

Business Results and Progress in the Medium- Term Management Plan

May 15, 2013

Nippon Meat Packers, Inc.

President and Representative Director

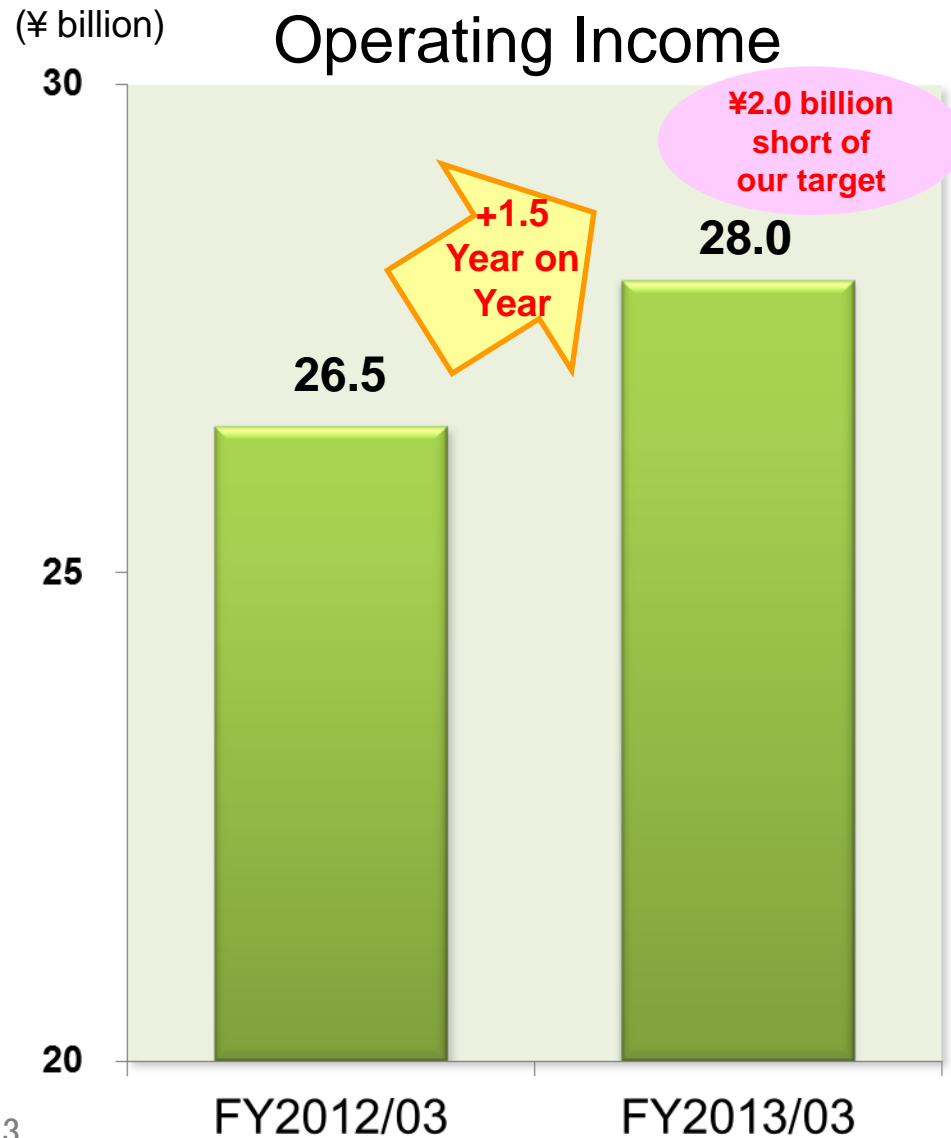
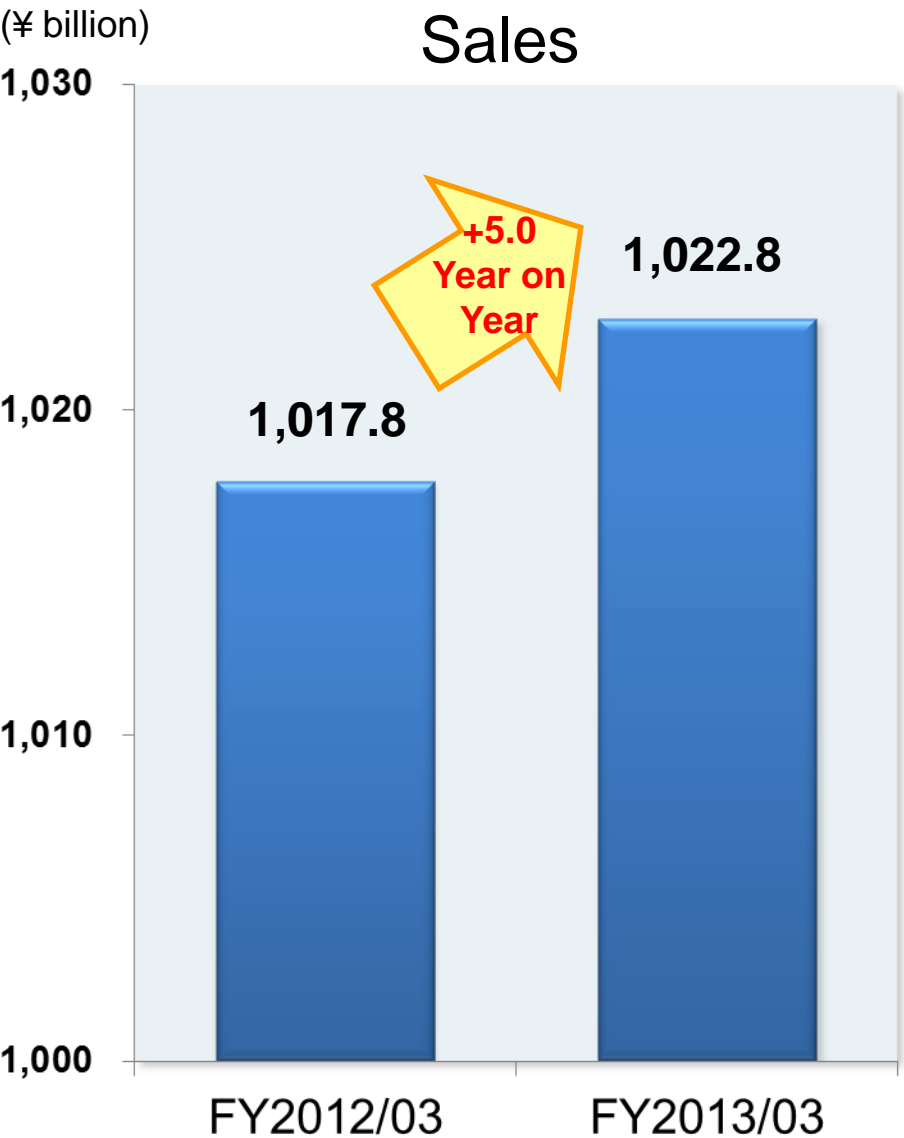
Noboru Takezoe



- 1) FY2013/03 Results Overview
- 2) Outlook for FY2014/03 and
Medium-Term Management Plan
- 3) Review of FY2013/03
- 4) Aggressive Investment in Growth and
Efficiency Strategies
- 5) Future Business Challenges
- 6) Key Factors

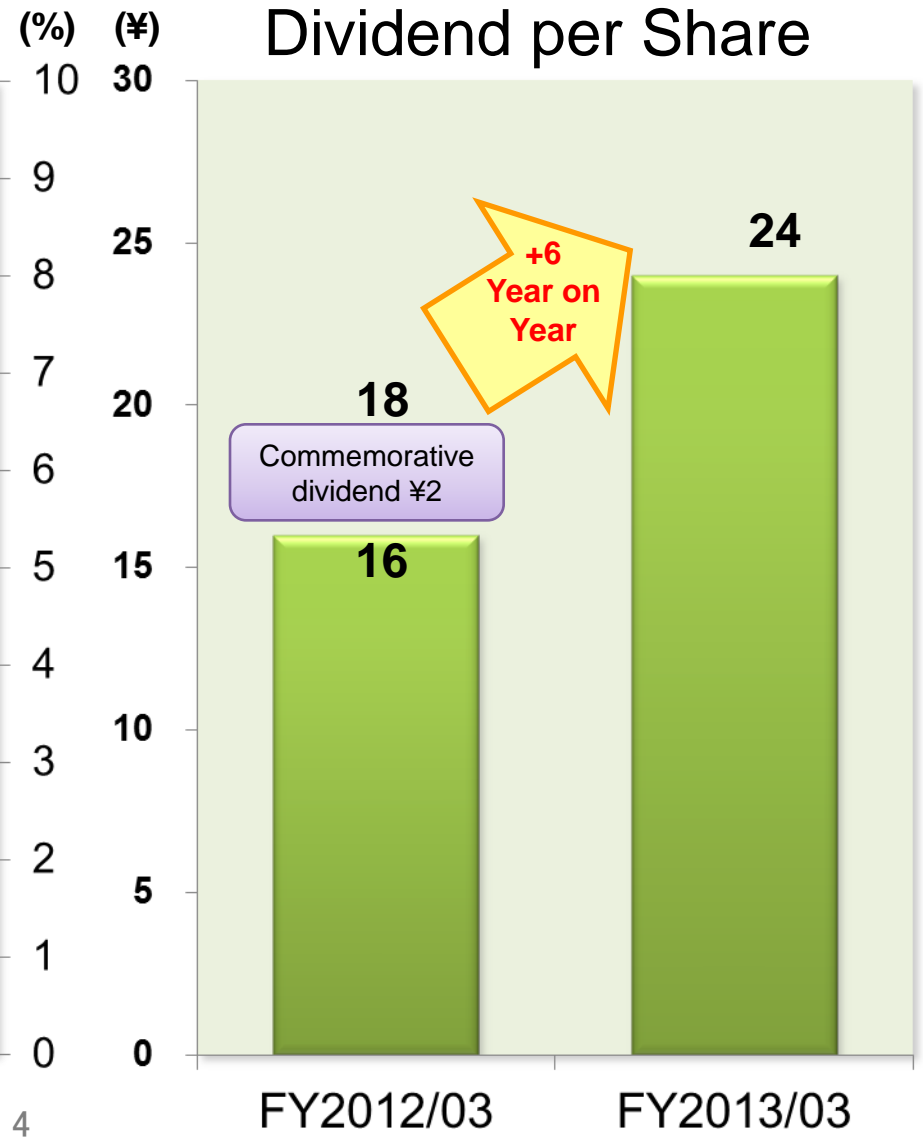
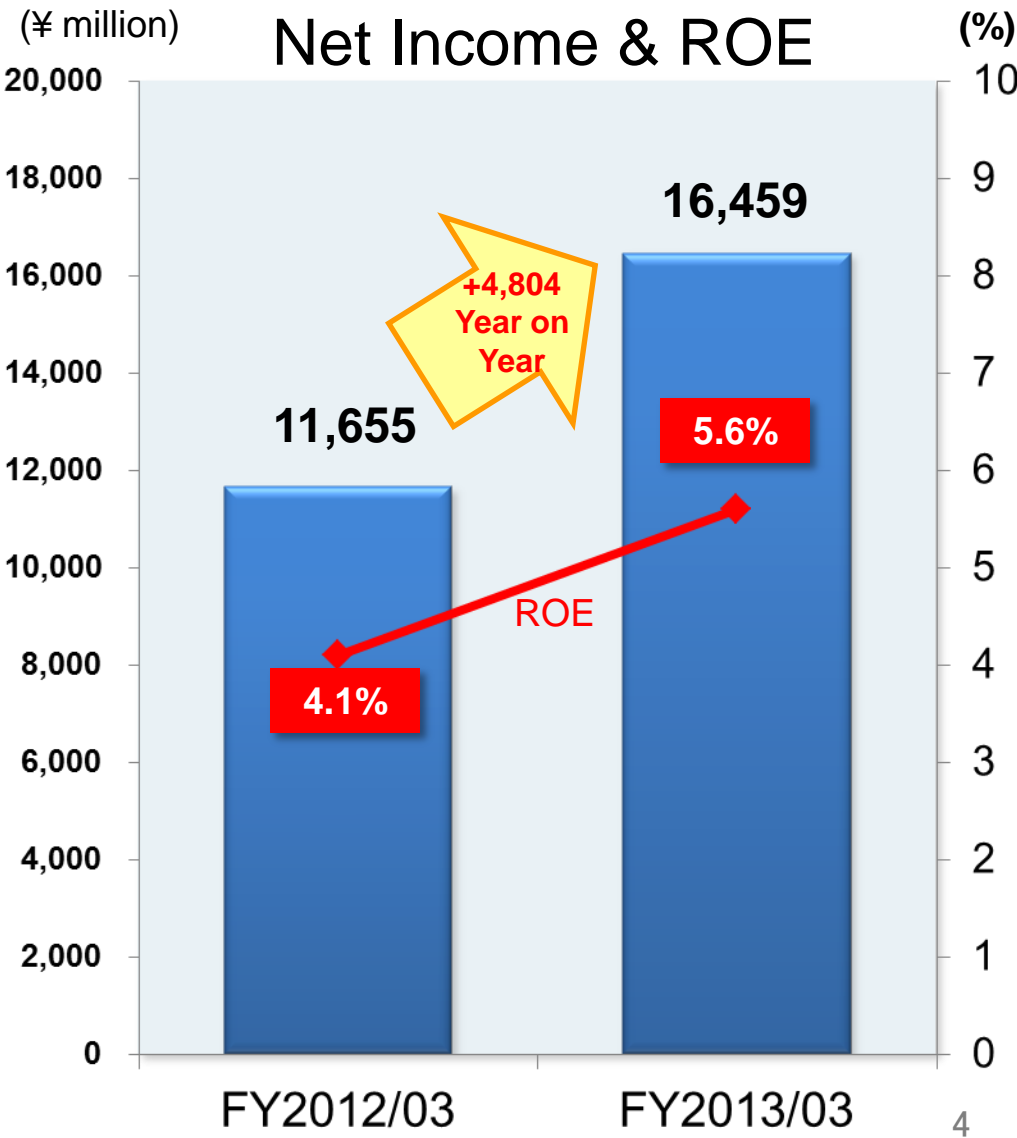
1. FY2013/03 Results Overview (1)

Target Unachieved but Secured Higher Revenues and Earnings Year on Year



1. FY2013/03 Results Overview (2)

Improved Net Income, ROE. Increased Dividend Payout Ratio to 30%



1. FY2013/03 Results Overview (3)

Operating Income Target and Reasons for Operating Income Decrease

*Full-year target revised as of the 3rd quarter (¥billion)

Business Division	Target	Result	Difference	Reason
Processed Foods Business Division	10.4	9.6	(0.8)	Lower volumes for commercial-use products
Fresh Meats Business Division	16.2	15.5	(0.7)	Profitability worsened in farming businesses Deteriorating earnings for U.S. pig-farming operations
Affiliated Business Division	2.0	1.5	(0.5)	Deteriorating profitability of marine products business
Eliminations, Adjustments and Others	1.4	1.4	0.0	
Total	30.0	28.0	(2.0)	

Full-Year Operating Income for FY2014/03

(Forecast) ¥ 34.0 billion

(¥ 2.0 billion short of our target)

	FY2013/03		FY2014/03
Initial target	¥30.0 billion	(+¥6.0 billion)	¥36.0 billion
New target	¥28.0 billion	(+¥6.0 billion)	¥34.0 billion

Profit growth (+¥6.0 billion) unchanged

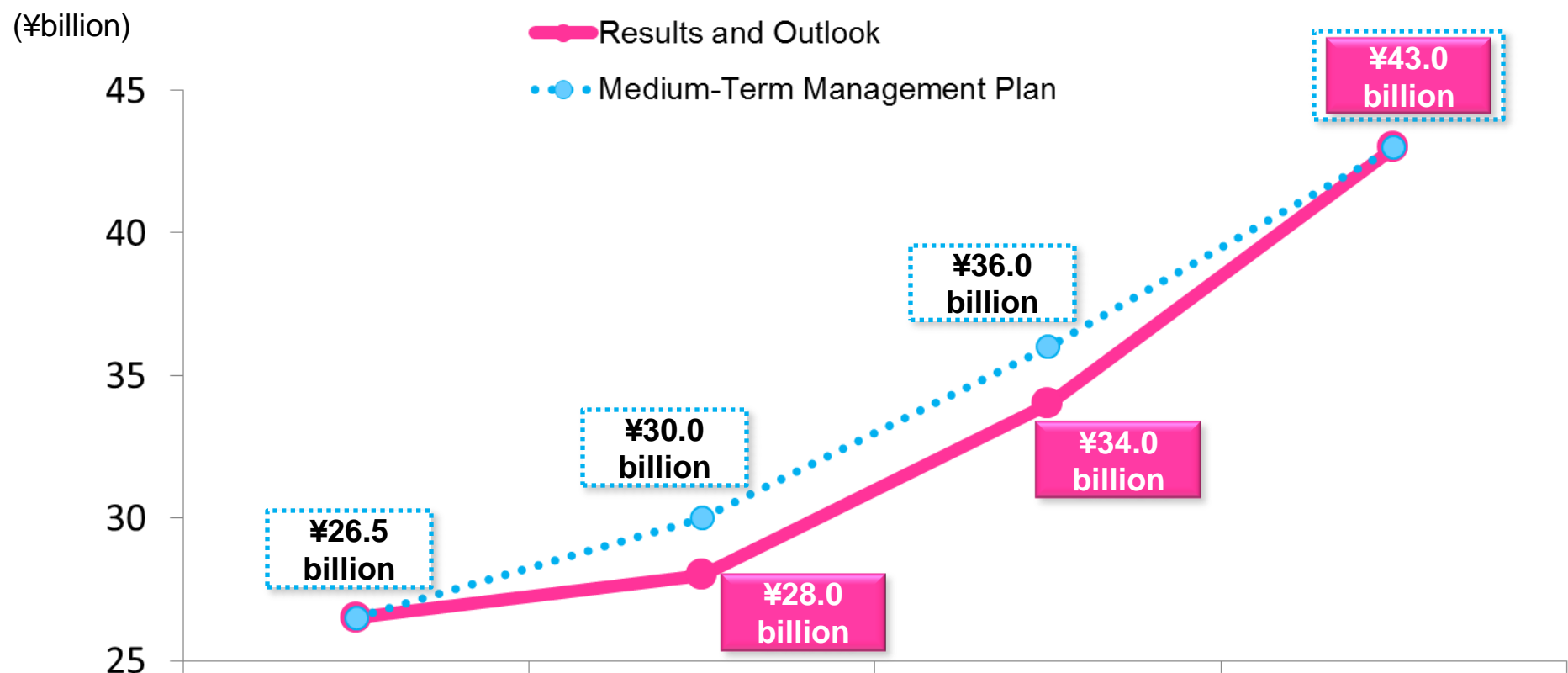
● Positive factors

- Higher hams and sausages and deli products sales
- Recovery in domestic pork market prices; total sales increase for fresh meats
- Higher dairy products sales; improved earnings for marine products
- Recovery in Australian and U.S. pig-farming operations

● Negative factors

- High principal raw/other materials and fuel prices
- Uncertainty regarding domestic poultry market prices

2. Outlook for FY2014/03 and Medium-Term Management Plan (3)



	FY2012/03	FY2013/03	FY2014/03	FY2015/03
Net Sales	¥1,017.8 billion	¥1,022.8 billion	¥1,060.0 billion	¥1,080.0 billion
Operating Income	¥26.5 billion	¥28.0 billion	¥34.0 billion	¥43.0 billion
Operating Income Ratio	2.6%	2.7%	3.2%	4.0%
Net Income	¥11.7 billion	¥16.5 billion	¥17.0 billion	¥22.0 billion
ROE(after tax)	4.1%	5.6%	5.7%	7.0%

3. Review of FY2013/03 (1)

1) Strengthen Business Base and Actively Expand Overseas Businesses

- Increase market share by boosting sales volume

Hams and sausages up 0.5% ; fresh meat up 1%

21.5%

22.0%

- Create new categories

“*Mo Kittemasuyo!*” series and other value-added products



- Restructure Australian businesses and strengthen approaches to Asia

Myanmar, Philippines, Vietnam, Taiwan, etc.

3. Review of FY2013/03 (2)

2) Acquisition and Development of Human Resources

- Develop executives
- Train engineers
 - Certify master, meister and quality assurance specialist
- Global personnel acquisition and development
- Develop female executives

3. Review of FY2013/03 (3)

3) Strengthening of R&D and Quality Assurance Systems

- Advancements in inspection system and analytical technologies

Responded to internal and external inspection demands
Newly built Tsukuba Analytical Plaza (TAP)



- New business development (commercialize functional materials, analytical technologies)

3. Review of FY2013/03 (4)

4) Promotion of Group Brand Management

- **Brand-Value Improvement**

Established the Corporate Strategic Task Force

[Functions] Brand Management, Corporate Marketing,
Corporate Communications, Portfolio Management

- Improved website
- Bolstered corporate communications
- Expanded dietary education

3. Review of FY2013/03 (5)

5) Enhancement of Capital Efficiency and Optimization of Fund Usage Efficiency

- Clarified ROE management
- Acquisition of Treasury Stock and Shareholder Returns

Acquired ¥15.0 billion in treasury stock

1) Class of shares to be acquired	Shares of common stock
2) Total number of shares acquired	12,779,000
3) Acquisition period	From November 1, 2012 to January 28, 2013
4) Method of acquisition	Purchase in the market through a trust bank

- Continue acquisition of treasury stock into the future
- Strategically improve ROE (FY2013/03 result ROE:5.6%)

3. Review of FY2013/03 (6)

6) Cash Flows and Medium-Term Management Plan

FY2013/3 Results (¥ billion)

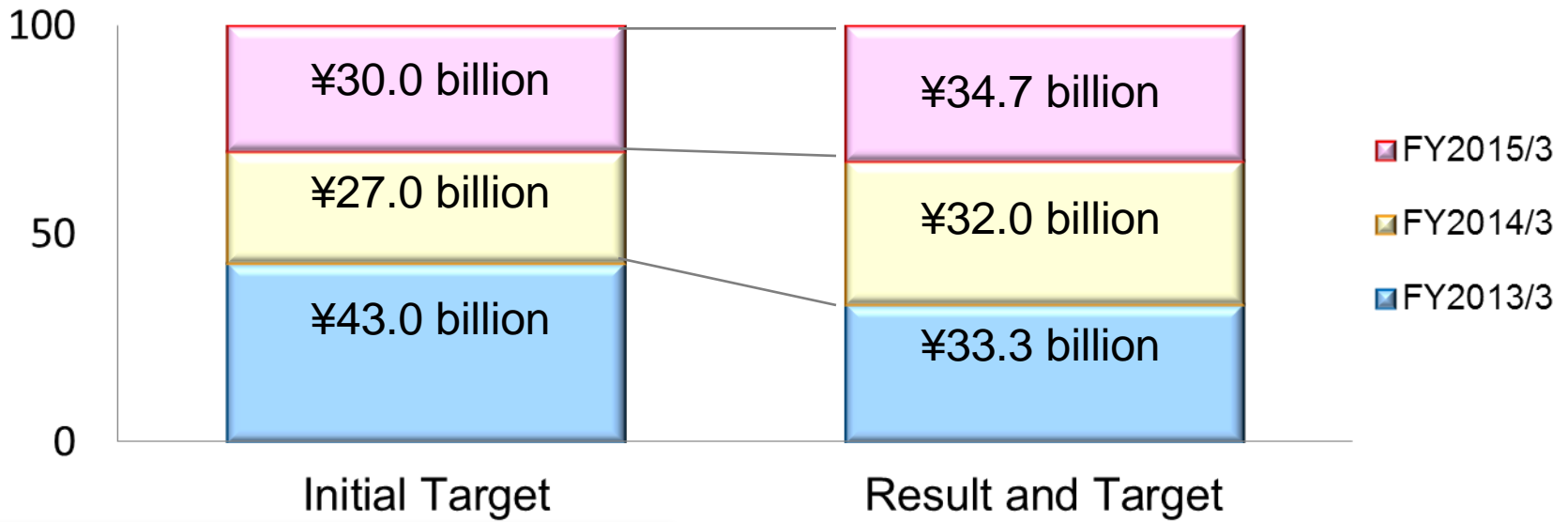
Net Income	16.7
Depreciation and Amortization	19.8
Other	0.9
Net cash provided by operating activities	37.4
Capital Expenditures	(29.9)
Other	(24.9)
Net cash used in investing activities	(54.8)
Cash Dividends	(3.9)
Acquisition of treasury stock	(16.0)
Interest-bearing debt increase, etc.	8.9
Net cash used in financing activities	(11.0)
Free Cash Flow	(17.4)

New Medium-Term Management Plan Part IV (FY2013-FY2015) (¥ billion)

Net Income	51.0
Depreciation and Amortization	70.8
Other	12.2
Net cash provided by operating activities	134.0
Capital Expenditures	(92.0)
Other	(21.0)
Net cash used in investing activities	(113.0)
Cash Dividends	(12.8)
Acquisition of treasury stock	
Interest-bearing debt decrease, etc.	(22.1)
Net cash used in financing activities	(34.9)
Free Cash Flow	21.0

4. Aggressive Investment in Growth and Efficiency Strategies (1)

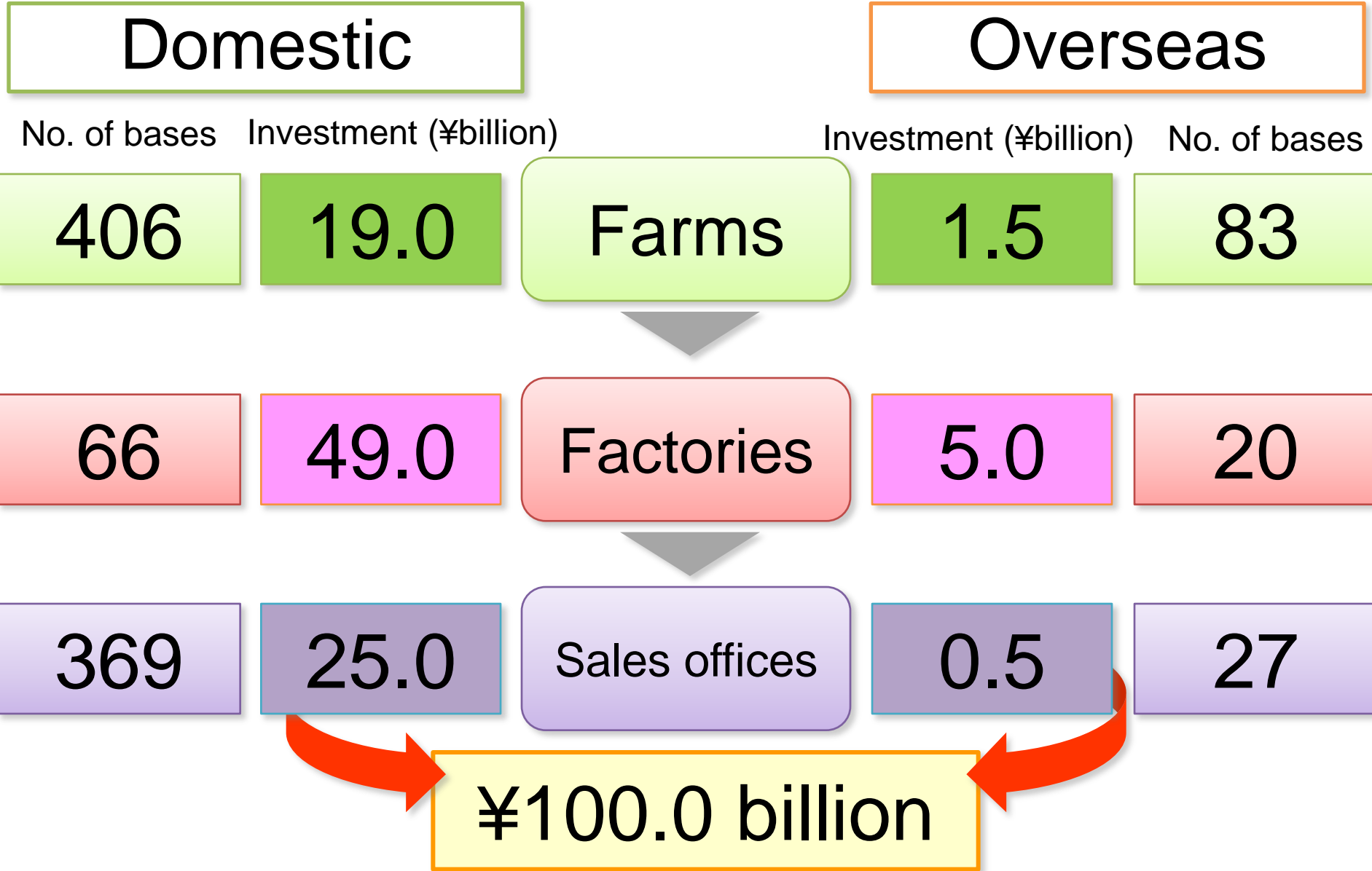
Improve Production Efficiency and Strengthen Procurement Capability



Target for FY2014/03

- Processed Foods Business Division ... Improve production efficiency
(Augment hams and sausages plant)
- Fresh Meats Business Division ... Enhance farming operations
(Increase the number of poultries)
- Affiliated Business Division ... Improve production efficiency
(Enhance cheese production lines)

4. Aggressive Investment in Growth and Efficiency Strategies (2)



5. Future Business Challenges

Processed Foods Business Division

- Secure earnings to offset high raw fuel costs
- Reform business model
- Create new categories and cultivate No.1 brands

Fresh Meats Business Division

- Build business models unaffected by market prices
- Establish superiority through fresh meat brand lineups

Affiliated Business Division

- Generate new growth drivers
- Increase sales and earnings through Group Synergies

Headquarters

- Promote further restructuring
- Management visualization
- Deepen corporate branding

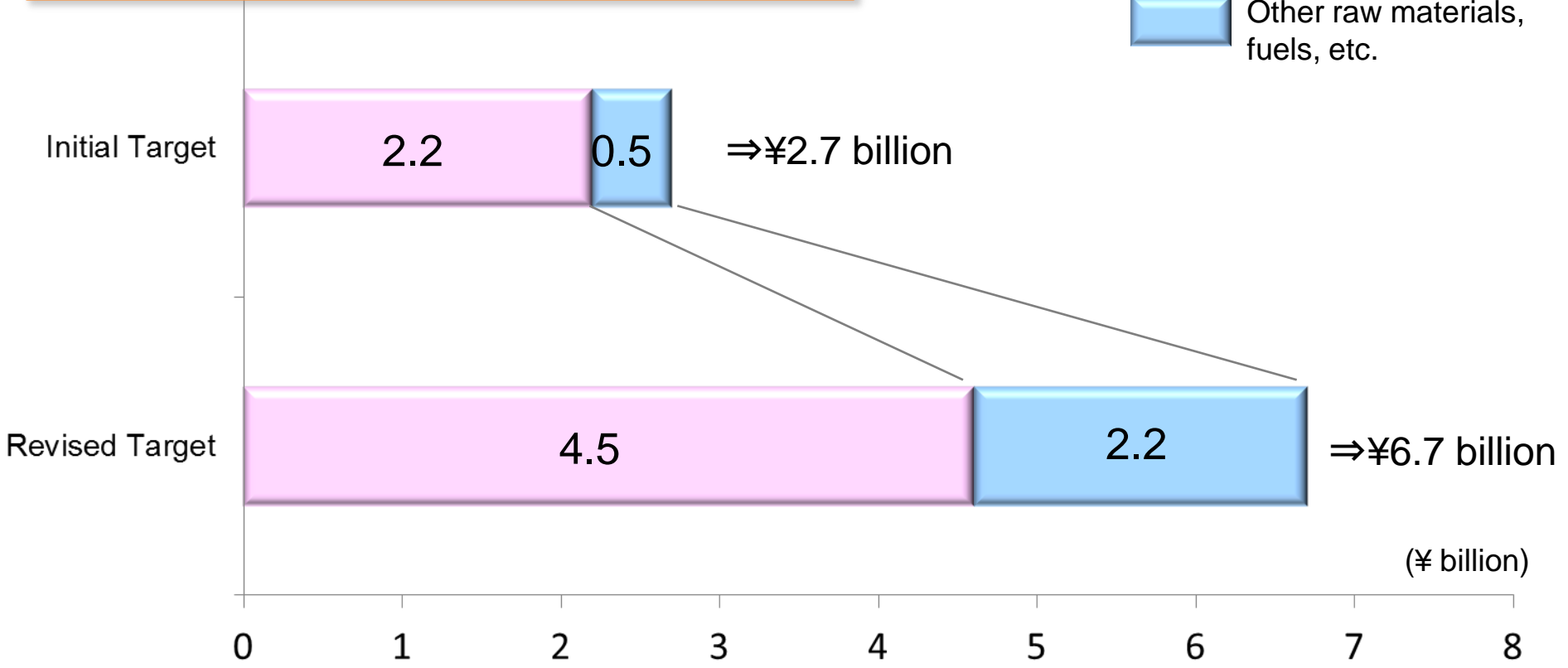
6. Key Factors

- 1) High Raw Material Prices and Price Revisions
- 2) Effect of Relaxed Restrictions on Imports of U.S. Beef
- 3) Australia Businesses and U.S. Pig-Farming Operations
- 4) ASEAN Initiatives
- 5) Financial and Capital Strategies

1) High Raw Material Prices and Price Revisions

Initial Targets and Difference

Principal raw materials
Other raw materials, fuels, etc.



▪ Estimated increase of ¥4.0 billion

⇒ Covered by cost cutting and price revisions

1) High Raw Material Prices and Price Revisions

Details of Price Revisions

Details: 5% - 11%; approx. average 8% change in standard prices
 (Hams and Sausages: 5-10%, Processed Foods: 5-11%)
Period: Starting July 1, 2013
Coverage: Main consumer-use products (processed foods)
 and certain commercial-use products

Hams and Sausages	Processed Foods
89 products	62 products

Effect: ¥2.7 billion in FY2014/03 (annual forecast: ¥3.6 billion)

- Relaxed restrictions commenced February 2013
- Volumes of some kinds of beef imports are likely to increase (short plate, tongue, etc.), but the effect was limited due to higher domestic sales of other meat varieties

Factors:

- High market prices due to decreasing live cattle numbers in the U.S.
- Exports shifted from U.S. to China, South Korea, etc.; high import prices from currency rate fluctuations
- Position of Australian beef in Japan improved

Australian Businesses

- Maintain stable, low live cattle prices in the first half
- Improve farm productivity and processing facility operation rates
- Increase sales of Australian beef starting with ASEAN and Japan
- Aim for a positive turnaround in operating income in FY2014/03 (achieve initial target two years in advance)

U.S. Pig-Farming Operations

- Market prices recovering amid stable internal U.S. demand and improved pork exports
- Stable grain prices. Improving earnings due to a rebound in productivity

4) ASEAN Initiatives

New Investment (Myanmar, Philippines, Taiwan, and Vietnam)

Myanmar

Commenced poultry business via joint venture with local company and Japanese partner . Preparing to commence farm operations in FY2015

Philippines

Established base in Manila to expand domestic sales of Australian beef

Taiwan

Launched extract business through joint venture with local company

Vietnam

Established new direct-sales base in Hanoi. Upgraded marketing system

5) Financial and Capital Strategies

Aim for 7% ROE

New Medium-Term Management Plan Part IV

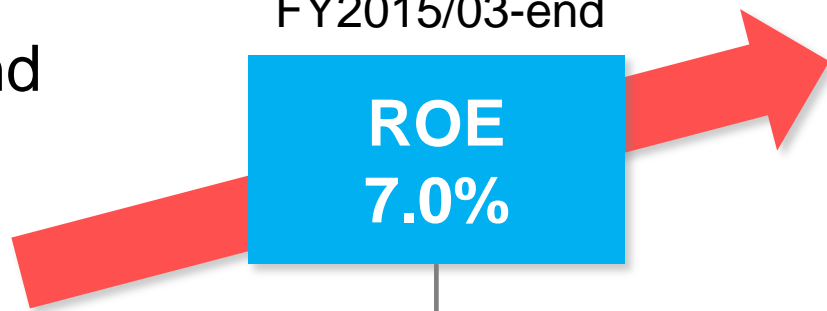
Final fiscal year
FY2015/03-end

FY2013/03-end

ROE
5.6%

ROE
7.0%

Future Vision
ROE
Over 8.0%



Increase earnings
Improve income ratio

- Improve operating income ratio
- Expand business domains (overseas, etc.)
- Decrease income taxes

Asset efficiency

- Improve turnover of receivables, inventories, etc.

Shareholders' equity management

- Acquire treasury stock in a complementary manner

$$\frac{\text{Net Income}}{\text{Net Sales}} \quad \mathbf{2.0\%}$$

×

$$\frac{\text{Net Sales}}{\text{Total Assets}} \quad \mathbf{1.8 \text{ Times}}$$

×

$$\frac{\text{Total Assets}}{\text{Nippon Meat Packers, Inc. Shareholders' Equity}} \quad \mathbf{1.95 \text{ Times}}$$

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

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