cleanliness and taste.

Sanitation checks	Microorganism testing	Tests to confirm best-before dates	Manufacturing process tests
Taste tests	Food composition tests	Sensory testing	

Valuing the Bounty of Nature and Nurturing Life as Part of Social Sustainability Efforts

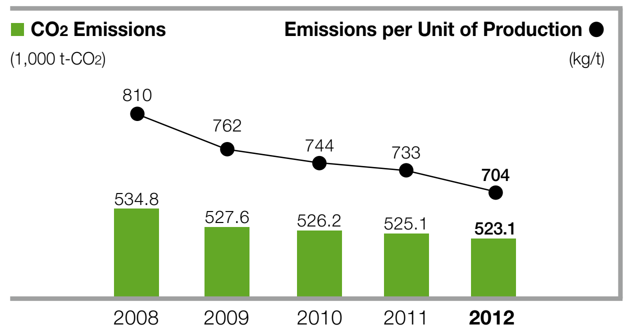
The Nippon Ham Group farms its own cattle, hogs, and chickens. We value the bounty of nature for human survival and respect its blessings in striving to create a sustainable society.

Initiatives to Cut Greenhouse Gas Emissions

Since fiscal 2007, we have been using city gas and liquefied natural gas in lieu of heavy oil and liquid petroleum gas to fuel our plants. We have also begun using chicken manure as boiler fuel as part of an initiative to harness biomass resources.

We have commissioned third parties to verify our greenhouse emissions since fiscal 2011, to ensure accuracy.

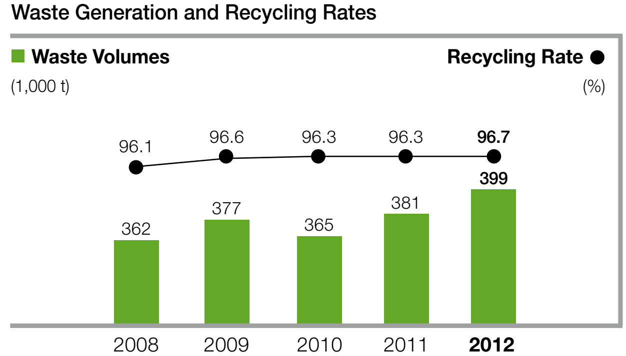
CO_2 Emissions and Emissions per Unit of Production



Initiatives to Reduce Waste and Improve Recycling Rates

The excrement from farm animals accounts for around 47% of the Nippon Ham Group's waste. We are endeavoring to transform this resource into fertilizers and fuels within the Group.

Waste Generation and Recycling Rates



Progress toward Environmental Targets under New Medium-Term Management Plan Part IV

Under the New Medium-Term Management Plan Part IV, which was implemented in April 2012, we have set forth seven key environmental targets for fiscal 2014. We are well on our way to fulfilling three of those targets, but we need to step up our efforts to reduce waste, and will thus continue pursuing improvements.

Theme	Targets	Results for fiscal 2012
Reduce CO_2 emissions (from energy)	12.5% reduction per unit of production from the average between fiscal 2005 and fiscal 2010 (target emissions intensity: 714.1kg-CO_2/t)	**13.8% reduction**
Reduce waste	3% overall reduction from the average between fiscal 2006 and fiscal 2011 (target waste volumes: 357,506t/year)	**8.3% increase**
Improve waste recycling rate	More than 99%	**96.7%**
Increase food recycling rate	More than 93% (excluding farms)	**94.0%**
Cut water consumption	6% reduction per unit of production from the average between fiscal 2005 and fiscal 2010 (target emissions per unit of production: 16.8m^3/t)	**0.6% reduction**
Boost green purchasing rate	More than 90%	**74.7%**
Enhance vehicle fuel efficiency	3% improvement from fiscal 2010	**5.6% improvement**

Contributing to Society and the Community

The Nippon Ham Group strives to contribute to the realization of a culturally rich society and to the communities in which it operates through a wide range of activities, including the promotion of sports.

Championing Sports and Athletics

In line with its commitment to building health through food and sports, the Nippon Ham Group promotes sports as a way of creating opportunities for human interaction and to help build communities that enjoy strong personal ties.

Managing the Hokkaido Nippon-Ham Fighters professional baseball team, and a participant in the management of Cerezo Osaka, a professional soccer team, the Group organizes baseball and soccer clinics nationwide. The aim of these clinics is not only to provide technical instruction but also to instill a passion for pursuing one's dream and an understanding of the importance of interacting with other people.

The Nippon Ham Group is also a special sponsor of the UNICEF Cup, a citizens' marathon, and hosts the Nippon Ham Flag Autumn Rubber Baseball Tournament for Kanto Area Students, a little league baseball competition. Through such activities, the Group endeavors to broaden the support base for sports, as well as to contribute to the sound health and vibrant development of the youth of Japan.

Forest Preservation

The Nippon Ham Group is involved in a movement to preserve and protect forests as part of the "Corporate Forest" program sponsored by Japan's Forestry Agency. As part of this effort, Group employees work with local residents in three locations—Mount Onaru in Hyogo Prefecture, Mount Tsukuba in Ibaraki Prefecture, and Seto Jokoji in Aichi Prefecture—to plant trees and clear undergrowth and, in the process, provide an opportunity for residents to gain a new understanding of the importance of forests.

Support for Food Education

Guided by the slogan "Let's Enjoy Eating!" the Nippon Ham Group strives to help people to refine their senses and provides a variety of information about food.

One such initiative is our program at elementary and junior high schools to highlight the importance of eating and the role of food and provide information on nutrition to help ensure good dietary health for children during their school years. In the period under review, we held such classes for about 2,800 students at 36 schools. In a Wiener sausage making class, students learned about the numerous steps involved in getting these sausages to the dinner table and about the preciousness of food.

Other activities, which we will continue to undertake, include tours of Nippon Ham Group plants and cooking classes and seminars designed to help people to enjoy more varied diets.

Livestock Farming Tour

Livestock Farming Tour
Group companies Nippon White Farm Co., Ltd. and Higashi Nippon Food, Inc. jointly held *Do Sanpo Livestock Farming Tour—Birth to Food* at a Group plant in Sapporo, Hokkaido Prefecture.

Participants learned about the process from the birth of chicks to food on DVD and watched how chickens are delivered to the manufacturing line for disassembly and packing. For lunch, we served *Sakurahime* chickens and asked participating children to respect the bounty of nature by intoning "*Itadakimasu* (Let us eat)." Children commented that they felt respect for the meat they received.

Hokkaido Nippon-Ham Fighters: Enhancing Group Corporate Value

In 1973, the Nippon Ham Group established a professional baseball team that was later reborn as the Hokkaido Nippon-Ham Fighters. The team's raison d'être is evolving from enhancing recognition of the Nippon Ham name to helping the Group fulfill its responsibility as a corporate citizen, and its presence continues to contribute to the enhancement of brand value. In the 2012 season, the team won the league title for the first time in three years. In 2013, we look forward to the team becoming the number one baseball team in Japan.

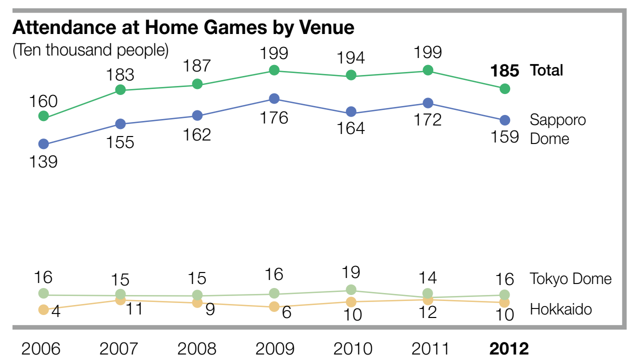
10th Season Project

In 2013, the Hokkaido Nippon-Ham Fighters is marking one decade since it relocated its headquarters to Hokkaido. To express gratitude to fans that have supported the team since the move north and to all Hokkaido residents, we are undertaking various initiatives under the 10th Season Project with a view to the team continuing to meet new challenges in the years ahead.

The first initiative in that project is to designate ambassadorships for 179 municipalities around Hokkaido, as part of which players contribute to the economic growth of municipalities in Hokkaido by working closely with local residents. In the first year of this program, 36 players were appointed as ambassadors for 18 municipalities. With the full support of team manager Hideki Kuriyama, the players appear on municipal posters, in public relations magazines, on websites, and in blogs during yearlong appointments. They also support municipalities by participating in events to promote distinctive local produce and take part in other activities. We plan to continue engaging in various initiatives to ensure that the Hokkaido Nippon-Ham Fighters becomes even closer to local fans under the concepts of gratitude and the future, including 10th Season Ceremonies and through producing a theme song for which fans provide lyrics.

Pushing Forward with the Team Slogan of "*Jun Hitamukini*" (Pure and Determined)

The Hokkaido Nippon-Ham Fighters enjoys the support of many people in Hokkaido for remaining a good member of the community. High attendances at the team's home games underscore that support. The team's slogan for the 2013 season is "*Jun Hitamukini*" (Pure and Determined), the idea being to pursue higher goals to please fans. In light of the 10th anniversary milestone, the slogan underscores our determination to return to the team's beginnings and avoid complacency with having won four league titles over the previous nine seasons. The slogan reminds us to go back to our roots with clear ideas on why we take part in baseball and deepen the ties with our fans. Under this slogan, the Hokkaido Nippon-Ham Fighters will continue striving to win another pennant.



Overview of the Nippon Ham Group

Chapter 3

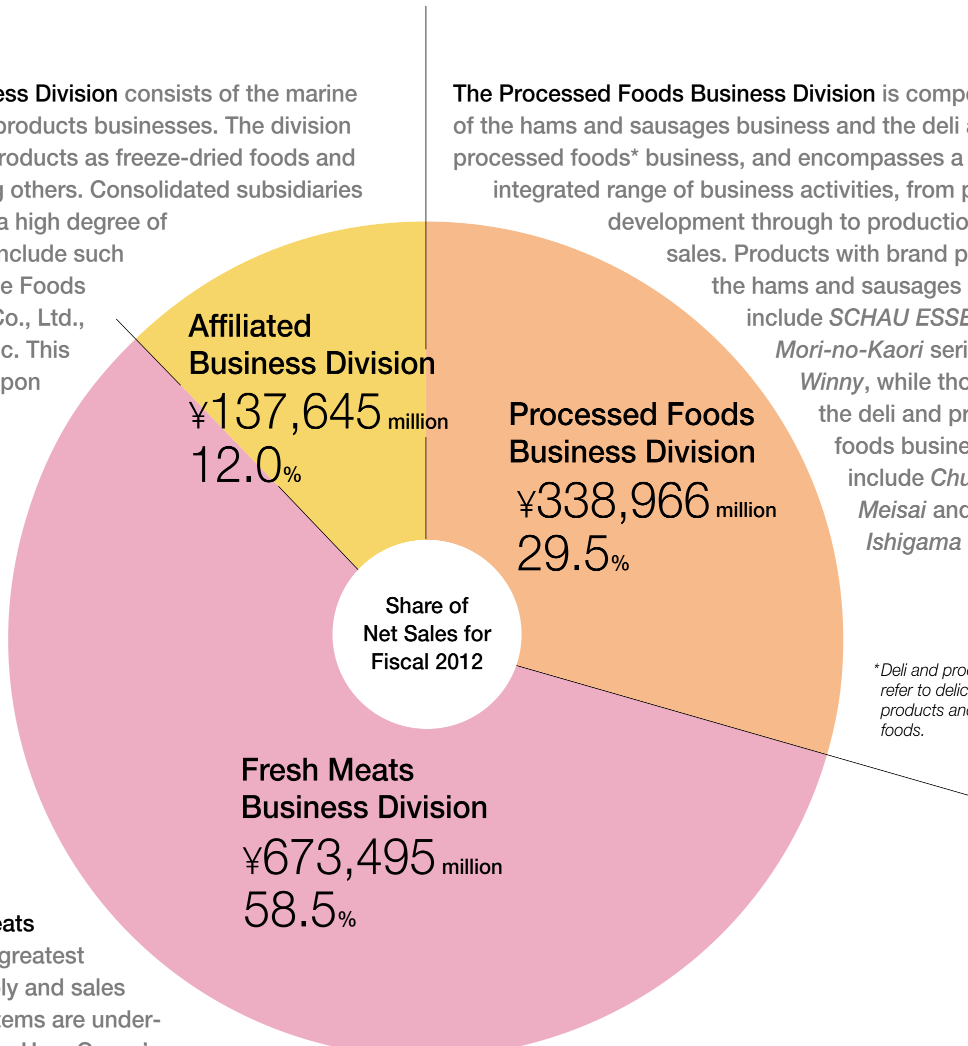
Page

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 70 sales bases in Japan.
- Allocating specialists for supermarkets, convenience stores, restaurants, and other customers.
- Deploying promotions to support sales.
- Constructed in-store information system that channels direct feedback from dialogue between sales representatives and customers to relevant departments.

Main Products

Hams and Sausages Business


SCHAU ESSEN


Utsukushi-no-Kuni


Winny

Deli and Processed Foods Business


Ishigama Kobo
Pizza Margherita


Chuka Meisai
Sweet and sour pork


Chicken nuggets

Fresh Meats Business Division

Farms

Japan:

Chicken: Ships 64 million chickens annually

Pork: Ships 640,000 hogs a year

Overseas:

Pork: Ships 810,000 hogs a year (U.S.)

Beef: Ships 120,000 cattle a year (Australia)

Packing Plants

15 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.

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

Distribution Centers

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

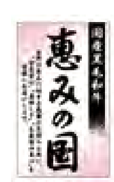
Sales Offices

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

Main Products

Imported Fresh Meats Business

Domestic Fresh Meats Business



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 the Research and Development Center of Nippon Meat Packers.

Main Products

Marine Products Business

Seafood for sushi

Aomori no Shojiki Chub Mackerel

Dairy Products Business

ROLF Baby Cheese

Vanilla Yogurt

Other Businesses

Onion Soup Incorporating Domestically Grown Onions and Camembert Cheese

Glucosamine Chondroitin

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.	3,521,410	Brazil	Year ended December 2012
Tyson Foods, Inc.	3,162,076	U.S.A.	Year ended September 2012
Brasil Foods S.A.	1,326,611	Brazil	Year ended December 2012
Smithfield Foods, Inc.	1,244,220	U.S.A.	Year ended April 2012
Charoen Pokphand Foods PCL.	1,171,535	Thailand	Year ended December 2012
VION Food Group (non-listed)	1,159,963	Netherlands	Year ended December 2011
Marfrig Alimentos S.A.	1,103,752	Brazil	Year ended December 2012
Nippon Meat Packers, Inc.	**1,022,839**	**Japan**	Year ended March 2013
Danish Crown Group	931,058	Denmark	Year ended September 2012
Hormel Foods Corporation	782,078	U.S.A.	Year ended October 2012

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.	2,186,177	153,022	Year ended December 2012
Japan Tobacco Inc.	2,120,196	532,360	Year ended March 2013
Suntory Holdings Ltd. (non-listed)	1,851,567	107,744	Year ended December 2012
Asahi Group Holdings, Ltd.	1,579,076	108,437	Year ended December 2012
Ajinomoto Co., Inc.	1,172,442	71,232	Year ended March 2013
Meiji Holdings Co., Ltd.	1,126,520	25,859	Year ended March 2013
Nippon Meat Packers, Inc.	**1,022,839**	**28,021**	Year ended March 2013
Yamazaki Baking Co., Ltd.	951,502	24,754	Year ended December 2012
Maruha Nichiro Holdings, Inc.	809,789	11,996	Year ended March 2013
Morinaga Milk Industry Co., Ltd.	591,197	10,166	Year ended March 2013

Fresh Meats Industry (Japan)

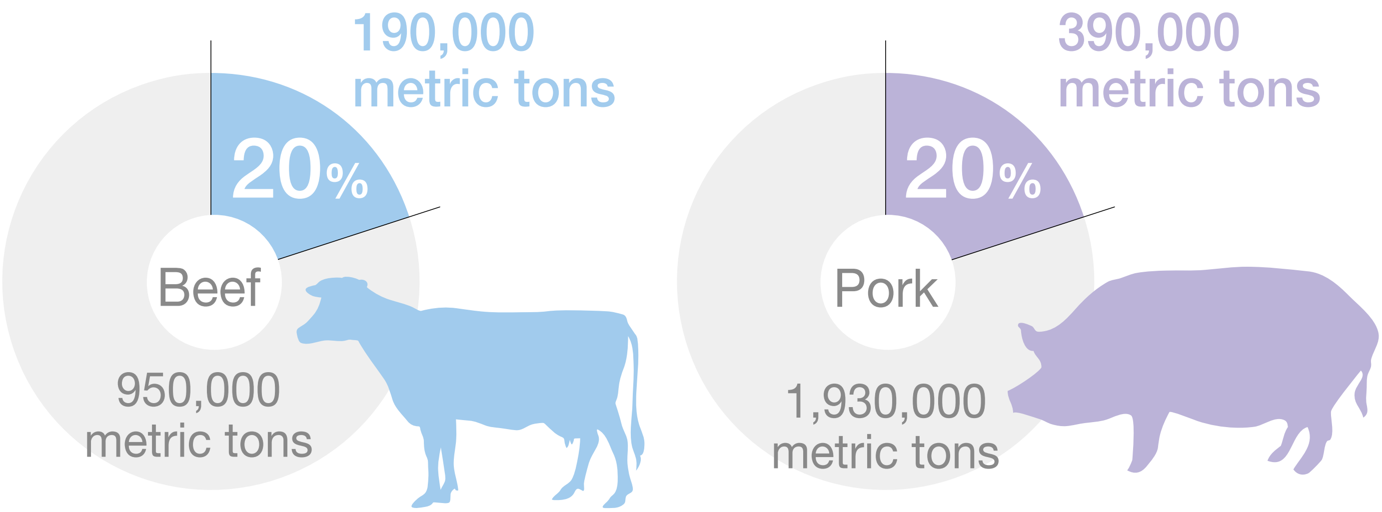
Major Domestic Fresh Meats Companies based on Net Sales	Millions of Yen		Fiscal Year Reported
	Net Sales	Operating Income	
Nippon Meat Packers, Inc.	**1,022,839**	**28,021**	Year ended March 2013
Itoham Foods Inc.	438,827	5,659	Year ended March 2013
Prima Meat Packers, Ltd.	275,647	7,259	Year ended March 2013
Starzen Co., Ltd.	254,124	1,830	Year ended March 2013
Marudai Food Co., Ltd.	207,009	3,314	Year ended March 2013
S Foods Inc.	148,097	5,166	Year ended February 2013
Yonekyu Co., Ltd.	142,372	484	Year ended February 2013
Hayashikane Sangyo Co., Ltd.	45,482	319	Year ended March 2013
Takizawa Ham Co., Ltd.	28,130	(27)	Year ended March 2013
Fukutome Meat Packers, Ltd.	27,843	327	Year ended March 2013

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, 2013.
3. Japan Tobacco Inc. uses International Financial Reporting Standards (IFRS).
4. Based on Nippon Meat Packers data.

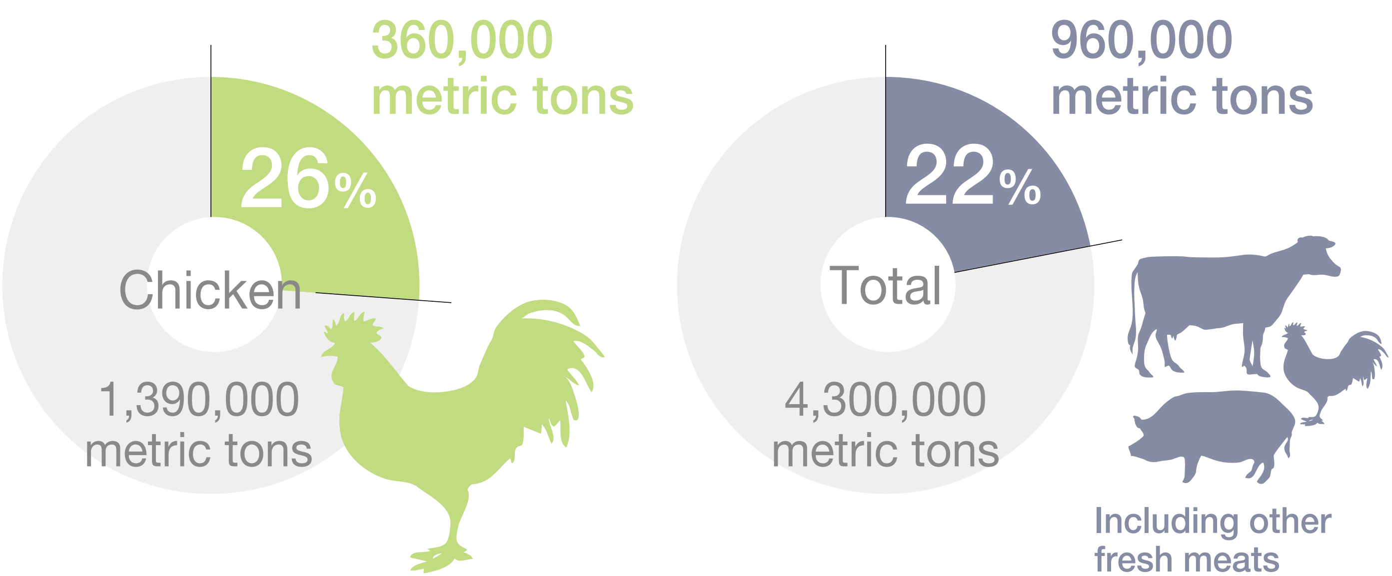
Fresh Meats Sales Market Shares

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

Top Integrator in All Three Key Livestock Species



Top Market Share

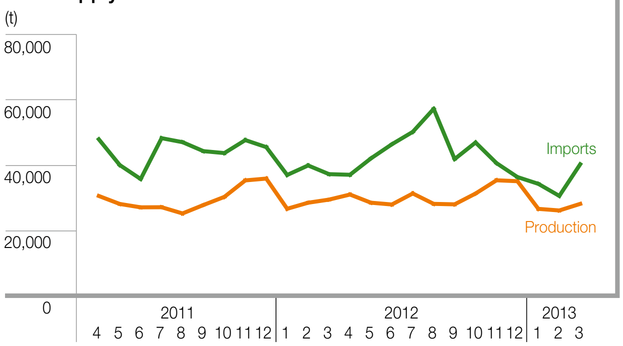


(Based on Nippon Meat Packers data as of March 2013)

The Nippon Ham Group produces and sells fresh meats worldwide. As such, its operating results are affected by such factors as fluctuations in meat supply and demand. This page looks at key meet and feed market trends in Japan.

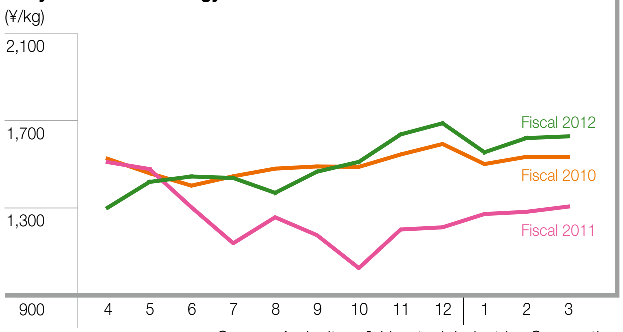
Prices and Supply/Demand for Beef

Beef Supply and Demand Trends



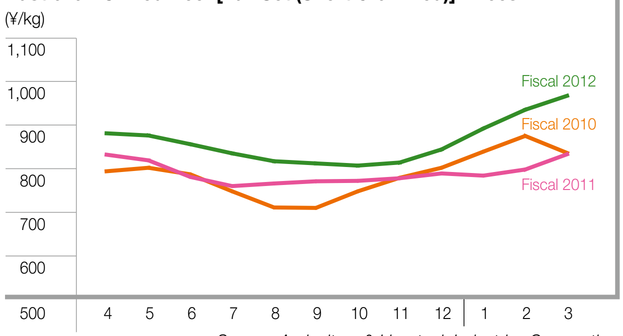
Source: Agriculture & Livestock Industries Corporation

Tokyo Market A-3 Wagyu Steer Prices



Source: Agriculture & Livestock Industries Corporation
(all graphs based on average prices)

Australian Chilled Beef [Full Set (Short Grain Fed)] Prices

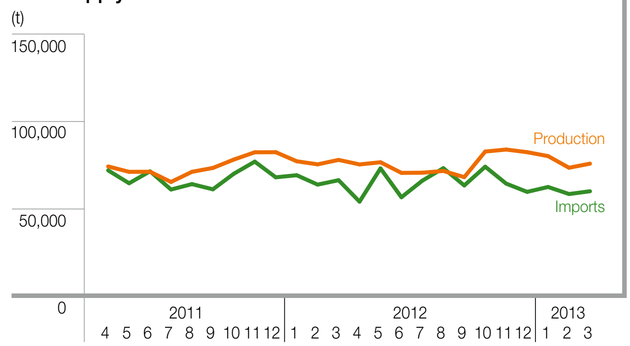


Source: Agriculture & Livestock Industries Corporation
(all graphs based on average prices)

- Domestic beef market prices were high, as demand recovered from the impact of cesium contamination issues, while the number of head of cattle shipped trended downward.
- Australian beef prices surged in the second half owing to the yen's depreciation. Import volumes were around the same as in previous years, reflecting a licensee attitude toward the relaxation of the ages of U.S.-produced beef.

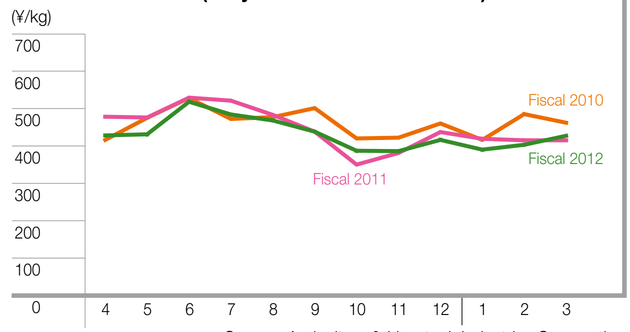
Prices and Supply/Demand for Pork

Pork Supply and Demand Trends



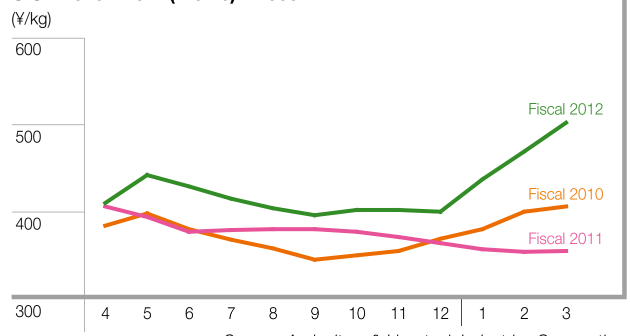
Source: Agriculture & Livestock Industries Corporation

Pork Carcass Prices (Tokyo Market Excellent Grade)



Source: Agriculture & Livestock Industries Corporation
(all graphs based on average prices)

U.S. Frozen Pork (Picnic) Prices

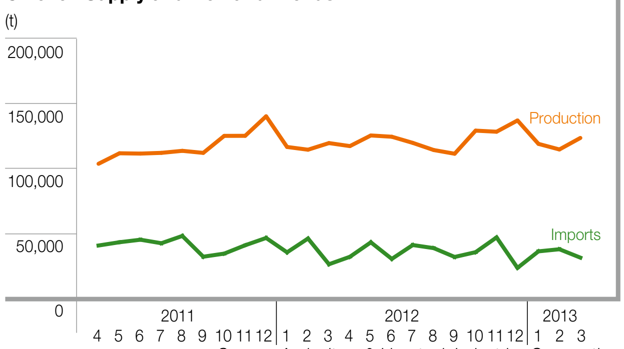


Source: Agriculture & Livestock Industries Corporation
(all graphs based on average prices)

- Domestic pork prices were relatively low because of favorable production. Prices trended upward with those of imported pork from the start of the year.
- Market prices were high as customs-cleared volumes of imported pork declined throughout the year, while the yen declined in the second half.

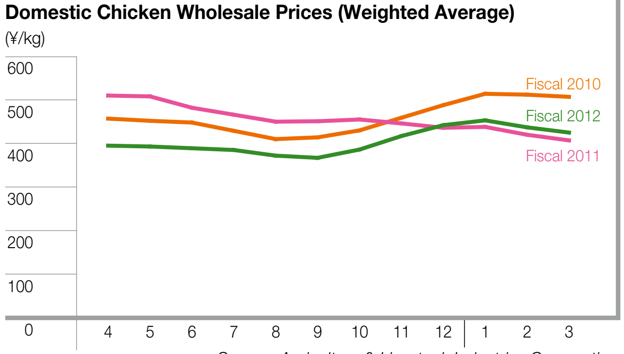
Prices and Supply/Demand for Chicken

Chicken Supply and Demand Trends



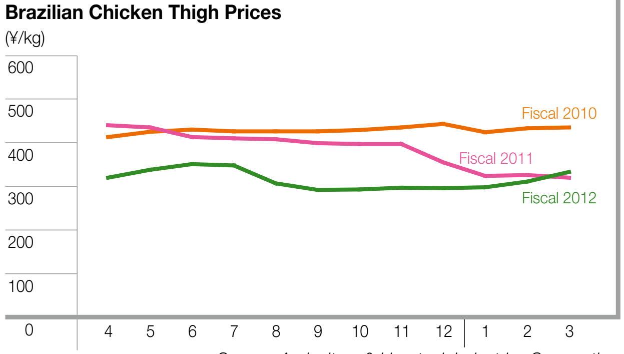
Source: Agriculture & Livestock Industries Corporation

Domestic Chicken Wholesale Prices (Weighted Average)



Source: Agriculture & Livestock Industries Corporation
(all graphs based on average prices)

Brazilian Chicken Thigh Prices

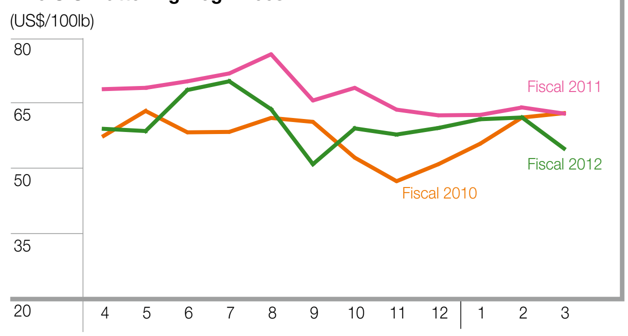


Source: Agriculture & Livestock Industries Corporation
(all graphs based on average prices)

- Domestic chicken volumes rose on favorable production, and prices remained low from the second half of fiscal 2010 and throughout fiscal 2012.
- Chicken imports were low as a result of surplus inventories in the market, but rose from the start of this year amid increasing local prices and the yen's decline.

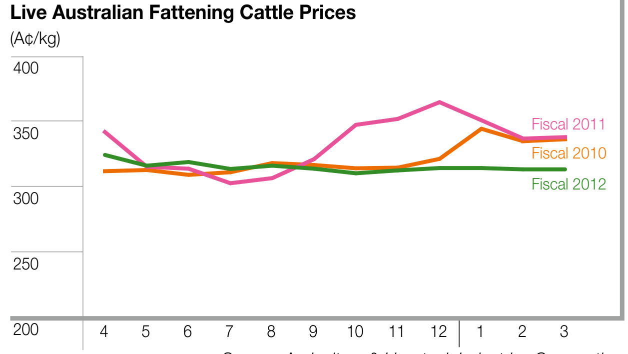
Overseas Livestock Prices

Live U.S. Fattening Hog Prices



Source: Agriculture & Livestock Industries Corporation
(all graphs based on average prices)

Live Australian Fattening Cattle Prices

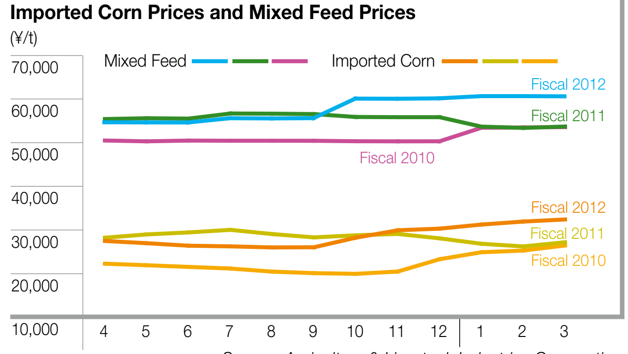


Source: Agriculture & Livestock Industries Corporation
(all graphs based on average prices)

- The American live hog market was relatively weak, as a drought failed to translate into higher prices.
- The Australian market for fattening cattle was stable, reflecting stable prices for breeding stock.

Feed Prices

Imported Corn Prices and Mixed Feed Prices



Source: Agriculture & Livestock Industries Corporation
(all graphs based on average prices)

- Corn prices remained high owing to a drought in the U.S. Midwest. Feed prices soared from the second half of the fiscal year as the yen declined.

The Early Days

1942
- **March** Yoshinori Okoso founded the Tokushima Meat Processing Plant located in Terashima-honcho, Tokushima-shi, Japan.

1945
- **July** Tokushima Meat Processing Plant burned down during the war.

1948
- **August** Operations restarted with the opening of a new plant in Bandai-cho, Tokushima-shi, Japan.

1951
- **December** Reorganized the company to form Tokushima Ham Co., Ltd.

1952
- **January** Osaka office upgraded to branch status. Offices also opened in Kobe, Okayama, and Takamatsu.

1956
- **May** Osaka Plant opened.

1961
- **October** Listed on the 2nd Section of the Osaka Securities Exchange.

1962
- **February** Listed on the 2nd Section of the Tokyo Stock Exchange.

1963
- **April** Ibaraki Plant opened.

Opened branches in Kobe, Okayama, and Takamatsu

Listed on the 2nd Section of the Osaka Securities Exchange

The Creation
of Nippon Ham

1963
- **August** Merged with Torisei Ham Co., Ltd., and renamed Nippon Meat Packers, Inc.

1964
- **February** Businesses integrated under the Nippon Ham brand, with advertising starting nationwide.

1966
- **February** Launched *Winny* brand nationwide.

1967
- **December** Stock listing changed to the 1st section of both the Osaka Securities Exchange and Tokyo Stock Exchange.

1968
- **February** Established a consumer service office.
- **March** Entered the farm business with establishment of Nippon Broiler Co., Ltd. as a joint company.

1969
- **September** Introduced Consumer Delegate Committee System

1973
- **April** Implemented an integrated production system of fresh meats with establishment of Nippon Pork Co., Ltd. (now Nippon Food Packer Kagoshima, Inc.)

Merger agreement signing ceremony for Tokushima Ham and Torisei Ham

Plant interior at the time

Progressing *toward* Tomorrow

1973
- **November** Pro baseball team Nippon-Ham Fighters Baseball Club, established.

1977
- **March** Began development of distribution and sales setup of fresh meats with establishment of Sendai Food, Co., Ltd.
- **March** Began overseas expansion with acquisition of Day-Lee Meats, Inc., of Los Angeles, USA (now Day-Lee Foods, Inc.).

1979
- **April** Full entry into the processed foods business with establishment of Nippon Ham Shokuhin Co., Ltd.

1981
- **July** Entered the marine foods processing business with acquisition of the Marine Foods Corporation.

1984
- **March** Entered freeze-dried foods business with establishment of Nippon Dry Foods Co., Ltd.

1988
- **July** Implemented an integrated system from production to marketing of fresh meats overseas with purchase of the Whyalla Feedlot (Australia).

1992
- **July** Entered the lactic acid bacterial beverages business with acquisition of Kansai Luna, Inc. (now Nippon Luna, Inc.).

1993
- **December** Participated in the establishment and operation of Osaka Football Club Co., Ltd., team Cerezo Osaka.

1995
- **February** Entered the hog farming business in the USA with the establishment of Texas Farm, LLC in Perryton, Texas.
- **March** Established Nippon Pure Food, Inc. to bolster natural flavoring business.

1999
- **November** Ono Plant is the first in the industry to receive ISO 14001 certification.

2002
- **August** A scandal was exposed within the Nippon Ham Group.

2003
- **July** Purchased shares in Hoko Co., Ltd. (formerly Hoko Suisan Co., Ltd.) to strengthen the company's position in the marine foods and dairy products businesses.

2004
- **August** Purchased shares in Maruwa & Co., Inc. (now Nippon Ham Health Creation Co., Ltd.) to strengthen the company's position in the health foods business.

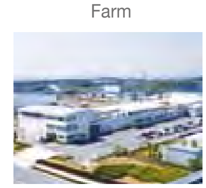
2010
- **January** Started carbon footprint labeling on ham and sausage products.

2012
- **March** The Nippon Ham Group celebrated its 70th anniversary.

Taking over the business of Marine Foods

Purchasing Kansai Luna (now Nippon Luna)

Established Texas Farm



Ono Plant received the first ISO 14001 certification in industry

Financial Section

Chapter 4

Page

Five-Year Summary

Nippon Meat Packers, Inc. and Subsidiaries
For the Years Ended March 31

	Millions of Yen				
	2013	2012	2011	2010	2009
Net Sales	**¥1,022,839**	¥1,017,784	¥ 989,308	¥ 953,616	¥1,028,449
Income from Continuing Operations before Income Taxes and Equity in Earnings (Losses) of Associated Companies	**28,031**	26,766	29,523	24,024	6,287
Net Income Attributable to Nippon Meat Packers, Inc.	**16,459**	11,655	16,731	15,721	1,657
Total Assets	**610,293**	589,125	590,688	604,201	583,684
Total Nippon Meat Packers, Inc. Shareholders' Equity	**293,414**	290,020	281,067	271,908	270,439
Interest-Bearing Debt	**149,821**	139,187	155,263	187,585	168,950
Net Cash Provided by Operating Activities	**37,407**	26,432	36,761	67,448	37,776
Net Cash Provided by (Used in) Investing Activities	**(54,813)**	9,750	8,745	(60,134)	(15,397)
Free Cash Flow	**(17,406)**	36,182	45,506	7,314	22,379
Net Cash Used in Financing Activities	**(10,964)**	(23,745)	(36,951)	(5,227)	(24,761)
Capital Expenditures	**33,285**	19,487	17,189	19,754	22,148
Depreciation and Amortization	**19,323**	23,756	24,115	24,408	24,000

	Yen				
Per Share Amounts:					
Basic Earnings per Share Attributable to Nippon Meat Packers, Inc. Shareholders	**¥ 79.42**	¥ 54.79	¥ 78.67	¥ 69.69	¥ 7.26
Diluted Earnings per Share Attributable to Nippon Meat Packers, Inc. Shareholders	**¥ 71.44**	¥ 49.40	¥ 70.92	¥ 68.99	¥ 7.25
Total Nippon Meat Packers, Inc. Shareholders' Equity	**¥1,474.60**	¥1,363.34	¥1,321.37	¥1,278.83	¥ 1,185.25
Cash Dividends	**¥ 24.00**	¥ 18.00	¥ 16.00	¥ 16.00	¥ 16.00

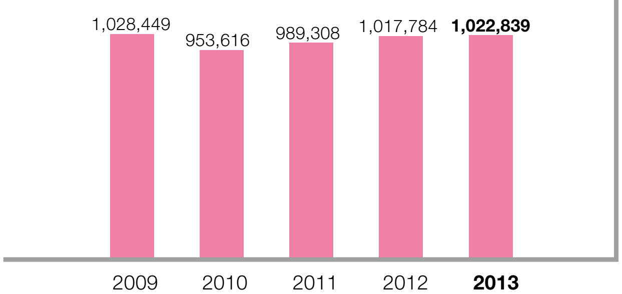
	Percent				
Financial Indicators					
Return on Equity (ROE)	**5.6%**	4.1%	6.1%	5.8%	0.6%
Return on Assets (ROA)	**4.7%**	4.5%	4.9%	4.0%	1.1%
Nippon Meat Packers, Inc. Shareholders' Equity Ratio	**48.1%**	49.2%	47.6%	45.0%	46.3%

	Times				
Debt/Equity Ratio	**0.51**	0.48	0.55	0.69	0.62
Interest Coverage Ratio	**22.8**	14.5	17.0	31.6	15.0

Notes: 1. The above figures are based on the consolidated financial statements prepared in conformity with accounting principles generally accepted in the United States of America.
2. See Note 1 to the consolidated financial statements with respect to the determination of the number of shares in computing the per share amounts attributable to Nippon Meat Packers, Inc. shareholders.
3. The consolidated financial statements for the year ended March 31, 2009 have been reclassified to conform to the presentation requirements in accordance with the Accounting Standards Codification ("ASC") of the U.S. Financial Accounting Standards Board Topic 810, "Consolidation."
4. In accordance with ASC Topic 205, "Presentation of Financial Statements," the Companies present the results of discontinued operations as a separate line item in the consolidated statements of income under income from discontinued operations—net of applicable income taxes.
5. Interest-bearing debt consists of short-term bank loans, current maturities of long-term debt and long-term debt, less current maturities (including zero coupon convertible bonds) in the consolidated balance sheets.
6. Capital expenditures represent the additions to tangible and intangible fixed assets.
7. Depreciation and amortization consist of depreciation of tangible fixed assets and amortization of intangible fixed assets.
8. ROE = (Net income attributable to Nippon Meat Packers, Inc. / Average total Nippon Meat Packers, Inc. shareholders' equity) × 100
ROA = (Income from continuing operations before income taxes and equity in earnings (losses) of associated companies / Average total assets) × 100
Free Cash Flow = Net cash provided by operating activities + Net cash provided by (used in) investing activities
Nippon Meat Packers, Inc. Shareholders' Equity Ratio = (Nippon Meat Packers, Inc. shareholders' equity / Total assets) × 100
Debt/Equity Ratio = Interest-bearing debt / Nippon Meat Packers, Inc. shareholders' equity
Interest Coverage Ratio = Net cash provided by operating activities / Interest paid

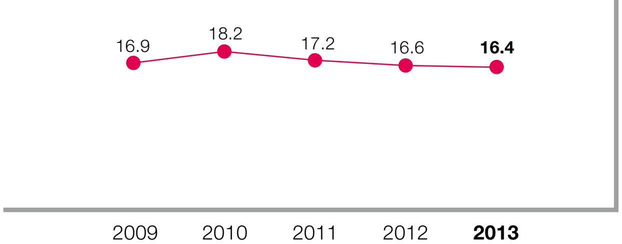
NET SALES

(Millions of Yen)



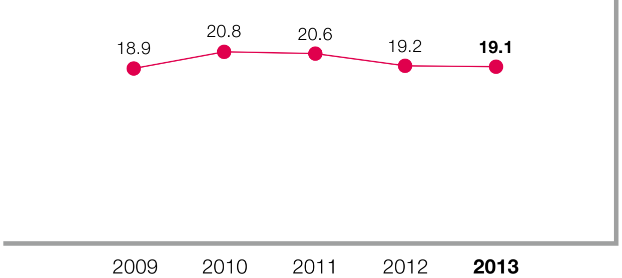
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES RATIO

(%)



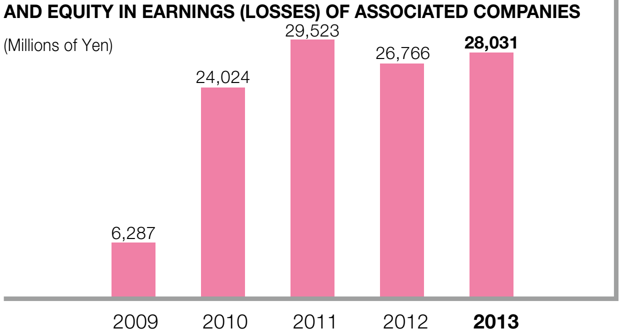
GROSS PROFIT RATIO*

(%)



INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND EQUITY IN EARNINGS (LOSSES) OF ASSOCIATED COMPANIES

(Millions of Yen)



* Gross profit represents net sales less cost of goods sold.

Overview of Business Results

The Japanese economy remained weak in this fiscal year, owing to a global economic slowdown resulting from such factors as a deceleration of the Chinese economy and the European financial crisis, which overshadowed a recovery in demand in the aftermath of the Great East Japan Earthquake. There were some positive developments, however, including a surge in the Nikkei Stock Average following the start of the yen's depreciation in October 2012, fueling anticipation of a recovery in business results, particularly in export industries.

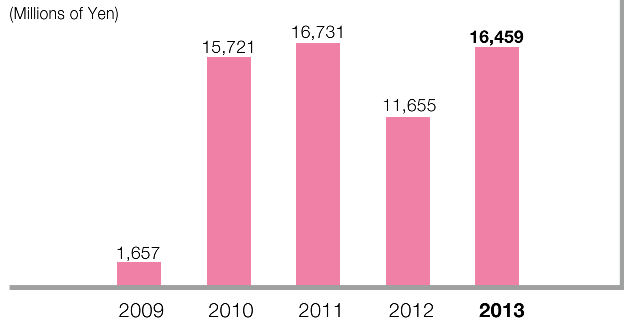
Market prices of domestically produced and imported beef were higher than the previous fiscal year. In February 2013, Japan began allowing imports of U.S. beef from younger cattle, but this move did not have a significant impact on operations. The Japanese markets for pork and chicken faced adverse conditions regarding domestic production volumes rising from the previous fiscal year.

Key factors were intensifying sales competition as deflationary trends continued, rising feed costs as a U.S. drought caused grain prices to soar, and sluggish economic conditions that caused an overall downturn in the gift market.

It was against this backdrop that the Nippon Ham Group ("the Group") launched the New Medium-Term Management Plan Part IV in this fiscal year. Its objectives are to improve the profitability of domestic operations and reinforce the foundation of overseas operations. The Group pursued three management policies toward that end: Brush up the concept of Management for No. 1 Quality; Allocate management

NET INCOME ATTRIBUTABLE TO NIPPON MEAT PACKERS, INC.

(Millions of Yen)



resources in prioritized areas; and Enhance the Group brand value. Specific initiatives included reinforcing domestic upstream businesses, pursuing ongoing structural reforms, developing and expanding sales of new products, and setting up the Corporate Strategic Task Force to strengthen brand management. Other efforts involved relocating headquarters to enhance coordination within the Group and conducting various programs to cultivate human resources.

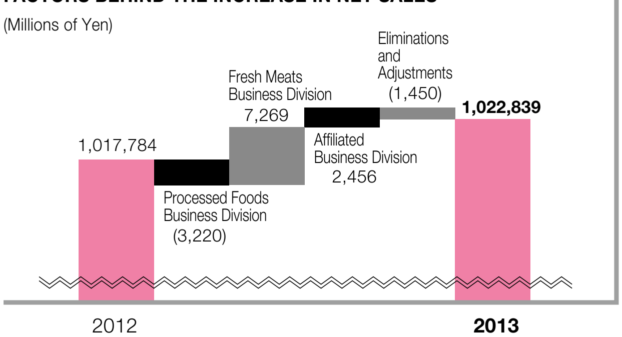
Net Sales

Sales of hams and sausages increased 1.9%. This reflected contributions from such new offerings as *Mou Kittemasuyo! Jikabi-yaki Yakibuta*, as well as steady demand for the core brand *SCHAU ESSEN* and expanded marketing of gift products.

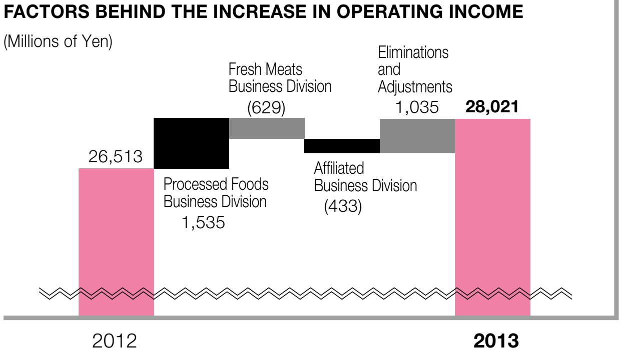
The Group increased sales of processed foods by 0.8% on the strength of favorable demand for new hamburg lines and the popularity of *Chuka Meisai* and chilled pizza offerings.

Sales of fresh meats edged down 0.5% in a tough operating climate that drove unit selling prices down, despite the Group's efforts to expand sales in Japan and abroad by taking advantage of its global procurement capabilities, which cover

FACTORS BEHIND THE INCREASE IN NET SALES



FACTORS BEHIND THE INCREASE IN OPERATING INCOME



a full line of livestock, and the marketing capabilities of its sales companies throughout Japan.

Sales of marine products rose slightly, as lower prices of salmon, crab, and other seafood dampened the impact of expanded sales to volume retailers and increased shipments.

Sales of dairy products were up 8.1%, mainly reflecting higher sales of yogurt beverages amid growing health consciousness among consumers.

As a result of these factors, consolidated net sales edged up 0.5%, to ¥1,022,839 million.

Gross Profit, Income from Continuing Operations before Income Taxes and Equity in Earnings (Losses) of Associated Companies, and Net Income

The cost of goods sold rose 0.6%, to ¥827,058 million. This represented 80.9% of consolidated net sales, compared with 80.8% in the previous fiscal year. Gross profit grew 0.1%, to ¥195,781 million, reflecting higher sales. Selling, general and administrative expenses declined 0.8%, to ¥167,760 million, or 16.4% of net sales, down from 16.6% in the previous fiscal year. As a result, income from continuing operations before income taxes and equity in earnings (losses) of associated companies increased 4.7%, to ¥28,031 million.

The effective tax rate, based on income from continuing operations before income taxes and equity in earnings (losses) of associated companies, was 40.5%, down from 57.8%. Net income attributable to Nippon Meat Packers, Inc., therefore increased 41.2%, to ¥16,459 million. Basic earnings per share attributable to Nippon Meat Packers, Inc., shareholders amounted to ¥79.42.

Business Results by Segment

The operations of the Group comprise three business divisions. The Processed Foods Business Division primarily manufactures and sells hams and sausages, and processed foods. The Fresh Meats Business Division mainly produces and sells fresh meats. The business of the Affiliated Business Division centers on making and selling marine and dairy products.

Processed Foods Business Division

In the hams and sausages business, the new product *Mou Kittemasuyo! Jikabi-yaki Yakibuta* performed well from the beginning of this fiscal year. The division ran TV commercials and promotional campaigns for the core brand *SCHAU ESSEN* and *Irodori Kitchen Loin Ham*. In the intensely competitive summer and year-end gift-giving seasons, the division actively ran TV commercials and mounted promotions at retailers for the flagship *Utsukushi-no-Kuni* gift product and other offerings, which helped to boost the division's sales.

In its processed foods business, the division enjoyed strong demand for new hamburg and meatball products, including *Four Cheese Hamburg*. Also, the *Chuka Meisai* series and chilled pizza series performed well. However, the division's sales declined slightly, mainly due to intense competition among suppliers of commercial-use products.

The division improved earnings and offset higher fuel and materials expenses by increasing productivity to lower costs while successfully overhauling supply chain management.

As a result of these factors, while the division's sales declined 0.9%, to ¥338,966 million, operating income rose 19.1%, to ¥9,565 million.

Fresh Meats Business Division

The domestic fresh meats market was sluggish overall, as downturns in the domestic pork and chicken markets offset a recovery in the domestic beef market. Crude oil and grain prices remained high, affecting production costs.

The division tackled these adverse conditions by taking advantage of its global procurement capabilities, which cover a full line of livestock domestically and abroad, and the marketing capabilities of its sales companies throughout Japan to increase sales in and outside Japan and boost volumes. Sales were up from the previous fiscal year as an increase in sales volume outweighed the impact of lower unit selling prices.

Although sales of imported fresh meats recovered from the second quarter, the domestic fresh meats market remained lackluster throughout the year. As a result, Japanese farm operations generally suffered. While the profitability of Australian operations trended upward owing to improvement initiatives, overseas operations as a whole again encountered adverse conditions for the most part, as American farm operations experienced sluggish live hog prices and a major drought in the U.S. Midwest, which caused feed costs to rise.

The division's sales thus increased 1.1%, to ¥673,495 million, although operating income fell 3.9%, to ¥15,531 million.

Affiliated Business Division

In its marine products business, the division marketed intensively to volume retailers and handled more Russian-produced offerings, thus increasing volumes. Sales increased slightly, however, owing to lower unit prices of such offerings as salmon and crab.

In dairy products, the division boosted yogurt and lactic acid probiotic beverage revenues by expanding sales of such core offerings as *Vanilla Yogurt* and yogurt beverages to volume retailers and convenience stores.

Sales of cheese were up from the previous fiscal year, as the division overcame stagnant sales to bakeries and restaurants by focusing on expanding sales of consumer products.

Marine products earnings declined, as the division experienced reduced margins and transaction losses from downturns in the markets for some fish species, while expenses rose in line with higher sales to volume retailers. Profits from dairy products were up as a result of increased sales and higher productivity.

As a result, the division's sales increased 1.8%, to ¥137,645 million, but operating income fell 22.1%, to ¥1,527 million.

Outlook for the Fiscal Year Ending March 31, 2014

Although the operating climate will likely remain difficult in the fiscal year ending March 31, 2014, the Group will push ahead with the New Medium-Term Management Plan Part IV, launched in April 2012, to improve the profitability of domestic operations and reinforce the foundation of overseas operations. Key priorities include Brushing up the concept of Management for No. 1 Quality; Allocating management resources in prioritized areas; and Enhancing the Group brand value.

In the Processed Foods Business Division, the costs of raw and other materials and fuel are expected to surge. The business climate will likely remain difficult as consumption polarizes and price competition intensifies. Our production and marketing operations will collaborate in pursuing growth- and efficiency-enhancing strategies. Our growth strategies will be to deploy initiatives that position us to be major customers' top partners and deploy strategies for consumer and commercial areas as part of a focus on increasing market share. We will reflect customer perspectives in market analysis and product development to help propose new value. Strategies to enhance efficiency will center on rebuilding the production structure, installing high-productivity lines, and overhauling supply chain management to reduce product losses and logistics costs. We will also trim our lineup to become more cost competitive.

The Fresh Meats Business Division expects the downturn in the domestic fresh meats market to persist, resulting in a difficult operating climate. The division will thus leverage its unique integrated production system, which covers its farms through to its sales companies, while pursuing its brand strategies to boost domestic market share. The division will endeavor to enhance production capacity especially in upstream sectors while improving quality and cost competiveness. The division will draw on its procurement and marketing capabilities in focusing on expanding sales to volume retailers and restaurants while increasing volumes. The Group will continue striving to improve its overseas operations.

The Affiliated Business Division will reinforce product development and sales capabilities based on marketing. It will also take advantage of production facilities that it upgraded during the fiscal year to further enhance quality and efficiency and expand sales, primarily of offerings produced in-house. The marine products business will continue endeavoring to expand revenues by reinforcing sales to volume retailer channels and pushing ahead with proposal-based marketing to restaurant channels. As for dairy products, the business will develop yogurt and lactic and probiotic beverages that match customer needs while cultivating new markets. The business will make extensive capital investments in its cheese operations, leveraging its strong production technologies to reinforce commercial channels and boost sales of consumer products.

The Group will thus make every effort to tackle the issues of improving the profitability of domestic operations and reinforcing the foundation of overseas operations, based on the policies and strategies of its New Medium-Term Management Plan Part IV.

The Group's forecasts for the fiscal year ending March 31, 2014, are for consolidated net sales to increase 3.6%, to ¥1,060.0 billion, with operating income increasing 21.3%, to ¥34.0 billion. Income from continuing operations before income taxes and equity in earnings (losses) of associated companies should increase 7.0%, to ¥30.0 billion. Net income attributable to Nippon Meat Packers, Inc. should rise 3.3%, to ¥17.0 billion.

Analysis of Financial Position

Assets

At March 31, 2013, total assets were ¥610,293 million, up 3.6% from the previous fiscal year. Although cash and cash equivalents declined 42.7%, to ¥36,475 million, time deposits were up 318.1%, to ¥31,753 million. Marketable securities rose 96.2%, to ¥10,200 million, and trade notes and accounts receivable advanced 3.3%, to ¥123,972 million. Total current assets thus increased 3.2%, to ¥334,917 million. Property, plant and equipment rose 5.2%, to ¥224,785 million, reflecting higher capital expenditures. Total investments and other assets were up 6.2%, to ¥30,685 million, largely because of an increase in appraisal gain on other investment securities owing to favorable stock market conditions.

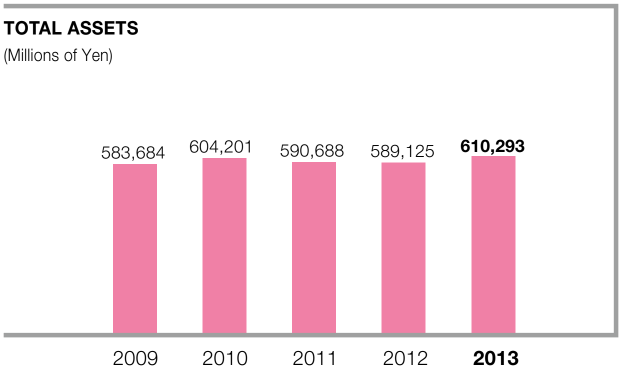
Liabilities

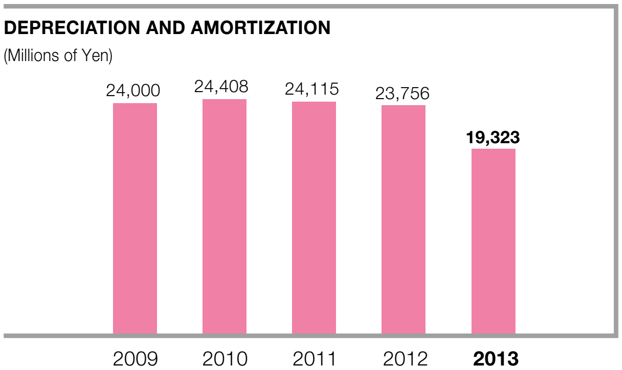
At year-end, total liabilities were ¥314,209 million, up 5.8% from the previous fiscal year. Long-term debt, less current maturities, was ¥66,448 million, down 7.8%. Current maturities of long-term debt were ¥35,320 million, up 32.6%. Short-term bank loans were ¥48,053 million, up 18.8%, and trade notes and accounts payable were up 5.5%, to ¥102,148 million. Interest-bearing debt was up ¥10,634 million, at ¥149,821 million.

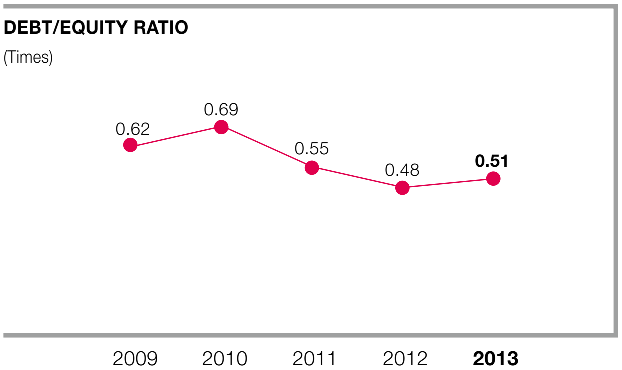
Total Nippon Meat Packers, Inc. Shareholders' Equity

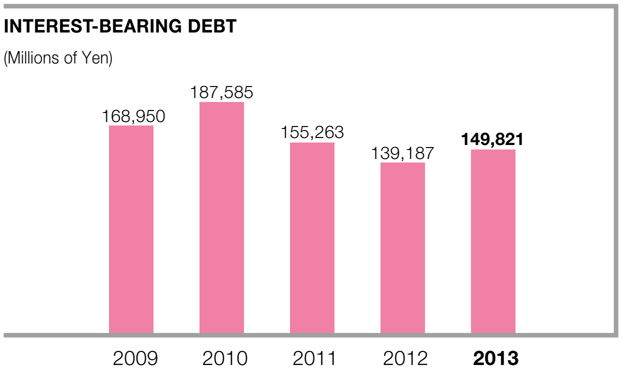
Total Nippon Meat Packers, Inc. shareholders' equity was up 1.2%, to ¥293,414 million. Key factors included treasury stock, at cost, of negative ¥32,641 million due to the acquisition of treasury stock, against which there was a 5.2% increase in unappropriated retained earnings, to ¥252,383 million, and an accumulated other comprehensive loss of ¥8,773 million, an improvement of ¥6,753 million, reflecting the yen's depreciation and favorable stock market conditions.

The total Nippon Meat Packers, Inc. shareholders' equity ratio thus declined 1.1 percentage points, to 48.1%.









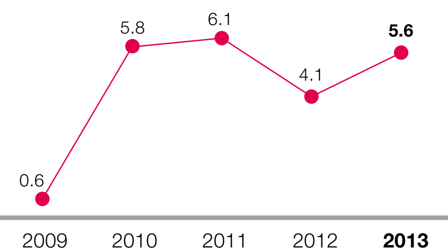
Cash Flows

Cash Flows from Operating Activities

Net cash provided by operating activities was ¥37,407 million, compared with ¥26,432 million in the previous fiscal year. This was primarily attributable to increases in trade notes and accounts receivable, income taxes deferred, and other current assets, which were offset by increases in depreciation and amortization, net income, and trade notes and accounts payable.

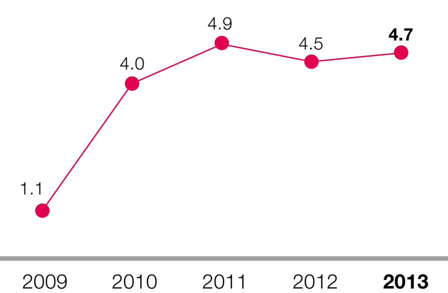
RETURN ON EQUITY (ROE)

(%)



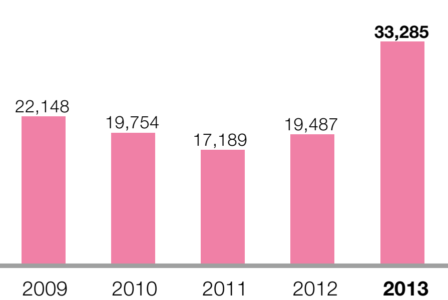
RETURN ON ASSETS (ROA)

(%)



CAPITAL EXPENDITURES

(Millions of Yen)



Cash Flows from Investing Activities

Net cash used in investing activities was ¥54,813 million, compared with ¥9,750 million provided by such activities in the previous fiscal year. This change reflected increases in capital expenditures and in short-term investments.

Cash Flows from Financing Activities

Net cash used in financing activities was ¥10,964 million, compared with ¥23,745 million in the previous fiscal year. Contributing factors included repayments of debt and acquisition of treasury stock, which offset proceeds from debt.

As a result of the Group's operating, investing, and financing activities during the fiscal year, cash and cash equivalents at year-end were ¥36,475 million, down ¥27,176 million.

Capital Expenditures

The Group has created an integrated production system that covers all aspects of its operations—from breeding through to processing, production, distribution, and sales—and invests in fixed assets as necessary to enhance, rationalize, and strengthen this system. These investments totaled ¥33.3 billion (including software) in this fiscal year. The principal applications of these investments are described below.

Processed Foods Business Division

Nippon Meat Packers allocated around ¥2.2 billion in capital expenditures mainly to expand and upgrade production and sales facilities for hams and sausages, and processed foods.

Consolidated subsidiaries, notably Nippon Ham Shokuhin Co., Ltd., used about ¥7.5 billion, mainly to expand and upgrade production and sales facilities for hams and sausages, and processed foods.

Fresh Meats Business Division

Nippon Meat Packers invested about ¥100 million to upgrade and expand sales facilities.

Capital expenditures by consolidated subsidiaries totaled around ¥18.5 billion. This spending included about ¥7.2 billion by Nippon White Farm Co., Ltd., Interfarm Co., Ltd., and other subsidiaries to upgrade and refurbish breeding facilities, and around ¥9.5 billion by Higashi Nippon Food, Inc., Nippon Logistics Center, Inc., and other subsidiaries to improve sales facilities. Nippon Food Packer, Inc. and other subsidiaries used about ¥1.3 billion to upgrade processing and packing facilities.

Affiliated Business Division

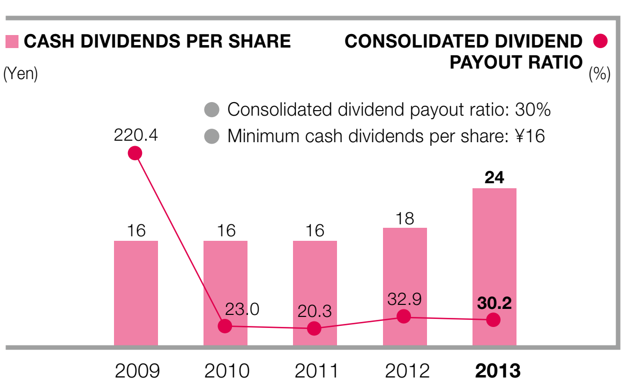
Around ¥2.6 billion was used mainly to upgrade production and sales facilities for marine and dairy products at Hoko Co., Ltd., Nippon Luna, Inc., and other subsidiaries.

Shareholder Returns Policy

The Company aims to pay dividends that are commensurate with results based on a policy of securing retained earnings to reinforce the corporate structure to underpin long-term progress while ensuring stable dividends. Management seeks to use retained earnings effectively to fund investments in order to maintain and increase the Company's competitiveness.

In keeping with this basic policy, management targeted a consolidated dividend payout ratio of 30% from the initial year (ended March 31, 2013) of the New Medium-Term Management Plan Part IV as part of its efforts to generate consistently stable dividend growth. For the time being, management targets a minimum cash dividend of ¥16 per share. Management will flexibly acquire treasury stock, taking into account growth investments and the financial position, to enhance shareholder value per share and return on equity.

In keeping with the Notice of Adjustment to the Forecasts of Business Results and Dividends, announced on May 8, 2013, management plans to pay a year-end dividend of ¥24.00 per share of common stock (for a consolidated dividend payout ratio of 30.2%) for the fiscal year ended March 31, 2013. Based on a projection of ¥17.0 billion in net income attributable to Nippon Meat Packers, Inc. for the fiscal year ending March 31, 2014, management targets a year-end dividend of ¥26.00 per share of common stock on a consolidated dividend payout ratio of 30%.



Business Risks

Risks with the potential to affect the Group's operating results and financial condition include, but are not limited to, the following major risks. These risks contain future factors, which are envisioned as of the end of this fiscal year.

(1) Market-Related Risks

The Group's business centers on fresh meats and fresh meats-related processed products. As such, in addition to selling fresh meats, the Group uses fresh meats as raw materials for hams and sausages, processed foods, and other applications. As a consequence, the Group's operating results and financial condition are vulnerable to fluctuations in market prices for livestock. Moreover, the Group's livestock breeding business, which supplies these fresh meats, is by nature affected not only by fluctuations in product prices but also by swings in feed prices. The Group also manufactures marine and dairy products, and is thus vulnerable to market conditions and fluctuations in the prices of raw materials used in these businesses.

To counter market-related risks, the Group works to diversify its product procurement channels; make use of commodity futures contracts; develop value-added products; and establish distinctive marketing strategies. The Group also strives to ensure the stable procurement of raw materials in anticipation of product demand and to maintain appropriate inventories of fresh meats. Such measures do not, however, guarantee protection against the impact of these risks.

The Group's operating results and financial condition may also be significantly affected by outbreaks of disease—such as BSE, avian influenza, and foot-and-mouth disease—as well as by the imposition of safeguard tariffs, that is, emergency restrictions on imports.

(2) Safety-Related Risks

Based on its Open Quality concept, which emphasizes earning the trust of customers and responding to their expectations concerning the safety of its products, the Group has established five fundamental quality improvement policies:

Strict compliance with laws and regulations; Creation of a quality and safety assurance network; Objective analysis of product safety; Product traceability; and Closer ties with customers. In line with these policies, the Group has built a rigorous quality control system for which it has obtained recognized third-party certification (i.e., ISO and HACCP), and a traceability system for the raw materials used in its fresh meats and its processed food products, which include hams and sausages, thereby ensuring the safety and security of its products right from the procurement of raw materials. Should a quality issue arise, the Group will respond in a manner that reflects its priority on customer safety through the prompt disclosure of information and the implementation of swift, decisive measures to prevent escalation.

However, in the event of a quality issue that falls outside the scope of these initiatives or has a major impact on society because, for example, it threatens food safety, the impact thereof has the potential to affect the Group's operating results and financial condition.

(3) Risks Related to the Procurement of Materials

The Group strives to increase production efficiency and reduce inventory losses and distribution costs. However, should the Group be unsuccessful in offsetting increases in costs related to the procurement of materials and fuel or to distribution—attributable to such factors as high crude oil prices—or in passing those costs onto customers by raising product prices, the resulting increase in costs has the potential to affect the Group's operating results and financial condition.

(4) Foreign Exchange Risks

The translation into yen of costs, income, and trade receivables and payables associated with transactions undertaken by the Group denominated in other currencies may be affected by fluctuations in currency rates.

To minimize exchange risks, the Group utilizes hedging instruments, including forward foreign exchange contracts, currency swap contracts, currency option contracts and cross-currency swap contracts. Such measures do not, however, guarantee protection against the impact of these risks. Moreover, the use of hedging instruments to minimize foreign exchange risk may expose the Group to the risk of opportunity loss in the event foreign exchange market fluctuations exceed management's estimates.

There is also a risk that translation losses—that is, losses arising from the translation of the foreign currency-denominated financial statements of overseas consolidated subsidiaries into yen—may accumulate in the foreign currency translation adjustments, triggering fluctuations in shareholders' equity in the consolidated financial statements. Such fluctuations have the potential to affect the Group's operating results and financial condition.

To hedge risks associated with transactions in foreign currencies, the Group continually monitors currency markets in accordance with its exchange risk management policies and periodically assesses its exposure to foreign exchange risk. All forward foreign exchange contracts, currency swap contracts, and currency option contracts are carried out based on these policies and on internal regulations governing transactional authority and transaction amount limits.

(5) Interest Rate Risks

The Group raises the bulk of the funds it requires through loans from third parties and other forms of interest-bearing debt. Most of the Group's interest-bearing debt—¥149.8 billion as of March 31, 2013—is fixed-rate. Accordingly, the Group believes that for the foreseeable future the direct impact of interest rate increases will be negligible. Nonetheless, if interest rates were to rise, the resulting increase in the Group's interest burden has the potential to affect the Group's operating results and financial condition.

(6) Share Price Risks

Marketable securities held by the Group consist principally of the shares of its business partners. As such, the Group is exposed to share price risks associated with market price fluctuations. As of March 31, 2013, these shares represented unrealized gains. However, share price movements in the future may significantly affect the Group's operating results and financial condition.

Additionally, should the value of pension plan assets be negatively affected by flagging conditions in the stock market, pension costs may increase and additional provisions for pension assets may become necessary.

(7) Risk of Impairment Loss on Fixed Assets

Should the value of fixed assets owned by the Group decrease, necessitating the application of impairment accounting, resulting losses have the potential to affect the Group's operating results and financial condition.

(8) Risks Associated with Natural Calamities, Unforeseen Accidents, and Social Upheaval

The Group has operations in Japan and several other countries. The geographical locations of these operations involve certain risks. Any of the following occurrences has the potential to affect the Group's operating results and financial condition:

- Earthquake, flood, or other major natural calamity and the potential impact thereof on the infrastructure, i.e., damage to roads, harbors, and rail lines and the interruption of gas, water, and electric power supplies
- Environmental contamination (pollution of the atmosphere, water, or soil) resulting from an unforeseen accident or chance occurrence
- Social unrest caused by the spread of an infectious disease, such as influenza
- Unforeseen establishment of adverse, or the repealing of favorable, laws or regulations
- Unforeseen adverse economic or social event
- War, conflict, terrorist attack, or other such event

(9) Risk of Information Leakage

In line with internal regulations for safeguarding personal information and governing insider trading, the Group rigorously protects and manages both the personal information it possesses and critical corporate information through such measures as compliance training and hierarchical employee education. The Group has also formulated measures to ensure the security of its information systems and to respond to the impact of major disasters. Nonetheless, information may be leaked, falsified, or lost, in the event of a natural calamity that exceeds assumptions, an extended interruption of power supplies, damage to hardware and/or software, a computer virus, or unauthorized access of the Group's computer networks; a protracted breakdown of the Group's information systems may also occur. Any of these occurrences has the potential to affect the Group's operating results and financial condition.

(10) Compliance Risks

The Group strives to maintain a corporate culture that emphasizes transparency and sound business practices and works continuously to reinforce and embed awareness of compliance. The Group has established a risk management structure that ensures its ability to respond swiftly to recognized risks. The Risk Management Committee, which is chaired by the president and representative director of the parent company, is responsible for ensuring compliance Groupwide, while the Compliance Department is charged with deploying ongoing measures aimed at enhancing understanding among employees and management, as well as with compliance risk mitigation.

However, should an instance of noncompliance, such as the failure of an employee or member of management to comply with a relevant law or regulation, arise, it would have the potential to affect the Group's operating results and financial condition.

(11) Risks Associated with Environmental Issues

In line with its Environmental Policies, the Group is committed to conducting its business in a manner that incorporates consideration for the environment, thereby contributing to the realization of a sustainable society. The Group has obtained certification under ISO 14001 and is working to earn certification from other key external organizations. The Group's management practices, which include environmental audits implemented by the Environmental & Social Responsibility Office, also reflect its commitment to being an environment-friendly organization. The Group also endeavors to ensure the appropriateness and transparency of its environmental and other CSR initiatives. Nonetheless, in the event of an accident, negligence, or other problem resulting in environmental contamination, the Group may be obliged to pay for remediation and/or damages. In the event existing laws and regulations are revised, the Group may be obliged to significantly increase environment-related investment. Either of these occurrences has the potential to affect the Group's operating results and financial condition.

Consolidated Balance Sheets

Nippon Meat Packers, Inc. and Subsidiaries
March 31, 2013 and 2012

ASSETS	Millions of Yen 2013	Millions of Yen 2012	Thousands of U.S. Dollars (Note 1) 2013
CURRENT ASSETS:			
Cash and cash equivalents (Note 1)	**¥ 36,475**	¥ 63,651	**$ 388,032**
Time deposits (Note 1)	**31,753**	7,595	**337,798**
Marketable securities (Notes 1, 3 and 15)	**10,200**	5,199	**108,511**
Trade notes and accounts receivable (Note 1)	**123,972**	119,959	**1,318,851**
Allowance for doubtful receivables	**(399)**	(518)	**(4,245)**
Inventories (Notes 1, 2 and 7)	**113,187**	112,516	**1,204,117**
Deferred income taxes (Notes 1 and 8)	**6,637**	6,087	**70,606**
Other current assets (Note 16)	**13,092**	9,979	**139,277**
Total current assets	**334,917**	324,468	**3,562,947**
PROPERTY, PLANT AND EQUIPMENT—At cost, less accumulated depreciation (Notes 1, 4, 6, 7, 13 and 15)	**224,785**	213,663	**2,391,330**
INTANGIBLE ASSETS, less accumulated amortization (Notes 1 and 5)	**7,375**	8,737	**78,457**
INVESTMENTS AND OTHER ASSETS:			
Investments in and advances to associated companies (Notes 1 and 3)	**2,550**	2,510	**27,128**
Other investment securities (Notes 1, 3 and 15)	**20,392**	17,790	**216,936**
Other assets (Notes 9 and 16)	**7,743**	8,589	**82,372**
Total investments and other assets	**30,685**	28,889	**326,436**
DEFERRED INCOME TAXES—Non-current (Notes 1 and 8)	**12,531**	13,368	**133,309**
TOTAL ASSETS	**¥610,293**	¥589,125	**$6,492,479**

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen 2013	2012	Thousands of U.S. Dollars (Note 1) 2013
CURRENT LIABILITIES:			
Short-term bank loans (Note 7)	**¥ 48,053**	¥ 40,460	**$ 511,202**
Current maturities of long-term debt (Notes 7, 13 and 15)	**35,320**	26,636	**375,745**
Trade notes and accounts payable	**102,148**	96,822	**1,086,681**
Accrued income taxes (Notes 1 and 8)	**6,066**	4,371	**64,532**
Deferred income taxes (Notes 1 and 8)	**728**	2,038	**7,745**
Accrued expenses (Note 9)	**19,635**	19,006	**208,883**
Other current liabilities (Note 16)	**16,711**	14,338	**177,775**
Total current liabilities	**228,661**	203,671	**2,432,563**
LIABILITY UNDER RETIREMENT AND SEVERANCE PROGRAMS (Notes 1 and 9)	**15,005**	17,170	**159,628**
LONG-TERM DEBT, LESS CURRENT MATURITIES (Notes 7, 13 and 15)	**66,448**	72,091	**706,894**
DEFERRED INCOME TAXES—Non-current (Notes 1 and 8)	**2,525**	2,616	**26,862**
OTHER LONG-TERM LIABILITIES	**1,570**	1,309	**16,702**
TOTAL LIABILITIES	**314,209**	296,857	**3,342,649**
COMMITMENTS AND CONTINGENT LIABILITIES (Notes 1 and 18)			
NIPPON MEAT PACKERS, INC. SHAREHOLDERS' EQUITY:			
Common stock, no par value—authorized, 570,000,000 shares; issued: 2013 and 2012—228,445,350 shares (Note 11)	**24,166**	24,166	**257,085**
Capital surplus (Notes 10 and 11)	**50,761**	50,786	**540,011**
Retained earnings:			
Appropriated for legal reserve (Note 11)	**7,518**	7,350	**79,979**
Unappropriated (Notes 11 and 19)	**252,383**	239,921	**2,684,926**
Accumulated other comprehensive loss (Note 12)	**(8,773)**	(15,526)	**(93,330)**
Treasury stock, at cost: 2013—29,466,532 shares 2012—15,718,715 shares (Note 11)	**(32,641)**	(16,677)	**(347,245)**
Total Nippon Meat Packers, Inc. shareholders' equity	**293,414**	290,020	**3,121,426**
NONCONTROLLING INTERESTS	**2,670**	2,248	**28,404**
TOTAL EQUITY	**296,084**	292,268	**3,149,830**
TOTAL LIABILITIES AND EQUITY	**¥610,293**	¥589,125	**$6,492,479**

Consolidated Statements of Income

Nippon Meat Packers, Inc. and Subsidiaries
For the Years Ended March 31, 2013, 2012 and 2011

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2013	2012	2011	**2013**
NET SALES (Notes 1 and 16)	**¥1,022,839**	¥1,017,784	¥989,308	**$10,881,266**
COST OF GOODS SOLD (Notes 2 and 16)	**827,058**	822,222	785,878	**8,798,489**
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Note 1)	**167,760**	169,049	170,255	**1,784,681**
OTHER OPERATING COSTS AND EXPENSES (INCOME)—Net (Notes 4, 6 and 9)	**131**	2,319	1,389	**1,394**
GAIN FROM THE TRANSFER THROUGH THE POSTING SYSTEM (Note 1)		4,017		
INTEREST EXPENSE (Note 16)	**1,582**	1,727	2,125	**16,830**
OTHER INCOME (EXPENSES)—Net (Note 16)	**1,723**	282	(138)	**18,330**
INCOME BEFORE INCOME TAXES AND EQUITY IN EARNINGS OF ASSOCIATED COMPANIES	**28,031**	26,766	29,523	**298,202**
INCOME TAXES (Notes 1 and 8)**:**				
Current	**14,275**	11,781	12,889	**151,862**
Deferred	**(2,916)**	3,679	(68)	**(31,021)**
Total income taxes	**11,359**	15,460	12,821	**120,841**
INCOME BEFORE EQUITY IN EARNINGS OF ASSOCIATED COMPANIES	**16,672**	11,306	16,702	**177,361**
EQUITY IN EARNINGS OF ASSOCIATED COMPANIES— Net of applicable income taxes (Note 1)	**38**	495	223	**404**
NET INCOME	**16,710**	11,801	16,925	**177,765**
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	**(251)**	(146)	(194)	**(2,670)**
NET INCOME ATTRIBUTABLE TO NIPPON MEAT PACKERS, INC.	**¥ 16,459**	¥ 11,655	¥ 16,731	**$ 175,095**
	Yen			U.S. Dollars
PER SHARE AMOUNTS (Note 1)**:**				
Basic earnings per share attributable to Nippon Meat Packers, Inc. shareholders:				
Net Income	**¥ 79.42**	¥ 54.79	¥ 78.67	**$ 0.84**
Diluted earnings per share attributable to Nippon Meat Packers, Inc. shareholders:				
Net Income	**¥ 71.44**	¥ 49.40	¥ 70.92	**$ 0.76**

See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

Nippon Meat Packers, Inc. and Subsidiaries
For the Years Ended March 31, 2013, 2012 and 2011

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2013	2012	2011	**2013**
NET INCOME	**¥16,710**	¥11,801	¥16,925	**$177,765**
OTHER COMPREHENSIVE INCOME (LOSS)— Net of applicable income taxes (Note 12)				
Net unrealized gains (losses) on securities available-for-sale (Notes 1 and 3)	**1,668**	984	(558)	**17,745**
Net unrealized gains on derivative financial instruments (Notes 1 and 16)		277	163	
Pension liability adjustments (Note 9)	**1,604**	980	(882)	**17,064**
Foreign currency translation adjustments	**3,598**	(1,536)	(2,945)	**38,276**
Total other comprehensive income (loss)	**6,870**	705	(4,222)	**73,085**
COMPREHENSIVE INCOME	**23,580**	12,506	12,703	**250,850**
NET COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	**(368)**	(146)	(136)	**(3,915)**
NET COMPREHENSIVE INCOME ATTRIBUTABLE TO NIPPON MEAT PACKERS, INC.	**¥23,212**	¥12,360	¥12,567	**$246,935**

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

Nippon Meat Packers, Inc. and Subsidiaries
For the Years Ended March 31, 2013, 2012 and 2011

	Common Stock	Capital Surplus	Retained Earnings Appropriated for Legal Reserve	Unappropriated Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Nippon Meat Packers, Inc. Shareholders' Equity	Noncontrolling Interests	Total Equity
	Millions of Yen								
BALANCE, APRIL 1, 2010	¥24,166	¥50,925	¥7,189	¥218,482	¥(12,067)	¥(16,787)	¥271,908	¥2,054	¥273,962
Net income				16,731			16,731	194	16,925
Other comprehensive loss (Note 12)					(4,164)		(4,164)	(58)	(4,222)
Cash dividends (Note 11)				(3,402)			(3,402)	(53)	(3,455)
Transfer to retained earnings appropriated for legal reserve (Note 11)			59	(59)					
Acquisition of treasury stock (Note 11)						(14)	(14)		(14)
Disposition of treasury stock (Note 11)		(116)		19		105	8		8
BALANCE, MARCH 31, 2011	24,166	50,809	7,248	231,771	(16,231)	(16,696)	281,067	2,137	283,204
Net income				11,655			11,655	146	11,801
Other comprehensive income (Note 12)					705		705	0	705
Cash dividends (Note 11)				(3,403)			(3,403)	(71)	(3,474)
Transfer to retained earnings appropriated for legal reserve (Note 11)			102	(102)					
Acquisition of treasury stock (Note 11)						(4)	(4)		(4)
Disposition of treasury stock (Note 11)		(23)		0		23	0		0
Others								36	36
BALANCE, MARCH 31, 2012	24,166	50,786	7,350	239,921	(15,526)	(16,677)	290,020	2,248	292,268
Net income				**16,459**			**16,459**	**251**	**16,710**
Other comprehensive income (Note 12)					**6,753**		**6,753**	**117**	**6,870**
Cash dividends (Note 11)				**(3,829)**			**(3,829)**	**(57)**	**(3,886)**
Transfer to retained earnings appropriated for legal reserve (Note 11)			**168**	**(168)**					
Acquisition of treasury stock (Note 11)						**(16,006)**	**(16,006)**		**(16,006)**
Disposition of treasury stock (Note 11)		**(25)**				**42**	**17**		**17**
Others								**111**	**111**
BALANCE, MARCH 31, 2013	**¥24,166**	**¥50,761**	**¥7,518**	**¥252,383**	**¥ (8,773)**	**¥(32,641)**	**¥293,414**	**¥2,670**	**¥296,084**
	Thousands of U.S. Dollars (Note 1)								
BALANCE, MARCH 31, 2012	$257,085	$540,277	$78,192	$2,552,352	$(165,170)	$(177,415)	$3,085,321	$23,914	$3,109,235
Net income				**175,095**			**175,095**	**2,670**	**177,765**
Other comprehensive income (Note 12)					**71,840**		**71,840**	**1,245**	**73,085**
Cash dividends (Note 11)				**(40,734)**			**(40,734)**	**(606)**	**(41,340)**
Transfer to retained earnings appropriated for legal reserve (Note 11)			**1,787**	**(1,787)**					
Acquisition of treasury stock (Note 11)						**(170,277)**	**(170,277)**		**(170,277)**
Disposition of treasury stock (Note 11)		**(266)**				**447**	**181**		**181**
Others								**1,181**	**1,181**
BALANCE, MARCH 31, 2013	**$257,085**	**$540,011**	**$79,979**	**$2,684,926**	**$ (93,330)**	**$(347,245)**	**$3,121,426**	**$28,404**	**$3,149,830**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Nippon Meat Packers, Inc. and Subsidiaries
For the Years Ended March 31, 2013, 2012 and 2011

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2013	2012	2011	**2013**
OPERATING ACTIVITIES:				
Net income	**¥16,710**	¥11,801	¥16,925	**$177,765**
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	**19,781**	24,234	24,643	**210,436**
Impairment loss of long-lived assets	**1,519**	2,213	1,422	**16,160**
Income taxes deferred	**(2,916)**	3,679	(68)	**(31,021)**
Foreign exchange translation adjustments	**(1,627)**	118	(1,325)	**(17,309)**
Increase in trade notes and accounts receivable	**(3,178)**	(15,532)	(4,230)	**(33,809)**
Decrease (increase) in inventories	**1,722**	(4,567)	(7,529)	**18,319**
Decrease (increase) in other current assets	**(2,068)**	73	(1,247)	**(22,000)**
Increase in trade notes and accounts payable	**4,473**	6,496	6,465	**47,585**
Increase (decrease) in accrued income taxes	**1,660**	(4,492)	2,284	**17,660**
Increase (decrease) in accrued expenses and other current liabilities	**615**	1,513	(941)	**6,543**
Others—net	**716**	896	362	**7,618**
Net cash provided by operating activities	**37,407**	26,432	36,761	**397,947**
INVESTING ACTIVITIES:				
Capital expenditures	**(29,904)**	(17,311)	(15,913)	**(318,128)**
Proceeds from sales of capital assets	**2,538**	2,218	2,614	**27,000**
Decrease (increase) in short-term investments	**(27,330)**	23,783	21,848	**(290,745)**
Purchases of marketable securities and other investment securities	**(332)**	(444)	(10,346)	**(3,532)**
Proceeds from sales and maturities of marketable securities and other investment securities	**277**	302	10,386	**2,947**
Net decrease in cash and cash equivalents resulting from purchase of business	**(817)**	(198)		**(8,691)**
Others—net	**755**	1,400	156	**8,032**
Net cash provided by (used in) investing activities	**(54,813)**	9,750	8,745	**(583,117)**
FINANCING ACTIVITIES:				
Cash dividends	**(3,886)**	(3,474)	(3,455)	**(41,340)**
Decrease in short-term bank loans	**(3,355)**	(2,977)	(3,711)	**(35,691)**
Proceeds from debt	**44,533**	12,462	25,931	**473,755**
Repayments of debt	**(32,362)**	(29,753)	(55,711)	**(344,277)**
Acquisition of treasury stock	**(16,006)**	(4)	(14)	**(170,277)**
Others—net	**112**	1	9	**1,192**
Net cash used in financing activities	**(10,964)**	(23,745)	(36,951)	**(116,638)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**1,194**	(195)	(664)	**12,702**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(27,176)**	12,242	7,891	**(289,106)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**63,651**	51,409	43,518	**677,138**
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**¥36,475**	¥63,651	¥51,409	**$388,032**

ADDITIONAL CASH FLOW INFORMATION:				
Interest paid	**¥ 1,644**	¥ 1,826	¥ 2,158	**$ 17,489**
Income taxes paid	**12,894**	15,796	11,089	**137,170**
Capital lease obligations incurred	**2,429**	2,676	1,958	**25,840**

See notes to consolidated financial statements.

Nippon Meat Packers, Inc. and Subsidiaries
For the Years Ended March 31, 2013, 2012 and 2011

1. BASIS OF FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Companies (as defined below) are engaged in the production and distribution of mainly hams & sausages, processed foods, fresh meats, marine products and dairy products. The Companies' operations are located principally in Japan.

Basis of Financial Statements

The accompanying consolidated financial statements are stated in Japanese yen, the currency of the country in which Nippon Meat Packers, Inc. (the "Company") is incorporated and operates. The translations of Japanese yen amounts into United States dollar amounts with respect to the year ended March 31, 2013 are included solely for the convenience of readers outside Japan and have been made at the rate of ¥94=$1, the approximate rate of exchange on March 31, 2013. Such translations should not be construed as a representation that Japanese yen amounts could be converted into United States dollars at the above or any other rate.

The accompanying consolidated financial statements have been prepared on the basis of accounting principles generally accepted in the United States of America. Certain adjustments have been reflected in the accompanying consolidated financial statements while they have not been entered in the general books of account of the Companies maintained principally in accordance with Japanese accounting practices.

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Companies changed the presentation method of the consolidated statements of income, beginning with the quarter ended June 30, 2012. The Companies had previously presented total "revenues" and total "cost and expenses" and reported the respective insignificant items included in each item as "other." However, the Companies currently do not present total "revenues" and total "cost and expenses," and therefore categorizes "other" items included in "revenues" and "cost and expenses" as "other operating costs and expenses (income)—net" and "other income (expenses)—net" respectively, according to their nature. The Companies regard the change, by which operating costs and expenses other than "cost of goods sold" and "selling, general and administrative expenses" are specified, is a useful change. In order to conform to the current year's presentation, prior years' presentations have been changed.

Summary of Significant Accounting Policies

Significant accounting policies applied in the preparation of the accompanying consolidated financial statements are summarized below:

(1) Consolidation

The consolidated financial statements include the accounts of the Company, all of its majority-owned directly or indirectly subsidiaries, and any variable interest entities of which the Company and its subsidiaries are the primary beneficiary (collectively, the "Companies"). Intercompany transactions and balances are eliminated. Investments in associated companies (20% to 50% owned) are accounted for using the equity method of accounting. In preparing the consolidated financial statements, financial statements with reporting periods different from the consolidated reporting period are used for certain subsidiaries. Necessary adjustments are booked when material intervening events occur and affect the financial position or result of operations for the period between the subsidiary's year-end reporting date and the consolidated reporting date.

(2) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and demand deposits. Time deposits in the consolidated balance sheets include those with original maturities of 3 months or less. The Companies present time deposits and marketable securities with original maturities of 3 months or less as short-term investments in the consolidated statements of cash flows.

(3) Receivables

The Companies grant credit to customers who are primarily retailers and wholesalers in Japan.

(4) Inventories

Inventories are stated at the lower of cost or market. Cost is determined by the average cost method.

(5) Marketable Securities and Investments

The Companies' investments in debt securities and marketable equity securities (included in "marketable securities" and "other investment securities") are classified as either Available-for-Sale or Held-to-Maturity based on the Companies' intent and ability to hold and the nature of the securities. Investments classified as Available-for-Sale are reported at fair value with unrealized holding gains and losses, which are recorded in accumulated other comprehensive income (loss), net of applicable income taxes. Investments classified as Held-to-Maturity are recorded at amortized cost. All other investment securities are stated at cost unless the value is considered to have been impaired.

The Companies regularly review investments in debt securities and marketable equity securities for impairment based on criteria that include the extent to which the securities' carrying values exceed those related market prices, the duration of the market decline, and the Companies' ability and intent to hold the investments. Other investment securities stated at cost are reviewed periodically for impairment.

(6) Depreciation

The straight-line method is used for property, plant, and equipment. Depreciation expense includes depreciation related to capital lease assets which are depreciated over the shorter of lease terms or estimated useful lives. The ranges of estimated useful lives used in the computation of depreciation are mainly as follows:

Buildings	20-40 years
Machinery and equipment	5-15 years

Effective from April 1, 2012, Nippon Meat Packers, Inc. and its domestic subsidiaries have changed their depreciation method of property, plant, and equipment (mainly for manufacturing equipments of hams and sausages and processed foods) from the declining-balance method to the straight-line method.

This change aimed for enhancement of production efficiency due to selection and concentration, and Nippon Meat Packer's, Inc. considers restructuring of ham and sausages' manufacturing bases and progresses collection and integration of hams and sausages and processed foods' manufacturing items and lines. Thereby they leveled out the usage of manufacturing facilities over the estimated useful lives, and led to the environment where straight-line method became suitable. In addition, the estimated useful lives were revised according to the actual status of use as well.

Under Accounting Standards Codification ("ASC") of the U.S. Financial Accounting Standards Board ("FASB") Topic 250, "Accounting Changes and Error Corrections," this change is treated on a prospective basis as a change in estimate.

This change caused an increase in "income before income taxes and equity in earnings of associated companies," "net income attributable to Nippon Meat Packers, Inc.," "basic earnings per share attributable to Nippon Meat Packers, Inc. shareholders" and "diluted earnings per share attributable to Nippon Meat Packers, Inc. shareholders" by ¥4,789 million ($50,947 thousand), ¥2,969 million ($31,585 thousand), ¥14.33 ($0.15) and ¥12.89 ($0.14), respectively, in this fiscal year.

(7) Impairment of Long-Lived Assets

The Companies apply ASC Topic 360, "Property, Plant, and Equipment" and ASC Topic 205, "Presentation of Financial Statements." ASC Topic 360 provides one accounting model for the impairment or disposal of long-lived assets. ASC Topic 205 provides the criteria for classifying an asset as held for sale, defines the scope of business to be disposed of that qualify for reporting as discontinued operations and the timing of recognizing losses on such operations.

In accordance with ASC Topic 360, management reviews long-lived assets for impairment of value whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. If the Companies determine that they are unable to recover the carrying value of the assets, the assets are written down using an appropriate method.

In accordance with ASC Topic 205, the Companies present the results of discontinued operations as a separate line item in the consolidated statements of income under income from discontinued operations—net of applicable income taxes, as it occurs.

(8) Goodwill and Other Intangible Assets

The Companies apply ASC Topic 350, "Intangibles-Goodwill and Other." ASC Topic 350 requires that goodwill no longer be amortized, but instead be tested for impairment at least annually. ASC Topic 350 also requires recognized intangible assets be amortized over their respective estimated useful lives and tested for impairment. Any recognized intangible assets determined to have indefinite useful lives are not to be amortized, but instead are tested for impairment until their lives are determined to no longer be indefinite.

(9) Business Combinations

The Companies apply ASC Topic 805, "Business Combinations." In accordance with the provisions of ASC Topic 805, the acquisitions of business are accounted for using the acquisition method of accounting.

(10) Retirement and Severance Programs

The Companies apply ASC Topic 715, "Compensation-Retirement Benefits," to account for the Companies' employee retirement and severance programs.

As allowed under ASC Topic 715, the Companies do not recognize gain or loss on settlement of the pension obligations when the cost of all settlements during a year is less than or equal to the sum of the service cost and interest cost components of net periodic pension cost for the plan for the year.

(11) Fair Value of Financial Instruments

The Companies disclose the fair value of financial instruments in the notes to financial statements. When the fair value approximates the book value, no additional disclosure is made. Fair values are estimated using quoted market prices, estimates obtained from brokers and other appropriate valuation techniques based on information available at March 31, 2013 and 2012.

(12) Fair Value Measurements

The Companies apply ASC Topic 820, "Fair value Measurements and Disclosures." For more information, see "Note 15. Fair Value Measurements."

(13) Income Taxes

The Companies apply ASC Topic 740, "Income Taxes." In accordance with the provisions of ASC Topic 740, deferred tax assets and liabilities are computed based on the temporary differences between the financial statement and income tax bases of assets and liabilities, and tax losses and credits which can be carried forward, using the enacted tax rate applicable to periods in which the differences are expected to affect taxable income. Deferred income tax charges or credits are based on changes in deferred tax assets and liabilities from period to period, subject to an ongoing assessment of realization. ASC Topic 740 also prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

A provision for income taxes is not recorded on undistributed earnings of subsidiaries where the Company considers that such earnings are permanently invested or where, under the present Japanese tax law, such earnings would not be subject to additional taxation should they be distributed to the Companies.

(14) Per Share Amounts

Basic Earnings Per Share ("EPS") is computed by dividing net income attributable to Nippon Meat Packers, Inc. by the weighted-average number of common shares outstanding during the year. Diluted EPS is computed by dividing net income attributable to Nippon Meat Packers, Inc. by the sum of the weighted-average number of common shares outstanding plus the dilutive effect of shares issuable through stock options and convertible bonds.

The net income attributable to Nippon Meat Packers, Inc. and shares used for basic EPS and diluted EPS are reconciled below.

	Millions of Yen			Thousands of U.S. Dollars
	2013	2012	2011	**2013**
Net Income (Numerator)				
Income attributable to Nippon Meat Packers, Inc. shareholders	**¥16,459**	¥11,655	¥16,731	**$175,095**

	Thousands of Shares		
	2013	2012	2011
Shares (Denominator)			
Average shares outstanding for basic earnings per share	**207,242**	212,724	212,668
Dilutive effect of stock options	**238**	267	326
Dilutive effect of convertible bonds	**22,917**	22,918	22,918
Average shares outstanding for diluted earnings per share	**230,397**	235,909	235,912

(15) Revenue Recognition

The Companies recognize revenue when the product is received by the customer, at which time title and risk of loss pass to the customer. Taxes collected from customers and remitted to governmental authorities are excluded from revenues in the consolidated statements of income.

(16) Gain from the Transfer through the Posting System

On January 25, 2012, Hokkaido Nippon Ham Fighters Baseball Club Co., Ltd., a subsidiary of the Company, received a fee of ¥4,017 million, for the transfer of Darvish Yu to the Texas Rangers of the Major League Baseball under the United States-Japanese Player Contract Agreement.

(17) Sales Promotion Expenses and Rebates

The Companies account for promotion expenses and rebates in accordance with the provisions of ASC Topic 605, "Revenue Recognition." ASC Topic 605 requires that certain sales promotion expenses and rebates be classified as a reduction of net sales, rather than as selling, general and administrative expenses.

(18) Advertising

Advertising costs are expensed as incurred and included in "selling, general and administrative expenses." Advertising expenses amounted to ¥10,482 million ($111,511 thousand), ¥10,868 million and ¥12,471 million for the years ended March 31, 2013, 2012 and 2011, respectively.

(19) Research and Development

Research and development costs are expensed as incurred. Research and development costs amounted to ¥2,992 million ($31,830 thousand), ¥2,992 million and ¥3,081 million for the years ended March 31, 2013, 2012 and 2011, respectively.

(20) Derivative Instruments and Hedging Activities

The Companies account for derivative instruments and hedging activities in accordance with ASC Topic 815, "Derivatives and Hedging." ASC Topic 815 requires that all derivative instruments be recognized as assets or liabilities on the balance sheet and measured at fair value. Changes in the fair value of derivative instruments are recognized in either income or other comprehensive income, depending on the designated purpose of the derivative instruments. Changes in fair value of derivative instruments designated as fair value hedges of recognized assets and liabilities and firm commitments are recognized in income. Changes in fair value of derivative instruments designated and qualifying as cash flow hedges of recognized assets and liabilities, firm commitments and forecasted transactions are reported in other comprehensive income. These amounts are reclassified into income in the same period as the hedged items affect income.

(21) Guarantees

The Companies account for guarantees in accordance with ASC Topic 460, "Guarantees," which addresses the disclosure to be made by a guarantor in its financial statements about its obligations under guarantees. ASC Topic 460 also requires the recognition of a liability by a guarantor at the inception of certain guarantees. ASC Topic 460 requires the guarantor to recognize at the inception of the guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee.

(22) Recent Accounting Pronouncements:

Presentation of Comprehensive Income—The Companies adopted Accounting Standards Updates ("ASU") 2011-05 and 2011-12, which provides amendments to ASC 220, "Comprehensive Income," in the first quarter of the year ended March 31, 2013. These updates eliminate the previous option to report other comprehensive income and its components in the statement of shareholders' equity. They also require entities to report comprehensive income in either a single continuous statement or in two separate but consecutive statements. In the first quarter of the year ended March 31, 2013, the Companies elected to report other comprehensive income and its components in a separate statement of comprehensive income and retroactive application was adopted the all periods presented.

Testing Goodwill for Impairment—The Companies adopted ASU 2011-08, which amends the guidance in ASC Subtopic 350-20 "Intangibles-Goodwill and Other—Goodwill," in the first quarter of the year ended March 31, 2013. This update amends the current guidance on testing goodwill for impairment. This revised guidance gives entities the option of performing a qualitative assessment before comparing the carrying amount of the reporting unit with its fair value in the first step of the goodwill impairment test, and adds the examples of events and the circumstances that an entity having a reporting unit with zero or negative carrying amount should consider. The adoption of this update had no significant impact on the consolidated financial statements.

Disclosures about Offsetting Assets and Liabilities—In December 2011, the FASB issued ASU 2011-11, which amends the guidance in ASC Subtopic 210-20 "Balance Sheet—Offsetting." This update requires entities to disclose both gross information and net information about financial instruments and derivatives eligible for offset in the statement of financial position and the content of related arrangements. Also, in January 2013, the FASB issued ASU 2013-01 clarifying the scope of disclosure requirements for financial instruments and derivatives. These updates are effective for fiscal years, and interim periods within those years, beginning on or after January 1, 2013, and the amendments should be applied retrospectively for all periods presented. The Companies are currently evaluating the impact of adopting ASU 2011-11 and 2013-01 on the consolidated financial statements.

Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income—In February 2013, the FASB issued ASU 2013-02, which aims at improvement of presenting information regarding amounts reclassified out of accumulated other comprehensive income, and requires entities to present information about significant items reclassified out of accumulated other comprehensive income by component either on the face of the statement where net income is presented or as a separate disclosure in the notes to the financial statements. This update is effective for fiscal years, and interim periods within those years, beginning after December 15, 2012. Early adoption is permitted. The Companies do not expect the adoption of this update to have a significant impact on the consolidated financial statements.

2. INVENTORIES

Inventories at March 31, 2013 and 2012 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Finished goods and merchandise	**¥ 72,499**	¥ 69,945	**$ 771,266**
Raw materials and work-in-process	**36,783**	38,646	**391,309**
Supplies	**3,905**	3,925	**41,542**
Total	**¥113,187**	¥112,516	**$1,204,117**

The Companies recognized losses of ¥1,601 million ($17,032 thousand), ¥2,621 million and ¥999 million from writing inventories down to market, which are included in cost of goods sold in the consolidated statements of income for the years ended March 31, 2013, 2012 and 2011, respectively.

3. MARKETABLE SECURITIES AND INVESTMENTS

The table below presents the aggregate cost, gross unrealized holding gains, gross unrealized holding losses and the aggregate fair value of available-for-sale securities and held-to-maturity securities (included in "marketable securities" and "other investment securities") at March 31, 2013 and 2012:

	Millions of Yen								Thousands of U.S. Dollars			
	2013				2012				**2013**			
	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
Available-for-sale:												
Domestic stocks												
Retail industry	**¥ 4,565**	**¥2,650**	**¥(13)**	**¥ 7,202**	¥ 4,521	¥1,521	¥ (7)	¥ 6,035	**$ 48,564**	**$28,192**	**$(138)**	**$ 76,618**
Others	**5,808**	**3,170**	**(1)**	**8,977**	5,903	1,740	(38)	7,605	**61,787**	**33,723**	**(11)**	**95,499**
Mutual funds	**290**	**25**		**315**	290	9		299	**3,085**	**266**		**3,351**
Held-to-maturity:												
Commercial paper	**10,000**			**10,000**	4,999			4,999	**106,383**			**106,383**
Japanese government bonds	**200**		**0**	**200**	200		0	200	**2,128**		**0**	**2,128**
Total	**¥20,863**	**¥5,845**	**¥(14)**	**¥26,694**	¥15,913	¥3,270	¥(45)	¥19,138	**$221,947**	**$62,181**	**$(149)**	**$283,979**

Fair value and gross unrealized holding losses of available-for-sale securities and held-to-maturity securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at March 31, 2013 and 2012 were as follows. There were no investments in a continuous unrealized loss position for 12 months or more at March 31, 2013 and 2012.

	Millions of Yen				Thousands of U.S. Dollars	
	2013		2012		**2013**	
	Less than 12 Months		Less than 12 Months		Less than 12 Months	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
Available-for-sale:						
Domestic stocks						
Retail industry	**¥491**	**¥(13)**	¥140	¥ (7)	**$5,223**	**$(138)**
Others	**40**	**(1)**	333	(38)	**426**	**(11)**
Held-to-maturity:						
Japanese government bonds	**200**	**0**	200	0	**2,128**	**0**
Total	**¥731**	**¥(14)**	¥673	¥(45)	**$7,777**	**$(149)**

The proceeds from sales of available-for-sale securities were ¥74 million ($787 thousand), ¥50 million and ¥182 million for the years ended March 31, 2013, 2012 and 2011, respectively. These sales resulted in gross realized gains and losses as follows:

	Millions of Yen			Thousands of U.S. Dollars
	2013	2012	2011	**2013**
Realized gains	**¥30**	¥25	¥20	**$319**
Realized losses		0	0	

In determining realized gains and losses, the cost of securities sold was based on the moving average cost of all shares of such security held at the time of sale.

Future maturities of debt securities classified as held-to-maturity at March 31, 2013 are as follows:

	Millions of Yen		Thousands of U.S. Dollars	
	Cost	Fair Value	Cost	Fair Value
Due within one year	**¥10,200**	**¥10,200**	**$108,511**	**$108,511**

Non-marketable equity securities, for which there is no practicable method to estimate fair values, were carried at their cost of ¥3,898 million ($41,468 thousand) and ¥3,851 million at March 31, 2013 and 2012, respectively.

Investments in associated companies at March 31, 2013 and 2012 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Investments in capital stock	**¥2,550**	¥2,510	**$27,128**

The carrying value of investments in associated companies approximates the Company's equity in their net assets at March 31, 2013 and 2012.

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at March 31, 2013 and 2012 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Land	**¥ 83,794**	¥ 84,349	**$ 891,426**
Buildings	**261,707**	256,749	**2,784,117**
Machinery and equipment	**219,635**	217,608	**2,336,543**
Construction in progress	**1,182**	2,044	**12,574**
Total	**566,318**	560,750	**6,024,660**
Less accumulated depreciation	**(341,533)**	(347,087)	**(3,633,330)**
Property, plant and equipment—net	**¥ 224,785**	¥ 213,663	**$ 2,391,330**

Depreciation expense of property, plant and equipment was ¥16,097 million ($171,245 thousand), ¥20,488 million and ¥20,769 million for the years ended March 31, 2013, 2012 and 2011, respectively. The Companies recorded a net loss of ¥682 million ($7,255 thousand), a net gain of ¥12 million and a net gain of ¥152 million on dispositions of property, plant and equipment, for the years ended March 31, 2013, 2012 and 2011, respectively. The gains and losses for the years ended March 31, 2013, 2012 and 2011 are included in other operating costs and expenses (income)—net in the consolidated statements of income.

5. INTANGIBLE ASSETS

Intangible assets subject to amortization included in intangible assets in the consolidated balance sheets at March 31, 2013 and 2012 consisted of the following:

	Millions of Yen				Thousands of U.S. Dollars	
	2013		2012		**2013**	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Software	**¥21,973**	**¥16,350**	¥20,586	¥13,296	**$233,755**	**$173,936**
Software in progress	**259**		96		**2,755**	
Other	**1,021**	**352**	875	278	**10,862**	**3,745**
Total	**¥23,253**	**¥16,702**	¥21,557	¥13,574	**$247,372**	**$177,681**

Intangible assets not subject to amortization at March 31, 2013 and 2012 were immaterial.

Amortization expense was ¥3,226 million ($34,319 thousand), ¥3,268 million and ¥3,346 million for the years ended March 31, 2013, 2012 and 2011, respectively.

The weighted average amortization period is approximately 5 years.

Estimated amortization expense for the next five years ending March 31 is as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2014	¥2,858	$30,404
2015	1,783	18,968
2016	845	8,989
2017	544	5,787
2018	247	2,628

The carrying amounts of goodwill at March 31, 2013 and 2012 and changes in its carrying amounts for the years ended March 31, 2013 and 2012 were immaterial to the Companies' operations.

6. IMPAIRMENT OF LONG-LIVED ASSETS

The Companies recognized impairment losses of ¥1,519 million ($16,160 thousand) for the year ended March 31, 2013. The impairment losses relate principally to idle assets which are related to Processed Foods Business Division and are reported in other operating costs and expenses (income)—net in the consolidated statements of income. The impairment losses were incurred mainly due to a decline in market value of the assets.

The Companies recognized impairment losses of ¥2,213 million for the year ended March 31, 2012. The impairment losses relate principally to idle assets which are related to Processed Foods Business Division and to assets used for business damaged by the floods in Thailand. They are reported in other operating costs and expenses (income)—net in the consolidated statements of income. The impairment losses were incurred mainly due to a decline in market value of the assets and the damage from the floods which had been expected in early disposing of the assets by that time. The Companies have insured the assets used for business damaged by the floods, and its final insurance amount was determined in the year ended March 31, 2013.

The Companies recognized impairment losses of ¥1,422 million for the year ended March 31, 2011. The impairment losses relate principally to idle assets which are related to Processed Foods Business Division and are reported in other operating costs and expenses (income)—net in the consolidated statements of income. The impairment losses were incurred mainly due to a decline in market value of the assets.

The fair value of assets is calculated based on independent appraisal or market value whichever the management considers the most appropriate.

7. SHORT-TERM BANK LOANS AND LONG-TERM DEBT

The annual interest rates applicable to the short-term bank loans outstanding at March 31, 2013 and 2012 range from 0.5% to 6.7% and 0.4% to 7.3%, respectively.

The Company entered into contracts with certain financial institutions for committed credit lines totaling ¥75,000 million ($797,872 thousand) at March 31, 2013 and 2012, respectively, which are available for immediate borrowings. There were no borrowings against these credit lines.

Long-term debt at March 31, 2013 and 2012 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Long-term debt with collateral:			
Mainly banks and insurance companies, maturing through 2019, interest rates ranging from 1.3% to 2.1% in 2013 and 0.9% to 2.1% in 2012	**¥ 1,718**	¥ 2,883	**$ 18,277**
Long-term debt without collateral:			
Mainly banks and insurance companies, maturing through 2022, interest rates ranging from 0.2% to 5.0% in 2013 and 0.3% to 5.0% in 2012	**30,675**	22,069	**326,330**
1.45% bonds due December 2012		20,000	
2.01% bonds due December 2017	**10,000**	10,000	**106,383**
0.551% bonds due September 2019	**10,000**		**106,383**
0.934% bonds due September 2022	**10,000**		**106,383**
Zero coupon convertible bonds due March 2014 Conversion price, ¥1,309 per share Exercise period of the stock acquisition rights, April 1, 2010 to February 27, 2014	**29,985**	30,000	**318,989**
Capital lease obligations, maturing through 2029, interest rates ranging from 0.2% to 4.2% in 2013 and 0.3% to 4.4% in 2012	**9,390**	13,775	**99,894**
Total	**101,768**	98,727	**1,082,639**
Less current maturities	**(35,320)**	(26,636)	**(375,745)**
Long-term debt, less current maturities	**¥ 66,448**	¥ 72,091	**$ 706,894**

At March 31, 2013, the aggregate annual maturities of long-term debt are as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2014	¥ 35,320	$ 375,745
2015	7,921	84,266
2016	8,512	90,553
2017	9,327	99,223
2018	10,662	113,426
Thereafter	30,026	319,426
Total	¥101,768	$1,082,639

At March 31, 2013, property, plant and equipment with a net book value of ¥13,818 million ($147,000 thousand) was pledged as collateral for long-term debt of ¥1,718 million ($18,277 thousand), and inventories of ¥543 million ($5,777 thousand) were pledged as collateral for short-term bank loans of ¥293 million ($3,117 thousand).

Substantially all the short-term and long-term loans from banks are made under agreements which provide as is customary in Japan that under certain conditions, the banks may require the Companies to provide collateral (or additional collateral) or guarantors with respect to the loans, or may treat any collateral, whether furnished as security for short-term and long-term loans or otherwise, as collateral for all indebtedness to such banks. Default provisions of certain agreements grant certain rights of possession to the banks.

8. INCOME TAXES

Through the application of the consolidated tax filing system, the amount of taxable income for national income tax purposes is calculated by combining the taxable income of the Company and its wholly owned subsidiaries located in Japan. In addition, the realizable amounts of deferred tax assets relating to national income tax as of March 31, 2013 and 2012 were assessed based on the estimated future taxable income of the Company and its wholly owned subsidiaries located in Japan.

Income taxes in Japan applicable to the Company and domestic subsidiaries, imposed by the national, prefectural and municipal governments, in the aggregate result in a normal effective statutory rate of approximately 38.0% for the year ended March 31, 2013 and 41.0% for the years ended 2012 and 2011, respectively. Foreign subsidiaries are subject to income taxes of the countries in which they operate.

In accordance with ASC Topic 740, a change in tax laws and rates requires an adjustment of deferred tax assets and liabilities, and the difference caused by the adjustment shall be included in deferred tax expenses. As a result of the amendments to the Japanese tax regulations enacted into law on November 30, 2011, the normal Japanese statutory tax rates have been reduced from approximately 41.0% to 38.0% for three years on and after April 1, 2012, to 36.0% on and after April 1, 2015. Deferred tax expense increased by ¥1,933 million by the adjustments of deferred tax assets and liabilities at the date of enactment in comparison with that before the amendments for the year ended March 31, 2012.

The effective rates of income taxes reflected in the consolidated statements of income differed from the normal Japanese statutory tax rates for the following reasons:

	2013	2012	2011
Normal Japanese statutory tax rates	**38.0%**	41.0%	41.0%
Increase (decrease) in taxes resulting from:			
Difference in foreign subsidiaries tax rates	**(2.3)**	0.2	(1.3)
Change in the valuation allowance	**4.3**	3.9	0.5
Permanently non-deductible expenses	**0.1**	3.1	2.0
Tax credit	**(1.0)**	(0.7)	(0.9)
Tax rate change		7.2	
Other—net	**1.4**	3.1	2.1
Effective income tax rates	**40.5%**	57.8%	43.4%

The approximate effects of temporary differences, net operating loss and tax credit carryforwards that gave rise to deferred tax balances at March 31, 2013 and 2012 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Deferred tax assets:			
Inventories	**¥ 437**	¥ 201	**$ 4,649**
Certain accrued prefectural income taxes	**884**	494	**9,404**
Accrued bonuses	**3,315**	3,234	**35,266**
Liability under retirement and severance programs	**9,104**	9,661	**96,851**
Fixed assets	**4,343**	3,630	**46,202**
Other temporary differences	**3,359**	3,233	**35,734**
Net operating loss and tax credit carryforwards	**9,870**	8,196	**105,000**
Total	**31,312**	28,649	**333,106**
Less valuation allowance	**(11,124)**	(8,764)	**(118,340)**
Total deferred tax assets	**20,188**	19,885	**214,766**
Deferred tax liabilities:			
Securities	**(1,054)**	(144)	**(11,213)**
Inventories	**(450)**	(642)	**(4,787)**
Investments in subsidiaries	**(2,132)**	(2,132)	**(22,681)**
Fixed assets	**(232)**	(357)	**(2,468)**
Gain from the transfer through the posting system		(1,647)	
Other temporary differences	**(405)**	(162)	**(4,309)**
Total deferred tax liabilities	**(4,273)**	(5,084)	**(45,458)**
Net deferred tax assets	**¥15,915**	¥14,801	**$169,308**

The net changes in the total valuation allowance for the years ended March 31, 2013 and 2012 were an increase of ¥2,360 million ($25,106 thousand) and increase of ¥999 million, respectively.

At March 31, 2013, the net operating loss carryforwards of the Companies for corporate income tax and local income tax purposes amounted to ¥27,985 million ($297,713 thousand) and ¥11,242 million ($119,596 thousand), respectively. The net operating loss carryforwards for corporate income tax and local income tax purposes subject to expiration in the period from 2014 to 2018 are ¥337 million ($3,585 thousand) and ¥3,439 million ($36,585 thousand), respectively. The remaining balances for corporate income tax and local income tax purposes, ¥27,648 million ($294,128 thousand) and ¥7,803 million ($83,011 thousand), respectively, will expire in years beyond 2018 or have an indefinite carryforward period. At March 31, 2013, the Companies had tax credit carryforwards of ¥304 million ($3,234 thousand), of which ¥1 million ($11 thousand) will expire within 5 years while the remaining ¥303 million ($3,223 thousand) will expire beyond 2018 or have an indefinite carryforward period.

The portion of the undistributed earnings of foreign subsidiaries which is deemed to be permanently invested amounted to ¥22,193 million ($236,096 thousand) at March 31, 2013. Provisions are not made for taxes on undistributed earnings and cumulative translation adjustments of foreign subsidiaries whose earnings are deemed to be permanently invested.

The Companies file income tax returns in Japan and various foreign tax jurisdictions. The Company and its major domestic subsidiaries are no longer subject to, with limited exception, income tax examinations by tax authorities for years ended on or before March 31, 2010. Major subsidiaries in the United States, Australia and other foreign countries are no longer subject to, with limited exception, income tax examinations by tax authorities for years ended on or before March 31, 2007.

9. RETIREMENT AND SEVERANCE PROGRAMS

The Company has a contributory pension plan and a lump-sum severance indemnities plan to establish a formula for determining benefits including "point-based benefits system" under which benefits are calculated based on accumulated points allocated to employees each year according to their job classification, performance and years of service. Market-related interest is added to the benefit of the contributory pension plan. The pension plans provide for annuity payments for the periods of 10 to 20 years commencing with mandatory retirement. The Company also introduced a defined contribution pension plan. Certain of the Company's subsidiaries have defined benefit pension plans, lump-sum severance plans and defined contribution plans. Assumptions used for those plans were generally the same as those used for the Company's plans.

The Companies recognized the defined contribution cost of ¥1,480 million ($15,745 thousand), ¥1,426 million and ¥1,392 million for the years ended March 31, 2013, 2012 and 2011, respectively.

Net periodic benefit cost under the Companies' retirement and severance programs for the years ended March 31, 2013, 2012 and 2011 included the following components:

	Millions of Yen			Thousands of U.S. Dollars
	2013	2012	2011	**2013**
Service cost	**¥2,587**	¥2,327	¥2,266	**$27,521**
Interest cost	**597**	695	734	**6,351**
Expected return on plan assets	**(476)**	(416)	(410)	**(5,063)**
Amortization of prior service credit	**(303)**	(303)	(303)	**(3,223)**
Recognized actuarial loss	**1,111**	1,416	1,091	**11,819**
Settlement (gain) loss	**372**	479	(4)	**3,957**
Net periodic benefit cost	**¥3,888**	¥4,198	¥3,374	**$41,362**

The following table sets forth various information about the Companies' plans as of March 31, 2013 and 2012.

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**20113**
Change in the projected benefit obligations:			
Projected benefit obligations at the beginning of the year	**¥51,727**	¥ 50,961	**$ 550,287**
Service cost	**2,587**	2,327	**27,521**
Interest cost	**597**	695	**6,351**
Actuarial loss	**1,910**	888	**20,319**
Benefits paid:			
Settlement paid	**(1,790)**	(1,488)	**(19,043)**
Others	**(1,533)**	(1,656)	**(16,309)**
Projected benefit obligations at the end of the year	**53,498**	51,727	**569,126**
Change in fair value of plan assets:			
Fair value of plan assets at the beginning of the year	**34,998**	33,845	**372,319**
Actual gain on plan assets	**3,712**	1,296	**39,488**
Employer contribution	**1,669**	1,752	**17,755**
Benefits paid:			
Settlement paid	**(204)**	(239)	**(2,170)**
Others	**(1,533)**	(1,656)	**(16,309)**
Fair value of plan assets at the end of the year	**38,642**	34,998	**411,083**
Funded status at the end of the year	**¥(14,856)**	¥(16,729)	**$(158,043)**

Amounts recognized by the Companies in the consolidated balance sheets at March 31, 2013 and 2012 consisted of:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Prepaid benefit cost		¥ 108	
Accrued expenses	**¥ (445)**	(239)	**$ (4,734)**
Accrued benefit liability	**(14,411)**	(16,598)	**(153,309)**
	¥(14,856)	¥(16,729)	**$(158,043)**

Amounts recognized by the Companies in accumulated other comprehensive loss at March 31, 2013 and 2012 consisted of:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Actuarial loss	**¥16,409**	¥19,218	**$174,564**
Prior service credit	**(1,806)**	(2,109)	**(19,213)**
	¥14,603	¥17,109	**$155,351**

The Companies' accumulated benefit obligations for defined benefit plans at March 31, 2013 and 2012 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Accumulated benefit obligations	**¥53,498**	¥51,727	**$569,126**

The projected benefit obligations and the fair value of the plan assets for the Companies' pension plans with projected benefit obligations in excess of plan assets, and the accumulated benefit obligations and the fair value of the plan assets for the Companies' pension plans with accumulated benefit obligations in excess of plan assets were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Plans with projected benefit obligations in excess of plan assets:			
Projected benefit obligations	**¥53,498**	¥49,332	**$569,126**
Fair value of plan assets	**38,642**	32,495	**411,083**
Plans with accumulated benefit obligations in excess of plan assets:			
Accumulated benefit obligations	**53,498**	49,332	**569,126**
Fair value of plan assets	**38,642**	32,495	**411,083**

Amounts recognized by the Companies in the other comprehensive income and reclassification adjustments of the other comprehensive income for the years ended March 31, 2013 and 2012 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Current year actuarial (gain) loss	**¥(1,326)**	¥ 8	**$(14,106)**
Amortization of prior service credit	**303**	303	**3,223**
Recognition of actuarial loss	**(1,483)**	(1,895)	**(15,776)**

The estimated prior service credit and actuarial loss for the Companies' defined benefit pension plans that will be amortized from accumulated other comprehensive loss into net periodic benefit cost over the next year are summarized as follows:

	Millions of Yen	Thousands of U.S. Dollars
Prior service credit	¥(303)	$ (3,223)
Actuarial loss	941	10,011

Assumptions

Weighted-average assumptions used to determine the Companies' benefit obligations at March 31, 2013 and 2012 were as follows:

	2013	2012
Discount rate	**0.9%**	1.2%

Weighted-average assumptions used to determine the Companies' net periodic benefit cost for the years ended March 31, 2013, 2012 and 2011 were as follows:

	2013	2012	2011
Discount rate	**1.2%**	1.4%	1.6%
Expected long-term rate of return on plan assets	**2.0%**	2.0%	2.0%

The Company has a contributory pension plan and a lump-sum severance indemnities plan to establish a formula for determining benefits including "point-based benefits system." Accordingly, rate of increase in future compensation levels was not used to determine net periodic benefit cost for the years ended March 31, 2013, 2012 and 2011.

The Company's expected long-term rate of return was determined by estimating the future rate of return of each plan asset considering actual historical returns.

Assumptions used for the Company's subsidiaries' plans were generally the same as those used for the Company's plans.

Plan Assets

The Companies' fundamental policy for the investment of plan assets is to secure the necessary profit on a long term basis to enable the Companies to fund the payments for future pension benefits to eligible participants. Plan assets are allocated in accordance with the plan assets allocation policy, which is established for the purpose of achieving a stable rate of return on a mid to long term basis, by taking into account the expected rate of return on each plan asset, a standard deviation and a correlation coefficient. The variance between expected long-term return and actual return on invested plan assets is evaluated on an annual basis. The plan assets allocation policy is revised, when considered necessary, to achieve the expected long-term rate of return.

The Companies' portfolio consists of four major components; approximately 39% is invested in equity securities, approximately 23% is invested in debt securities, approximately 22% is invested in life insurance company general accounts, and approximately 16% is invested in mutual funds and other investment vehicles.

The equity securities consist primarily of stocks that are listed on the stock exchanges. The Companies investigate the business condition of the investee companies and appropriately diversify investments by industry types and other relevant factors. The debt securities consist primarily of government bonds, public debt instruments and corporate bonds. The Companies investigate the quality of the bonds, including credit rating, interest rate and repayment dates, and appropriately diversify the investments. Mutual funds are invested using the strategy consistent with the equity and debt securities described above. As for the life insurance general accounts, life insurance companies guarantee certain interest rate and repayment of principal.

The target asset allocation of the Companies' defined benefit pension plans by asset class was 21% for equity securities, 42% for debt securities and 37% for life insurance company general accounts for the year ended March 31, 2013, and the target allocation for the year ending March 31, 2014 is 21% for equity securities, 36% for debt securities, 32% for life insurance company general accounts and 11% for others. Plan assets of the employee retirement benefit trust were included in plan assets, which amounted to ¥12,487 million ($132,840 thousand) and ¥10,574 million for the years ended March 31, 2013 and 2012, respectively.

The fair values of the Companies' pension plans' asset allocations at March 31, 2013 and 2012 by asset class were as follows:

	Millions of Yen							
	2013				2012			
Asset class	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Equity securities:								
Domestic stocks	**¥12,485**			**¥12,485**	¥ 8,965			¥ 8,965
Foreign stocks	**2,621**			**2,621**	2,280			2,280
Debt securities:								
Japanese government bonds and domestic municipal bonds	**5,423**			**5,423**	7,882			7,882
Domestic corporate bonds	**2,210**			**2,210**	1,791			1,791
Foreign government bonds and foreign municipal bonds	**804**			**804**	774			774
Foreign corporate bonds	**630**			**630**	16			16
Life insurance company general accounts		**¥ 8,471**		**8,471**		¥ 8,821		8,821
Others:								
Mutual funds		**2,398**		**2,398**		1,541		1,541
Others	**3,336**	**62**	**¥202**	**3,600**	2,461	51	¥416	2,928
Total	**¥27,509**	**¥10,931**	**¥202**	**¥38,642**	¥ 24,169	¥10,413	¥416	¥34,998

	Thousands of U.S. Dollars			
	2013			
Asset class	Level 1	Level 2	Level 3	Total
Equity securities:				
Domestic stocks	**$132,819**			**$132,819**
Foreign stocks	**27,883**			**27,883**
Debt securities:				
Japanese government bonds and domestic municipal bonds	**57,691**			**57,691**
Domestic corporate bonds	**23,511**			**23,511**
Foreign government bonds and foreign municipal bonds	**8,553**			**8,553**
Foreign corporate bonds	**6,702**			**6,702**
Life insurance company general accounts		**$90,117**		**90,117**
Others:				
Mutual funds		**25,511**		**25,511**
Others	**35,487**	**660**	**$2,149**	**38,296**
Total	**$292,646**	**$116,288**	**$2,149**	**$411,083**

Level 1 assets are comprised principally of equity securities and government bonds, which are valued using unadjusted quoted market prices in active markets with sufficient volume and frequency of transactions. Level 2 assets are comprised principally of mutual funds that invest in equity and debt securities, and investments in life insurance company general accounts. Mutual funds, which are redeemable within 10 days, are valued at their net asset values which are calculated by the investment management companies. Investments in life insurance company general accounts are valued at the sum of original principal and accrued interest. The fair value of Level 3 assets consist of funds that invest principally in unlisted equity securities. Actual returns on, and purchases and sales of, these assets during the years ended March 31, 2013 and 2012 were not significant.

Contributions

The Companies expect to contribute ¥1,831 million ($19,479 thousand) to the defined benefit pension plans in the year ending March 31, 2013.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future services, as appropriate, are expected to be made by the Companies:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2014	¥ 2,971	$ 31,606
2015	2,736	29,106
2016	2,828	30,085
2017	2,606	27,723
2018	2,702	28,745
2019–2023	13,821	147,032

Certain domestic subsidiaries participate in multiemployer plans. This disclosure uses the most recently available information.

Pension Fund	Zone Status 2013	Zone Status 2012	Contributions of the Company's subsidiaries: Millions of Yen 2013	2012	2011	Thousands of U.S. Dollars 2013	Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
Japan Ham&Sausage Processors Pension Fund	**Less than 65% (March 31, 2012)**	Less than 65% (March 31, 2011)	**¥306**	¥264	¥290	**$3,255**	N/A	N/A
Nationwide Dainty Pension Fund	**At least 80% (March 31, 2012)**	At least 80% (March 31, 2011)	**230**	224	221	**2,447**	N/A	N/A
Total			**¥536**	¥488	¥511	**$5,702**		

The risks of participating in these multiemployer plans are different from single-employer plans primarily in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the multiemployer plan, the unfunded obligations of the multiemployer plan may be borne by the remaining participating employers.
- If the Companies choose to stop participating in some of those multiemployer plans, the Companies may be required to pay those plans an amount based on the underfunded status of the multiemployer plan, referred to as a withdrawal liability.

Plan information for Japan Ham&Sausage Processors Pension Fund is not publicly available. This fund provides monthly retirement payments on the basis of the contributions earned by the participating employees. To the extent that the plan is underfunded, the future contributions to the plan may increase. This fund's financial statements for the years ended March 31, 2012 and 2011 indicated pension plan assets of ¥23,123 million ($245,989 thousand) and ¥24,230 million, respectively; underfunded amounts of ¥17,243 million ($183,436 thousand) and ¥17,443 million, respectively; and total contributions for all participating employers of ¥2,406 million ($25,596 thousand) and ¥2,438 million, respectively. This fund has been underfunded, and is expected to resolve the underfunding by special contributions which are calculated by multiplying the standard salary on the basis of the amount of salary by the fixed contribution rate.

Plan information for Japan Nationwide Dainty Pension Fund is not publicly available. This fund provides monthly retirement payments on the basis of the contributions earned by the participating employees. To the extent that the plan is underfunded, the future contributions to the plan may increase. This fund's financial statements for the years ended March 31, 2012 and 2011 indicated pension plan assets of ¥11,214 million ($119,298 thousand) and ¥11,177 million, respectively; underfunded amounts of ¥2,080 million ($22,128 thousand) and ¥2,032 million, respectively; and total contributions for all participating employers of ¥1,169 million ($12,436 thousand) and ¥1,191 million, respectively.

Pension Fund	Year Contributions to Plan Exceeded More Than 5 Percent of Total Contributions (as of March 31 of the Plan's Year-End)
Japan Ham&Sausage Processors Pension Fund	2012 and 2011
Nationwide Dainty Pension Fund	2012 and 2011

Additionally, the Companies provided for directors' retirement allowances of ¥594 million ($6,319 thousand) and ¥572 million at March 31, 2013 and 2012, respectively, based on the Companies' internal regulations.

Special severance benefits of ¥128 million ($1,362 thousand), ¥107 million and ¥71 million were paid in 2013, 2012 and 2011, respectively, to employees transferred to certain subsidiaries. The amounts of special severance payments are included in other operating costs and expenses (income) - net in the consolidated statements of income.

10. STOCK-BASED COMPENSATION

On On May 9, 2008, the Board of Directors resolved to abolish the stock option plan except for those stock options granted before March 31, 2008.

A summary of option activity under the Company's stock option plan at March 31, 2013 and changes during the year then ended were as follows:

	Shares	Yen	Years	Millions of Yen	U.S. Dollars	Thousands of U.S. Dollars
	Number of Options	Exercise Price	Average Remaining Contractual Life	Aggregate Intrinsic Value	Exercise Price	Aggregate Intrinsic Value
Outstanding at March 31, 2012	**262,000**	**¥1**			**$0**	
Exercised	**(26,000)**	**1**			**0**	
Outstanding at March 31, 2013	**236,000**	**1**	9.5	¥366	**0**	**$3,894**
Exercisable at March 31, 2013	**39,000**	**¥1**	2.8	¥ 60	**$0**	**$ 638**

The total intrinsic value of options exercised during the years ended March 31, 2013, 2012 and 2011 was ¥25 million ($266 thousand), ¥23 million and ¥96 million, respectively.

Cash received from options exercised for the years ended March 31, 2013, 2012 and 2011 was immaterial.

11. EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below;

(a) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having Audit & Supervisory Board and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors of such company may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. The Company meets all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

The amount available for dividends under the Companies Act is based on the amount recorded in the Company's nonconsolidated books of accounts in accordance with Japanese accounting practices. The amount available for dividends under the Companies Act as of March 31, 2013 was ¥101,205 million ($1,076,649 thousand).

(b) Increases/decreases and transfer of common stock, reserve and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, additional paid-in capital and legal reserve may be reversed upon resolution of the shareholders. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula.

On May 20, 1993, the Company made a stock split by way of a free share distribution at the rate of 0.1 shares for each outstanding share, and 20,703,062 shares were issued to shareholders of record on March 31, 1993, resulting in no change in the balance of common stock or capital surplus. Corporations in the United States issuing shares in similar transaction would be required to account for them by reducing retained earnings and increasing appropriate capital accounts by an amount equal to the fair value of the shares issued. If such United States practice had been applied to the fiscal 1994 free share distribution made by the Company, capital surplus would have increased by ¥33,746 million with a corresponding decrease in unappropriated retained earnings.

12. OTHER COMPREHENSIVE INCOME (LOSS)

The amounts of income tax allocated to each component of other comprehensive income (loss) and reclassification adjustments for the years ended March 31, 2013, 2012 and 2011 are as follows:

	Millions of Yen								
	2013			2012			2011		
	Before-Tax Amount	Income Tax	After-Tax Amount	Before-Tax Amount	Income Tax	After-Tax Amount	Before-Tax Amount	Income Tax	After-Tax Amount
Net unrealized gains (losses) on securities available-for-sale									
Amounts arising during the year	**¥2,548**	**¥ (917)**	**¥1,631**	¥ 1,411	¥ (519)	¥ 892	¥(1,402)	¥ 575	¥ (827)
Reclassification adjustments for losses realized in net income	**58**	**(21)**	**37**	157	(65)	92	455	(186)	269
Net change during the year	**2,606**	**(938)**	**1,668**	1,568	(584)	984	(947)	389	(558)
Net unrealized gains on derivative financial instruments									
Amounts arising during the year				(110)	45	(65)	(480)	197	(283)
Reclassification adjustments for losses realized in net income				579	(237)	342	756	(310)	446
Net change during the year				469	(192)	277	276	(113)	163
Pension liability adjustments									
Amounts arising during the year	**1,326**	**(477)**	**849**	(8)	3	(5)	(2,280)	935	(1,345)
Reclassification adjustments for losses realized in net income	**1,180**	**(425)**	**755**	1,592	(607)	985	784	(321)	463
Net change during the year	**2,506**	**(902)**	**1,604**	1,584	(604)	980	(1,496)	614	(882)
Foreign currency translation adjustments									
Amounts arising during the year	**3,598**		**3,598**	(1,536)		(1,536)	(2,946)		(2,946)
Reclassification adjustments for losses realized in net income							1		1
Net change during the year	**3,598**		**3,598**	(1,536)		(1,536)	(2,945)		(2,945)
Other comprehensive income (loss)	**¥8,710**	**¥(1,840)**	**¥6,870**	¥ 2,085	¥(1,380)	¥ 705	¥(5,112)	¥ 890	¥(4,222)

	Thousands of U.S. Dollars		
	2013		
	Before-Tax Amount	Income Tax	After-Tax Amount
Net unrealized gains on securities available-for-sale			
Amounts arising during the year	**$27,107**	**$ (9,756)**	**$17,351**
Reclassification adjustments for losses realized in net income	**617**	**(223)**	**394**
Net change during the year	**27,724**	**(9,979)**	**17,745**
Pension liability adjustments			
Amounts arising during the year	**14,106**	**(5,074)**	**9,032**
Reclassification adjustments for losses realized in net income	**12,553**	**(4,521)**	**8,032**
Net change during the year	**26,659**	**(9,595)**	**17,064**
Foreign currency translation adjustments			
Amounts arising during the year	**38,276**		**38,276**
Net change during the year	**38,276**		**38,276**
Other comprehensive income	**$92,659**	**$(19,574)**	**$73,085**

Accumulated other comprehensive loss, net of tax effects, at March 31, 2013 and 2012 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Net unrealized gains on securities available-for-sale	**¥ 3,616**	¥ 1,950	**$ 38,468**
Pension liability adjustments	**(6,625)**	(8,229)	**(70,479)**
Foreign currency translation adjustments	**(5,764)**	(9,247)	**(61,319)**
Accumulated other comprehensive loss	**¥(8,773)**	¥(15,526)	**$(93,330)**

13. LEASED ASSETS AND RENT EXPENSE

The Companies lease certain buildings, machinery and equipment under capital leases. The amounts of these leased assets included in the consolidated balance sheets at March 31, 2013 and 2012 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Buildings	**¥ 5,300**	¥ 14,986	**$ 56,383**
Machinery and equipment	**13,500**	14,342	**143,617**
Total	**18,800**	29,328	**200,000**
Less accumulated depreciation	**(10,943)**	(17,833)	**(116,415)**
Total	**¥ 7,857**	¥ 11,495	**$ 83,585**

The following is a schedule of the future minimum lease payments under capital leases together with the present value of net minimum lease payments which are included in the consolidated balance sheet at March 31, 2013.

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2014	¥2,597	$ 27,628
2015	2,120	22,553
2016	1,765	18,777
2017	1,298	13,809
2018	567	6,032
Thereafter	1,533	16,309
Total minimum lease payments	9,880	105,108
Less amount representing interest	(490)	(5,214)
Present value of net minimum lease payments	9,390	99,894
Less current capital lease obligations	(2,481)	(26,394)
Long-term capital lease obligations	¥6,909	$ 73,500

The Companies also lease office space, employee housing and office equipment under operating leases. Rent expense under these leases amounted to ¥10,117 million ($107,628 thousand), ¥10,558 million and ¥10,547 million for the years ended March 31, 2013, 2012 and 2011, respectively.

Future minimum lease payments under non-cancelable operating leases as of March 31, 2013 are as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2014	¥ 2,310	$ 24,574
2015	2,135	22,713
2016	1,974	21,000
2017	1,275	13,564
2018	708	7,532
Thereafter	3,944	41,957
Total minimum lease payments	¥12,346	$131,340

14. FOREIGN CURRENCY TRANSACTION GAINS AND LOSSES

Foreign currency transaction net loss of ¥4,413 million ($46,947 thousand), net loss of ¥623 million and net gain of ¥1,474 million were included in the determination of net income for the years ended March 31, 2013, 2012 and 2011, respectively.

15. FAIR VALUE MEASUREMENTS

ASC Topic 820 clarifies fair value in terms of the price in an orderly transaction between market participants to sell an asset or transfer a liability at the measurement date. ASC Topic 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. Under ASC Topic 820, the Companies are required to classify certain assets and liabilities based on the following fair value hierarchy:

Level 1 Input—Quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date

Level 2 Input—Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly

Level 3 Input—Unobservable inputs for the assets or liabilities

Assets and liabilities measured at fair value on a recurring basis as of March 31, 2013 and 2012 are as follows:

	Millions of Yen							
	2013				2012			
Assets	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Domestic stocks								
Retail industry	**¥ 7,202**			**¥ 7,202**	¥ 6,035			¥ 6,035
Others	**8,977**			**8,977**	7,605			7,605
Mutual funds		**¥ 315**		**315**		¥ 299		299
Derivative instruments (see Note 16)		**2,678**		**2,678**		1,584		1,584
Total assets	**¥16,179**	**¥2,993**		**¥19,172**	¥13,640	¥1,883		¥15,523
Liabilities								
Derivative instruments (see Note 16)	**¥ 11**	**¥ 876**		**¥ 887**		¥ 112		¥ 112
Total liabilities	**¥ 11**	**¥ 876**		**¥ 887**		¥ 112		¥ 112

	Thousands of U.S. Dollars			
	2013			
Assets	Level 1	Level 2	Level 3	Total
Domestic stocks				
Retail industry	**$ 76,618**			**$ 76,618**
Others	**95,499**			**95,499**
Mutual funds		**$ 3,351**		**3,351**
Derivative instruments (see Note 16)		**28,489**		**28,489**
Total assets	**$172,117**	**$31,840**		**$203,957**
Liabilities				
Derivative instruments (see Note 16)	**$ 117**	**$ 9,319**		**$ 9,436**
Total liabilities	**$ 117**	**$ 9,319**		**$ 9,436**

Valuation processes and techniques used to measure fair value are as follows:

Domestic stocks

Domestic stocks are measured at fair value using quoted prices in active markets for identical assets. These inputs fall within Level 1.

Mutual funds

Mutual funds are measured using observable inputs, such as published prices based on market trends obtained from financial institutions, and classified as Level 2.

Derivative instruments

Derivative instruments consist of commodity futures contracts, foreign currency forward exchange contracts, interest rate swap contracts, currency swap contracts and cross-currency swap contract. Commodity futures contracts are measured at fair value using quoted prices in active markets for identical assets. These inputs fall within Level 1. Foreign currency forward exchange contracts, interest rate swap contracts, currency swap contracts and cross-currency swap contract are measured at fair value using discounted cash flow model matched to the contractual terms with observable market data such as forward exchange rates and market interest rates, which fall within Level 2.

The table below shows assets measured at fair value on a nonrecurring basis during the years ended March 31, 2013 and 2012 of which ¥50 million ($532 thousand) and ¥275 million have already been sold to a third party for the years ended March 31, 2013 and 2012, respectively.

	Millions of Yen				Thousands of U.S. Dollars			
	2013				**2013**			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Non-marketable equity securities			**¥ 0**	**¥ 0**			**$ 0**	**$ 0**
Long-lived assets			**1,222**	**1,222**			**13,000**	**13,000**

	Millions of Yen			
	2012			
	Level 1	Level 2	Level 3	Total
Non-marketable equity securities			¥ 93	¥ 93
Long-lived assets			1,342	1,342

Valuation processes and techniques used to measure fair value are as follows:

Non-marketable equity securities
In accordance with ASC Topic 320, "Investments – Debt and Equity Securities," the Companies recognize impairment losses of non-marketable equity securities when their fair values are below the carrying amounts and the decline in fair values is considered to be other than temporary. These non-marketable equity securities are measured at fair value using unobservable inputs based mainly on the valuation by the cost approach, which fall within Level 3.

Long-lived assets
In accordance with ASC Topic 360, the Companies recognize impairment losses on long-lived assets when the carrying amounts of the assets are considered to be unrecoverable. These long-lived assets are measured at fair value using unobservable inputs such as future expected cash flows and the prices calculated based upon market data for comparable assets, which fall within Level 3.

The carrying amounts and fair values of financial instruments at March 31, 2013 and 2012 were as follows:

	Millions of Yen				Thousands of U.S. Dollars	
	2013		2012		**2013**	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Available-for-sale securities and held-to-maturity securities (see Note 3)	**¥ 26,694**	**¥ 26,694**	¥ 19,138	¥ 19,138	**$ 283,979**	**$ 283,979**
Derivative instruments						
Assets	**2,678**	**2,678**	1,584	1,584	**28,489**	**28,489**
Liabilities	**(887)**	**(887)**	(112)	(112)	**(9,436)**	**(9,436)**
Long-term debt	**(92,378)**	**(100,030)**	(84,952)	(86,869)	**(982,745)**	**(1,064,149)**

The carrying values of all other financial instruments approximate their estimated fair values. The fair values of long-term debt are estimated using quoted market prices for identical debt or present values of cash flows using borrowing rates currently available to the Companies for bank loans with similar terms, which fall within Level 2.

The Companies do not have any significant concentration of business transacted with an individual counter-party or groups of counter-parties that could severely impact their operations.

16. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Companies are exposed to certain risks relating to their ongoing business operations. The primary risks managed by using derivative instruments are foreign currency forward exchange rate risk (principally in U.S. dollars), interest rate risk and commodity price risk. The Companies use foreign currency forward exchange contracts, currency swap contracts, currency option contracts and cross-currency swap contract to mitigate foreign currency forward exchange rate risk. The Company uses interest rate swap contracts and cross-currency swap contract to mitigate interest rate risk relating to floating-rate borrowing. Commodity futures contracts are entered into to mitigate commodity price risk.

The Companies document their risk management objectives and strategies for undertaking hedge transactions. All derivative financial instruments are entered into under these objectives and strategies and related rules which regulate transactions.

ASC Topic 815 requires the Companies to recognize all derivative instruments as either assets or liabilities at fair value in the statement of financial position. In accordance with ASC Topic 815, the Companies designate certain foreign currency forward exchange contracts as cash flow hedges of forecasted transactions and designate interest rate swap contracts as cash flow hedges of future interest payments.

Cash flow hedges

For derivative instruments that are designated and qualified as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on the derivative representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings. If the critical terms of derivative instruments and the hedged items are the same, changes in cash flows attributable to the risk being hedged are expected to completely offset at inception and on an ongoing basis. The net gains or losses excluded from the assessment of hedge effectiveness were immaterial for the years ended March 31, 2013, 2012 and 2011.

Derivative instruments which do not qualify for hedge accounting

These derivative instruments are used to mitigate foreign currency forward exchange rate risk, interest rate risk and commodity index risk. The changes in fair value of such derivative instruments are recorded in earnings immediately.

At March 31, 2013 and 2012, contract amounts or notional principal amounts of derivative instruments that do not qualify for hedge accounting are set forth below:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Interest rate swap contracts	**¥11,303**	¥ 1,007	**$120,245**
Foreign currency forward exchange contracts and currency swap contracts	**56,645**	44,066	**602,606**
Cross-currency swap contracts	**2,000**	2,000	**21,277**

	Millions of Bushels	
	2013	2012
Commodity futures contracts (corn)	**2.5**	

The Companies also have a policy that derivatives are not used for other than hedging activities.

As of March 31, 2013, the Companies had no significant concentration of credit risk.

The Companies' derivative instruments contain no provisions that require the Companies' debt to maintain an investment grade credit rating from each of the major credit rating agencies.

The location and fair value amounts of derivative instruments on the consolidated balance sheets are as follows:

	2013			
Millions of Yen	Derivative assets		Derivative liabilities	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives not designated as hedging instruments under ASC Topic 815				
Interest rate swap contracts			Other current liabilities	**¥ 61**
Foreign currency forward exchange contracts and currency swap contracts	Other current assets	**¥2,242**	Other current liabilities	**815**
Cross-currency swap contract	Other current assets	**13**		
	Other assets	**423**		
Commodity futures contracts			Other current liabilities	**11**
Total (see Note 15)		**¥2,678**		**¥887**

	2012			
Millions of Yen	Derivative assets		Derivative liabilities	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives not designated as hedging instruments under ASC Topic 815				
Interest rate swap contract			Other current liabilities	¥ 2
Foreign currency forward exchange contracts and currency swap contracts	Other current assets	¥ 1,462	Other current liabilities	110
Cross-currency swap contracts	Other current assets	15		
	Other assets	107		
Total (see Note 15)		¥1,584		¥112

Thousands of U.S. Dollars	2013			
	Derivative assets		Derivative liabilities	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives not designated as hedging instruments under ASC Topic 815				
Interest rate swap contracts			Other current liabilities	**$ 649**
Foreign currency forward exchange contracts and currency swap contracts	Other current assets	**$23,851**	Other current liabilities	**8,670**
Cross-currency swap contract	Other current assets	**138**		
	Other assets	**4,500**		
Commodity futures contracts			Other current liabilities	**117**
Total (see Note 15)		**$28,489**		**$9,436**

The effect of derivative instruments designated and qualifying in cash flow hedges under ASC Topic 815 on the consolidated statements of income and changes in equity for the years ended March 31, 2012 and 2011 is as follows:

Millions of Yen	Amount of Loss Recognized in Other Comprehensive Income on Derivative (Effective Portion)	Amount of Loss Reclassified from Accumulated Other Comprehensive Loss into Income (Effective Portion)		Amount of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	
	2012	Location	2012	Location	2012
Foreign currency forward exchange contracts	¥(110)	Cost of goods sold	¥(579)		
Total	¥(110)		¥(579)		

Millions of Yen	Amount of Loss Recognized in Other Comprehensive Loss on Derivative (Effective Portion)	Amount of Loss Reclassified from Accumulated Other Comprehensive Loss into Income (Effective Portion)		Amount of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	
	2011	Location	2011	Location	2011
Interest rate swap contract	¥ (2)	Interest expense	¥ (21)		
Foreign currency forward exchange contracts	(478)	Cost of goods sold	(735)		
Total	¥(480)		¥(756)		

The effect of derivative instruments not designated or qualifying in hedging instruments under ASC Topic 815 on the consolidated statements of income for the years ended March 31, 2013, 2012 and 2011 is as follows:

	Millions of Yen		Thousands of U.S. Dollars
	Amount of Gain or (Loss) Recognized in Income on Derivative		Amount of Gain or (Loss) Recognized in Income on Derivative
	Location	**2013**	**2013**
Interest rate swap contracts	Interest expense	**¥ (59)**	**$ (628)**
Foreign currency forward exchange contracts and currency swap contracts	Net sales	**659**	**7,011**
	Cost of goods sold	**6,665**	**70,904**
	Other income (expenses)—net	**(231)**	**(2,457)**
Cross-currency swap contract	Interest expense	**6**	**64**
	Other income (expenses)—net	**309**	**3,287**
Commodity futures contracts	Cost of goods sold	**(11)**	**(117)**
Total		**¥7,338**	**$78,064**

	Millions of Yen	
	Amount of Gain or (Loss) Recognized in Income on Derivative	
	Location	2012
Interest rate swap contract	Interest expense	¥ 1
Foreign currency forward exchange contracts and currency swap contracts	Net sales	654
	Cost of goods sold	284
	Other income (expenses)—net	(367)
Cross-currency swap contracts	Interest expense	8
	Other income (expenses)—net	114
Total		¥ 694

	Millions of Yen	
	Amount of Gain or (Loss) Recognized in Income on Derivative	
	Location	2011
Interest rate swap contract	Interest expense	¥ (3)
Foreign currency forward exchange contracts and currency swap contracts	Net sales	965
	Cost of goods sold	(1,327)
	Other income (expenses)—net	(531)
Total		¥ (896)

17. SEGMENT INFORMATION

ASC Topic 280, "Segment Reporting" requires a public business entity to report information about operating segments in financial statements. Operating segments are defined as components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The operating segments are determined based on the nature of the products and services offered. The Companies' operating segments consist of the following three business groups.

Processed Foods Business Division—Production and sales of mainly hams & sausages, processed foods

Fresh Meats Business Division—Production and sales of mainly fresh meats

Affiliated Business Division—Production and sales of mainly marine products and dairy products

Intersegment transactions are made with reference to prevailing market prices.

The following table presents certain information regarding the Companies' operating segments at March 31, 2013, 2012 and 2011 and for the years then ended.

Operating segment information

	Millions of Yen					
	2013					
	Processed Foods Business Division	Fresh Meats Business Division	Affiliated Business Division	Total	Eliminations, adjustments and others	Consolidated
Net sales						
External customers	**¥317,192**	**¥583,159**	**¥134,769**	**¥1,035,120**	**¥ (12,281)**	**¥1,022,839**
Intersegment	**21,774**	**90,336**	**2,876**	**114,986**	**(114,986)**	
Total	**338,966**	**673,495**	**137,645**	**1,150,106**	**(127,267)**	**1,022,839**
Operating expenses	**329,401**	**657,964**	**136,118**	**1,123,483**	**(128,665)**	**994,818**
Segment profit	**9,565**	**15,531**	**1,527**	**26,623**	**1,398**	**28,021**
Assets	**170,725**	**322,264**	**50,507**	**543,496**	**66,797**	**610,293**
Depreciation and amortization	**7,261**	**8,403**	**1,400**	**17,064**	**2,259**	**19,323**
Capital expenditures	**9,656**	**18,567**	**2,606**	**30,829**	**2,456**	**33,285**

	Millions of Yen					
	2012					
	Processed Foods Business Division	Fresh Meats Business Division	Affiliated Business Division	Total	Eliminations, adjustments and others	Consolidated
Net sales						
External customers	¥320,722	¥577,176	¥132,470	¥1,030,368	¥ (12,584)	¥ 1,017,784
Intersegment	21,464	89,050	2,719	113,233	(113,233)	
Total	342,186	666,226	135,189	1,143,601	(125,817)	1,017,784
Operating expenses	334,156	650,066	133,229	1,117,451	(126,180)	991,271
Segment profit	8,030	16,160	1,960	26,150	363	26,513
Assets	171,336	294,322	49,206	514,864	74,261	589,125
Depreciation and amortization	9,695	9,493	1,747	20,935	2,821	23,756
Capital expenditures	8,752	8,494	1,604	18,850	637	19,487

	Millions of Yen					
	2011					
	Processed Foods Business Division	Fresh Meats Business Division	Affiliated Business Division	Total	Eliminations, adjustments and others	Consolidated
Net sales						
External customers	¥314,821	¥557,482	¥129,521	¥1,001,824	¥ (12,516)	¥989,308
Intersegment	23,206	86,845	2,703	112,754	(112,754)	
Total	338,027	644,327	132,224	1,114,578	(125,270)	989,308
Operating expenses	329,398	620,307	130,552	1,080,257	(124,124)	956,133
Segment profit	8,629	24,020	1,672	34,321	(1,146)	33,175
Assets	170,160	294,507	43,473	508,140	82,548	590,688
Depreciation and amortization	9,713	9,396	1,659	20,768	3,347	24,115
Capital expenditures	9,250	6,249	1,695	17,194	(5)	17,189

	Thousands of U.S. Dollars					
	2013					
	Processed Foods Business Division	Fresh Meats Business Division	Affiliated Business Division	Total	Eliminations, adjustments and others	Consolidated
Net sales						
External customers	**$3,374,383**	**$6,203,819**	**$1,433,713**	**$11,011,915**	**$ (130,649)**	**$10,881,266**
Intersegment	**231,638**	**961,021**	**30,596**	**1,223,255**	**(1,223,255)**	
Total	**3,606,021**	**7,164,840**	**1,464,309**	**12,235,170**	**(1,353,904)**	**10,881,266**
Operating expenses	**3,504,266**	**6,999,617**	**1,448,064**	**11,951,947**	**(1,368,777)**	**10,583,170**
Segment profit	**101,755**	**165,223**	**16,245**	**283,223**	**14,873**	**298,096**
Assets	**1,816,223**	**3,428,340**	**537,309**	**5,781,872**	**710,607**	**6,492,479**
Depreciation and amortization	**77,245**	**89,394**	**14,894**	**181,533**	**24,031**	**205,564**
Capital expenditures	**102,723**	**197,521**	**27,723**	**327,967**	**26,129**	**354,096**

1. “Eliminations, adjustments and others” includes unallocated items and intersegment eliminations.
2. Except for a few unallocated items, corporate overhead expenses and profit and loss of certain subsidiaries are allocated to each reportable operating segment. These subsidiaries provide indirect services and operational support for the Companies included in each reportable operating segment.
3. Segment profit represents net sales less cost of goods sold and selling, general and administrative expenses.
4. Unallocated corporate assets included in “Eliminations, adjustments and others” mainly consist of time deposits, marketable securities and other investment securities of the Company.
5. Depreciation and amortization consist of depreciation of property, plant and equipment and amortization of intangible assets. Depreciation and amortization related to each reportable segment do not include those which are included in the corporate overhead expenses and profit and loss of certain subsidiaries as described at Note 2 above.
6. Capital expenditures represent the additions to property, plant and equipment and intangible assets.

The following table shows reconciliations of the total of the segment profit to income before income taxes and equity in earnings of associated companies for the years ended March 31, 2013, 2012 and 2011.

	Millions of Yen			Thousands of U.S. Dollars
	2013	2012	2011	**2013**
Segment profit total	**¥26,623**	¥26,150	¥34,321	**$283,223**
Gain from the transfer through the posting system		4,017		
Other operating costs and expenses (income)—net	**131**	2,319	1,389	**1,394**
Interest expenses	**1,582**	1,727	2,125	**16,830**
Other income (expenses)—net	**1,723**	282	(138)	**18,330**
Eliminations, adjustments and others	**1,398**	363	(1,146)	**14,873**
Income before income taxes and equity in earnings of associated companies	**¥28,031**	¥26,766	¥29,523	**$298,202**

Net sales to external customers by products for the years ended March 31, 2013, 2012 and 2011 were as follows:

	Millions of Yen			Thousands of U.S. Dollars
	2013	2012	2011	**2013**
Hams and sausages	**¥ 139,948**	¥ 137,286	¥134,941	**$ 1,488,809**
Processed foods	**204,756**	203,167	197,745	**2,178,255**
Fresh meats	**541,598**	544,054	530,154	**5,761,681**
Marine products	**83,829**	82,836	80,435	**891,798**
Dairy products	**25,155**	23,261	21,903	**267,606**
Others	**27,553**	27,180	24,130	**293,117**
Total	**¥1,022,839**	¥1,017,784	¥989,308	**$10,881,266**

Certain information by geographic areas at March 31, 2013, 2012 and 2011 and for the years then ended was as follows:

(1) Net sales to external customers

	Millions of Yen			Thousands of U.S. Dollars
	2013	2012	2011	**2013**
Japan	**¥ 946,705**	¥ 938,846	¥918,888	**$10,071,330**
Other countries	**76,134**	78,938	70,420	**809,936**
Total	**¥1,022,839**	¥1,017,784	¥989,308	**$10,881,266**

Net sales to external customers are attributed to geographic areas based on the countries of the Companies' domiciles.

(2) Long-lived assets

	Millions of Yen			Thousands of U.S. Dollars
	2013	2012	2011	**2013**
Japan	**¥213,309**	¥205,522	¥212,504	**$2,269,245**
Other countries	**18,870**	17,069	17,871	**200,745**
Total	**¥232,179**	¥222,591	¥230,375	**$2,469,990**

Long-lived assets mainly consist of property, plant and equipment.

There were no sales to a single major external customer exceeding 10% of net sales for the years ended March 31, 2013, 2012 and 2011.

18. COMMITMENTS AND CONTINGENT LIABILITIES

The Companies guarantee certain debt of associated companies and certain suppliers. At March 31, 2013, the maximum potential amount of future payments which the Companies could be required to make under these guarantees is ¥581 million ($6,181 thousand). The guarantees with suppliers are secured by certain properties and real estates.

19. EVENTS SUBSEQUENT TO MARCH 31, 2013

On May 13, 2013, the Board of Directors resolved to pay cash dividends to shareholders of record at March 31, 2013 of ¥24 ($0.26) per share for a total of ¥4,775 million ($50,798 thousand).

The Companies evaluated subsequent events that have occurred after March 31, 2013 through the date that the Yukashouken-houkokusho (Annual Securities Report filed under the Financial Instruments and Exchange Act of Japan) was issued (June 27, 2013).

Deloitte.

Deloitte Touche Tohmatsu LLC
Yodoyabashi Mitsui Building
4-1-1, Imabashi, Chuo-ku
Osaka 541-0042
Japan

Tel: +81 (6) 4560 6000
Fax: +81 (6) 4560 6001
www.deloitte.com/jp

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Nippon Meat Packers, Inc.:

We have audited the accompanying consolidated financial statements of Nippon Meat Packers, Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of March 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended March 31, 2013, and the related notes to the consolidated financial statements, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Nippon Meat Packers, Inc. and its subsidiaries as of March 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2013 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the Company has changed its depreciation method for certain property, plant, and equipment from the declining-balance method to the straight-line method. In addition, the estimated useful lives of such assets were revised. Our opinion is not modified with respect to this matter.

Convenience Translation

Our audits also comprehended the translation of Japanese yen amounts into United States dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1. Such United States dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 27, 2013

Member of
Deloitte Touche Tohmatsu Limited

Management's Report on Internal Control

NOTE TO READERS:
Following is an English translation of management's report on internal control over financial reporting filed under the Financial Instruments and Exchange Act of Japan. Readers should be aware that this report is presented merely as supplemental information.

Readers should be particularly aware of the differences between an assessment of internal control over financial reporting ("ICFR") under the Financial Instruments and Exchange Act ("ICFR under FIEA") and one conducted under the standards of the Public Company Accounting Oversight Board (United States) ("ICFR under PCAOB");

- In an assessment of ICFR under FIEA, there is detailed guidance on the scope of an assessment of ICFR, such as quantitative guidance on business location selection and/or account selection. In an assessment of ICFR under PCAOB, there is no such detailed guidance. Accordingly, for the assessment of entity-level internal controls, the companies which represent the top 95% of consolidated net sales and other financial indicators are selected. For the assessment of internal control over business processes, the companies which cover approximately two-thirds of the previous year's consolidated net sales and cost of goods sold (excluding inter-company transactions) are selected. Additional business processes, if any, which could have a significant impact on financial reporting, are also included in the scope.
- In an assessment of ICFR under FIEA, the scope includes ICFR of equity method investees. In an assessment of ICFR under PCAOB, the scope does not include ICFR of equity method investees.

Management's Report on Internal Control

1. Matters relating to the basic framework for internal control over financial reporting

Noboru Takezoe, President and Representative Director, is responsible for designing and operating effective internal control over financial reporting of our company ("the Company") and has designed and operated internal control over financial reporting of the consolidated financial statements in accordance with the basic framework for internal control set forth in "The Standards and Practice Standards for Management Assessment and Audit of Internal Control Over Financial Reporting" published by the Business Accounting Council.

The internal control is designed to achieve its objectives to the extent reasonable through the effective function and combination of its basic elements. Therefore, there is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

2. Matters relating to the scope of assessment, the basis date of assessment and the assessment procedures

The assessment of internal control over financial reporting was performed as of March 31, 2013, which is the end of this fiscal year. The assessment was performed in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

In conducting this assessment, we evaluated internal controls which may have a material effect on our entire financial reporting on a consolidation basis ("entity-level controls") and based on the results of this assessment, we selected business processes to be tested. We analyzed these selected business processes, identified key controls that may have a material impact on the reliability of the Company's financial reporting, and assessed the design and operation of these key controls. These procedures have allowed us to evaluate the effectiveness of the internal controls of the Company.

We determined the required scope of assessment of internal control over financial reporting for the Company, as well as its consolidated subsidiaries and equity-method affiliated companies, from the perspective of the materiality that may affect the reliability of their financial reporting. The materiality that may affect the reliability of the financial reporting is determined taking into account the materiality of quantitative and qualitative impacts on financial reporting. In light of the results of assessment of entity-level controls conducted for the Company and its consolidated subsidiaries, we reasonably determined the scope of assessment of internal control over business processes. Regarding certain consolidated subsidiaries and equity-method affiliated companies that did not fall within the top 95% in terms of potential financial impact, calculated using net sales and other financial indicators, we concluded that they do not have any material impact on the consolidated financial statements, and thus, did not include them in the scope of assessment of entity-level controls.

Regarding the scope of assessment of internal control over business processes, we selected locations and business units to be tested based on the previous year's consolidated net sales and cost of sales (after elimination of inter-company transactions), and top eighteen companies whose net sales and cost of sales reach two-thirds of the total sales and cost of sales on a consolidation basis, were selected as "significant locations and/or business units." We included in the scope of assessment, at the selected significant locations and/or business units, business processes leading to sales, accounts receivable and inventories as significant accounts that may have a material impact on the business objectives of the Company. Further, in addition to selected significant locations and/or business units, we also selected for testing, as business processes having greater materiality, business processes relating to (i) greater likelihood of material misstatements and/or (ii) significant accounts involving estimates and the management's judgment and/or (iii) a business or operation dealing with high-risk transactions, taking into account their impact on the financial reporting.

3. Matters relating to the results of the assessment

As a result of the assessment described above, as of the end of this fiscal year, we concluded that the Company's internal control over financial reporting of the consolidated financial statements was effectively maintained.

4. Supplementary information

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5. Other matters warranting special mention

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Noboru Takezoe
President and Representative Director
Nippon Meat Packers, Inc.

Independent Auditor's Report (filed under the Financial Instruments and Exchange Act of Japan)

NOTE TO READERS:
Following is an English translation of the Independent Auditor's Report filed under the Financial Instruments and Exchange Act of Japan. Readers should be aware that this report is presented merely as supplemental information.

Readers should be particularly aware of the differences between an audit of internal control over financial reporting ("ICFR") under the Financial Instruments and Exchange Act ("ICFR under FIEA") and one conducted under the standards of the Public Company Accounting Oversight Board (United States) ("ICFR under PCAOB");

- In an audit of ICFR under FIEA, the auditors express an opinion on management's report on ICFR, and do not express an opinion on the Company's ICFR directly. In an audit of ICFR under PCAOB, the auditors express an opinion on the Company's ICFR directly.
- In an audit of ICFR under FIEA, there is detailed guidance on the scope of an audit of ICFR, such as quantitative guidance on business location selection and/or account selection. In an audit of ICFR under PCAOB, there is no such detailed guidance. Accordingly, for the assessment of entity-level internal controls, the companies which represent the top 95% of consolidated net sales and other financial indicators are selected. For the assessment of internal control over business processes, the companies which cover approximately two-thirds of the previous year's consolidated net sales and cost of goods sold (excluding inter-company transactions) are selected. Additional business processes, if any, which could have a significant impact on financial reporting, are also included in the scope.
- In an audit of ICFR under FIEA, the scope includes ICFR of equity method investees. In an audit of ICFR under PCAOB, the scope does not include ICFR of equity method investees.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

June 27, 2013

To the Board of Directors of Nippon Meat Packers, Inc.

Deloitte Touche Tohmatsu LLC
Designated Unlimited Liability Partner, Engagement Partner, Certified Public Accountant: Seiichiro Azuma
Designated Unlimited Liability Partner, Engagement Partner, Certified Public Accountant: Wakyu Shinmen
Designated Unlimited Liability Partner, Engagement Partner, Certified Public Accountant: Takashige Ikeda

[Audit of Financial Statements]
Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements included in the Financial Section, namely, the consolidated balance sheet as of March 31, 2013 of Nippon Meat Packers, Inc. and its subsidiaries, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the fiscal year from April 1, 2012 to March 31, 2013, and the related notes and consolidated supplementary schedules.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America pursuant to the third paragraph of the Supplementary Provisions of the Cabinet Office Ordinance for Partial Amendment of the Regulations for Terminology, Forms and Preparation Methods of Consolidated Financial Statements (No.11 of the Cabinet Office Ordinance in 2002), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Nippon Meat Packers, Inc. and its subsidiaries as of March 31, 2013, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 1 to the financial statements, Nippon Meat Packers, Inc. and its domestic subsidiaries have changed its depreciation method for certain property, plant, and equipment from the declining-balance method to the straight-line method. In addition, the estimated useful lives of such assets were revised. Our opinion is not modified with respect to this matter.

[Audit of Internal Control]
Pursuant to the second paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited management's report on internal control over financial reporting of Nippon Meat Packers, Inc. as of March 31, 2013.

Management's Responsibility for the Report on Internal Control
Management is responsible for designing and operating effective internal control over financial reporting and for the preparation and fair presentation of its report on internal control in accordance with assessment standards for internal control over financial reporting generally accepted in Japan. There is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

Auditor's Responsibility
Our responsibility is to express an opinion on management's report on internal control based on our internal control audit. We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether management's report on internal control is free from material misstatement.

An internal control audit involves performing procedures to obtain audit evidence about the results of the assessment of internal control over financial reporting in management's report on internal control. The procedures selected depend on the auditor's judgment, including the significance of effects on reliability of financial reporting. An internal control audit includes examining representations on the scope, procedures and results of the assessment of internal control over financial reporting made by management, as well as evaluating the overall presentation of management's report on internal control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, management's report on internal control over financial reporting referred to above, which represents that the internal control over financial reporting of Nippon Meat Packers, Inc. as of March 31, 2013 is effectively maintained, presents fairly, in all material respects, the results of the assessment of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Interest
Our firm and the engagement partners do not have any interest in Nippon Meat Packers, Inc. for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Main Group Companies

As of April 1, 2013

Production and Breeding
- Nippon White Farm Co., Ltd. (Japan)
- Interfarm Co., Ltd. (Japan)
- Nippon Feed Co., Ltd. (Japan)
- Oakey Holdings Pty. Ltd. (Australia)
- Texas Farm, LLC (USA)

Processing and Packing of Fresh Meats
- Nippon Food Packer, Inc. (Japan)
- Nippon Food Packer Kagoshima, Inc. (Japan)
- Nippon Food Packer Shikoku, Inc. (Japan)
- Nippon Pure Food, Inc. (Japan)
- Oakey Abattoir Pty. Ltd. (Australia)
- Wingham Beef Exports Pty. Ltd. (Australia)
- Thomas Borthwick & Sons (Australia) Pty. Ltd. (Australia)

Sales of Fresh Meats
- Higashi Nippon Food, Inc. (Japan)
- Kanto Nippon Food, Inc. (Japan)
- Naka Nippon Food, Inc. (Japan)
- Nishi Nippon Food, Inc. (Japan)
- Nippon Meat Packers Australia Pty. Ltd. (Australia)
- Beef Producers Australia Pty. Ltd. (Australia)
- Australian Premium Brands, Inc. (USA)
- Day-Lee Foods, Inc. (USA)
- Nippo Food (Shanghai) Co., Ltd. (China)

Production and Sales of Hams and Sausages
- Nippon Ham Factory Co., Ltd. (Japan)
- Nippon Ham Hokkaido Factory Co., Ltd. (Japan)
- Tohoku Nippon Ham Co., Ltd. (Japan)
- Tochiku Ham Co., Ltd. (Japan)
- Kyodo Foods Co., Ltd. (Japan)
- Japan Assorted Business Services Co., Ltd. (Japan)
- Minami Nippon Ham Co., Ltd. (Japan)
- Hakodate Carl Raymon Co., Ltd. (Japan)
- Kamakura Ham Tomioka Co., Ltd. (Japan)
- Nippon Golden Pig Joint Stock Company Co., Ltd. (Vietnam)
- Redondo's, LLC (USA)

Production of Processed Foods
- Nippon Ham Shokuhin Co., Ltd. (Japan)
- Nippon Ham Sozai Co., Ltd. (Japan)
- Nippon Shokuhin Mexicana S.A. de C.V. (Mexico)
- Weihai Nippon Shokuhin Co., Ltd. (China)
- Shandong Rilong Foodstuffs Co., Ltd. (China)
- Thai Nippon Foods Co., Ltd. (Thailand)

Sales of Hams, Sausages, and Processed Foods
- Nippon Ham Hokkaido Hanbai Co., Ltd. (Japan)
- Nippon Ham Higashi Hanbai Co., Ltd. (Japan)
- Nippon Ham Nishi Hanbai Co., Ltd. (Japan)
- Nippon Ham Customer Communication Co., Ltd. (Japan)

Production and Sales of Processed Marine Products
- Marine Foods Corporation (Japan)
- Hoko Co., Ltd. (Japan)

Production and Sales of Dairy Products and Lactic Acid Probiotic Beverages
- Nippon Luna, Inc. (Japan)
- Hoko Co., Ltd. (ROLF Division) (Japan)

Production and Sales of Natural Seasonings
- Nippon Pure Food, Inc. (Japan)

Production and Sales of Freeze-Dried and Frozen Foods
- Nippon Dry Foods Co., Ltd. (Japan)
- Nippon Ham Deli News Co., Ltd. (Japan)

Production and Sales of Health Foods
- Nippon Ham Health Creation Co., Ltd. (Japan)

Professional Sports
- Hokkaido Nippon Ham Fighters Baseball Club Co., Ltd. (Japan)
- Osaka Football Club Co., Ltd. (Cerezo Osaka) (Japan) (equity method company)

IT, Services, and Other Businesses
- Nippon Ham Business Expert Corporation (Japan)
- Nippon Ham Life Service Co., Ltd. (Japan)
- Nippon Ham Career Consulting, Inc. (Japan)
- Nippon Ham Designing, Inc. (Japan)

Logistics and Trading
- Nippon Chilled Logistics, Inc. (Japan)
- Nippon Logistics Center, Inc. (Japan)
- Nippon Ham Daily Net Co., Ltd. (Japan)
- Nippon Route Service Co., Ltd. (Japan)
- Japan Food Corporation (Japan)
- Nippon Meat Packers Inc. (Chile) Y Compania Limitada (Chile)
- Nippon Meat Packers Singapore Pte. Ltd. (Singapore)
- Thai Nippon Meat Packers Co., Ltd. (Thailand)
- Nippon Meat Packers (Taiwan) Inc. (Taiwan)
- Nippon Meat Packers U.K. Ltd. (The United Kingdom)

Nippon Meat Packers, Inc.

Corporate Overview and Investor Information

Corporate Data

Established	May 30, 1949
Capital	¥24,166 million
President	Noboru Takezoe
Employees	29,047 (consolidated)
(As of March 31, 2013)	3,219 (non-consolidated) (including the average number of temporary employees)
Main Businesses	• Manufacture and sale of processed meats (hams, sausages, etc.) and cooked foods (retort-packed food, pre-prepared foods, etc.) • Breeding of livestock, and processing and sale of fresh meats • Production and sale of marine and dairy products
Head Office	4-9, Umeda 2-chome, Kita-ku, Osaka 530-0001, Japan
Telephone	+81-6-7525-3026

Share Data (As of March 31, 2013)

Authorized Shares	570,000,000
Issued and Outstanding	228,445,350
Shareholders	9,818

● Shareholders by Category

Financial institutions	61	(109,773 thousand shares)
Foreign investors	323	(52,553 thousand shares)
Individual/Other	9,067	(17,474 thousand shares)
Treasury stock	1	(29,466 thousand shares)
Other companies	336	(11,508 thousand shares)
Securities firms	30	(7,668 thousand shares)

● Shareholders by Holding

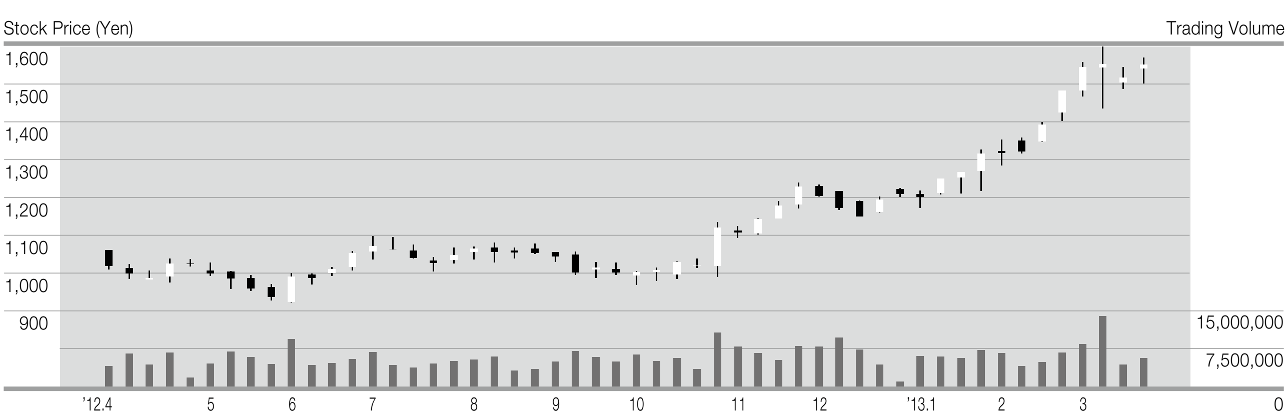
Less than 1,000	1,713	(245 thousand shares)
1,000–Less than 10,000	7,655	(11,637 thousand shares)
10,000–Less than 100,000	287	(8,578 thousand shares)
100,000–Less than 1 million	115	(35,071 thousand shares)
1 million–Less than 5 million	40	(78,402 thousand shares)
5 million or more	8	(94,510 thousand shares)

● Major Shareholders (Top 10 by Shareholding)

Name	Shareholding (thousands of shares)
The Master Trust Bank of Japan, Ltd. (Trust account)	17,115
Japan Trustee Services Bank, Ltd. (Trust account)	12,072
The Hyakujushi Bank, Ltd.	8,287
Meiji Yasuda Life Insurance Company	7,354
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,326
Nippon Life Insurance Company	6,962
The Norinchukin Bank	5,926
NIPPONKOA Insurance Company, Ltd.	4,990
Sumitomo Mitsui Banking Corporation	4,650
SSBT OD05 OMNIBUS ACCOUNT—TREATY CLIENTS	3,794

Note: In addition to the list above, the Company holds 29,466 thousand shares of common stock.

Stock Price Trend



The Nippon Ham Group's Brand Statement

The Brilliance of People for the Future of Food

The Nippon Ham Group's brand statement encompasses its commitment to providing products that communicate the "Joy of Eating," thereby contributing positively to healthy, joyful lives and to the building of a positive future in which people can realize their full potential.
Looking ahead, we will continue to incorporate the customer's perspective into everything we do and to place our highest priority on people—our customers, the residents of the communities and countries in which we operate, the children who will inherit the earth, and our employees.
This brand statement will continue to guide us in all our activities.

Nippon Meat Packers, Inc.

http://www.nipponham.co.jp/en/

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