

Business Results for the First Quarter of FY2014/3

August 2, 2013 (Fri.)

Nippon Meat Packers, Inc.

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I. Consolidated Business Results for FY2014/3 1Q (Apr.-Jun.)

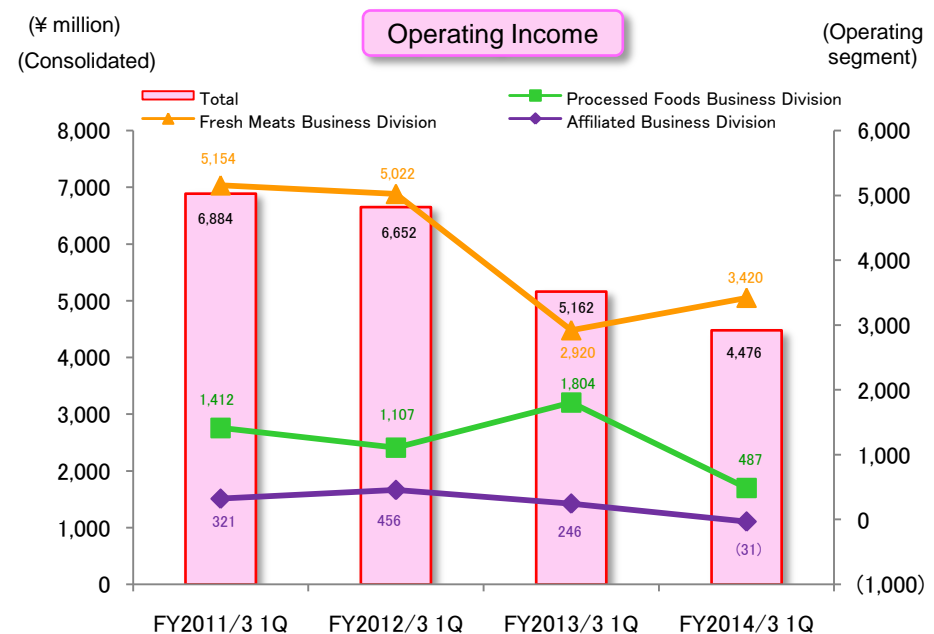
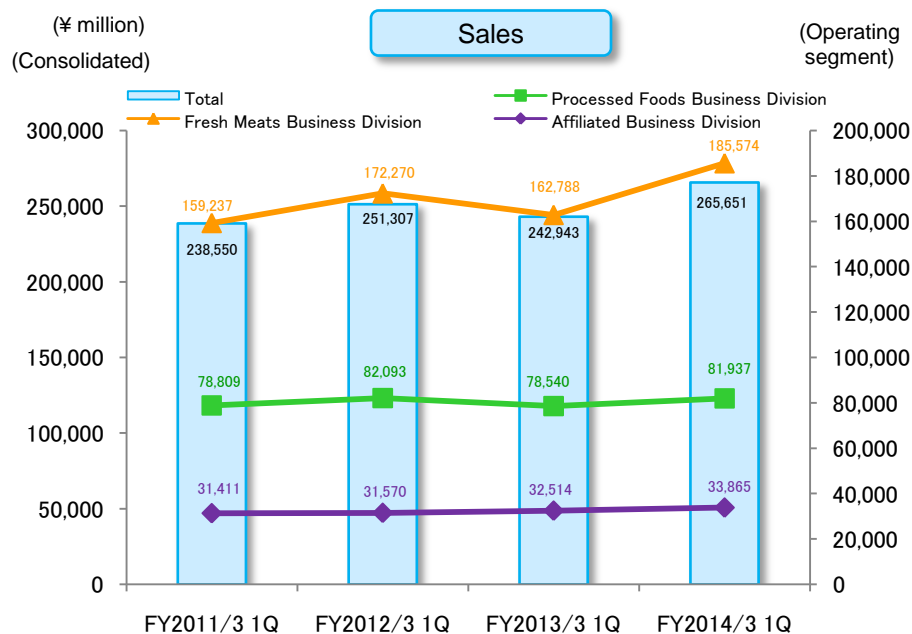
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1. Business Results by Operating Segment Data: 1Q (Apr. – Jun.)

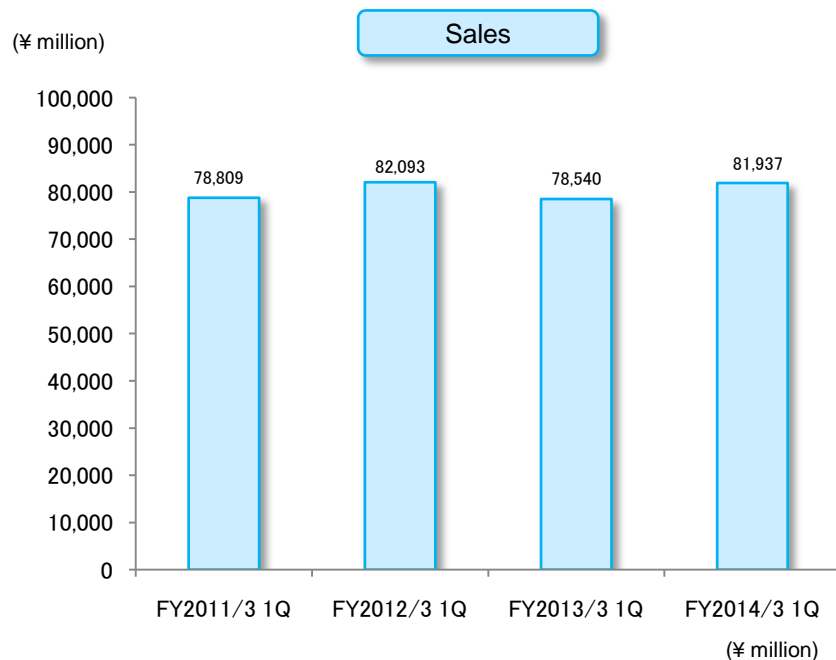
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(¥ million)

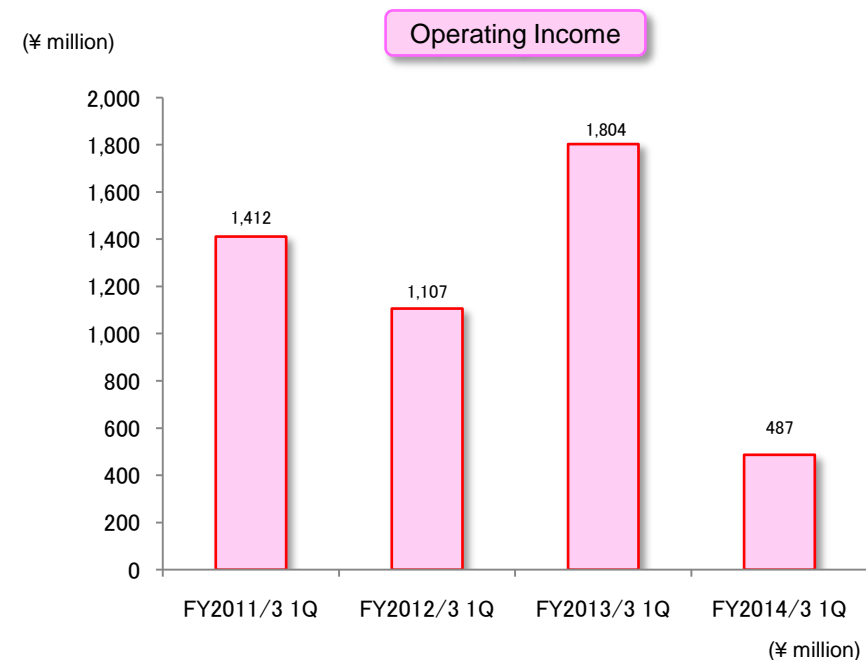
		FY2011/3 1Q	FY2012/3 1Q	FY2013/3 1Q	FY2014/3 1Q
Processed Foods Business Division	Sales	78,809	82,093	78,540	81,937
	Operating income	1,412	1,107	1,804	487
Fresh Meats Business Division	Sales	159,237	172,270	162,788	185,574
	Operating income	5,154	5,022	2,920	3,420
Affiliated Business Division	Sales	31,411	31,570	32,514	33,865
	Operating income	321	456	246	(31)
Eliminations, adjustments and others	Sales	(30,907)	(34,626)	(30,899)	(35,725)
	Operating income	(3)	67	192	600
Consolidated	Sales	238,550	251,307	242,943	265,651
	Operating income	6,884	6,652	5,162	4,476



- Sales by operating segment and sales values in Page 20 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



	FY2013/3 1Q	FY2014/3 1Q	Variance	Variance (%)
Sales	78,540	81,937	3,397	4.3



	FY2013/3 1Q	FY2014/3 1Q	Variance	Variance (%)
Operating income	1,804	487	(1,317)	(73)
Operating income ratio	2.3%	0.6%	-	-

【Sales in FY2014/3 1Q (Apr. – Jun.)】

- In hams and sausages, sales of “*Mo Kittemasuyo! Yakibuta*” and main “*SCHAU ESSEN*” sausages remained firm
- In processed foods, sales increased, both in terms of monetary amounts and sales volume, thanks to firm sales of consumer-use products including hamburgers

【Earnings in FY2014/3 1Q (Apr. – Jun.)】

- The major factor was a decrease in operating income mainly due to a deterioration of the operating income ratio for goods purchased overseas

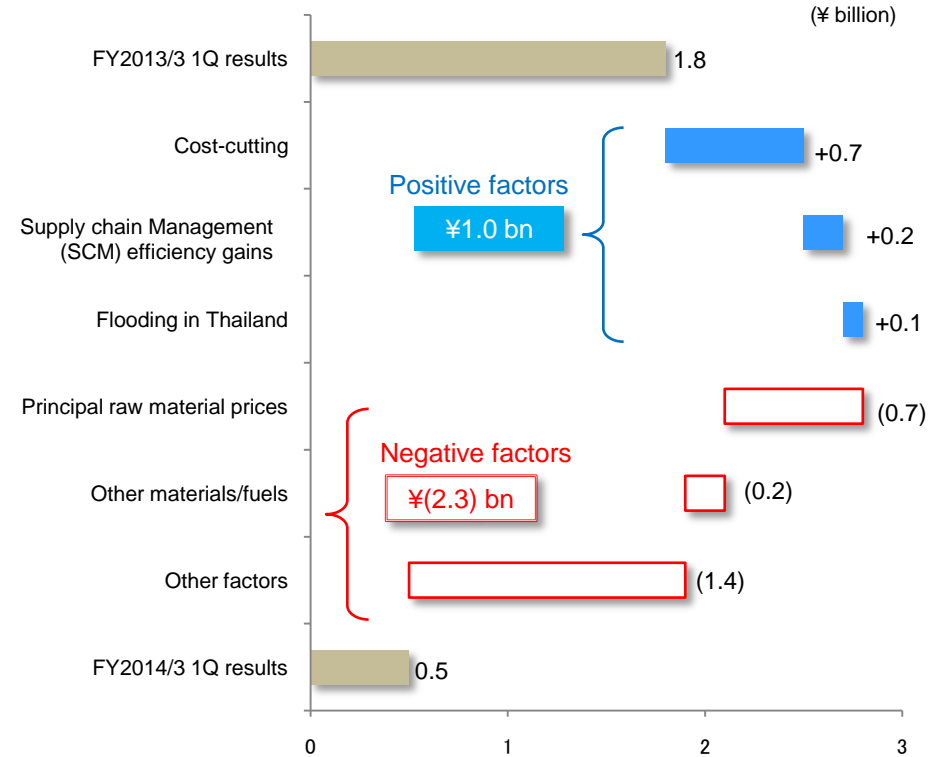
Factor Analysis: Changes in operating income

(¥ billion)

	FY2014/3		
	1Q (Apr. - Jun.) targets	1Q (Apr. - Jun.) results	Variance
Cost-cutting	0.8	0.7	(0.1)
Supply chain Management (SCM) efficiency gains	0.2	0.2	0.0
Flooding in Thailand	0.1	0.1	0.0
Principal raw/other material prices			
Principal raw material prices	(0.9)	(0.7)	0.2
Other materials/fuels	(0.3)	(0.2)	0.1
Other factors	0.1	(1.4)	(1.5)
Including impact of goods purchased overseas	0.0	(0.9)	(0.9)
Total	0.0	(1.3)	(1.3)

*Due to rounding, item tallies in each division may not match totals

Factor Analysis Graph: Changes in operating income (1Q)



● Projection Variation Factor Analysis (1Q)

【Other factors】

⇒ Lower income ratio for goods purchased in Thailand and other overseas regions accompanying the weak yen

● Major brands sales results

Reference: Year-on-year sales comparison of major brand products and targets

Hams and sausages	FY2014/3	Processed Foods	FY2014/3
	1Q results		1Q results
SCHAU ESSEN	101%	Ishigama Kobo	104%
Mori-no-Kaori Arabiki wiener sausages	80%	Chuka Meisai	105%
Loin Hams	99%	Prefried	94%
Bacons	103%	Hamburgers / Meatballs	125%
Yakibutas	113%	Curries	102%

“Four Cheese Hamburg ”



“Mo Kitemasuyo!” series

● Sales results by channel

1) Consumer-use products

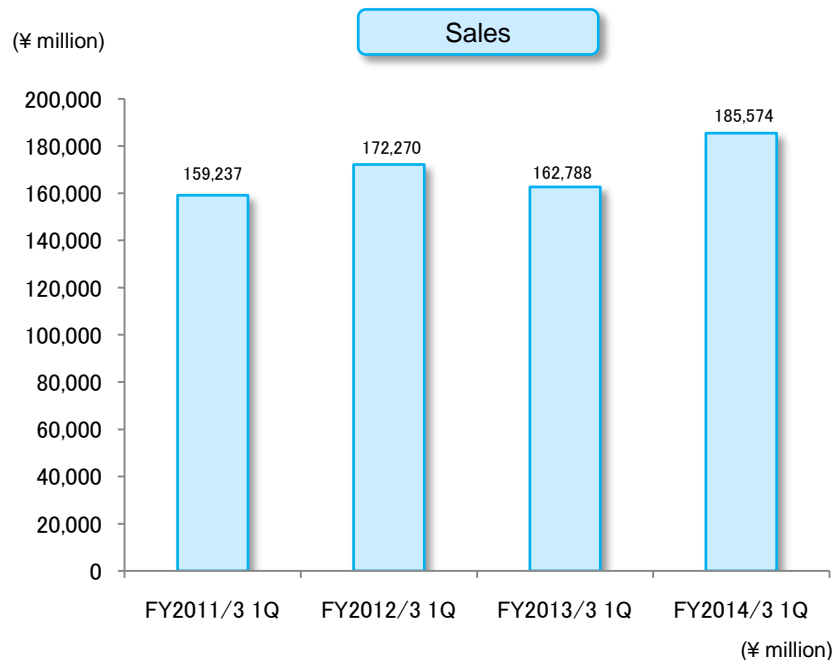
Sales of hams and sausages and processed foods were firm

2) Commercial-use products

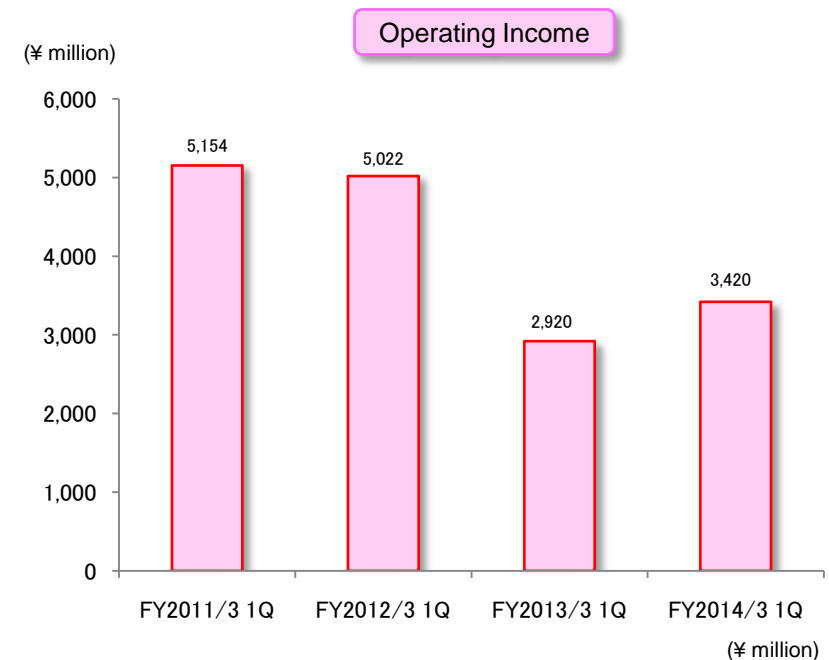
In processed foods, food service offset losses incurred by at over convenience store channels

Reference: FY2014/3 Full year Year-on-year growth in sales by channel

		Volume	Amount
Hams and sausages	Consumer-use	103%	102%
	Commercial-use	99%	100%
	Total	101%	101%
Processed foods	Consumer-use	104%	105%
	Commercial-use	102%	99%
	Total	103%	102%



	FY2013/3 1Q	FY2014/3 1Q	Variance	Variance (%)
Sales	162,788	185,574	22,786	14.0



	FY2013/3 1Q	FY2014/3 1Q	Variance	Variance (%)
Operating income	2,920	3,420	500	17.1
Operating income ratio	1.8%	1.8%	-	-

【Sales in FY2014/3 1Q (Apr. – Jun.)】

- Domestic fresh meat recorded higher revenues because of increases in volumes and monetary amounts in line with strong domestic beef sales
- Overseas fresh meat experienced higher revenues due to beef sales that covered stagnant pork and poultry volumes

【Earnings in FY2014/3 1Q (Apr. – Jun.)】

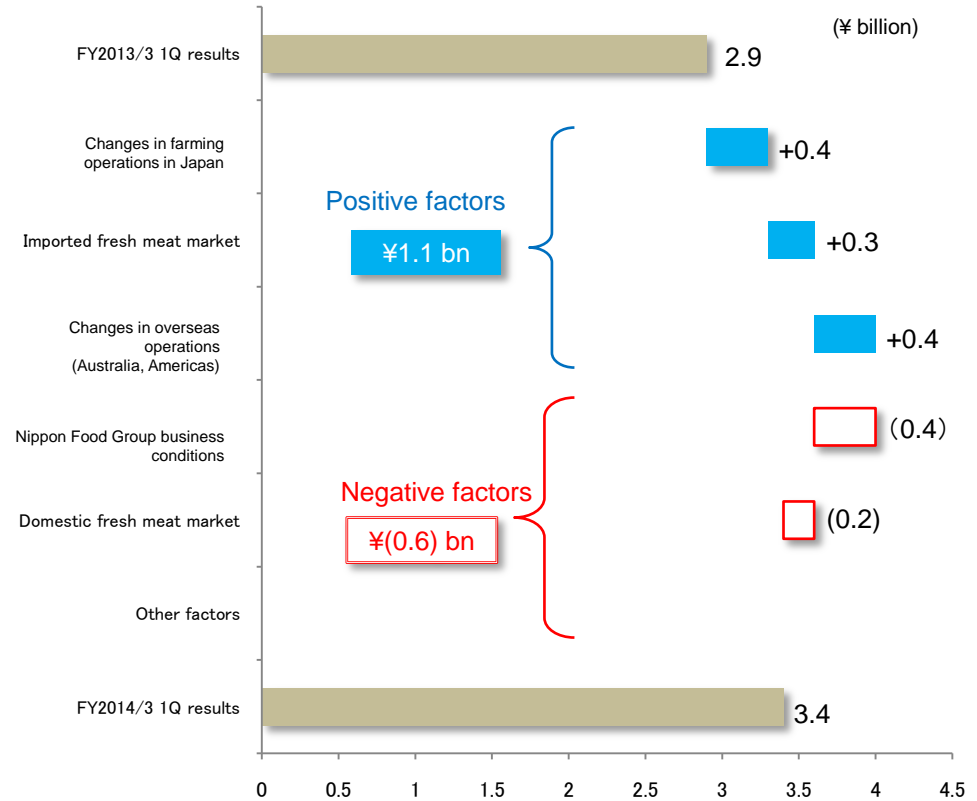
- The main factors for the rise in earnings are improvements in farming operations in Japan, the imported fresh meat market and Australian businesses

Factor Analysis: Changes in operating income

	FY2014/3 (¥ billion)		
	1Q (Apr. - Jun.) targets	1Q (Apr. - Jun.) results	Variance
Changes in farming operations in Japan	1.0	0.4	(0.6)
Imported fresh meat market	0.4	0.3	(0.1)
Changes in overseas operations (Australia, Americas)	0.7	0.4	(0.3)
Nippon Food Group business conditions	0.1	(0.4)	(0.5)
Domestic fresh meat market	(0.1)	(0.2)	(0.1)
Other factors	(0.1)	0.0	0.1
Total	2.0	0.5	(1.5)

*Due to rounding, item tallies in each division may not match totals

Factor Analysis Graph: Changes in operating income (1Q)



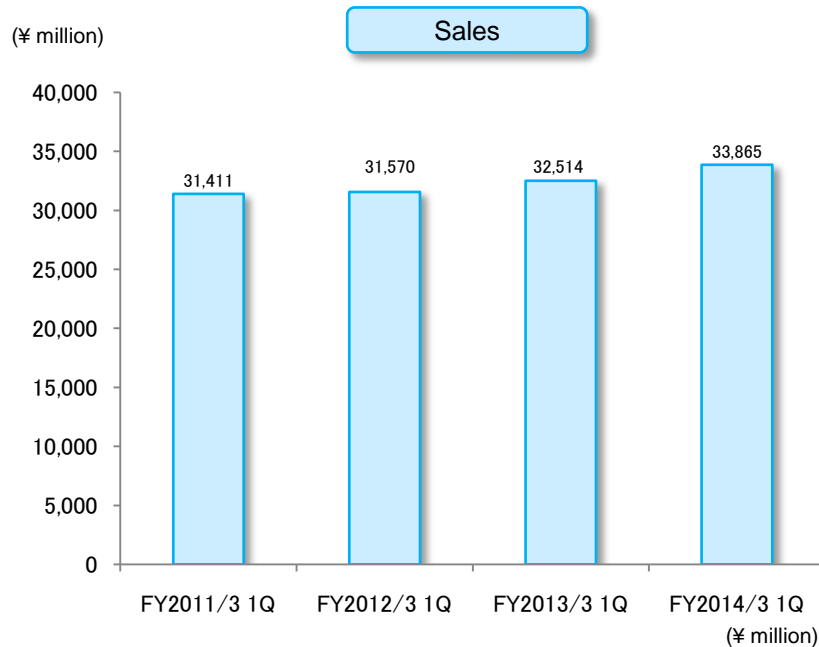
● Projection Variance Factor Analysis (1Q)

【Farming operations in Japan】

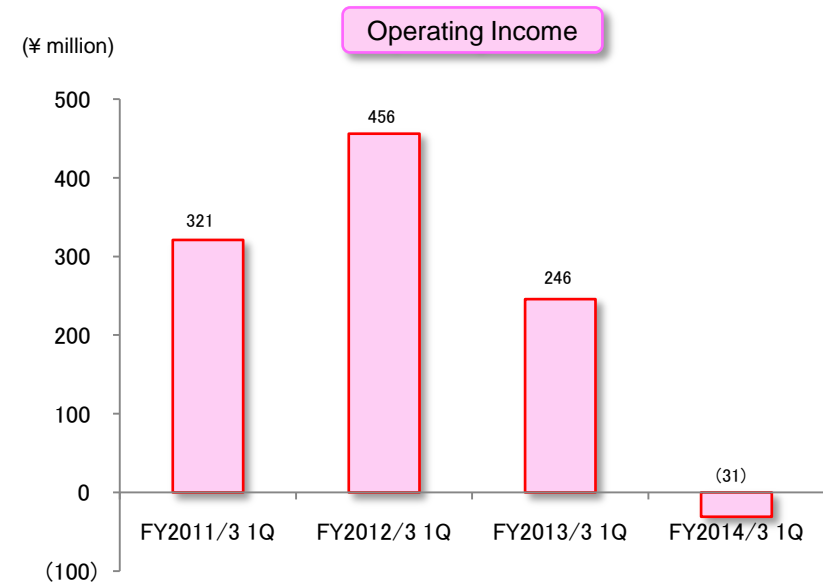
⇒ Although pork market prices entered a recovery phase, they remained below June projections. Poultry market prices also fell short of projections despite a year-on-year rebound

【Nippon Food Group business】

⇒ Earnings deteriorated as a result of an increase in sales volume failing to reach the year-on-year target of 5%



	FY2013/3 1Q	FY2014/3 1Q	Variance	Variance (%)
Sales	32,514	33,865	1,351	4.2



	FY2013/3 1Q	FY2014/3 1Q	Variance	Variance (%)
Operating income	246	(31)	(277)	(112.6)
Operating income ratio	0.8%	(0.1)%	-	-

【Sales in FY2014/3 1Q (Apr. – Jun.)】

(Marine products business)

- Sales increased year on year due to higher sales of priority products to volume retailers and despite sluggish sales volumes for sushi restaurants

(Dairy product business)

- The cheese business recorded higher sales of commercial-use products to bakeries and food service businesses while sales of consumer-use products rose. The yogurt business experienced lower revenues over national brand products marketed to convenience stores

【Earnings in FY2014/3 1Q (Apr. – Jun.)】

(Marine products business)

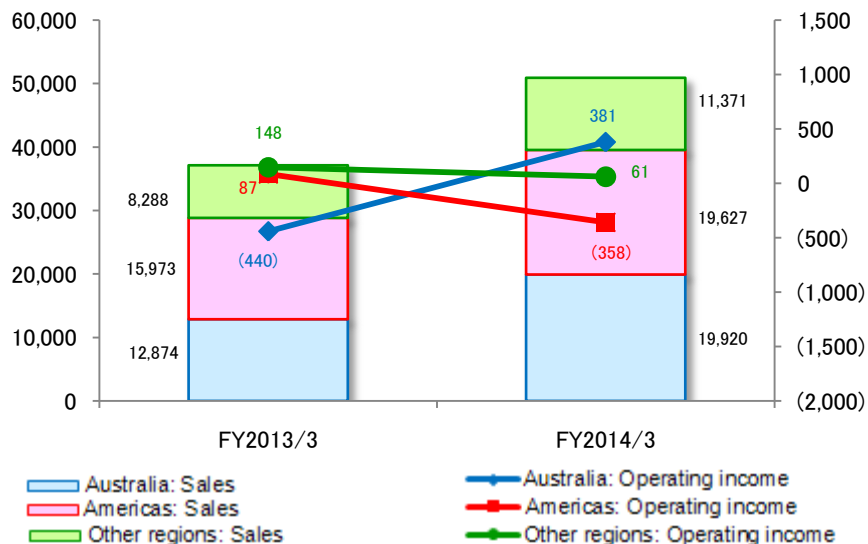
- Regarding Marine Foods, a recovery in earnings was delayed mainly due to late price adjustments in response to higher costs for key raw materials and imported product prices, which include the impact of foreign exchange rates

(Dairy product business)

- Cheese business earnings were firm, but yogurt business earnings fell because of sluggish sales and higher sales expenses

1Q Results (Apr.-Jun.)

(Sales: ¥ million) (Operating income/loss: ¥ million)



		(¥ million)			
		FY2013/3 1Q	FY2014/3 1Q	Variance	Variance (%)
Overseas total	Sales	36,617	49,868	13,251	36.2
	Operating income	(216)	(90)	126	-
Australia	Sales	12,874	19,920	7,046	54.7
	Operating income	(440)	381	821	-
Americas	Sales	15,973	19,627	3,654	22.9
	Operating income	87	(358)	(445)	-
Other regions	Sales	8,288	11,371	3,083	37.2
	Operating income	148	(61)	(209)	-

- 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)
- Other overseas markets are in Asia and Europe

FY2014/3 1Q (Apr. – Jun.)

(Australia)

- Revenues and earnings increased thanks to higher sales primarily in Asia, China, Russia and the Middle East as well as the weak Australian dollar

(Americas)

- Earnings decreased due to downward pressure on earnings of overseas export businesses accompanying high U.S. market prices and the strong U.S. dollar

(Asia)

- Earnings fell because of a deteriorating income ratio accompanying the weak yen and despite increases in sales volume in China and Thailand

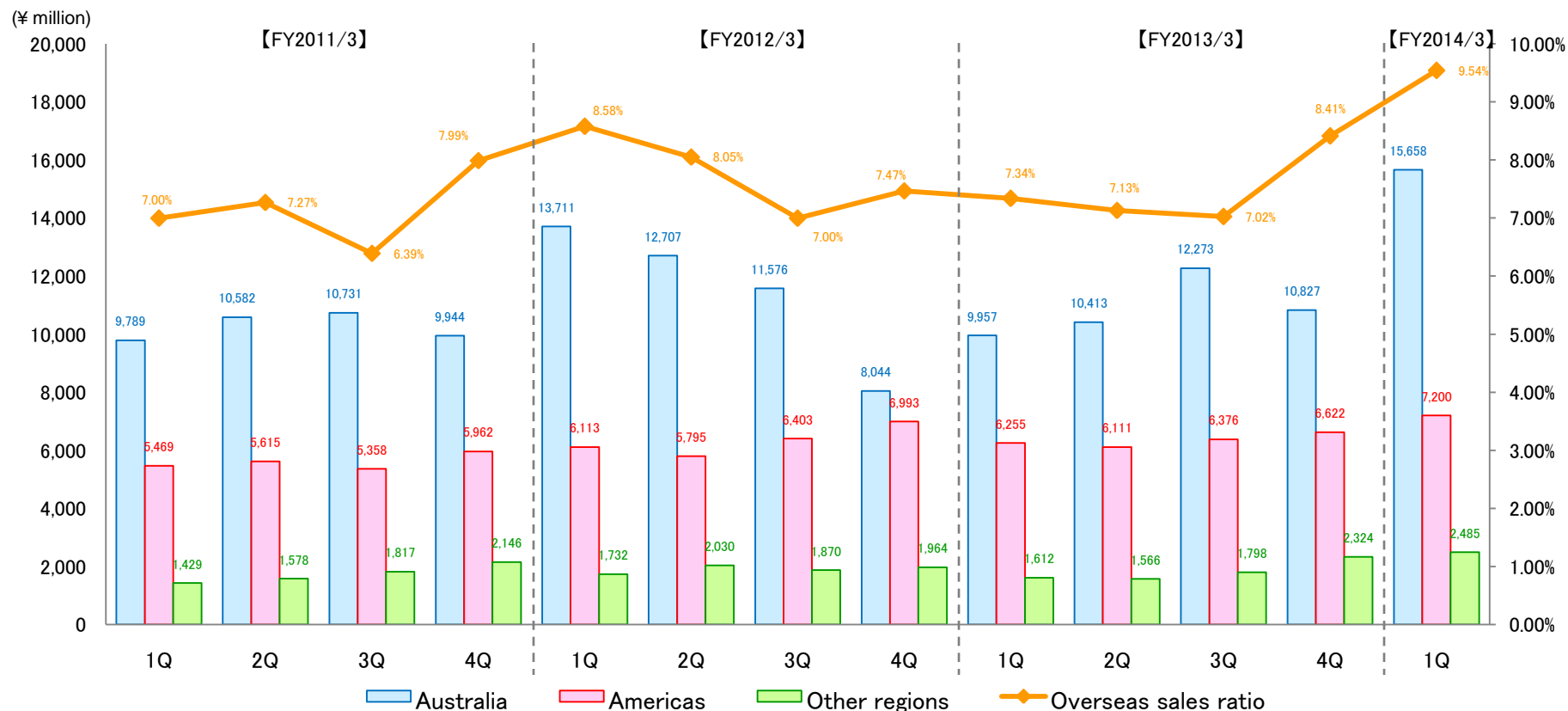
6. External Customer Net Sales Results in Major Overseas Geographical Areas

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(¥ million)

	FY2011/3	FY2012/3	FY2013/3					FY2014/3
	Full year	Full year	1Q	2Q	3Q	4Q	Full year	1Q
Australia	41,046	46,038	9,957	10,413	12,273	10,827	43,470	15,658
Americas	22,404	25,304	6,255	6,111	6,376	6,622	25,364	7,200
Other regions	6,970	7,596	1,612	1,566	1,798	2,324	7,300	2,485
Overseas total	70,420	78,938	17,824	18,090	20,447	19,773	76,134	25,343
Overseas sales ratio	7.12%	7.76%	7.34%	7.13%	7.02%	8.41%	7.48%	9.54%

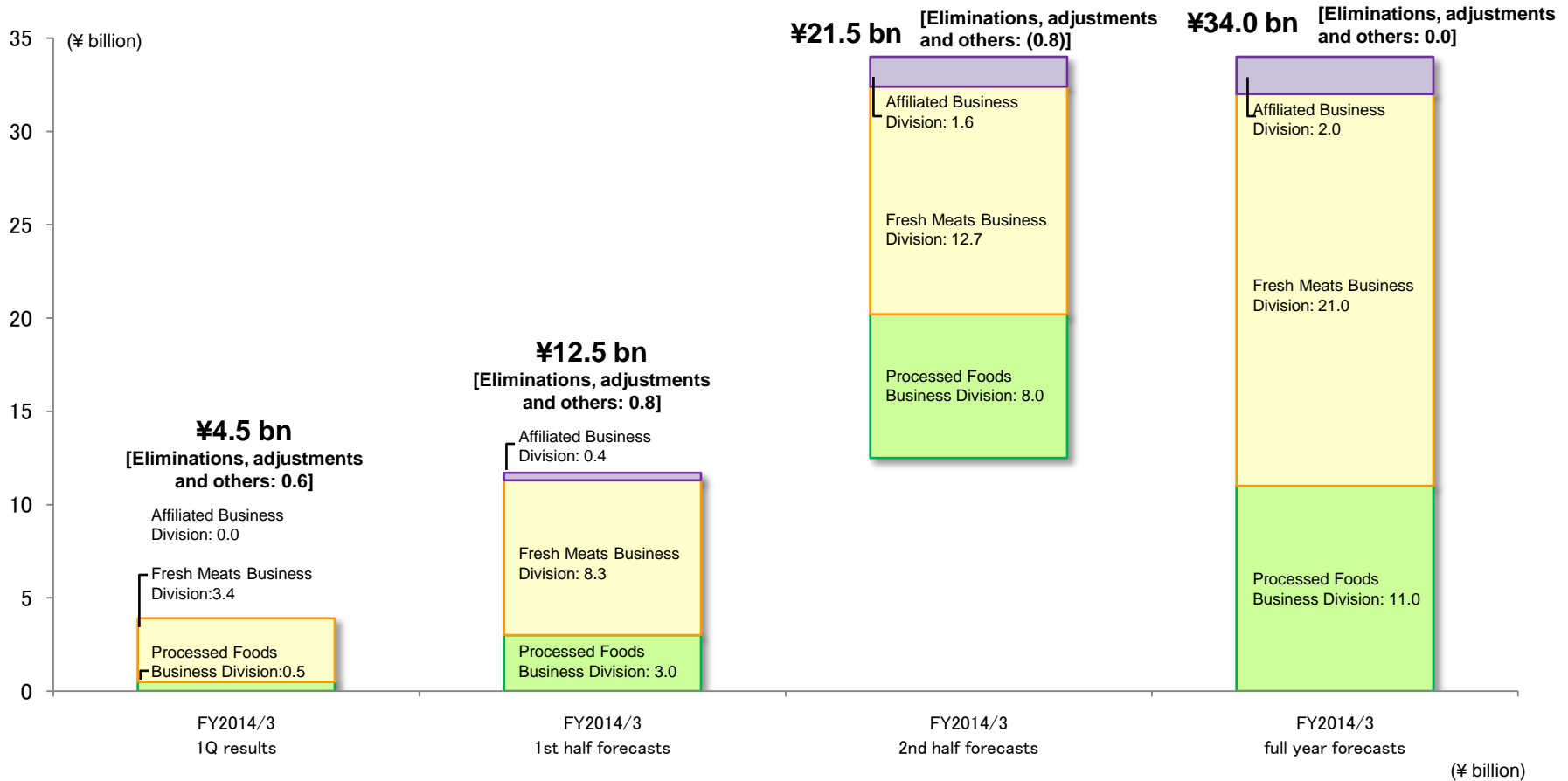
*Net sales figures represent net sales to external customers.



II. Outlook for FY2014/3

- 1. FY2014/3 Operating Income Forecasts**
- 2. Processed Foods Business Division: Outlook**
- 3. Fresh Meats Business Division: Outlook**
- 4. Affiliated Business Division: Outlook**

1. FY2014/3 Operating Income Forecasts (1)



	FY2014/3 1Q results			FY2014/3 1st half forecasts			FY2014/3 2nd half forecasts			FY2014/3 full year forecasts		
	FY2013/3 1Q results		Variance	FY2013/3 1st half results	Variance	FY2013/3 2nd half results	Variance	FY2013/3 full year results		Variance		
Processed Foods Business Division	1.8	0.5	(1.3)	3.5	3.0	(0.5)	6.1	8.0	1.9	9.6	11.0	1.4
Fresh Meats Business Division	2.9	3.4	0.5	5.1	8.3	3.2	10.4	12.7	2.3	15.5	21.0	5.5
Affiliated Business Division	0.2	0.0	(0.3)	0.5	0.4	(0.1)	1.0	1.6	0.6	1.5	2.0	0.5
Eliminations, adjustments and others	0.2	0.6	0.4	0.7	0.8	0.1	0.7	(0.8)	(1.5)	1.4	0.0	(1.4)
Total	5.2	4.5	(0.7)	9.8	12.5	2.7	18.2	21.5	3.3	28.0	34.0	6.0

【Revision of forecast and variance as of 1Q】

*Revision of 1st and 2nd half and full year forecasts after 1Q

(¥ billion)

	FY2014/3 1Q results			FY2014/3 1st half forecasts			FY2014/3 2nd half forecasts			FY2014/3 full year forecasts		
	Initial forecasts		Variance	Initial forecasts		Variance	Initial forecasts		Variance	Initial forecasts		Variance
Processed Foods Business Division	1.8	0.5	(1.3)	4.3	3.0	(1.3)	6.7	8.0	1.3	11.0	11.0	0.0
Fresh Meats Business Division	4.9	3.4	(1.5)	9.8	8.3	(1.5)	11.2	12.7	1.5	21.0	21.0	0.0
Affiliated Business Division	0.3	0.0	(0.3)	0.7	0.4	(0.3)	1.3	1.6	0.3	2.0	2.0	0.0
Eliminations, adjustments and others	0.0	0.6	0.6	0.2	0.8	0.6	(0.2)	(0.8)	(0.6)	0.0	0.0	0.0
Total	7.0	4.5	(2.5)	15.0	12.5	(2.5)	19.0	21.5	2.5	34.0	34.0	0.0

【FY2014/3 operating income forecasts】

*Due to rounding, item tallies in each division may not match totals. In this case, item tallies in each division are adjusted to match totals.

(¥ billion)

Processed Foods Business Division	Revision of forecast and variance as of 1Q					
	1st half		2nd half		Full year	
	Target	Variance	Target	Variance	Target	Variance
Price revision effect	0.9	0.0	1.8	0.0	2.7	0.0
Cost-cutting	1.4	(0.1)	2.4	0.6	3.8	0.5
Supply Chain Management (SCM) effect	0.5	0.0	0.8	0.3	1.3	0.3
Principal raw/other material prices						
Principal raw material prices	(1.8)	0.2	(2.5)	0.0	(4.3)	0.2
Other materials/fuels	(0.6)	0.1	(1.5)	0.0	(2.1)	0.1
Flooding in Thailand	0.2	(0.1)	0.2	0.1	0.4	0.0
Others	(1.1)	(1.4)	0.8	0.4	(0.3)	(1.0)
Total	(0.5)	(1.3)	2.0	1.3	1.5	0.0

Fresh Meats Business Division	Revision of forecast and variance as of 1Q					
	1st half		2nd half		Full year	
	Target	Variance	Target	Variance	Target	Variance
Changes in overseas operations (Australia, Americas)	1.3	(0.3)	1.1	0.7	2.4	0.4
Nippon Food Group business	(0.2)	(0.5)	0.3	0.1	0.2	(0.4)
Imported fresh meat market	0.7	(0.1)	(0.1)	0.1	0.6	0.0
Changes in farming operations in Japan	1.1	(0.6)	1.0	0.1	2.1	(0.5)
Domestic fresh meat market	0.3	0.0	(0.1)	0.2	0.2	0.2
Others	0.0	0.1	0.1	0.3	0.0	0.3
Total	3.2	(1.5)	2.3	1.5	5.5	0.0

*Due to rounding, item tallies in each division may not match totals

● Measures to increase sales of gift products

- Target 103% growth in both summer and year-end gift sets (year-on-year, total sales volume)
- Sales promotion activities mainly for “*Utsukushi-no-Kuni*” range (TV commercials and adverts in magazines, etc.)
- The flagship brand “*Utsukushi-no-Kuni*” aims at year-on-year sales growth of over 120%

(Reference)

- Forecasts for summer gift-set performance (Year-on-year, per unit basis, as of July 31, 2013) approx. unchanged overall
- The flagship brand “*Utsukushi-no-Kuni*” ... up approx. 116%

Reference: Gift-giving season sales volume: results for FY2013/3 and targets for FY2014/3 (Unit: 1,000)

	FY2013/3 results		FY2014/3 targets	
	Units	Variance FY2012/3	Units	Variance FY2013/3
Summer gift-giving season	2,026	101%	2,080	103%
Year-end gift-giving season	4,759	99%	4,900	103%
Total	6,785	100%	6,980	103%

● Measures to expand sales of major brands and new products

1) Hams and sausages

- Further increase sales of the “*Irodori Kitchen*” series and main “*SCHAU ESSEN*” sausages, which will reach its 30th anniversary next year

2) Processed foods

- Boost sales of strong-selling “*Four Cheese Hamburg*” along with main and new products

Reference: Year-on-year sales comparison of major brand products and targets

Hams and sausages	FY2014/3 full year targets	Processed foods	FY2014/3 full year targets
SCHAU ESSEN	103%	Ishigama Kobo	103%
Mori-no-Kaori Arabiki wiener sausages	103%	Chuka Meisai	103%
Hams	103%	Prefried	100%
Bacons	102%	Hamburgers / Meatballs	102%
Yakibutas	110%	Curries	100%

● Measures to expand sales by channel

1) Consumer-use

- Enhance sales primarily of main hams and sausages and processed foods brands

2) Commercial-use

- Bolster sales by expanding items mainly targeting convenience stores and food-service chains

Reference: Year-on-year growth in sales by channel

FY2014/3 full year targets		Amount
Hams and sausages	Consumer-use	102%
	Commercial-use	102%
	Total	102%
Processed foods	Consumer-use	102%
	Commercial-use	103%
	Total	102%

● Production businesses in Japan

1) Feed prices

- Although overseas corn prices stabilized, prices are expected to rise this fiscal year accompanying the weakening yen

2) Farming operations in Japan

【Pig farming】

- Pork market prices are anticipated to recover throughout the summer

【Poultry farming】

- Poultry market prices are expected to rebound over last year but fall short of projections

● Overseas businesses

1) Restructuring of Australian businesses

- Improve income ratio by reducing cost of sales and further expand sales in Japan mainly by increasing sales of brand products
- Strengthen sales of Australian beef to the ASEAN region, China, Russia and the Middle East

2) Americas business

- As numbers of cows being raised declines in beef markets, we expect market prices for fresh meats to remain high
- Forecasted increase over last year in pork market prices

● Domestic operations, Nippon Food Group (meat product marketing companies)

- Aim for a continual 1% increase in market share by further strengthening sales to volume retailers as well as sales capabilities based on new business development
- Expand sales volume within three major livestock categories in Japan, particularly for beef
- Boost sales of brand fresh meat, including *Sakurahime* brand chicken, *Whyalleaf* and *Kenko (Healthy) Poi*



Sakurahime brand chicken consumer pack*
to be released in July 2013

● Measures to increase marine product sales

(Marine Foods Corporation)

- Expand sales of items produced in-house in Japan by strengthening product development capability
- Improve market share by increase sales centered on priority shrimp- and salmon-related products via volume retailer channels
- Enhance kinds of sushi using proposal-based marketing via sushi restaurant channels and increase sales of domestic items produced in-house

(Hoko Co., Ltd.)

- In marine products, bolster downstream strategies, including volume retailer and food-service channels
- In the room-temperature (canned) product business, strengthen sales from its Hachinohe Factory, which has reinforced production capacity

● Measures to increase dairy product sales

(Cheese)

- Increase sales by strengthening proposal-based marketing through mainstay channels
- Expand sales of consumer-use products by strengthening product lineups

(Yogurt)

- Strengthen cup beverage and other private-brand products marketed to convenience stores while enhancing national-brand product development
- Target volume retailers and co-operative store channels for sales of mainstay vanilla yogurt products, etc.

● Trends in principal raw and other materials

- Cheese ingredient prices are expected to jump significantly due to the drought in production regions (Oceania) and the impact of foreign exchange rates
- In yogurt ingredients, prices will likely remain high due to a shortage of fat-free milk powder made in Japan
- In overseas milk powder production, prices will increase because of lower production volume in Oceania, an important production region

III. Consolidated Financial Results for FY2014/3 1Q (Apr.-Jun.)

- 1. FY2014/3 Business Results at a Glance and Full year Forecasts**
- 2. Growth Rate by Sales Category, and by Geographical Segment**
- 3. Selling, General and Administrative Expenses / Other Operating Costs and Expenses (Income) / Other Income (Expenses)**
- 4. Balance Sheets / Property, Plant and Equipment / Depreciation and Amortization**

1. FY2014/3 Business Results at a Glance and Full Year Forecasts

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(¥ million, %)

	FY2013/3 results				FY2014/3 results and forecasts					
	1Q results	Variance	1st half (Apr.-Sept.)	Full year (Apr.-Mar.)	1Q results	Variance	1st half (Apr.-Sept.)	Variance	Full year (Apr.-Mar.)	Variance
Net sales	242,943	(3.3)	496,691	1,022,839	265,651	9.3	520,000	4.7	1,060,000	3.6
Hams and sausages	31,808	1.9	67,301	139,948	31,965	0.5	68,500	1.8	141,500	1.1
Processed foods	48,673	(0.4)	100,451	204,756	50,111	3.0	102,500	2.0	209,000	2.1
Fresh meats	130,895	(6.7)	263,175	541,598	149,280	14.0	280,500	6.6	570,500	5.3
Beef	48,673	(7.7)	99,101	204,850	61,257	25.9	109,500	10.5	221,000	7.9
Pork	49,699	(2.3)	98,726	200,303	52,965	6.6	101,500	2.8	206,000	2.8
Poultry	27,792	(9.6)	55,664	117,885	30,278	8.9	59,000	6.0	124,000	5.2
Other fresh meats	4,731	(20.1)	9,684	18,560	4,780	1.0	10,500	8.4	19,500	5.1
Marine products	18,907	1.2	40,192	83,829	19,991	5.7	41,500	3.3	85,000	1.4
Dairy products	6,499	13.8	12,769	25,155	6,651	2.3	13,000	1.8	26,000	3.4
Others	6,161	(5.8)	12,803	27,553	7,653	24.2	14,000	9.3	28,000	1.6
Cost of goods sold	197,268	(3.2)	404,573	827,058	219,700	11.4				
Gross profit	45,675	(3.8)	92,118	195,781	45,951	0.6				
Gross profit ratio	18.8%	-	18.5%	19.1%	17.3%	-				
SG&A expenses	40,513	(0.8)	82,279	167,760	41,475	2.4				
Operating income	5,162	(22.4)	9,839	28,021	4,476	(13.3)	12,500	27.0	34,000	21.3
Income before income taxes	4,141	(32.4)	7,946	28,031	4,583	10.7	10,500	32.1	30,000	7.0
Net income attributable to Nippon Meat Packers, Inc.	1,924	(46.2)	3,881	16,459	3,197	66.2	6,000	54.6	17,000	3.3

* 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	FY2013/3 1Q (Year-on-year comparison)		FY2014/3 1Q (Year-on-year comparison)	
	Sales volume	Sales revenues	Sales volume	Sales revenues
Hams and sausages	4.1	1.9	(0.7)	0.5
Processed foods	(0.4)	(0.4)	3.4	3.0
Fresh meats	1.7	(6.7)	2.9	14.0
Beef	(11.5)	(7.7)	18.2	25.9
Pork	2.8	(2.3)	(2.9)	6.6
Poultry	13.6	(9.6)	(0.5)	8.9
Other fresh meats	(9.8)	(20.1)	(4.6)	1.0

Geographical Segment

(¥ million, %)

	FY2013/3 results			FY2014/3 results and forecasts					
	1Q results	1st half (Apr.-Sept.)	Full year (Apr.-Mar.)	1Q results	Variance	1st half (Apr.-Sept.)	Variance	Full year (Apr.-Mar.)	Variance
Domestic sales	225,261	461,110	947,388	240,519	6.8	478,400	3.7	975,800	3.0
External customers	225,119	460,777	946,705	240,308	6.7	478,000	3.7	975,000	3.0
Intersegment	142	333	683	211	48.6	400	20.1	800	17.1
Operating income	5,517	10,824	28,624	4,421	(19.9)	12,000	10.9	32,000	11.8
Operating income ratio	2.4%	2.3%	3.0%	1.8%	-	2.5%	-	3.3%	-
Overseas sales	36,617	75,636	158,873	49,868	36.2	87,600	15.8	177,200	11.5
External customers	17,824	35,914	76,134	25,343	42.2	42,000	16.9	85,000	11.6
Intersegment	18,793	39,722	82,739	24,525	30.5	45,600	14.8	92,200	11.4
Operating income	(216)	(668)	(474)	(90)	-	500	-	2,000	-
Operating income ratio	-	-	-	-	-	0.6%	-	1.1%	-

* Sales by geographic segment are before intersegment elimination

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

(¥ million, %)

	FY2013/3 1Q results	FY2014/3		
		1Q results	Variance (%)	Variance
★① Selling, general and administrative expenses	40,513	41,475	2.4	962
Personnel	16,539	16,575	0.2	36
★② Advertising	2,462	2,658	8.0	196
★③ Logistics	9,526	10,035	5.3	509
Others	11,986	12,207	1.8	221

Major reasons for increases/decreases

- ★① **SG&A expenses:** The ratio of SG&A expenses to sales decreased 0.9 of a percentage point from 16.7% to 15.8%
- ★② **Advertising:** Remained nearly unchanged from last year
- ★③ **Logistics:** Logistics costs increased by approximately ¥0.5 billion due to an upswing in sales volume

(¥ million, %)

	FY2013/3 1Q results	FY2014/3		FY2013/3 full year results
		1Q results	Variance (%)	
Other operating costs and expenses (income) - net	(139)	274	413	131
Fixed assets	(139)	274	413	3
Others	-	-	-	128
Other Income (expenses) - net	(753)	736	1,489	1,723
Interest and dividends income	362	358	(4)	988
Foreign exchange gains (losses)	(1,039)	671	1,710	841
Others	(76)	(293)	(217)	(106)
Interest expenses	407	355	(52)	1,582

Major reasons for increases/decreases

- ★① **Other Income (expenses) – net** Increased by approx. ¥1.5 billion due mainly to foreign exchange gains and losses

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

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(¥ million, %)

Consolidated balance sheets		FY2013/3 year-end	FY2014/3 1Q results	Variance (%)	Variance
★①	Total assets	610,293	632,218	3.6	21,925
	Cash and cash equivalents	36,475	28,708	(21.3)	(7,767)
★②	Trade notes and accounts receivable	123,972	129,511	4.5	5,539
★③	Inventories	113,187	133,468	17.9	20,281
	Property, plant and equipment - at cost, less accumulated depreciation	224,785	224,122	(0.3)	(663)
	Investments and other assets	30,685	31,028	1.1	343
	Deferred income taxes - non-current	12,531	12,549	0.1	18
	Total liabilities	314,209	334,844	6.6	20,635
	Trade notes and accounts payable	102,148	110,186	7.9	8,038
★④	Interest-bearing debt	149,821	161,949	8.1	12,128
	Liability under retirement and severance programs	15,005	14,992	(0.1)	(13)
	Total Nippon Meat Packers, Inc. shareholders' equity	293,414	294,631	0.4	1,217
	Noncontrolling interests	2,670	2,743	2.7	73
	Total equity	296,084	297,374	0.4	1,290

Major reasons for increases/decreases

- ★① Total assets: Increased by approximately ¥21.9 billion including ② and ③
- ★② Trade notes and accounts receivable: Increased by approximately ¥5.5 billion year on year due to higher sales
- ★③ Inventories: Increased by approximately ¥20.3 billion year on year mainly due to higher sales of fresh meat
- ★④ Interest-bearing debt: Increased by approximately ¥12.1 billion year on year due to higher short-term bank loans

(¥ million, %)

Capital expenditures and depreciation	FY2013/3 1Q results	FY2014/3			FY2014/3 full year forecasts
		1Q results	Variance (%)	Variance	
Property, plant and equipment	4,745	3,470	(26.9)	(1,275)	32,000
Production facilities	1,693	1,399	(17.4)	(294)	15,700
Marketing and logistics facilities	649	509	(21.6)	(140)	4,500
Farms and processing facilities	1,200	885	(26.3)	(315)	6,500
Overseas operations facilities	713	309	(56.7)	(404)	3,300
Other facilities	490	368	(24.9)	(122)	2,000
Depreciation and amortization	4,716	4,616	(2.1)	(100)	20,000

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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.