Nippon Ham Group

New Medium-Term Management Plan Part III

Challenges: Reinforce domestic operations while growing as a global player

May 19, 2009

Nippon Meat Packers, Inc.

Contents

I. Review of the New Medium-Term Management Plan Part II

Quantitative results

Sales were on target, but profit fell short

Consolidated	FY3/09 targets	FY3/09 results	Assessment
Net sales	¥1,020.0 bn	¥1,028.4 bn	○
Operating income	¥33.0 bn	¥21.4 bn	X
Income before income taxes	¥30.0 bn	¥6.2 bn	X

- Our net sales target was achieved on a consolidated basis. We are now a ¥1 trillion business group.
- Operating income fell short as rising costs and chaotic market conditions for raw ingredients and other materials and inventory valuation losses outweighed the benefits of cost-cutting measures and price revisions.
- Income before income taxes undershot the target due chiefly to one-time exchange losses.

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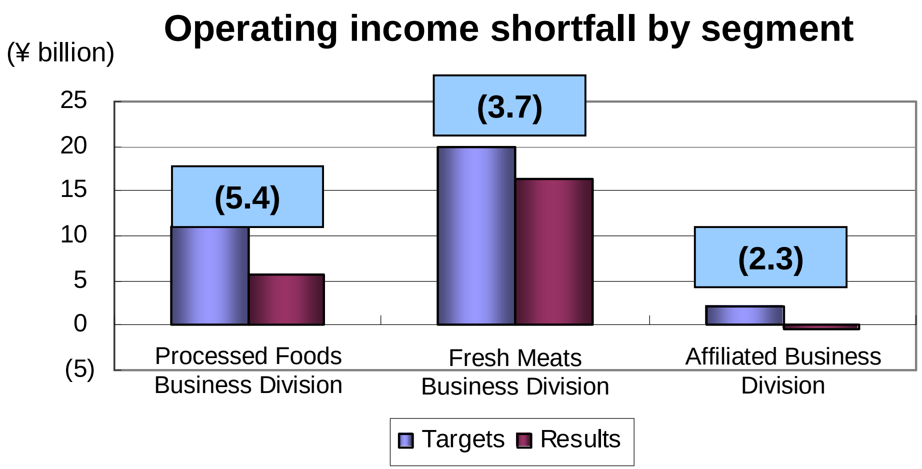
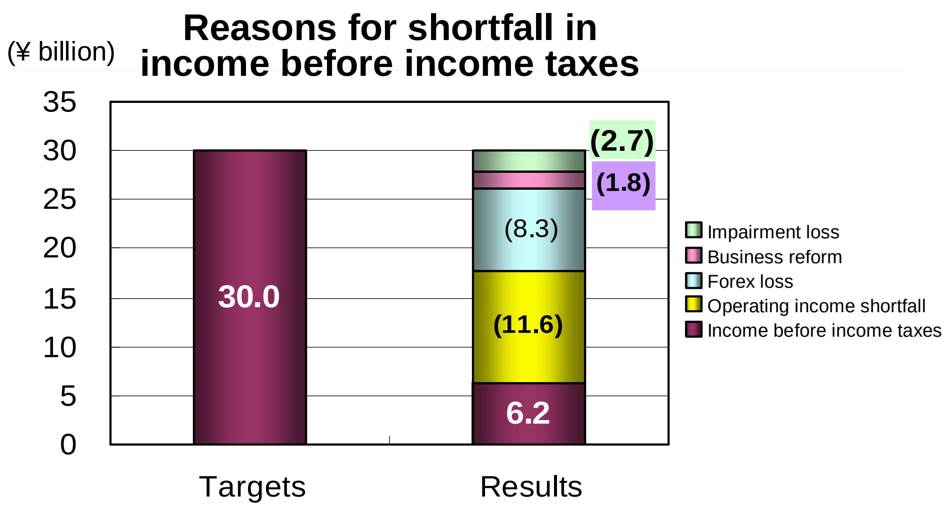
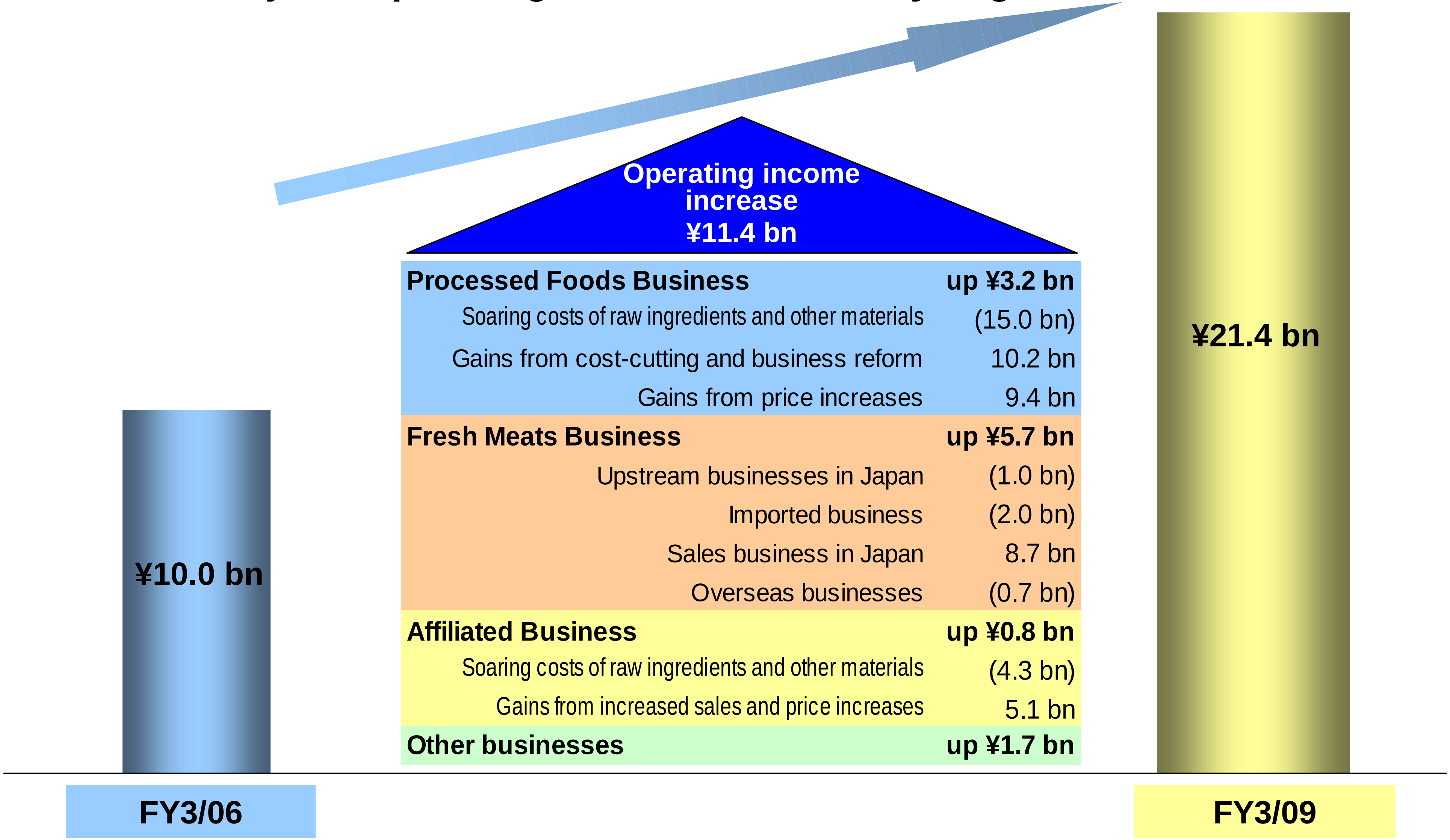
Factor analysis: Reasons for profit target undershoot

Consolidated	FY3/09 targets	FY3/09 results	Shortfall
Operating income	¥33.0 bn	¥21.4 bn	¥11.6 bn
Income before income taxes	¥30.0 bn	¥6.2 bn	¥23.8 bn
Net income	¥17.5 bn	¥1.7 bn	¥15.8 bn





Factor analysis: operating income increase by segment



Processed Foods Business	**up ¥3.2 bn**
Soaring costs of raw ingredients and other materials	(15.0 bn)
Gains from cost-cutting and business reform	10.2 bn
Gains from price increases	9.4 bn
Fresh Meats Business	**up ¥5.7 bn**
Upstream businesses in Japan	(1.0 bn)
Imported business	(2.0 bn)
Sales business in Japan	8.7 bn
Overseas businesses	(0.7 bn)
Affiliated Business	**up ¥0.8 bn**
Soaring costs of raw ingredients and other materials	(4.3 bn)
Gains from increased sales and price increases	5.1 bn
Other businesses	**up ¥1.7 bn**

II. Overview of the New Medium-Term Management Plan Part III

1. Analysis of Business Environments

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Global Market

Outbreak of financial crisis

Plunge in oil and grain prices

Slower growth in BRICs

Slowdown in US economy

Outflow of speculative funds and oil money

Collapse of resource bubble

Tightening food supply

Shrinkage of consumer market

Global real economy slides

US consumer economy declines

Japanese Market

Domestic market matures

Higher quality assurance and environmental costs

Consumption slump

Oligopoly trend among retail groups

Tougher competition

Major trading houses' full-scale entry into food sector

More realignment, mergers and alliances within sector

Faster overseas expansion

Increased purchasing power

2. Orientations for the New Medium-Term Management Plan Part III

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Challenges

Build a business model capable of coping with changes in business environment, through rigorous selectivity and focus based on earnings performance, growth potential and brands

Strengths of Nippon Ham Group

Integration System and High Quality

Priorities for management

Firmer competitive footing and improved earnings in Japan

Increase sales by creation of strong overseas marketing system

Orientations for management plan

Getting back to production basics in Japan

The challenge of fully entering global markets

3. Theme and Management Policies

1. Establish and evolve the concept of "Management for No. 1 Quality"

↓

Ensuring a brand image in which Nippon Ham Group is synonymous with high quality

Challenges: Reinforce domestic operations while growing as a global player

2. Improve profitability through greater selectivity and focus

↓

Assuring stable growth for the Group with an operating income ratio of 3%

3. Create a global business structure

↓

Strengthening management bases to expand overseas sales

4. Management Strategies

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1. Strengthen and enhance integration across the Group

2. Reinforce the foundation of overseas operations

3. Fortify domestic operations by restructuring the processed foods business

4. Increase profits through the creation of value

5. Promote Group brand management

5. Numerical Targets

P/L targets for FY3/12

Consolidated	FY3/09 results	FY3/12 forecasts
Net sales	¥1,028.4 bn	¥1,150.0 bn
Operating income	¥21.4 bn	¥35.0 bn
Operating income ratio	2.1%	3.0%
Income before income taxes	¥6.2 bn	¥30.0 bn
Net income	¥1.7 bn	¥17.0 bn

B/S targets for FY3/12

Consolidated	FY3/09 results	FY3/12 forecasts
Total assets	¥583.7 bn	¥635.0 bn
Interest-bearing debt	¥169.0 bn	¥170.0 bn
Total shareholders' equity	¥270.4 bn	¥314.0 bn
Shareholders' equity ratio	46.3%	49.4%
ROA (income before income taxes)	1.0%	4.8%
D/E ratio	x 0.62	x 0.54
Cash dividends	¥16.0	Providing stable dividends

Cash flow targets under the Management Plan III

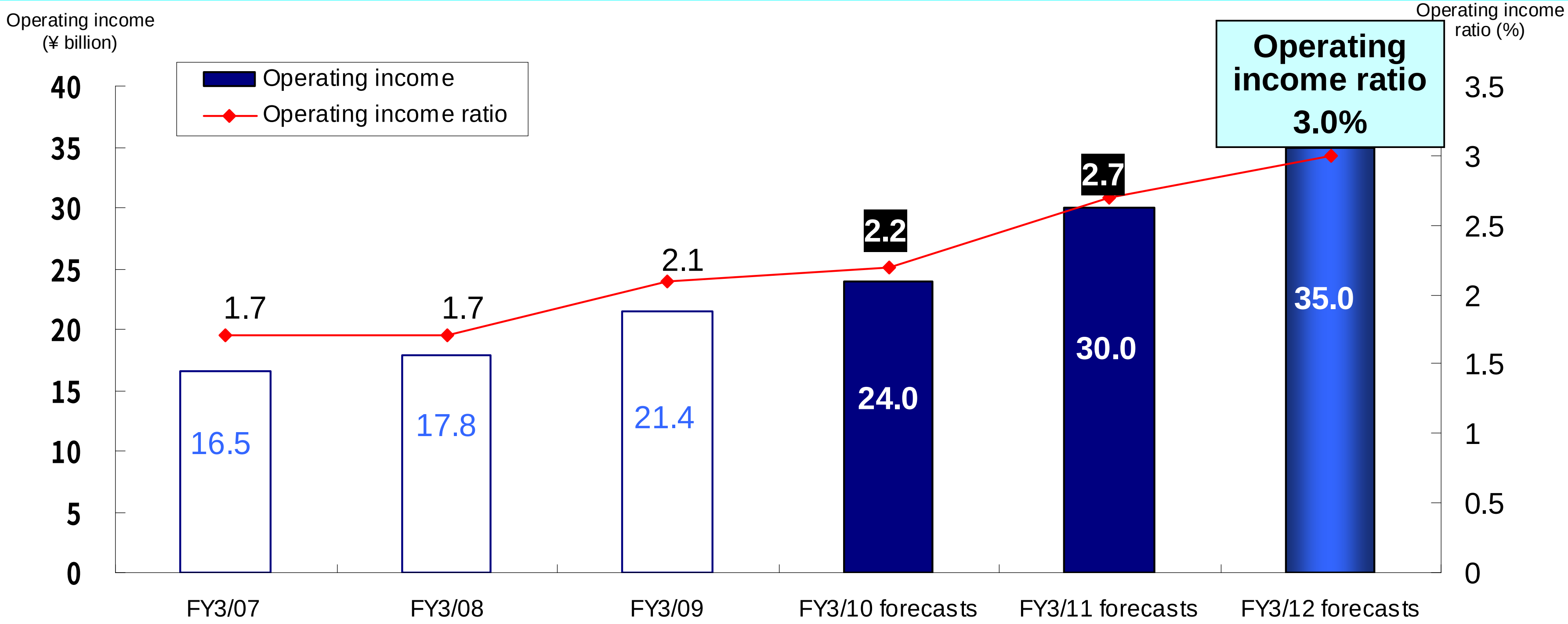
	Management Plan II (3-year total)	Management Plan III (3-year total)
Cash flows from operating activities	¥100.6 bn	¥112.0 bn
Cash flows from investing activities	¥(61.9 bn)	¥(73.7 bn)
Cash flows from financing activities	¥(23.6 bn)	¥(31.6 bn)
Free cash flow	¥38.7 bn	¥38.3 bn

Capital investment and depreciation targets under the Management Plan III

	Management Plan II (3-year total)	Management Plan III (3-year total)
Property, plant and equipment (aggregated)	¥60.2 bn	¥70.0 bn
Depreciation and amortization (aggregated)	¥70.9 bn	¥70.0 bn

Consolidated net sales and operating income (3 years)

Along with increased sales, we aim for an operating income ratio of 3%



(¥ billion)

	FY3/09 results	FY3/10 forecasts	FY3/11 forecasts	FY3/12 forecasts	Growth rate (FY3/09: base year)
Net sales	1,028.4	**1,060.0**	**1,100.0**	**1,150.0**	**11.8%**
Operating income	21.4	**24.0**	**30.0**	**35.0**	**63.6%**
Operating income ratio (%)	2.1%	**2.3%**	**2.7%**	**3.0%**	

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Sales and operating income forecasts by operating segment

(¥ billion)

		FY3/10 forecasts	FY3/12 forecasts
Processed Foods Business Division	Sales	343.0	374.0
	Operating income	8.0	9.5
	Operating income ratio	2.3%	2.5%
Fresh Meats Business Division	Sales	684.0	769.0
	Operating income	16.5	24.0
	Operating income ratio	2.4%	3.1%
Affiliated Business Division	Sales	139.3	153.0
	Operating income	0.5	3.0
	Operating income ratio	0.4%	2.0%
Total	Sales	1,060.0	1,150.0
	Operating income	24.0	35.0
	Operating income ratio	2.3%	3.0%

Consolidated sales targets by geographic segment

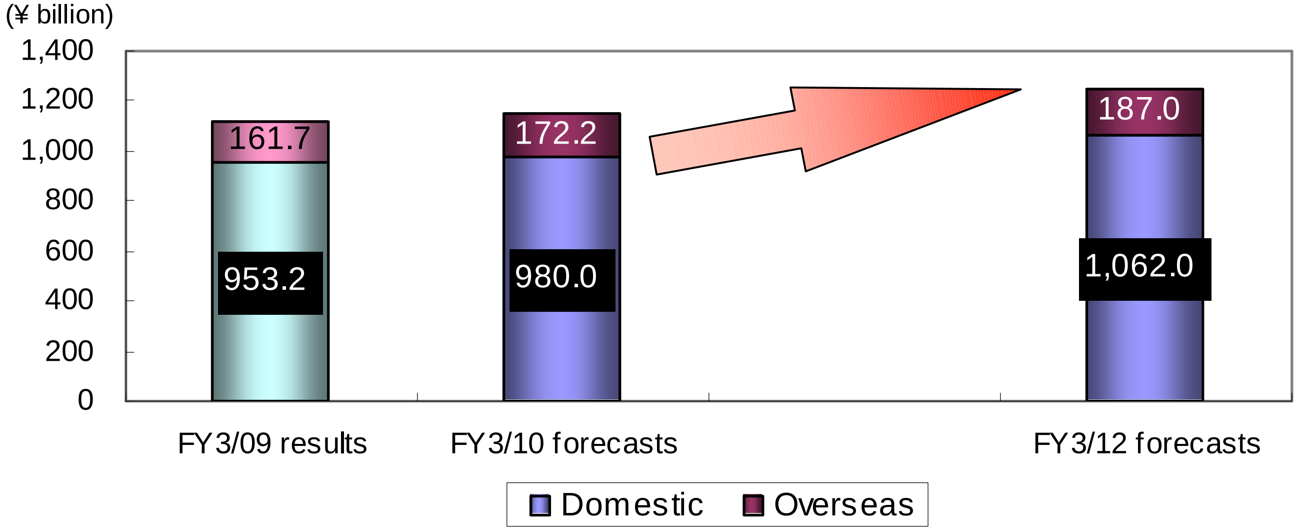
Aim for increased proportion of overseas sales (to external customers)

Consolidated sales by geographic segment

(¥ billion)

	FY3/09 results	FY3/10 forecasts	FY3/12 forecasts
Domestic	953.2	980.0	1,062.0
Overseas	161.7	172.2	187.0
Sales to external customers	76.0	80.0	88.0
Sales (after elimination and other adjustments)	1,028.4	1,060.0	1,150.0

Note) Sales by geographic segment are before intersegment elimination.



5. Numerical Targets

Factor analysis: Operating income increase

¥21.4 bn

Operating income increase ¥13.6 bn

Processed Foods: up ¥3.9 billion
- ○ Increase sales of mainstay products
- ○ Reduce raw ingredient and other material costs
- ○ Efficiency through better supply chain management

Fresh Meats: up ¥7.7 billion
- ○ Increase domestic market share
- ○ Create strong procurement system
- ○ Strengthen cost competitiveness within the Group

Affiliated Business: up ¥3.5 billion
- ○ Create global procurement and marketing network
- ○ Create new bases for growth

Other businesses: down ¥1.5 billion

¥35.0 bn

Processed Foods Business Division ¥9.5 bn

Fresh Meats Business Division ¥24.0 bn

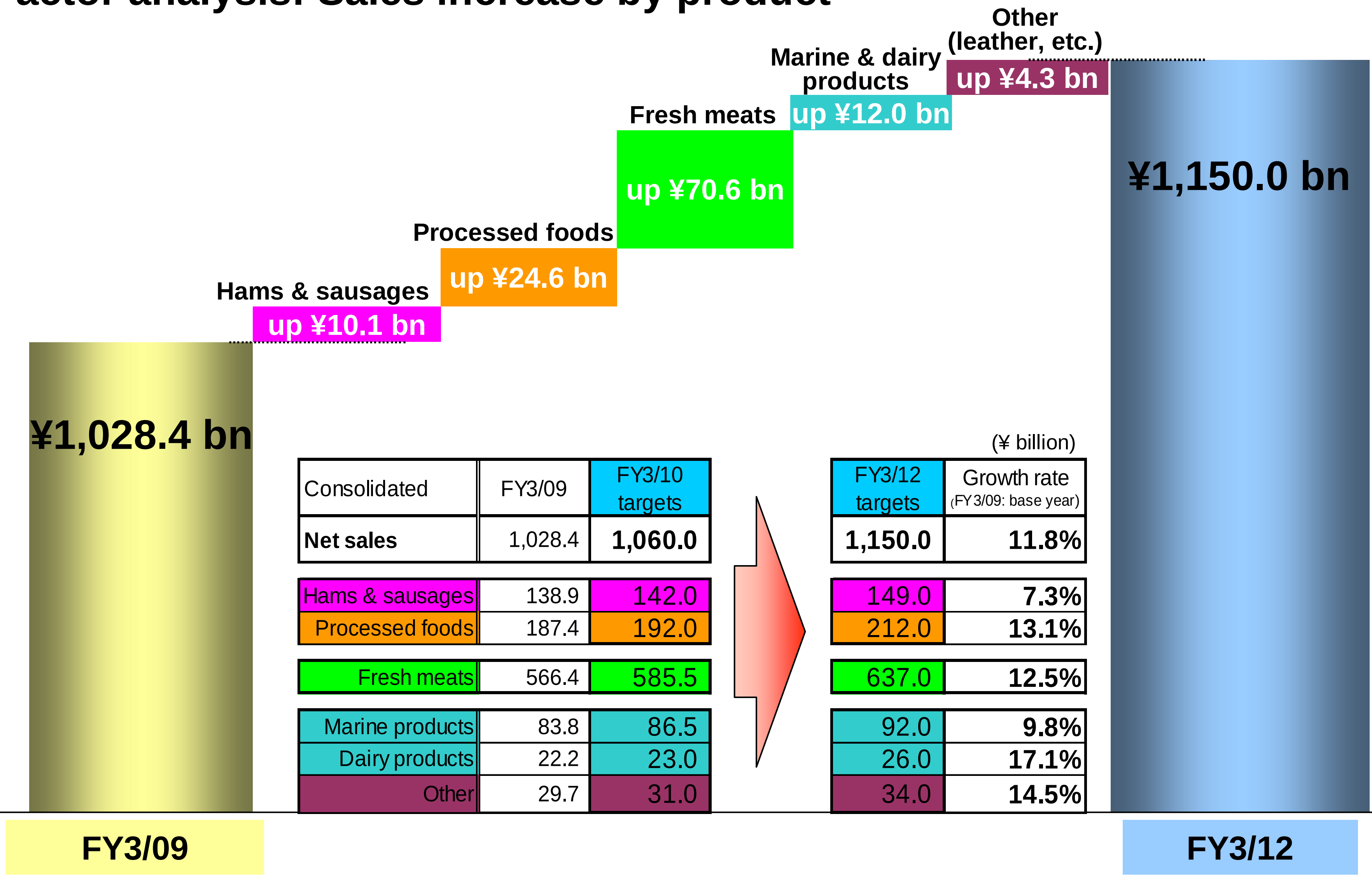
Affiliated Business Division ¥3.0 bn

Other businesses ¥(1.5 bn)

FY3/09

FY3/12

Factor analysis: Sales increase by product



(¥ billion)

Consolidated	FY3/09	FY3/10 targets	FY3/12 targets	Growth rate (FY3/09: base year)
Net sales	1,028.4	**1,060.0**	**1,150.0**	**11.8%**
Hams & sausages	138.9	142.0	149.0	**7.3%**
Processed foods	187.4	192.0	212.0	**13.1%**
Fresh meats	566.4	585.5	637.0	**12.5%**
Marine products	83.8	86.5	92.0	**9.8%**
Dairy products	22.2	23.0	26.0	**17.1%**
Other	29.7	31.0	34.0	**14.5%**

III. Strategy for Each Business Division

1. Processed Foods Business

Basic policy

Enhance brand value through "Management for No. 1 Quality" and "Selection and Focus"

Priority policies

1. Strengthen marketing capability

Consumer products

Expand market share through our strengths in selecting hit products

Commercial-use

Expand market share by strengthening strategic partnerships with priority customers

⇒ Expand market share through proposal-based marketing

2. Strengthen product development capability

- Increase brand power through "Management for No. 1 Quality"
- Introduce value-added products through greater operational integration
- Strengthen categories with new value-added health and environment products

→ Develop products using, for example, collagen

3. Strengthen cost competitiveness

- Cut inventory and logistics expenses through supply chain management reform
- Continue overhaul of bases to optimize production systems, encourage front-line work-process improvement activities
- Consolidate product lines

2. Fresh Meats Business

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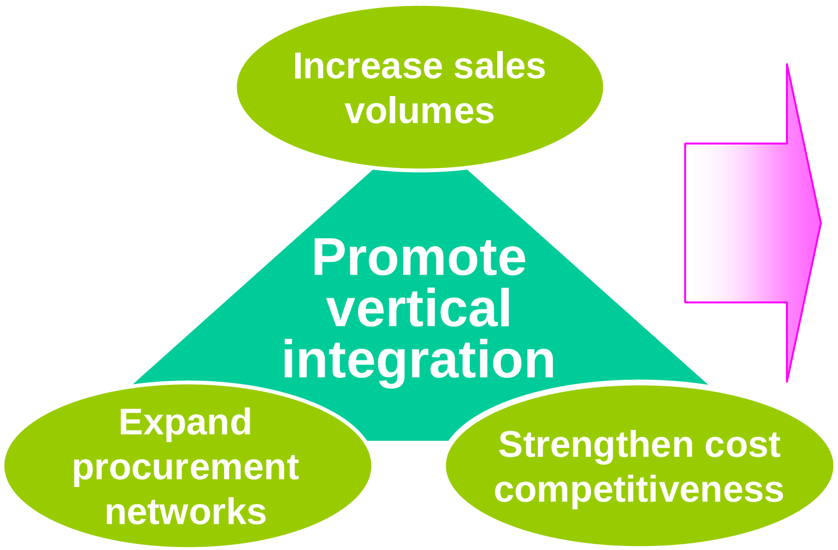
Basic policy

Leverage overall strength, expand businesses, and build market share



Priority policies

1. Increase sales volumes (units)

- Expand sales through mass retailers
- Strengthen marketing using restaurant channels
- Expand sales of primary processed meat products

2. Expand procurement networks

- Consider business alliances in Japan and overseas to strengthen vertical integration
- Expand production bases to strengthen supply networks for the Tokyo area
- Create a new business model through tie-ups with livestock producers

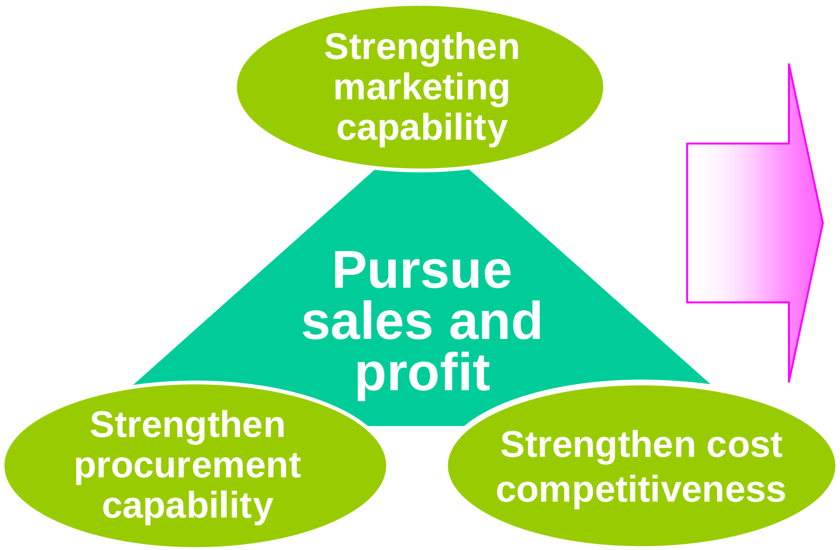
3. Strengthen cost competitiveness

- Strengthen efforts to increase productivity
- Consider measures to stabilize feed supplies

3. Affiliated Business

Basic policy

Create a third pillar for our business through new growth strategies



Priority policies

1. Strengthen marketing capability

Marine products business

⇒ Aim for top share in the sushi toppings and fillings market

- Strengthen the Marine Foods' Mie Plant through development of value-added products

Dairy products business

- Expand sales of Rolf cheeses, through restaurant and bakery marketing channels
- Strengthen yogurt marketing in the Tokyo area

2. Strengthen procurement capability

Marine products business

- Pursue vertical integration in the marine products business
- Participate in tuna- and eel-farming projects in Japan
- Accumulate fish-farming technology and know-how

Dairy products business

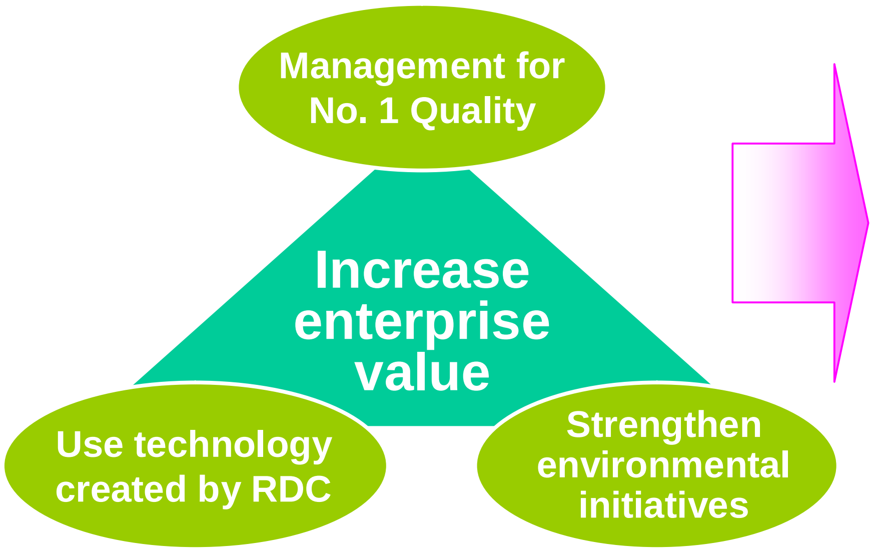
- Consider business alliances with major overseas players

3. Strengthen cost competitiveness

- Consider business alliances with partner plants in Japan and overseas

Basic policy

Strengthen Group management and enhance corporate value



Priority policies

1. Establish and evolve the concept of "Management for No.1 Quality"

- Ensure reliable raw ingredients procurement and product safety
- Improve technological standard of quality assurance
- Interactive dialog with the customer and community

2. Use technology created by Research & Development Center (RDC)

- Develop basic technologies for meat production and better taste
- Develop environmental technologies
- Conduct R&D into functional materials

3. Strengthen environmental initiatives

- Reduce emissions of CO_2 by saving energy
- Reduce environmental load during production and delivery processes
- Environmental data disclosure, with greater reliability and accountability
- Bring greater visibility to environmental data

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Forward-looking statement

Targets and plans in this presentation are based on information available at the current time and certain assumptions about the future which we consider reasonable. Because they are subject to numerous external risks and uncertainties, we cannot guarantee that these targets will be reached or earnings generally meet expectations.

Actual performance may differ significantly from the targets in this plan, and investment decisions should not be based exclusively on them.

The Nippon Ham Group is under no limitations or obligations of any kind regarding future revisions of the plan, regardless of future information that may emerge or future events or their consequences.