Nippon Ham Group

New Medium-Term Management Plan Part IV

Improve Profitability of Domestic Operations and
Reinforce the Foundation of Overseas Operations

May 17, 2012
Nippon Meat Packers, Inc.

Contents

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

Key indicators

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(¥ billion)

		FY2010/3	FY2011/3	FY2012/3
Net sales	Target	1,060.0	1,100.0	1,150.0
	Result	953.6	989.3	1,017.8
Operating income	Target	24.0	30.0	35.0
	Result	24.9	33.2	26.5
Operating income ratio	Target	2.3%	2.7%	3.0%
	Result	2.6%	3.4%	2.6%

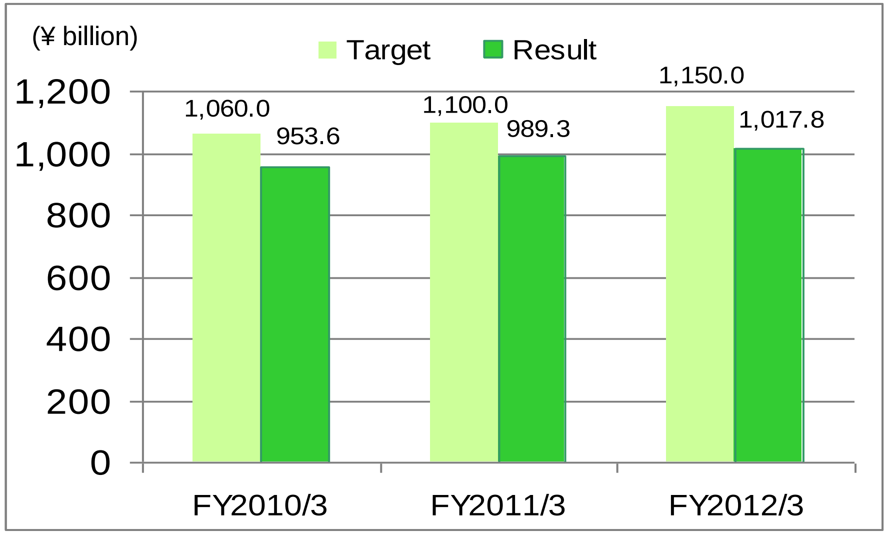
Net sales

・In the first fiscal year (ended March 31, 2010) we fell short of targets by ¥100 billion due to lower unit prices following the collapse of Lehman Brothers

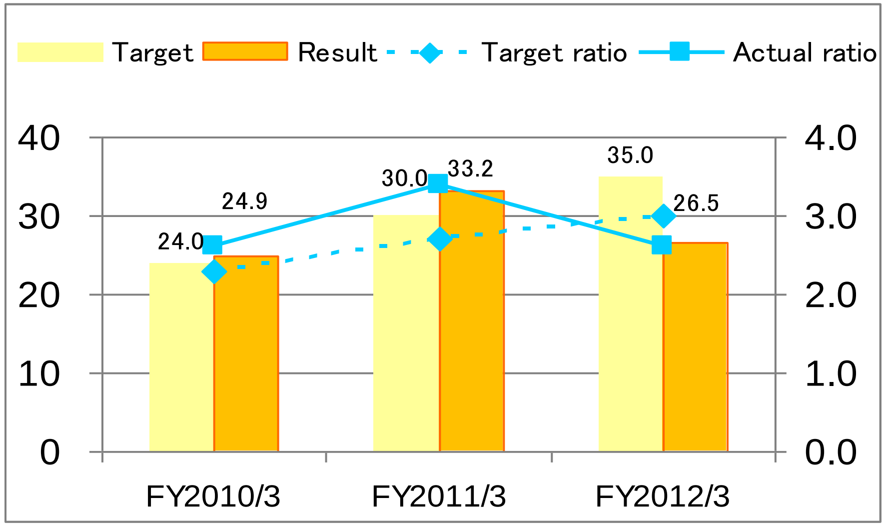
Operating income

・Over a 3-year period, we posted earnings of ¥84.6 billion, undershooting our target of ¥89.0 billion. We were on target until the end of the second year.
At3.4%, we easily surpassed our operating income ratio target of 2.7% in the second year
The shortfall in the third year was due to the earthquake disaster, the floods in Thailand, and worsening profitability of imported poultry and Australian businesses

Net sales



(¥ billion) Operating income, Operating income ratio (%)



Key indicators

Nippon Ham Group

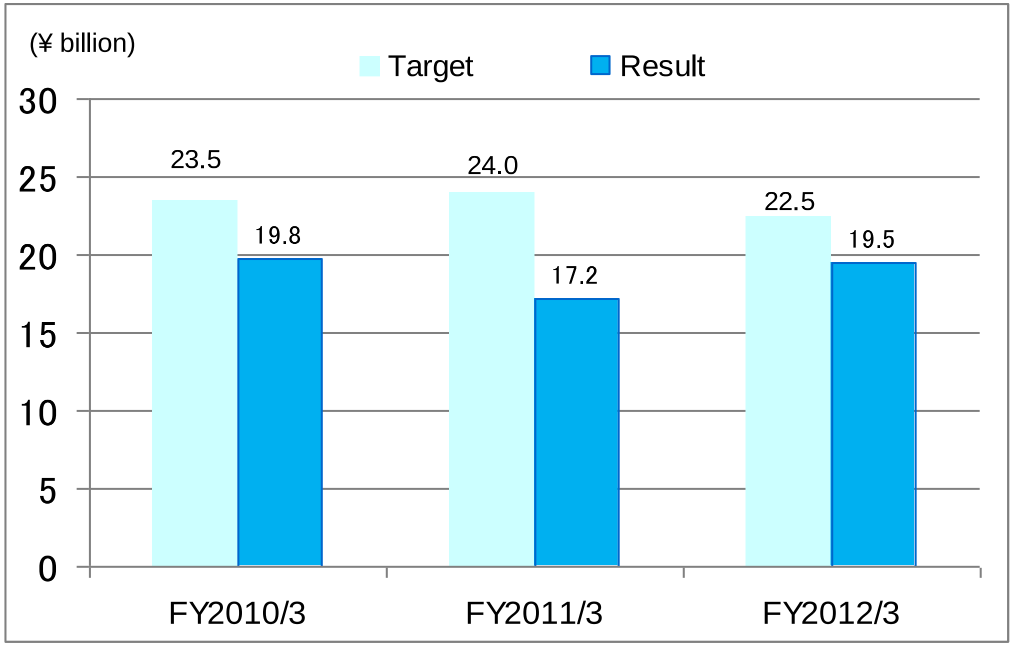
(¥ billion)

		FY2010/3	FY2011/3	FY2012/3	Total for Management Plan Part III
Capital expenditures	Target	23.5	24.0	22.5	70.0
	Result	19.8	17.2	19.5	56.5
Depreciation and amortization	Target	23.4	23.3	23.5	70.2
	Result	24.4	24.1	23.8	72.3

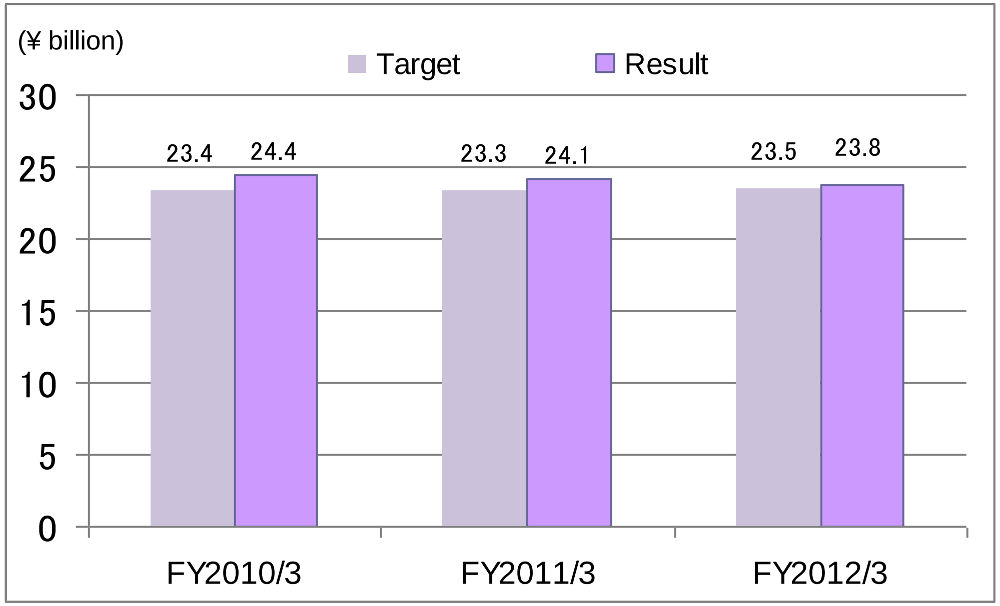
Capital expenditures

・The total of ¥56.5 billion over the three years was short of the target of ¥70.0 billion. Performance in the third year was particularly badly affected by the earthquake disaster

Capital expenditures



Depreciation and amortization



Summary

	What we have done	What we need to do
1. Strengthen and enhance integration across the Group	･Strengthened upstream fresh meat businesses	･Outsource more fresh meat operations
2. Reinforce the foundation of overseas operations	･Set up new company in Vietnam ･Expanded direct trade from overseas bases with third countries	･Restructure businesses in Australia ･Improve performance at Texas Farm (Americas)
3. Restructure the processed foods business	･Overhauled supply chain management	･Develop new categories of products
4. Increase profits through the creation of value	･Expanded high value-added gift items business	･Strengthen branded products
5. Promotion of Group brand management	･Strengthened stakeholder relations	･Improve Group's corporate image

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

Main points of overhaul

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1. Expand earnings through aggressive investment in growth and efficiency strategies

Operating income ratio of 4%

2. Shareholder-focused management

Consolidated payout ratio of 30%, acquisition of treasury stock, better total return ratio

3. Capital strategy

Establish ROE as new performance indicator

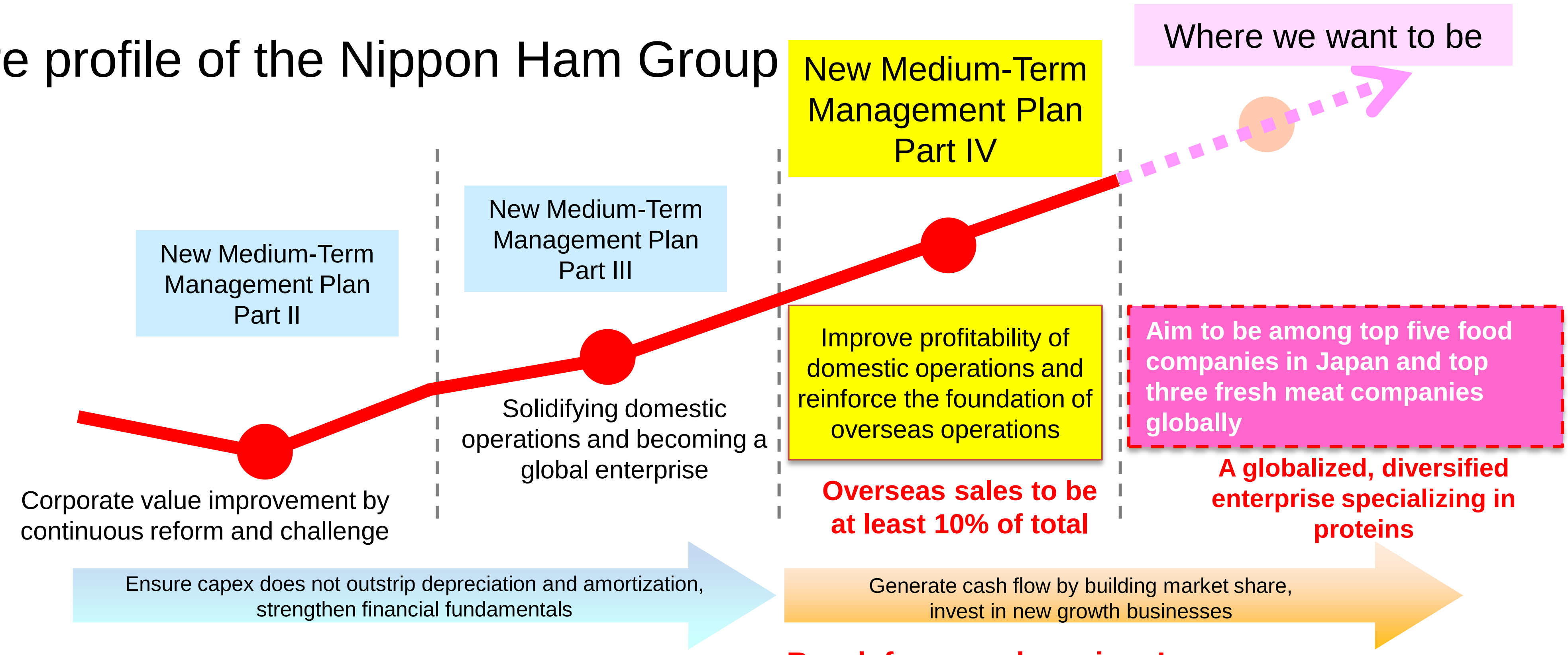
4. Improve Group brand value

Create corporate communications framework

Positioning of the New Medium-Term Management Plan Part IV

Nippon Ham Group

Future profile of the Nippon Ham Group



Reach for record earnings!

	Management Plan Part II	Management Plan Part III	Management Plan Part IV (targets)
Net sales	¥1,028.4 billion	¥1,017.8 billion	¥1,080.0 billion
Operating income	¥21.4 billion	¥26.5 billion	¥43.0 billion
Operating income ratio	2.1%	2.6%	4.0%
ROE (after tax)	0.6%	4.1%	7.0%

Operating income ratio 5%, ROE 8%

*Figures are for end-year of each plan part

Theme and Management Policies

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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

Earnings targets

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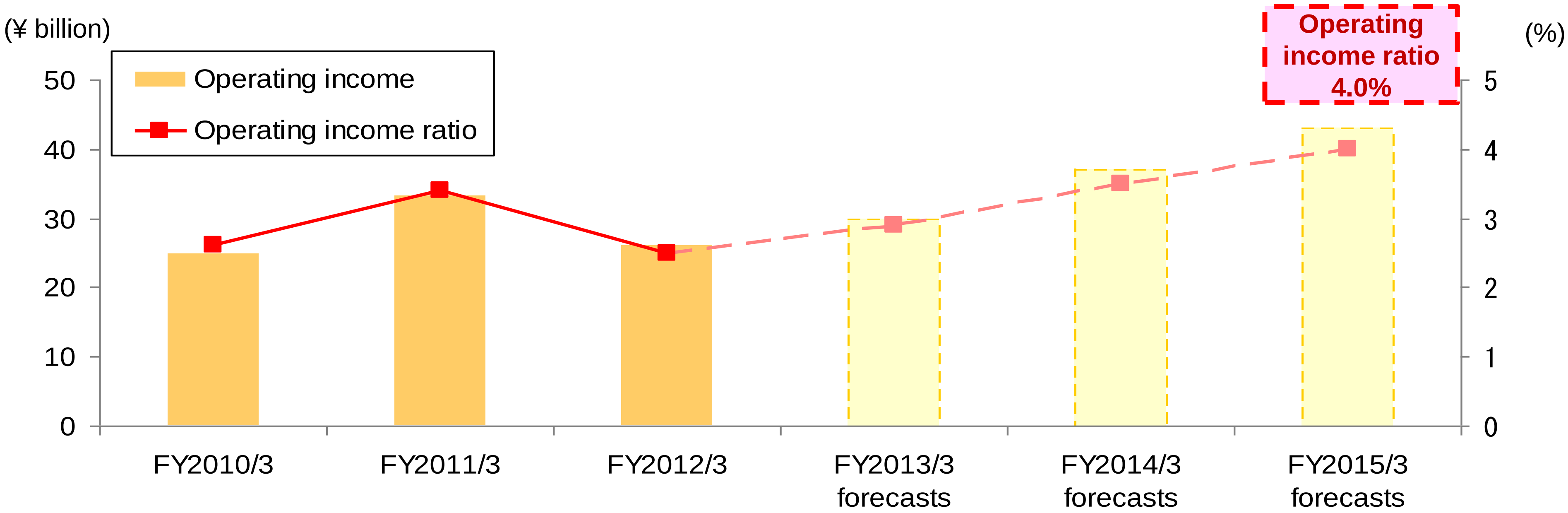
(¥ billion)

	FY2013/3 forecasts	FY2014/3 forecasts	FY2015/3 forecasts
Consolidated net sales	1,040.0	1,060.0	1,080.0
Operating income	30.0	36.0	43.0
Income before income taxes	23.0	31.0	38.0
Net income	12.0	17.0	22.0
Operating income ratio	2.9%	3.4%	4.0%

- Toward operating income ratio of 5%
- Challenge: Achieve highest ever operating income (fiscal years ended March 2000 and March 2001 > ¥42.6 billion)



Sales and operating income forecasts by division

(¥ billion)

		FY2012/3	FY2013/3 forecasts	FY2014/3 forecasts	FY2015/3 forecasts	Growth from FY2012/3
Processed Foods Business Division	Sales	342.2	350.0	358.0	367.0	107.2%
	Operating income	8.0	10.0	12.0	14.0	175.0%
	Operating income ratio	2.3%	2.9%	3.4%	3.8%	-
Fresh Meats Business Division	Sales	666.2	680.0	694.0	708.0	106.3%
	Operating income	16.2	18.0	21.0	25.0	154.3%
	Operating income ratio	2.4%	2.6%	3.0%	3.5%	-
Affiliated Business Division	Sales	135.2	137.0	139.0	142.0	105.0%
	Operating income	2.0	2.5	3.2	4.0	200.0%
	Operating income ratio	1.4%	1.8%	2.3%	2.8%	-
Eliminations and other adjustments	Sales	(125.8)	(127.0)	(131.0)	(137.0)	-
	Operating income	0.3	(0.5)	(0.2)	0.0	-
Consolidated	Sales	1,017.8	1,040.0	1,060.0	1,080.0	106.1%
	Operating income	26.5	30.0	36.0	43.0	162.3%
	Operating income ratio	2.6%	2.9%	3.4%	4.0%	-

●Strategy in each division

Processed Foods Business Division ... Increase market share through category leader strategy and invest in production streamlining

Fresh Meats Business Division ... Improve market share by expanding upstream operations and procurement capabilities and strengthening supply capability. Overhaul Australian operations

Affiliated Business Division ... Strengthen ingredient procurement in marine and dairy product businesses, expand marketing of foods produced in-house

Consolidated sales targets by geographic segment

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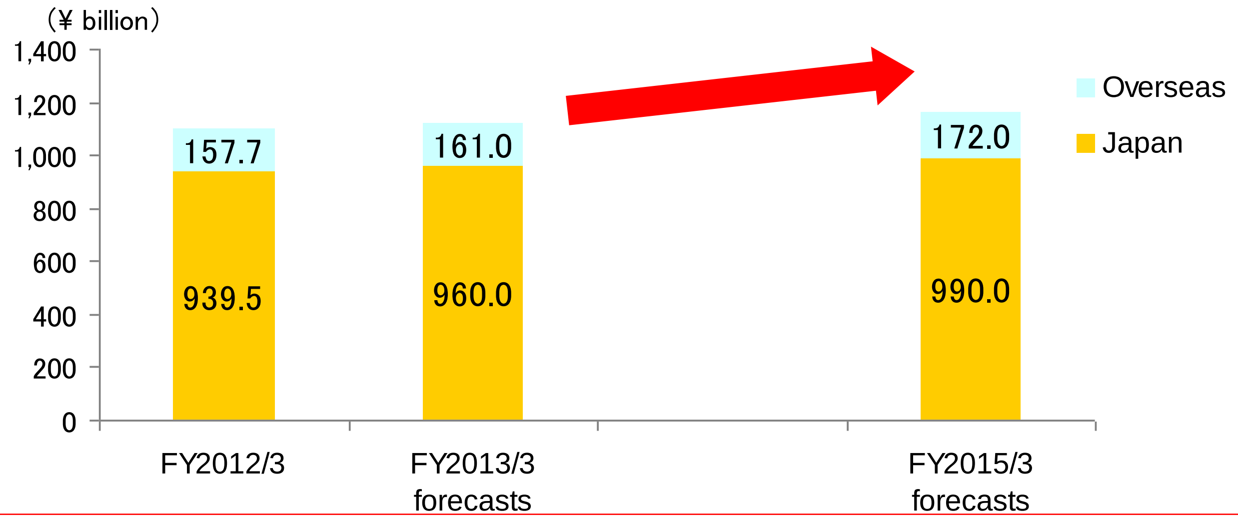
(¥ billion)

		FY2012/3	FY2013/3 forecasts	FY2015/3 forecasts
Japan		939.5	960.0	990.0
Overseas		157.7	161.0	172.0
	Americas	71.9	73.1	79.0
	Australia	55.9	56.0	57.0
	Asia and other regions	32.1	32.9	37.1
Eliminations and other adjustments		(79.4)	(81.0)	(82.0)
Consolidated sales		1,017.8	1,040.0	1,080.0

Note: Sales by geographic segment are before intersegment elimination.

	FY2012/3	FY2013/3 forecasts	FY2015/3 forecasts
Overseas sales	78.9	81.0	90.0

Note: Overseas sales are sales to external customers by overseas affiliates (including sales to Japan)



The overseas sales target ratio is 8.3% in the plan, but we aim to improve this to 10% or higher through forward-looking investments and M&A

Consolidated operating income targets by geographic segment

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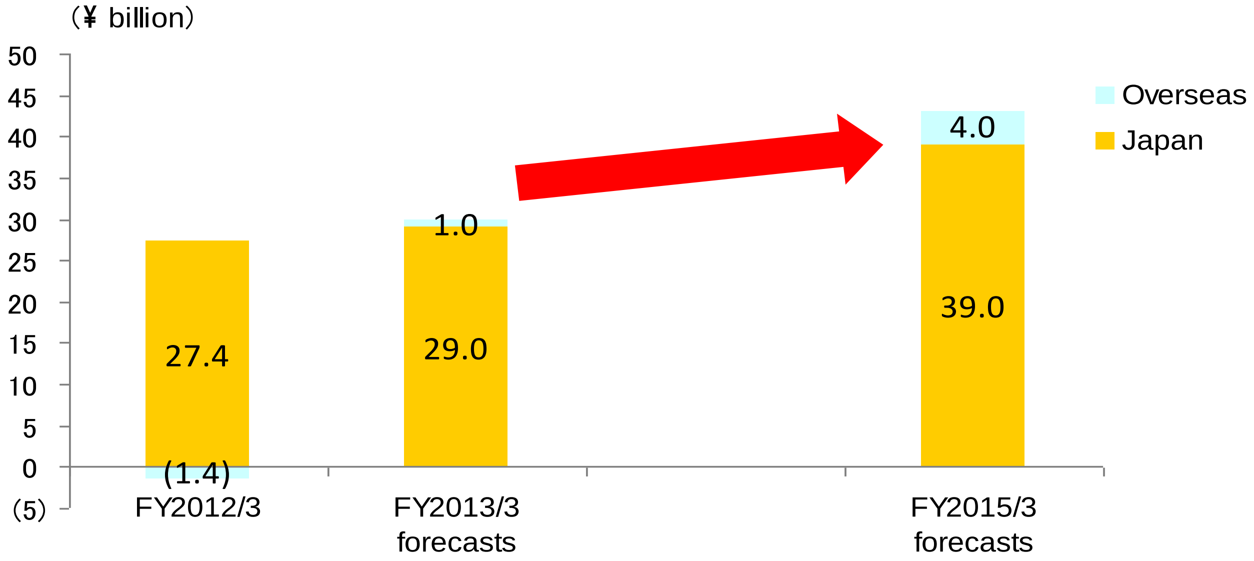
Consolidated operating income by geographic segment

(¥ billion)

		FY2012/3	FY2013/3 forecasts	FY2015/3 forecasts
Japan		27.4	29.0	39.0
Overseas		(1.4)	1.0	4.0
	Americas	2.2	2.5	3.0
	Australia	(3.9)	(2.5)	(1.0)
	Asia and other regions	0.3	1.0	2.0
Eliminations and other adjustments		0.5		
Consolidate operating income		26.5	30.0	43.0



Targets for B/S, cash flow, capital expenditures and depreciation in year ending March 2015

	FY2012/3	FY2015/3 forecasts
Total assets	¥589.1 bn	¥610.0 bn
Interest-bearing debt	¥139.2 bn	¥120.6 bn
Total shareholders' equity	¥290.0 bn	¥325.2 bn
ROE (after tax)	4.1%	7.0%

	Management Plan III (3-year total)	Management Plan IV (3-year total)
Cash flows from operating activities	¥130.6 bn	¥134.0 bn
Cash flows from investing activities	¥(41.6 bn)	¥(113.0 bn)
Free cash flow	¥89.0 bn	¥21.0 bn

	Management Plan III (3-year total)	Management Plan IV (3-year total)
Capital expenditures	¥56.5 bn	¥100.0 bn
Depreciation and amortization	¥72.3 bn	¥70.0 bn

For more details, please see page 24 and after

III. Management Strategies in the New Medium-Term Management Plan Part IV

Growth drivers for the Group

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Integration

- A Group that values the blessing of life
- Risk-hedging through a wide variety of livestock categories

➤ **Integrated handling of three livestock categories**

Product development capabilities

- Wide-ranging product lineup: Hams and sausages, processed foods, fresh meats, marine products, dairy products, and functional materials
- Production systems in Japan and overseas, using in-house and partner companies

➤ **Monetize business opportunities**

Technological capabilities

- Quality certification: 900 employees (700 in Japan, 200 overseas)
- Standard-setting and management for lineups produced in Japan and overseas and by in-house and other companies

➤ **Quality and reliability in public eyes**

Marketing capabilities

- Product development tailored to wide range of customers and sales channels, and proposal-based marketing for individuals and retail outlets
- Gather data on the varying consumer needs based on customer feedback, market change analysis and updates on competitors

➤ **More effective sales activities**

Management Strategies

- (1) Strengthening of business bases and aggressive development of overseas business
- (2) Procurement and cultivation of human resources
- (3) Strengthening of R&D and quality assurance systems
- (4) Promotion of Group brand management
- (5) Enhancement of capital efficiency and optimization of efficient use of funds

Management Strategies: (1) Strengthening of business bases and aggressive development of overseas business

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1. Improve earnings by strengthening and expanding core businesses

- Increase market share through category leader strategy
- Expand upstream fresh meat businesses and strengthen procurement and supply capabilities
- Strengthen material procurement at marine and dairy products businesses and expand sales of in-house products
- Strengthen sales promotions through partnerships among companies within the Group

2. Expand business domains

- Develop and expand business domains where we can bring to bear the strengths of the Group

3. Aggressive development of overseas businesses

- Assess the compatibility of existing supply bases and businesses, and create platform for expansion of localized marketing and trade from overseas bases with ASEAN, North America, China, Europe, etc.)
- Consider investment through aggressive M&A

Management Strategies: (1) Strengthening of business bases and aggressive development of overseas business

3. Overseas business (Australia, Americas)

Restructuring Australian businesses

Operating income target for Australian businesses: ¥-1.0 billion (FY2015/3)

- Overhaul product lineup destined for Japan market
  1. Leverage strong marketing networks within Japan to expand sales
  2. Introduce new products (short fed)

- Overhaul production businesses
  1. Reconfigure production systems
  2. Take measures to further improve the production yield rate

- Overhaul marketing businesses
  1. Expand marketing within Australia and with emerging countries (Russia, Indonesia, Philippines, China, Hong Kong, etc.)

Develop businesses in the Americas

Consider investment in M&A in localized marketing of hams and sausages and processed foods

- Businesses in North America: Strengthen measures to improve production costs at Texas Farm, LLC (ship more beasts per sow)

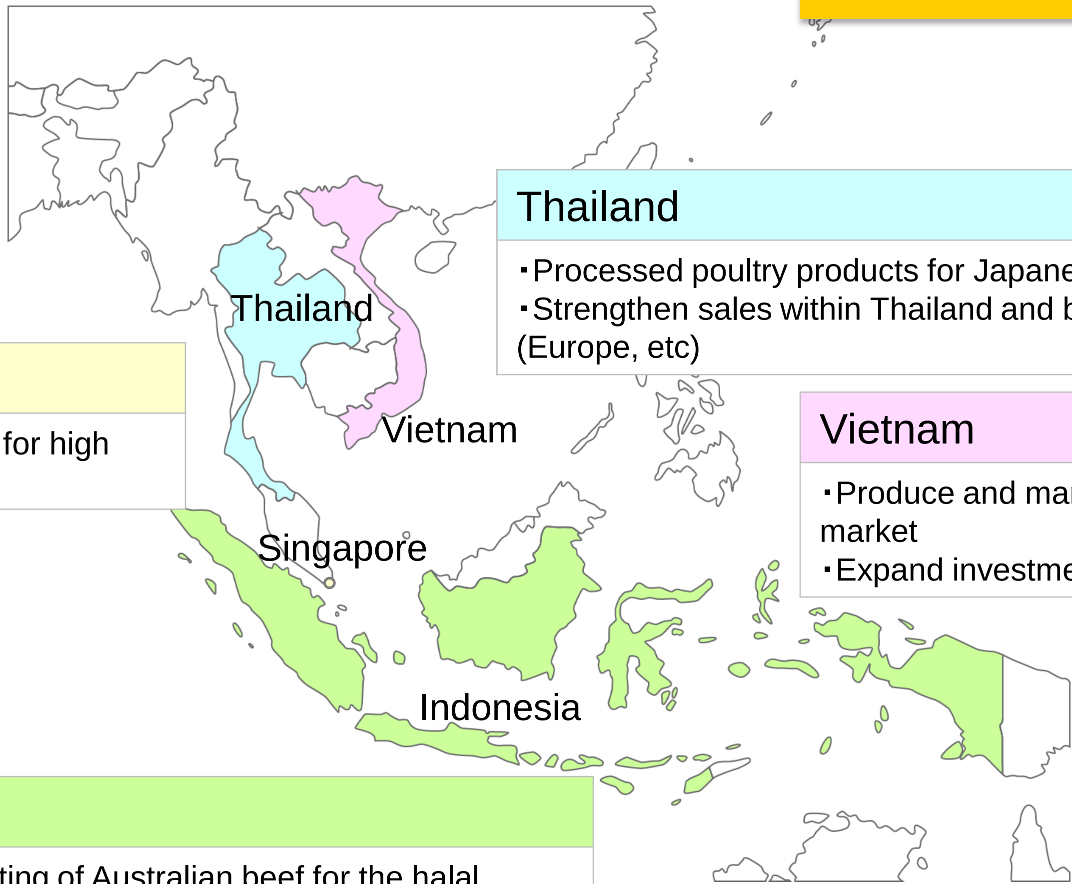
- Businesses in South America: Strengthen production and marketing of marine products

Management Strategies: (1) Strengthening of business bases and aggressive development of overseas business

3. Overseas businesses (ASEAN)

Initiatives in ASEAN

ASEAN is a priority strategic area. We are considering investment and M&A strategies in new markets to strengthen marketing capabilities



Thailand

・Processed poultry products for Japanese market
・Strengthen sales within Thailand and beyond (Europe, etc)

Singapore

・Strengthen marketing bases for high value-added products

Vietnam

・Produce and market hams and sausages for the internal market
・Expand investment scope to further strengthen internal sales

Indonesia

・Strengthen marketing of Australian beef for the halal market
・Enter processed foods business with strategic partners

Management Strategies: (2) Procurement and cultivation of human resources

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1. Foster management class to take the business to the next stage

- Foster a management mindset and improve people skills (wide experience, management capability, and networking skills)
- Foster ambitious spirit among mid-level, entry-level and female employees, provide management training

2. Foster and make full use of technical professionals

Training for a changing business environment

- Encourage transfer of skills by veterans

3. Attract and foster global talent

- Use more local managers and staff at overseas businesses

Management Strategies: (3) Strengthening of R&D and quality assurance systems

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1. Put in place R&D and quality assurance framework to keep us “Management for No.1 Quality”

- Develop and commercialize inspection and analytical technologies
- Strengthen global inspection frameworks
- Create Group synergies in research and inspection departments, etc

→ Deepen customer trust

2. Apply new technologies in products and businesses

- Research and develop technologies in food processing, quality assurance, taste creation and food inspection
- Research and develop fresh meats, processed foods and feed products to create new value

→ Ensure competitive edge through new technologies

3. Interactive dialog from the customer's standpoint

- Improve products and services based on suggestions from customers and the “board of housewives”
- Keep customers informed of useful product and Group developments

→ Build customer loyalty

Management Strategies: (4) Promotion of Group brand management

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1. Develop a Group brand strategy and framework

- Provide strategic updates on growth of business domains
- Create cycle for generating competitiveness through brand value
- Leverage Group brand in overseas business development

Raise the profile of Group brand and create clearer identity

2. Strengthen inner branding

- Ensure all employees identify with the corporate philosophy, mission and code of ethics, and the Group brand
- Meet commitments to stakeholders

Sustainable development of the Group

Management Strategies: (5) Enhancement of capital efficiency and optimization of efficient use of funds

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Capital strategy and measures to boost ROE

- Make ROE a performance indicator, and undertake policies to improve capital efficiency

Management Plan III Final fiscal year (result)
ROE 4.1%

Management Plan IV Final fiscal year (target)
ROE 7.0%

Goal
ROE 8.0%

Expand net income	Shareholder capital management	Asset efficiency
• First raise operating income ratio to 4% • Improve earnings capability by strengthening and expanding core businesses • Boost market share • Grow business domains, overseas sales	• Buy more treasury stock as appropriate	• Keep inventory assets at appropriate levels

Management Strategies: (5) Enhancement of capital efficiency and optimization of efficient use of funds

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Our approach to financial strategy and shareholder returns

Cash flow	● Generate ¥134 billion in cash flow from operating activities over 3 years ● Over same timeframe, build up free cash flow of ¥21 billion
Funding	● Ensure flexible fund procurement policies that support growth and capital strategies (If necessary, take on interest-bearing debt. A spike in the debt-equity ratio is acceptable) ● Use cash management system

Growth investments	● Invest in growth businesses in Japan and overseas and in new businesses ● Rigorously screen investment, and apply standards and rules
Shareholder returns	● Use consolidated payout ratio as benchmark for healthy shareholder returns → Consolidated payout ratio of 30%, with near-term floor of ¥16 per share ● Make extra purchases of treasury stock when appropriate → Improve overall rate of return

Management Strategies: (5) Enhancement of capital efficiency and optimization of efficient use of funds

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Cash flow targets

	New Medium-Term Management Plan Part III (2010-2012 inclusive) (¥ billion)	New Medium-term Management Plan Part IV (2013-2015 inclusive) (¥ billion)
Net income	44.6	51.0
Depreciation and amortization	74.0	70.8
Others	12.0	12.2
Cash flows from operating activities	130.6	134.0
Capital expenditures	(50.7)	(92.0)
Others	9.1	(21.0)
Cash flows from investing activities	(41.6)	(113.0)
Cash dividend	(10.6)	(12.8)
Acquisition of treasury stock	(16.5)	
Reduction of interest-bearing debt	(38.8)	(22.1)
Cash flows from financing activities	(65.9)	(34.9)
Effect of foreign currency translation	(0.8)	
Increase or decrease in cash	22.3	(13.9)

Management Strategies: (5) Enhancement of capital efficiency and optimization of efficient use of funds

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Capital expenditures

(Facilities)	Management Plan Part II (3-year total)		Management Plan Part III (3-year total)		Management Plan Part IV (3-year total)	
	¥ billion	%	¥ billion	%	¥ billion	%
Production	21.8	36	27.4	49	37.1	37
Marketing and logistics	6.5	11	6.4	11	17.7	18
Farms and processing	11.3	19	12.0	21	25.4	25
Overseas operations	9.5	16	4.4	8	8.6	9
Other	11.1	18	6.3	11	11.2	11
Total	60.2	100	56.5	100	100.0	100

Improve production efficiency and strengthen procurement capability

- Processed foods business: Upgrade production facilities, introduce high-capacity lines
  Affiliated businesses: Increase production capacity
- Maintain and upgrade marketing and logistics facilities
  (Processed foods business, fresh meats business and affiliated businesses)
- Invest in upstream fresh meat businesses to strengthen procurement capability
- Overseas operations facilities: Maintain and upgrade established facilities

IV. Strategy for Each Business Division

Processed Foods Business

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Basic policy

Promote expansion and creation of five domains (markets) and develop strategies for efficiency

Key measures

Expansion and creation of five domains

Category leader strategy

(*"SCHAU ESSEN"* range, *"Irodori Kitchen"* items, *"Mori-no-Kaori"* coarse-ground wieners, "*Chuka Meisai*" and "*Ishigama Kobo*" items)

Consumer-use

Expand four priority marketing channels (convenience stores, restaurants, bakeries and delicatessens)

Commercial-use

Upmarket items

Build *"Utsukushi-no-Kuni"* brand

Commercial chilled foods

Create new markets through differentiation (Increase market share from 3% to 5%)

Overseas

Expand production for local market (ASEAN, Europe and United States, China)

Streamlining strategies

1. Optimize production systems (Reconfigure roles of each factory)
2. Introduce high-capacity production lines
3. Continue policy of product-range consolidation
4. Benefit from supply chain management reforms

Fresh Meats Business

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Basic policy

Increase earnings by expanding market share in Japan and strengthening and overhauling overseas businesses

Key measures

Expansion of market share in Japan

1. Expand volumes
(5% per year: 40,000 tonnes, 1% market share growth)
2. Upgrade domestic production systems
3. Strengthen external procurement capabilities
4. Strengthen product development capabilities and cost competitiveness
5. Strengthen logistics system

Strengthen and reform overseas operations

1. Expand overseas sales (Americas, ASEAN, China)
2. Overhaul structure of businesses in Australia and develop growth strategy

Affiliated Business

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Basic policy

Build up business into third pillar of the Group through in-house production

Key measures

Raise profile as food production company

1. Focus on production
   - i) Strengthen upstream marine product businesses
   - ii) Strengthen production capacity in room temperature businesses
   - iii) Increase production capacity in cheese business

2. Strengthen capabilities in sales planning, product development and marketing
   - i) Expand range of consumer-use products by taking a customer perspective
   - ii) Foster and strengthen personnel and overhaul marketing

3. Promote brand management

   Enhance brand loyalty by establishing a corporate brand for the division

Assumed prices in New Medium-Term Management Plan Part IV

(¥/kg)

		March 2013	March 2014	March 2015
Beef	Wagyu steers (Tokyo A4)	1,483	1,750	1,800
	Dairy fattening cattle (Tokyo and Osaka B2)	601	650	600
Pork	High-quality dressed carcass (Tokyo)	434	448	448
Poultry	Breast and thigh (weighted average)	434	455	456

Exchange rates	US dollar/yen	82.0	82.0	82.0
	Australian dollar/yen	84.0	84.0	84.0
	Australian dollar/US dollar	1.02	1.02	1.02

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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.