

# Business Results for the First Quarter of FY3/12

**August 5, 2011 (Fri)**

**Nippon Meat Packers, Inc.**

# Contents

**I . Consolidated Business Results for FY3/12 Q1 (Apr. – Jun.)**

**II . Outlook for FY3/12**

**III . Consolidated Financial Results for FY3/12 Q1 (Apr. – Jun.)**

# **I . Consolidated Business Results for FY3/12 Q1 (Apr. – Jun.)**

**1. Topics in Q1**

**2. Business Results by Operating Segment: Q1**

**3. Operating Segment Data: Processed Foods Business Division**

**4. Operating Segment Data: Fresh Meats Business Division**

**5. Operating Segment Data: Affiliated Business Division**

**6. Business Results in Major Overseas Markets**

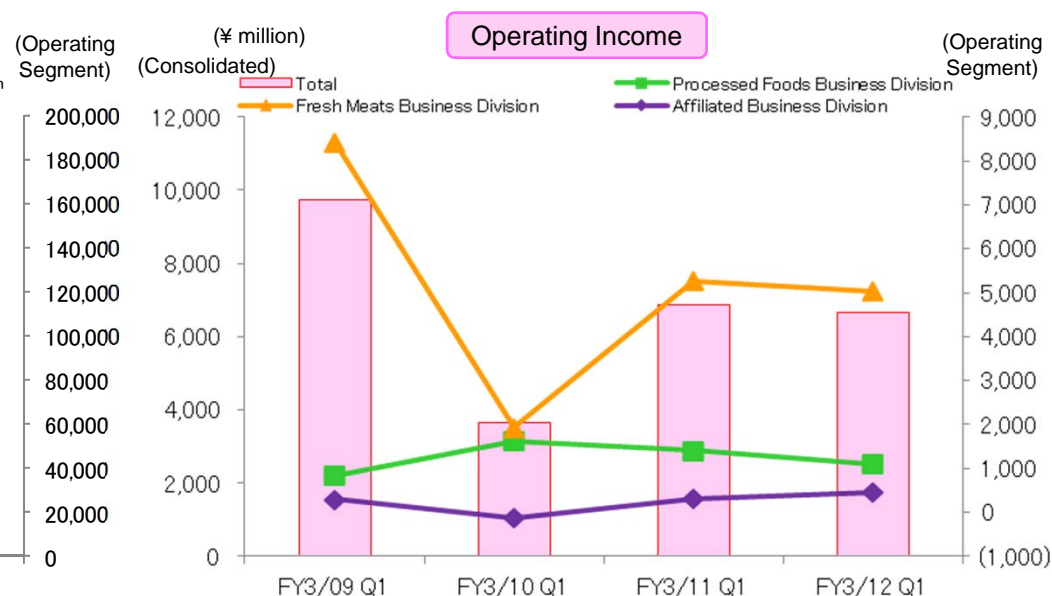
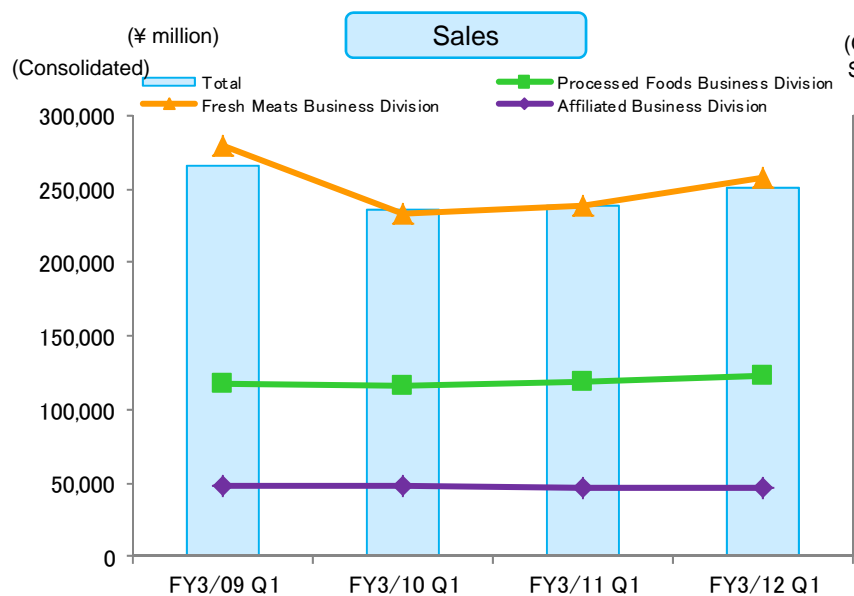
Business Division	Category	Highlights
All operations		<ul style="list-style-type: none"> <li>• Sales total ¥251.3 billion (up 5.3% or ¥12.8 billion YoY)</li> <li>• Operating income totals ¥6.65 billion (down 3.4% or ¥230 million YoY)</li> </ul>
Processed Foods Business Division	Hams and sausages	<ul style="list-style-type: none"> <li>• Expanded sales of "<i>Irodori Kitchen</i>" high-end hams and "<i>Mori-no-kaori</i>" coarse-ground wieners through stepped up TV commercials and other marketing measures</li> </ul>
	Processed foods	<ul style="list-style-type: none"> <li>• New products "<i>Hane-tsuki gyoza</i>" (pan-fried Chinese ravioli) and "<i>Yakitate Meat Pies</i>" perform well</li> <li>• Increased volumes for consumer- and commercial-use products</li> </ul>
Fresh Meats Business Division	Beef	<ul style="list-style-type: none"> <li>• Increased volumes due to growth in imports</li> <li>• Market prices down in Japan due to reduced demand</li> </ul>
	Pork	<ul style="list-style-type: none"> <li>• Volumes flat YoY, due partly to very hot summer of 2010</li> <li>• Market prices hold up for pork in Japan</li> </ul>
	Poultry	<ul style="list-style-type: none"> <li>• Volumes down YoY due to repercussions of avian influenza and earthquake disaster</li> <li>• Market prices hold firm in Japan</li> </ul>
	Overseas businesses	<ul style="list-style-type: none"> <li>• Earnings down in Australia due to the strong Australian dollar and soaring procurement prices on local live cattle markets</li> <li>• Earnings decline in U.S. due to trading losses (selling price and production cost gap) in Q1 in pig farming operations and valuation losses on inventory (live hogs) due to a declining market for pork futures</li> </ul>
Affiliated Business Division	Marine products	<ul style="list-style-type: none"> <li>• Sales at Marine Foods Corporation up in volume and value terms</li> <li>• Gross profit improves on expanded sales of products from company's own facilities</li> </ul>
	Dairy products	<ul style="list-style-type: none"> <li>• Sales grow on introduction of yogurts at convenience stores by Nippon Luna Inc.</li> <li>• At Hoko Co., Ltd. growth in cheese sales to food manufacturers and convenience store chains</li> </ul>

## 2. Business Results by Operating Segment: Q1

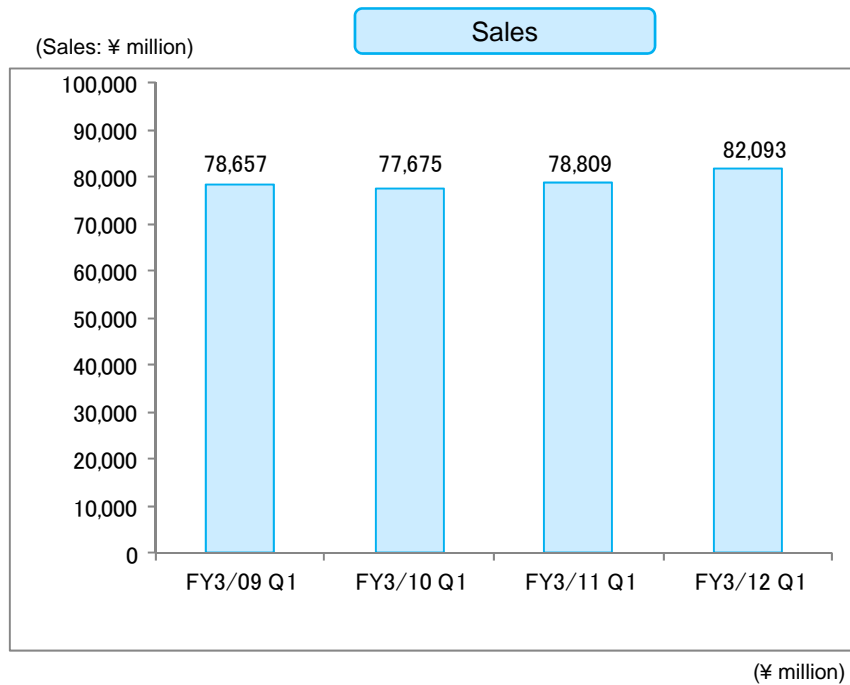
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(¥ million)

		FY3/09 Q1	FY3/10 Q1	FY3/11 Q1	FY3/12 Q1
Processed Foods Business Division	Sales	78,657	77,675	78,809	82,093
	Operating income	847	1,631	1,412	1,107
Fresh Meats Business Division	Sales	186,611	155,953	159,203	172,236
	Operating income	8,424	1,938	5,267	5,038
Affiliated Business Division	Sales	32,222	32,174	31,411	31,570
	Operating income	308	(115)	321	456
Elimination and other adjustments	Sales	(31,777)	(29,271)	(30,873)	(34,592)
	Operating income	159	183	(116)	51
Consolidated	Sales	265,713	236,531	238,550	251,307
	Operating income	9,738	3,637	6,884	6,652



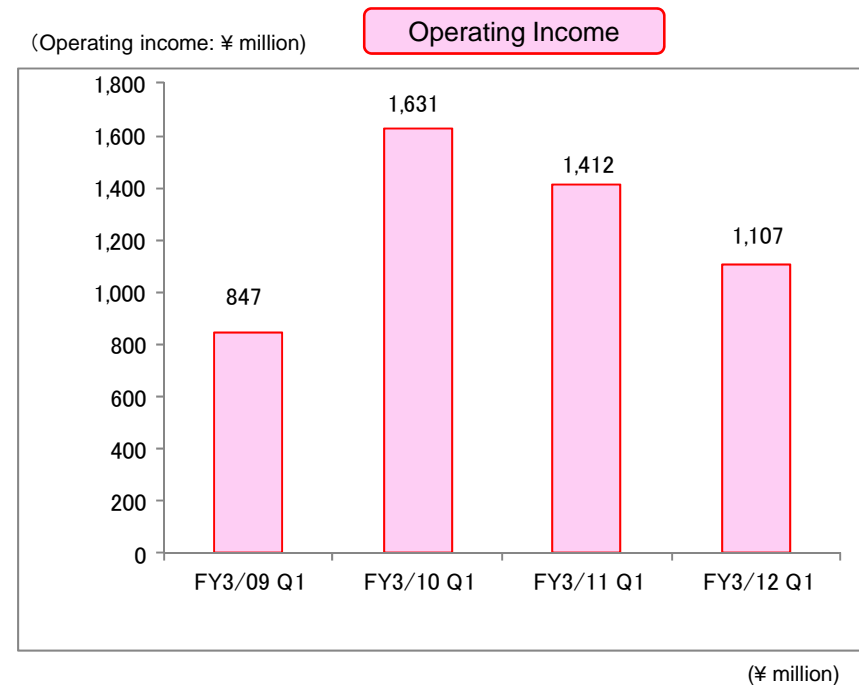
- Sales by operating segment and sales values in Page 18 of this presentation (by category) do not necessarily correspond (due to intersegment transactions).
- Sales for each segment include intersegment sales.
- Previous-year results for each segment are restated to comply with changes in segmentation at certain subsidiaries.



	FY3/11 Q1	FY3/12 Q1	Variance	Variance (%)
Sales	78,809	82,093	3,284	4.2

#### Sales in FY3/12 Q1

- Sales increased 4.2% year-on-year due to a significant volume increase in both hams and sausages and processed foods



	FY3/11 Q1	FY3/12 Q1	Variance	Variance (%)
Operating income	1,412	1,107	(305)	(21.6)
Operating income ratio	1.8%	1.3%	-	-

#### Earnings in FY3/12 Q1

- Operating income declined by approximately ¥300 million year-on-year. The effects of soaring raw material prices were offset through product line consolidations and renewals and supply chain management reforms, but sales promotion expenses including TV commercials depressed operating income

#### ● Topics

Impact on operating income due to higher prices for raw materials and ingredients

⇒ Principal raw materials prices ... Down ¥700 million, chiefly in pork and poultry businesses

⇒ Other materials/ fuels ... Down ¥400 million (sheep casings and frying oil, etc)

Total operating income in the Processed Foods Business Division

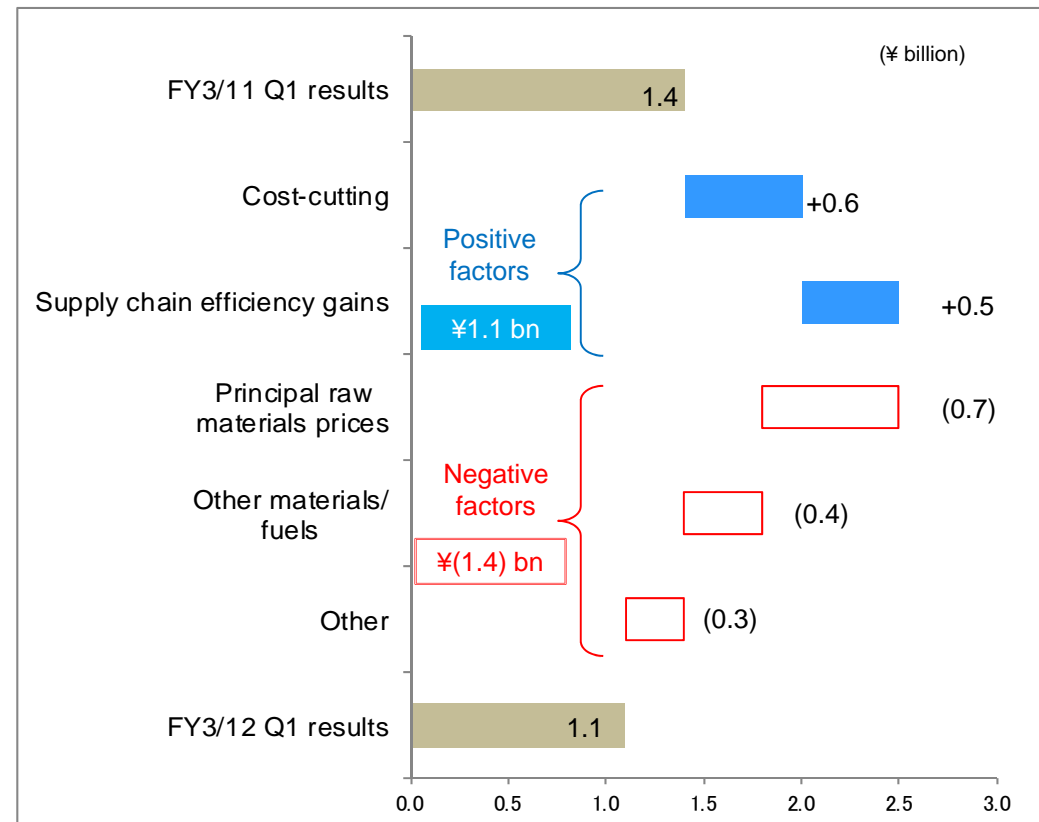
⇒ Benefits of supply chain reforms (¥ 500 million) countered by ¥300 million impact from use of TV commercials

(Other items)

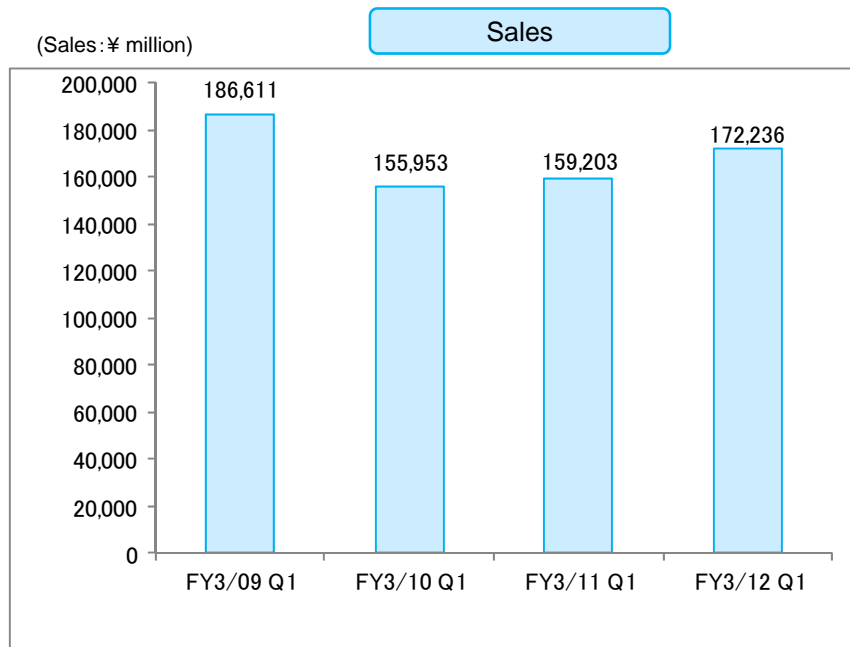
#### Factor Analysis: Changes in operating income

(¥ billion)

	FY3/12 Q1 results
Cost-cutting	0.6
Supply chain efficiency gains	0.5
<b>Total positive factors</b>	<b>1.1</b>
Principal raw/secondary materials prices	
Principal raw materials prices	(0.7)
Other materials/fuels	(0.4)
Other	(0.3)
<b>Total negative factors</b>	<b>(1.4)</b>
<b>Total</b>	<b>(0.3)</b>

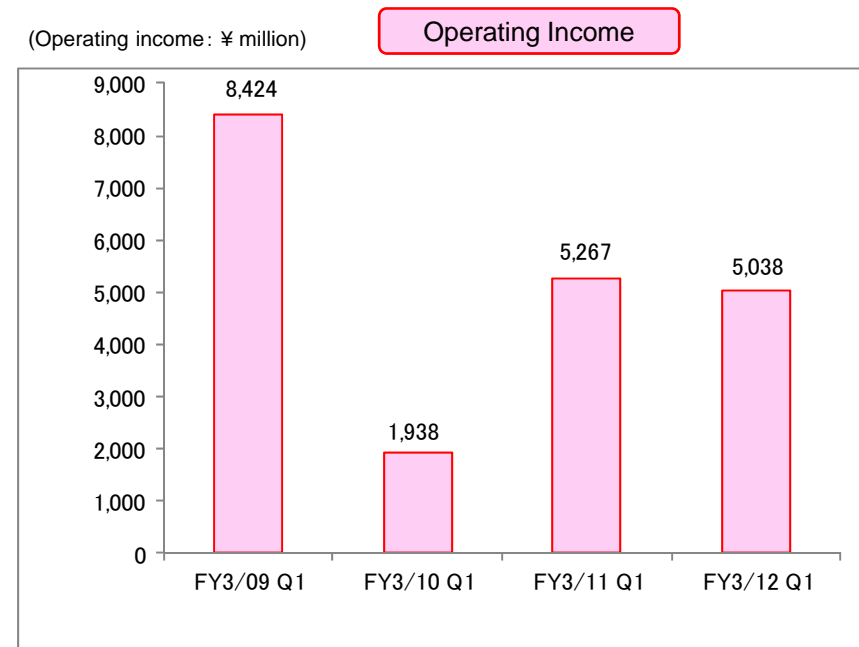


# 4. Operating Segment Data: Fresh Meats Business Division 1



(¥ million)

	FY3/11 Q1	FY3/12 Q1	Variance	Variance (%)
Sales	159,203	172,236	13,033	8.2



(¥ million)

	2011.03 1Q	2012.03 1Q	Variance	Variance (%)
Operating income	5,267	5,038	(229)	(4.3)
Operating income ratio	3.3%	2.9%	-	-

## Sales in FY3/12 Q1

- Domestic fresh meat market was steady
- Sales increased partly due to improvement in average unit selling prices chiefly for poultry products

## Earnings in FY3/12 Q1

- ¥230 million decrease at overseas businesses due to deteriorating profitability

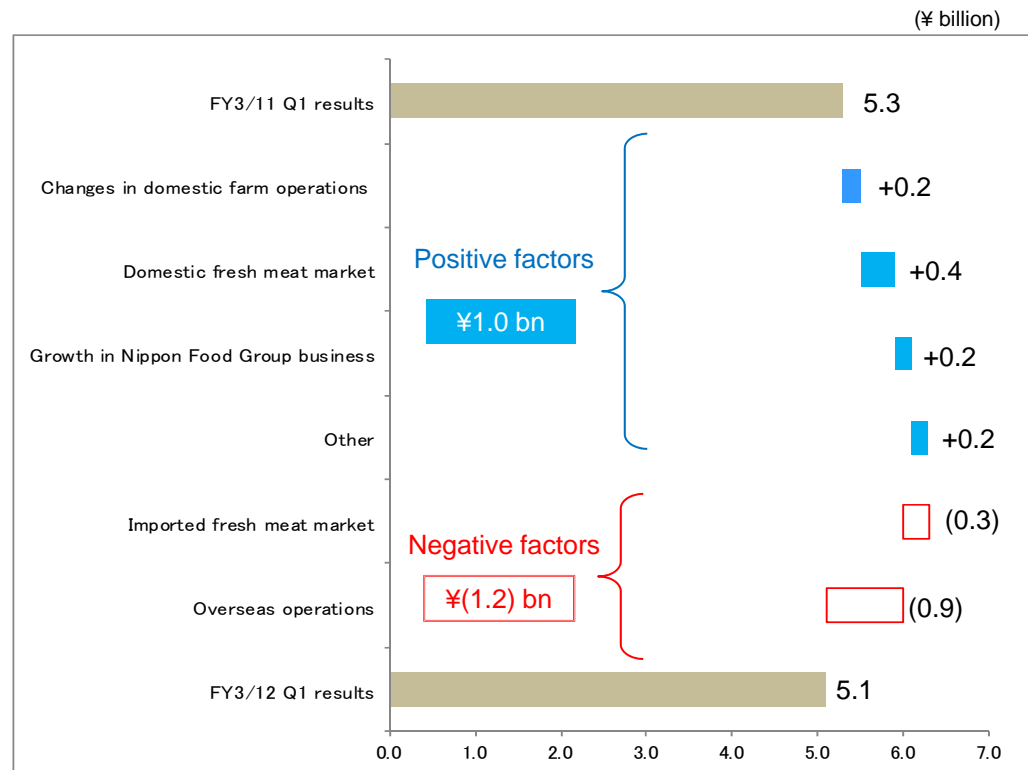


## ● Topics

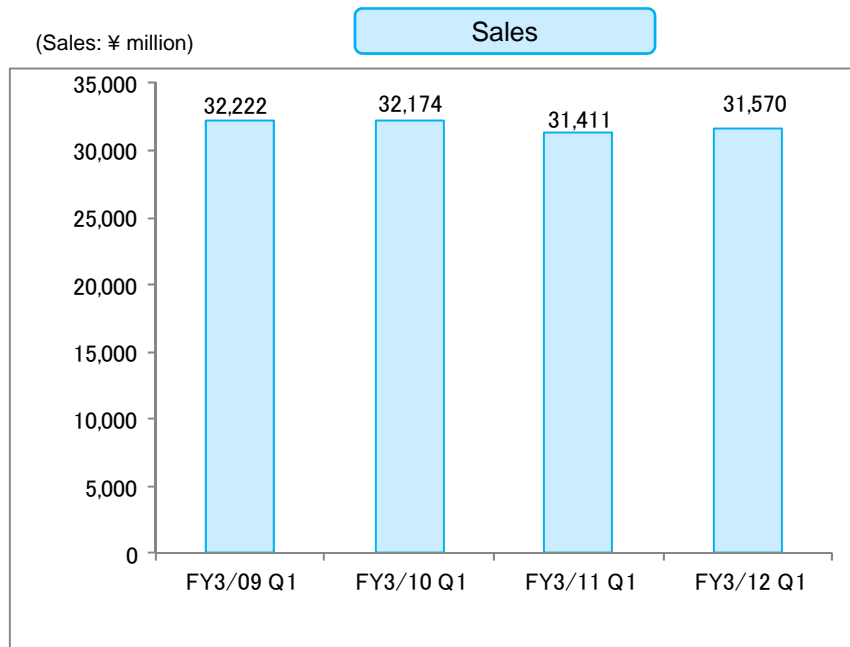
- In domestic farm operations, earnings rose on higher market prices
- Shipments of Japan-produced poultry declined on a unit basis due to avian influenza ⇒ by June, poultry production had returned to normal levels in Miyazaki Prefecture
- Sales volumes were flat year-on-year at Nippon Food Group companies. In value, sales increased 6% year-on-year
- In overseas operations, businesses in Australia and the U.S. saw earnings decline

## Factor Analysis: Changes in operating income

	(¥ billion)
	FY3/12
	Q1 results
Changes in domestic farm operations	0.2
Domestic fresh meat market	0.4
Growth in Nippon Food Group business	0.2
Other (Adjustments)	0.2
<b>Total positive factors</b>	<b>1.0</b>
Imported fresh meat market	(0.3)
Changes in overseas operations (Australia, U.S.)	(0.9)
<b>Total negative factors</b>	<b>(1.2)</b>
<b>Total</b>	<b>(0.2)</b>



# 5. Operating Segment Data: Affiliated Business Division



(¥ million)

	FY3/11 Q1	FY3/12 Q1	Variance	Variance (%)
Sales	31,411	31,570	159	0.5

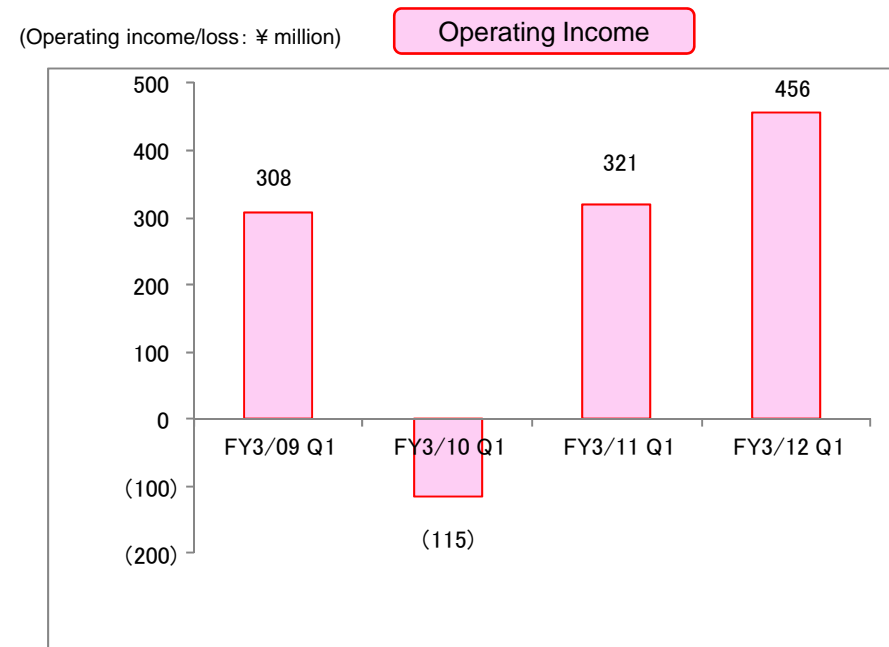
### Sales in FY3/12 Q1

(Marine products business)

- At Marine Foods Corporation, sales through sushi restaurants were unchanged from the previous fiscal year but increased at volume retailers

(Dairy products business)

- In cheeses, sales grew to food manufacturers and convenience store chains
- Sales grew on introduction of yogurts at convenience stores



(¥ million)

	FY3/11 Q1	FY3/12 Q1	Variance	Variance (%)
Operating income	321	456	135	42.1
Operating income ratio	1.0%	1.4%	-	-

### Earnings in FY3/12 Q1

(Marine products business)

- Earnings expanded on strengthened marketing of items produced in-house at Marine Foods Corporation

(Dairy products business)

- Gross profit rose for yogurts, which struggled in the previous fiscal year, due to growth in sales of mainstay products

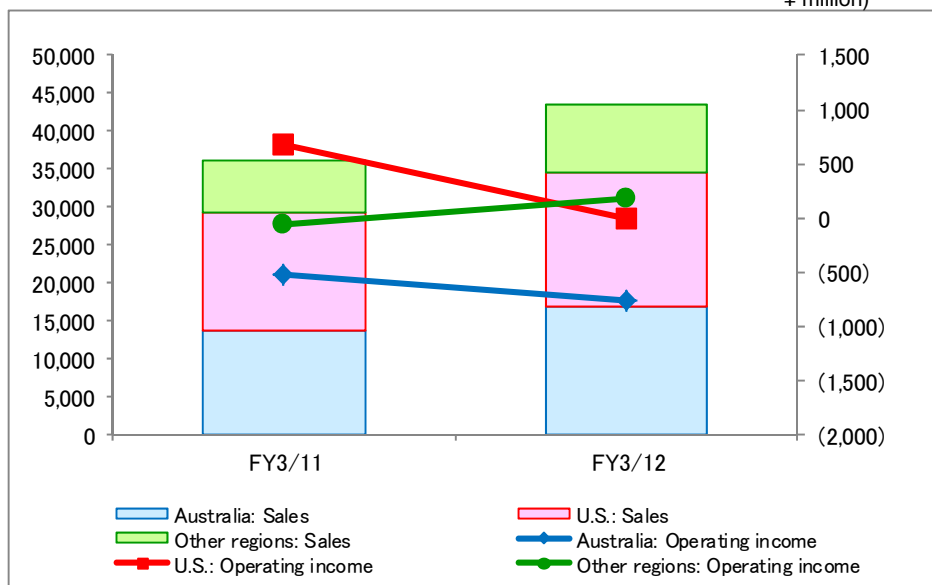
## 6. Business Results in Major Overseas Markets

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### Q1 Results

(Sales: ¥ million)

(Operating income/loss:  
¥ million)



(¥ million)

		FY3/11 Q1	FY3/12 Q1	Variance	Variance (%)
Overseas total	Sales	35,209	42,918	7,709	21.9
	Operating income	87	(589)	(676)	-
Australia	Sales	13,697	16,938	3,241	23.7
	Operating income	(521)	(758)	(237)	-
U.S.	Sales	15,498	17,590	2,092	13.5
	Operating income	684	2	(682)	(99.7)
Other regions	Sales	6,823	9,044	2,221	32.6
	Operating income	(65)	171	236	-

- Sales revenues represent amounts prior to consolidation adjustments.  
(The figures for all overseas segments do not match the overseas sales total, by reason of the elimination of intersegment transactions.)
- The U.S. includes Canadian and South American businesses. Other overseas markets are in East Asia and Europe.

### FY3/12 Q1

(Australia)

Earnings declined due to the strength of the Australian dollar and soaring procurement prices on local live cattle markets

(U.S.)

Earnings declined due to trading losses (selling price and production cost gap) in Q1 in pig farming operations and valuation losses on inventory (live hogs) due to a declining market for pork futures

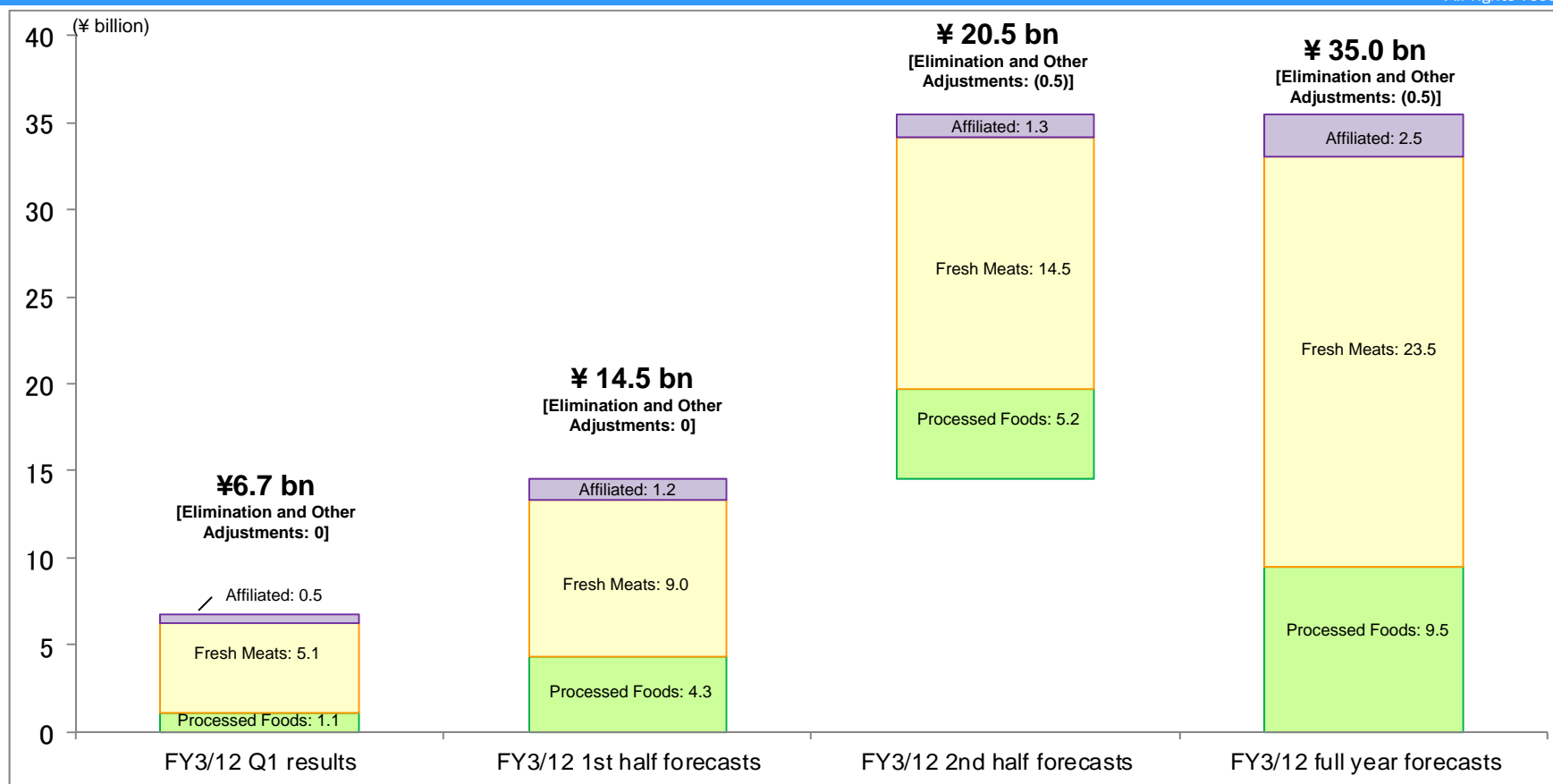
(Asia)

Sales were strong in China and Thailand

## **Ⅱ . Outlook for FY3/12**

- 1. Operating income in Q1, with factor analysis and forecasts for the 1<sup>st</sup> and 2<sup>nd</sup> halves and the full term**
- 2. Processed Foods Business Division (Measures to increase sales)**
- 3. Fresh Meats Business Division (Market conditions)**
- 4. Affiliated Business Division**

# 1. Operating income in Q1, with factor analysis and forecasts for the 1<sup>st</sup> and 2<sup>nd</sup> halves and the full term



	FY3/12 Q1 results			FY3/12 1 <sup>st</sup> half forecasts			FY3/12 2 <sup>nd</sup> half forecasts			FY3/12 full year forecasts		
	FY3/11 Q1 results		Variance	FY3/11 1 <sup>st</sup> half results		Variance	FY3/11 2 <sup>nd</sup> half results		Variance	FY3/11 full year results		Variance
Processed Foods Business Division	1.4	<b>1.1</b>	down 0.3	3.3	<b>4.3</b>	up 1.0	5.3	<b>5.2</b>	down 0.1	8.6	<b>9.5</b>	up 0.9
Fresh Meats Business Division	5.3	<b>5.1</b>	down 0.2	8.9	<b>9.0</b>	up 0.1	15.1	<b>14.5</b>	down 0.6	24.0	<b>23.5</b>	down 0.5
Affiliated Business Division	0.3	<b>0.5</b>	up 0.2	0.8	<b>1.2</b>	up 0.4	0.9	<b>1.3</b>	up 0.4	1.7	<b>2.5</b>	up 0.8
Elimination and Other Adjustments	(0.1)	<b>0.0</b>	up 0.1	(0.1)	<b>0.0</b>	up 0.1	(1.0)	<b>(0.5)</b>	up 0.5	(1.1)	<b>(0.5)</b>	up 0.6
<b>Total</b>	6.9	<b>6.7</b>	down 0.2	12.9	<b>14.5</b>	up 1.6	20.3	<b>20.5</b>	up 0.2	33.2	<b>35.0</b>	up 1.8

### ● Measures to increase sales of gift products

- Target 5% growth in both summer and year-end gift sets (year-on-year, total sales volume). However, summer gift sets faced difficult market conditions and total sales volumes struggled to maintain FY3/11 levels
- Sales of the flagship brand “*Utsukushi-no-Kuni*” were up by approximately 30% year-on-year on a unit basis as of July 25, 2011, accounting for approximately 13% of gift-set sales

Reference: Hams and sausages gift-giving season sales volume

(Unit: 1,000)

	FY3/11 results		FY3/12 targets	
	Volume	Variance FY3/10	Volume	Variance FY3/11
Summer gift-giving season	1,956	102%	2,050	105%
Year-end gift-giving season	4,905	102%	5,150	105%
Total	6,861	102%	7,200	105%

### ● Measures to expand sales of major brands and new products

#### 1) Hams and sausages

- TV commercials and marketing campaigns to expand sales volumes for “*Mori-no-Kaori*” coarse-ground wieners and “*Irodori Kitchen*” high-end hams, priority brands in the current fiscal year

Reference: Year-on-year growth in sales of major brand products for FY3/12 Q1

Hams and sausages	FY3/12 Q1 results	Processed foods	FY3/12 Q1 results
SCHAU ESSEN	98%	Ishigama Kobo	97%
Mori-no-Kaori coarse-ground wieners	130%	Chuka Meisai	108%
Irodori Kitchen (high-end hams)	132%	Prefried	100%
Hams	102%	Hamburgers / Meatballs	104%
Bacon	109%	Curries	117%

#### 2) Processed foods

- Measures to improve unit sales and profitability of “*Hane-tsuki gyoza*” (pan-fried Chinese ravioli), “*Yakitate Meat Pies*” and other priority new products through the summer sales campaign and new product launches

### ● Measures to expand sales, by channel

#### 1) Consumer-use

- Strengthen priority brand products, with a focus on new and revamped products, to increase sales

Reference: Year-on-year growth in sales by channel for FY3/12 Q1

	Consumer-use	Commercial-use	Total
Hams and sausages	102%	102%	102%
Processed foods	103%	103%	103%

#### 2) Commercial-use

- Plan and launch marketing campaigns targeting food service industry
- Continue to expand sales for counter-prepared snacks at convenience stores

#### ● Current status of overseas businesses

- 1) Australia
  - Earnings down due to the strong Australian dollar and soaring procurement prices on local live cattle markets
- 2) U.S.
  - In pig farming operations, earnings down due to trading losses (selling price and production cost gap) in Q1 and valuation losses on inventory (live hogs) due to a declining market for pork futures



#### ● Outlook for overseas businesses

- 1) Australia
  - Improve operating income ratio by further reducing cost of sales, and expand sales in Russia, Europe and other Asian markets.
- 2) U.S.
  - We expect firm pork prices in Q2

#### ● Current status of production businesses in Japan

- 1) Feed prices
  - Rising trend is continuing from the previous year
- 2) Farming operations in Japan
  - Shipments of poultry down a unit basis due to avian influenza  
Market prices remain firm
  - In pig farming operations, market prices are holding firm due partly to lower shipments (number of beasts) in the wake of last year's foot-and-mouth disease outbreak and unusually hot summer



#### ● Outlook for production businesses in Japan

- 1) Feed prices
  - A pickup is expected from the 2<sup>nd</sup> half
- 2) Farming operations in Japan
  - Poultry shipments returned to normal levels from June
  - Poultry and pork market prices are expected to be firm

#### ● Current status of Nippon Food Group companies

- Sales volumes were flat from the previous year despite growth in sales to volume retailers (but in value terms rose 6% year-on-year)



#### ● Outlook for Nippon Food Group companies

- Difficult conditions expected to persist at volume retailers and food service chains amid declining beef consumption
- Measures to expand sales, chiefly for pork and poultry

## ● Current status of marine products business

- Steady growth seen in sales at volume retailers
- Sales to restaurant sector flat year-on-year on tougher price competition

Reference: Marine Foods Corporation, sales growth by channel

	Year-on-year comparison	
	FY3/12 Q1 results	FY3/12 full year targets
Volume retailers	101%	108%
Food service (restaurants)	100%	106%



## ● Future policies

- Grow sales through volume retailers and restaurant channels, by strengthening capabilities in procurement and proposal-based marketing
- Improve operating income ratio by expanding sales of items produced in-house in Japan

Reference: Marine Foods Corporation, sales growth for items produced in-house

	FY3/12 Q1 results	FY3/12 full year targets
	Items produced in-house	2,409 tons
Year-on-year comparison	111%	108%

- Expand sales of shrimp/prawn products, a priority category

## ● Current status of dairy products business

- In cheeses, sales to food manufacturers and convenience stores hold firm
- Increased revenues from yogurts on sales growth from relaunches of mainstay products at convenience stores and growth for yogurt beverages

Reference: Dairy products, sales growth by product

	Year-on-year comparison	
	FY3/12 Q1 results	FY3/12 full year targets
Cheese	104%	112%
Yogurt	103%	107%

Note: Forecasts do not necessarily correspond with figures given for each product category on p18



## ● Future policies

- Expand cheese sales by targeting bakery buyers and consumer-use products, chiefly the new “baby cheeses”
- Take measures to expand sales of standard yogurt items and of yogurt beverages

## ● Trends in raw materials and secondary ingredients

- Prices for cheese ingredients have been stable.
- Prices of Japan-produced and imported ingredients for yogurts rising from the previous year



## ● Outlook

- Prices for imported ingredients for cheese to rise from July
- Imported ingredients for yogurts to show a rising trend



## **Ⅲ. Consolidated Financial Results for FY3/12 Q1 (Apr. – Jun.)**

- 1. FY3/12 Q1 Business Results at a Glance**
- 2. Business Results: Growth Rate by Sales Category, and by Geographical Segment**
- 3. Selling, General and Administrative Expenses / Other Income and Expenses**
- 4. Balance Sheets / Property, Plant and Equipment / Depreciation and Amortization**

# 1. FY3/12 Q1 Business Results at a Glance

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(¥ million, %)

	FY3/11 results				FY3/12 results and forecasts					
	Q1	Variance	1 <sup>st</sup> half	Full year	Q1	Variance	1 <sup>st</sup> half	Variance	Full year	Variance
Net sales	238,550	0.9	483,100	989,308	251,307	5.3	500,000	3.5	1,020,000	3.1
Hams and sausages	30,775	(3.9)	64,654	134,941	31,216	1.4	66,000	2.1	138,000	2.3
Processed foods	47,602	6.8	97,438	197,745	48,873	2.7	100,000	2.6	204,000	3.2
Fresh meats	130,564	2.1	259,688	530,154	140,293	7.5	271,000	4.4	550,000	3.7
Beef	46,467	(4.6)	93,422	192,383	52,760	13.5	98,000	4.9	199,000	3.4
Pork	49,131	4.0	97,314	195,757	50,864	3.5	101,000	3.8	204,000	4.2
Poultry	29,199	11.2	56,791	119,257	30,745	5.3	59,000	3.9	124,000	4.0
Other fresh meats	5,767	1.4	12,161	22,757	5,924	2.7	13,000	6.9	23,000	1.1
Marine products	18,780	(3.1)	38,963	80,435	18,678	(0.5)	41,000	5.2	84,000	4.4
Dairy products	5,330	(5.8)	10,941	21,903	5,710	7.1	12,000	9.7	24,000	9.6
Others	5,499	(21.4)	11,416	24,130	6,537	18.9	10,000	(12.4)	20,000	(17.1)
Cost of goods sold	190,888	0.2	386,773	785,878	203,815	6.8				
Gross profit	47,662	3.6	96,327	203,430	47,492	(0.4)				
Gross profit ratio	20.0%	-	19.9%	20.6%	18.9%	-				
SG&A expenses	40,778	(3.8)	83,412	170,255	40,840	0.2				
Operating income	6,884	89.3	12,915	33,175	6,652	(3.4)	14,500	12.3	35,000	5.5
Income before income taxes	5,061	2.2	11,358	29,523	6,125	21.0	13,000	14.5	30,000	1.6
Net income attributable to Nippon Meat Packers, Inc.	3,276	3.6	6,782	16,731	3,574	9.1	7,500	10.6	17,000	1.6

\* Reclassified amounts were originally calculated in accordance with U.S. accounting standards.

\* Variance: Year-on-year comparisons are expressed as % increases/decreases.

**Growth Rate by Sales Category**

Category	FY3/11 Q1 (Year-on-year comparison)		FY3/12 Q1 (Year-on-year comparison)	
	Sales volume	Sales revenue	Sales volume	Sales revenue
Hams and sausages	1.4	(3.9)	1.1	1.4
Processed foods	13.1	6.8	3.3	2.7
Fresh meats	3.7	2.1	0.5	7.5
Beef	(2.8)	(4.6)	11.9	13.5
Pork	3.5	4.0	0.4	3.5
Poultry	10.3	11.2	(8.5)	5.3
Other fresh meats	(0.9)	1.4	0.8	2.7

(%)

**FY3/11 Business Results at a Glance and FY3/12 Forecasts by Geographical Segment**

(¥ million, %)

	FY3/11 results			FY3/12 results and forecasts					
	Q1	1 <sup>st</sup> half	Full year	Q1	Variance	1 <sup>st</sup> half	Variance	Full year	Variance
Domestic	222,024	448,901	919,433	230,046	3.6	463,500	3.3	946,000	2.9
External customers	221,863	448,638	918,888	229,751	3.6	463,000	3.2	945,000	2.8
Intersegment	161	263	545	295	83.2	500	90.1	1,000	83.5
Operating income	6,156	11,840	29,885	7,020	14.0	13,000	9.8	31,000	3.7
Operating income ratio	2.8%	2.6%	3.3%	3.1%	-	2.8%	-	3.3%	-
Overseas	35,209	73,071	148,981	42,918	21.9	77,000	5.4	156,000	4.7
External customers	16,687	34,462	70,420	21,556	29.2	37,000	7.4	75,000	6.5
Intersegment	18,522	38,609	78,561	21,362	15.3	40,000	3.6	81,000	3.1
Operating income	87	717	2,966	(589)	-	1,500	109.2	4,000	34.9
Operating income ratio	0.2%	1.0%	2.0%	-1.4%	-	1.9%	-	2.6%	-

\* Sales by geographic segment are before intersegment elimination.

\* Variance: Year-on-year comparisons are expressed as % increases/decreases.

### 3. Selling, General and Administrative Expenses / Other

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(¥ million, %)

SG&A expenses	FY3/11	FY3/12		
	Q1	Q1	Variance (%)	Variance
★① Selling, general and administrative expenses	40,778	40,840	0.2	62
★② Personnel	17,022	16,762	(1.5)	(260)
★③ Advertising	2,342	2,487	6.2	145
★④ Logistics	8,872	9,289	4.7	417
Other	12,542	12,302	(1.9)	(240)

Major reasons for increases/decreases

- ★① SG&A expenses: The ratio of SG&A expenses to sales decreased 0.8 percentage point from 17.1% to 16.3%
- ★② Personnel: Declined by approximately ¥300 million due to lower salaries and allowances
- ★③ Advertising: Increased by approximately ¥150 million due to expanded TV advertising
- ★④ Logistics: Increased by approximately ¥400 million due to higher transportation charges from increased sales volumes

(¥ million, %)

	FY3/11	FY3/12		
	Q1	Q1	Variance (%)	Variance
Other income	565	420	(25.7)	(145)
Interest and dividends income	205	319	55.6	114
Foreign exchange gains	—	24	—	24
Others	360	77	(78.6)	(283)
Interest expenses	559	492	(12.0)	(67)
★① Other expenses	1,829	455	(75.1)	(1,374)
Impairment loss on investment securities	150	40	(73.3)	(110)
Impairment loss on fixed assets	36	391	986.1	355
Special retirement allowances	—	14	—	14
Foreign exchange losses	1,563	—	—	(1,563)
Others	80	10	(87.5)	(70)

Major reasons for increases/decreases

- ★① Other expenses: Declined by approximately ¥1.4 billion due to absence of foreign exchange losses

## 4. Balance Sheets / Property, Plant and Equipment / Depreciation and Amortization

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(¥ million, %)

Consolidated balance sheets	FY3/11 year-end	FY3/12 Q1	Variance (%)	Variance
★① Total assets	590,688	611,910	3.6	21,222
Cash and cash equivalents	51,409	57,205	11.3	5,796
★② Trade notes and accounts receivables	104,501	104,954	0.4	453
★③ Inventories	107,599	123,637	14.9	16,038
Investments and other assets	27,764	27,570	(0.7)	(194)
Property, plant and equipment - at cost, less accumulated depreciation	219,324	216,357	(1.4)	(2,967)
Deferred income taxes - non-current	15,993	15,782	(1.3)	(211)
Total liabilities	307,484	328,942	7.0	21,458
Trade notes and accounts payable	90,317	97,385	7.8	7,068
★④ Interest-bearing debt	155,263	168,013	8.2	12,750
Liability under retirement and severance program	17,581	17,644	0.4	63
Total Nippon Meat Packers, Inc. shareholders' equity	281,067	280,744	(0.1)	(323)
Noncontrolling interests	2,137	2,224	4.1	87

Major reasons for  
increases/decreases

- ★① Total assets: Increased by approximately ¥21.2 billion including ② and ③
- ★② Trade notes and accounts receivables: Increased by some ¥500 million due to an increase in sales revenues
- ★③ Inventories: Increased by approximately ¥16.0 billion chiefly on fresh meat inventory
- ★④ Interest-bearing debt: Increased by approximately ¥12.8 billion due to short-term bank loans

(¥ million, %)

Capital expenditures and depreciation	FY3/11 Q1 results	FY3/12 Q1 results	Variance (%)	Variance	FY3/12 Forecast
Property, plant and equipment	3,512	2,597	(26.1)	(915)	23,400
Production facilities	1,656	1,276	(22.9)	(380)	9,200
Marketing and logistics facilities	447	346	(22.6)	(101)	4,300
Farms and processing facilities	677	483	(28.7)	(194)	5,900
Overseas operations facilities	382	272	(28.8)	(110)	2,000
Other facilities	350	220	(37.1)	(130)	2,000
Depreciation and amortization	5,872	5,792	(1.4)	(80)	24,000

## **Contact**

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### **Forward-looking statements**

**This presentation 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 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.**