

Minutes of the Institutional Investor/Analyst Briefing for the Third Quarter of the Fiscal Year Ending March 31, 2013

Nippon Meat Packers, Inc.

Date & Time: February 4, 2013 (Monday) - 10:00-11:00

Attendees: Director and Managing Executive Officer (General Manager of Corporate Management Division, in charge of Accounting and Finance Department and IT Strategy Department):

Yoshihide Hata

General Manager of Public Relations & IR Department:

Shigeru Nakajima

Q & A

Overall

Q1) Please discuss the probability of achieving the ¥30 billion operating income target set for the current fiscal year as well as the next fiscal year's ¥36 billion target.

A1)

- Achieving the current fiscal year's ¥30 billion operating income target will be difficult. We are sticking with the plan, however, since reaching this target is not impossible amid improved performance trends in the Processed Foods and overseas businesses as well as indications of a rebound in fresh meat markets during the fourth quarter.
- The breakdown of the next fiscal year's projected ¥6 billion operating income increase, as outlined in the New Medium-Term Management Plan PART IV, is:

Processed Foods Business Division:	¥2 billion
Fresh Meats Business Division:	¥3 billion
Affiliated Business Division:	¥0.7 billion
Companywide (eliminations/adjustments):	¥0.3 billion

Factors such as rising principal raw material and other material costs in the Processed Foods business could make reaching this target difficult. I believe that such difficulties can be offset through SCM reforms, sales volume growth and cost-cutting enhancements in the Processed Foods business; rebounding markets in the Fresh Meats business; and a further turnaround in Australian businesses. At this point, however, the feasibility of reaching this target is still being investigated.

Q2) Explain the Company's response regarding share prices having reached the conversion prices of convertible bonds as well as general trends in cancelling stock cross holdings.

A2)

- I don't believe that there will be any immediate movement to convert convertible bonds just because the current share price exceeds the conversion price of the convertible bonds. However, we will look into treasury stock acquisition and other methods in the event that such bonds are converted into stocks.
- There is a significant amount of Nippon Meat Packers stock cross holdings held by financial institutions. We will respond appropriately if there are moves to cancel stock cross holdings.

Q3) Eliminations and adjustments in the third quarter on the consolidated basis greatly exceeded targets. Could this be repeated in the fourth quarter?

A3)

At this point, we forecast eliminations and adjustments to be in line with our target (Difference: +¥0.1 billion).

Q4) Trading companies have engaged in bids to take over our competitors. How will this affect operating conditions?

A4)

We haven't seen any changes in operating conditions as a result of these take over bids.

Processed Foods Business

Q5) What is your opinion concerning our measures to achieve profitability in the Processed Foods business during the fourth quarter?

A5)

- I believe that achieving profitability in the fourth quarter will be difficult. To date, we have seen backlashes in year-end demand during the fourth quarter that had a negative effect on performance. However, performance improved thanks to efforts that began last year to bolster the Company's New Year marketing negotiations. Based on this, I think achieving profitability targets may be possible.

Q6) Why did gift set sales decrease compared with last year?

A6)

- The overall unit sales of the gift market and the ham and sausage industry declined 4% and 2%, respectively, compared with the previous fiscal year. At the same time, unit prices fell. In spite of such poor overall market performance, the Company's unit sales slipped only 1%. In addition, flagship "Utsukushi-no-Kuni" gift set sales grew 34% year on year, accounting for 15% of the Company's total gift sales. We were also able to minimize drops in unit prices for all of Nippon Meat Packers' gift products.

Fresh Meats Business

Q7) Give an overview of and the reason why the Company's ability to procure U.S. beef remains the same as pre-BSE outbreak levels. In addition, provide a market forecast following the easing of import restrictions on U.S. beef.

A7)

- I believe that the Company's strength regarding imported beef lies in its trusting relationships with local producers as well as its sales capability. In particular, Nippon Meat Packers' beef tongue and offal market shares are high. I expect an increase in import volume due to strong Japanese interest in imported U.S. beef tongue and offal, which is a plus for the Company.
- The U.S. is shifting sales of sirloin and other standard items to other countries. At the same time, U.S. market prices for these items are rising amid declines in the number of U.S.-bred cows. Accordingly, it is unlikely that these prices will decrease since the import volume in Japan is not expected to increase.

Q8) Why did Australian business-related losses decrease during the first three quarters, and can these improvements be continued?

A8)

- The decrease in losses was thanks to lower costs and higher sales volume.
- We will continue working to expand overseas sales. In addition, we will reconsolidate the existing "Omugi Gyu" (grain-fed) and "Olive Gyu" (olive cattle) brands while promoting new *Whyalleaf* (short-fed) Australian beef products. We will also expand sales to emerging countries.

Q9) Explain measures for improving future performance in the Americas business.

A9)

- We are enhancing local farm productivity and expanding sales in the Americas. Group companies mainly in Mexico and Chile are covering income decreases in our Americas-based farming operations.
- Although overall market prices for pork should, in essence, increase in line with soaring feed prices, they have not risen. This is due to expanded supply accompanying early meat and sow shipments by U.S. farmers. I expect market prices to gradually rise due to a forecasted drop in pig shipments following a contraction in the number of farms and lower sow shipments from around spring onward. In addition, feed prices have stabilized since their peak and appear to be improving.

Q10) What were the reasons for the year-on-year decrease in meat product marketing company Nippon Food, Inc.'s operating income?

A10)

- Despite a 4% year-on-year increase in third quarter sales volume,

market prices for pork and poultry were lower than last year, making healthy sales margins difficult to obtain. In particular, we saw a consumer backlash against the price of domestically produced poultry, which remained high throughout the previous year. We will work to maintain profits by reducing expenses.

Q11) Provide background on the current weakness in pork markets and your forecast for the next fiscal year.

A11)

- Due to a large number of pig shipments, market prices are somewhat weak at the moment. However, we should see movement in market prices based on seasonal factors. I expect a gradual upswing in prices during spring and summer and then should fall after that. I see no irregular factors currently affecting market prices.