

Business Results for the First Half of FY2014/3

November 5, 2013 (Tue.)

Nippon Meat Packers, Inc.

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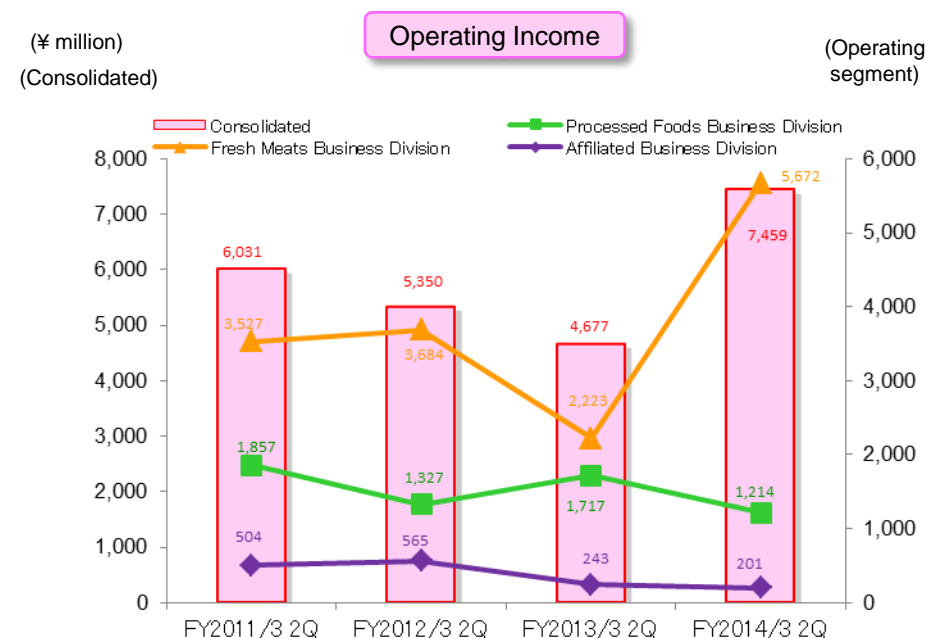
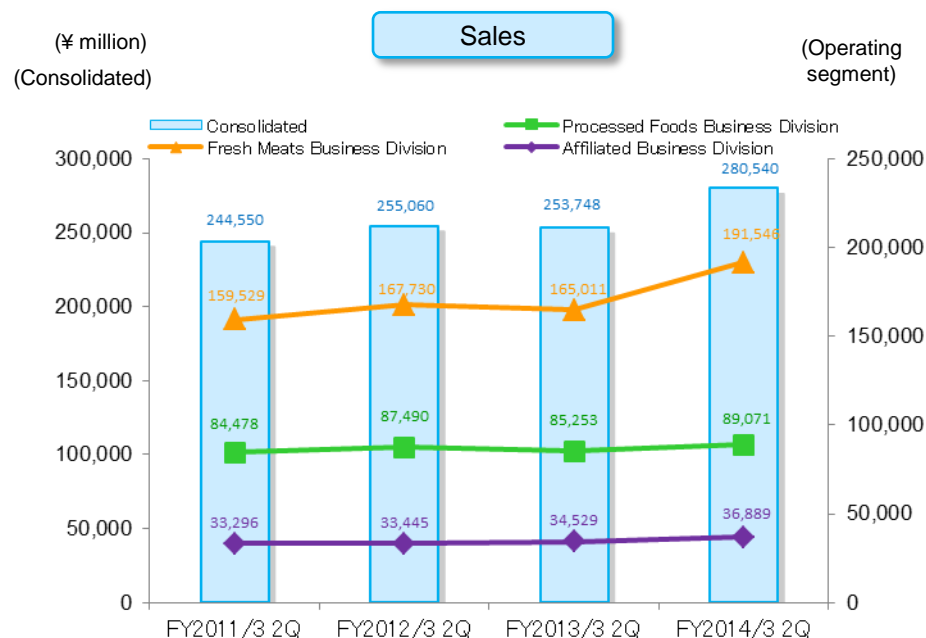
I. Consolidated Business Results for First Half of FY2014/3

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1. Operating Segment Data: 2Q (July - Sept.)

(¥ million)

		FY2011/3 2Q	FY2012/3 2Q	FY2013/3 2Q	FY2014/3 2Q
Processed Foods Business Division	Sales	84,478	87,490	85,253	89,071
	Operating income	1,857	1,327	1,717	1,214
Fresh Meats Business Division	Sales	159,529	167,730	165,011	191,546
	Operating income	3,527	3,684	2,223	5,672
Affiliated Business Division	Sales	33,296	33,445	34,529	36,889
	Operating income	504	565	243	201
Eliminations, adjustments and others	Sales	(32,753)	(33,605)	(31,045)	(36,966)
	Operating income	143	(226)	494	372
Consolidated	Sales	244,550	255,060	253,748	280,540
	Operating income	6,031	5,350	4,677	7,459



- 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

2. Operating Segment Data: First Half of FY2014/3

(¥ million)

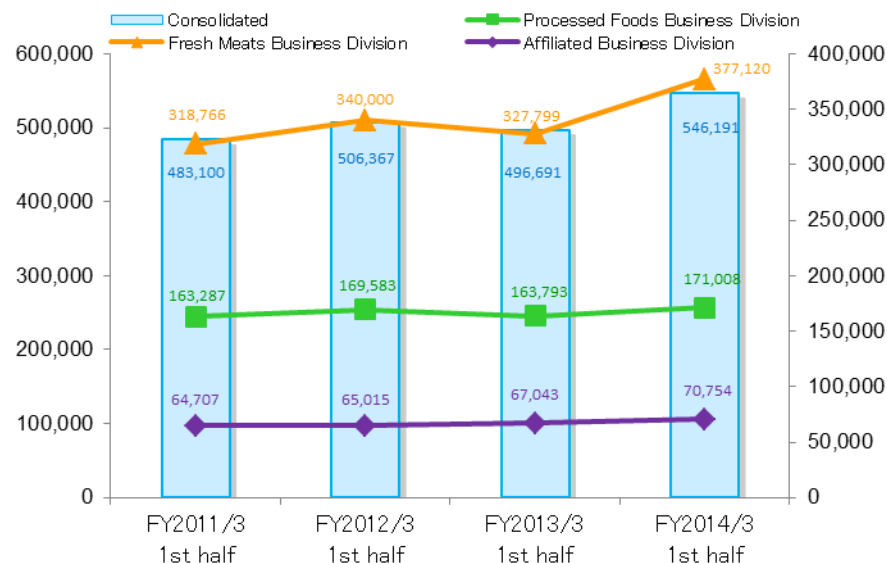
		FY2011/3 1st half	FY2012/3 1st half	FY2013/3 1st half	FY2014/3 1st half
Processed Foods Business Division	Sales	163,287	169,583	163,793	171,008
	Operating income	3,269	2,434	3,521	1,701
Fresh Meats Business Division	Sales	318,766	340,000	327,799	377,120
	Operating income	8,681	8,706	5,143	9,092
Affiliated Business Division	Sales	64,707	65,015	67,043	70,754
	Operating income	825	1,021	489	170
Eliminations, adjustments and others	Sales	(63,660)	(68,231)	(61,944)	(72,691)
	Operating income	140	(159)	686	972
Consolidated	Sales	483,100	506,367	496,691	546,191
	Operating income	12,915	12,002	9,839	11,935

(¥ million)

Sales

(Operating segment)

(Consolidated)

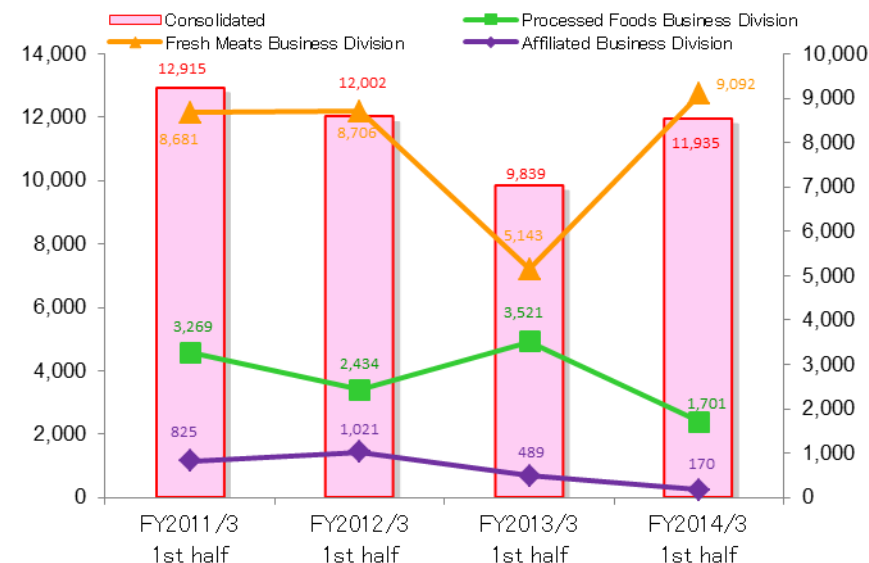


(¥ million)

Operating Income

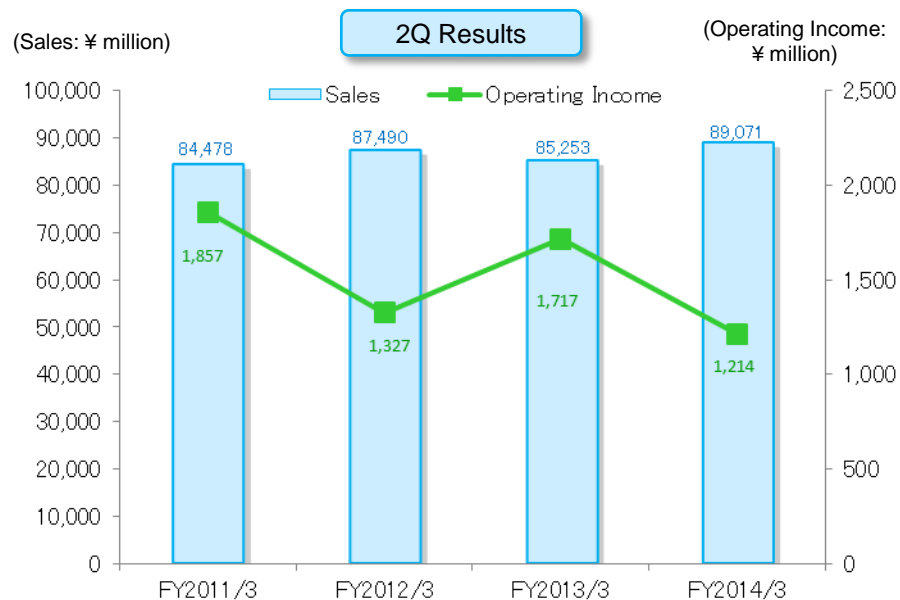
(Consolidated)

(Operating segment)



- 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

3. Operating Segment Data: Processed Foods Business Division (1)



(¥ million, %)

	FY2013/3 2Q	FY2014/3 2Q	Variance	Variance (%)
Sales	85,253	89,071	3,818	4.5
Operating income	1,717	1,214	(503)	(29.3)
Operating income ratio	2.0%	1.4%	-	-

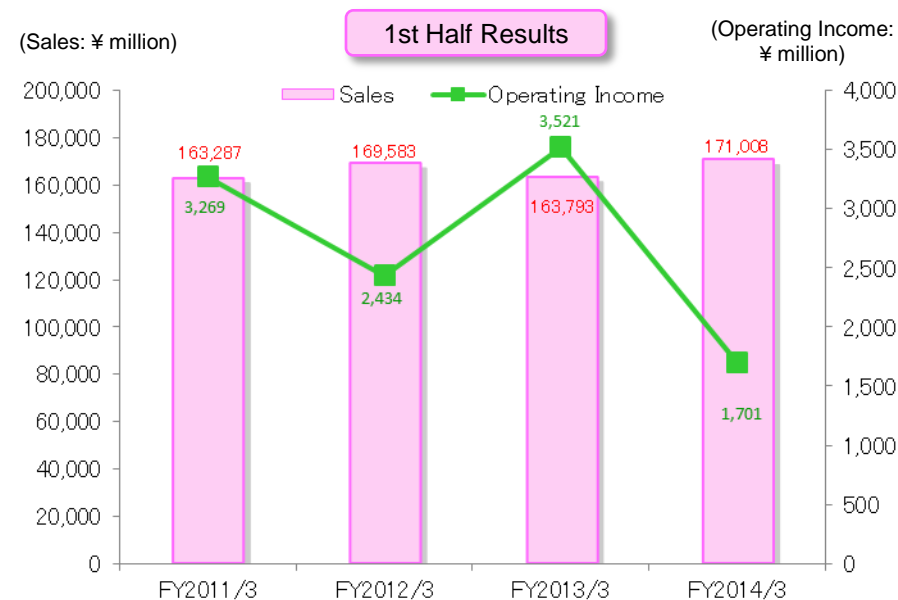
【FY2014/3 2Q (July - Sept.)】

(Sales)

• Hams and sausages experienced sluggish sales volume due to a decrease in the frequency of special sales. This was offset by processed foods, which recorded higher sales volume for hamburger. As a result, sales increased.

(Operating Income)

• Earnings decreased because of the inability of cost cutting, standard changes and other initiatives to cover higher principal raw material and fuel prices.



(¥ million, %)

	FY2013/3 1st half	FY2014/3 1st half	Variance	Variance (%)
Sales	163,793	171,008	7,215	4.4
Operating income	3,521	1,701	(1,820)	(51.7)
Operating income ratio	2.1%	1.0%	-	-

【FY2014/3 1st half (Apr.-Sept.)】

(Sales)

• In hams and sausages, sales of “*Mo Kitemasuyo! 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

(Operating Income)

• The major factor of decreased operating income was mainly due to a deterioration of the operating income ratio for products manufactured overseas

3. Operating Segment Data: Processed Foods Business Division (2)

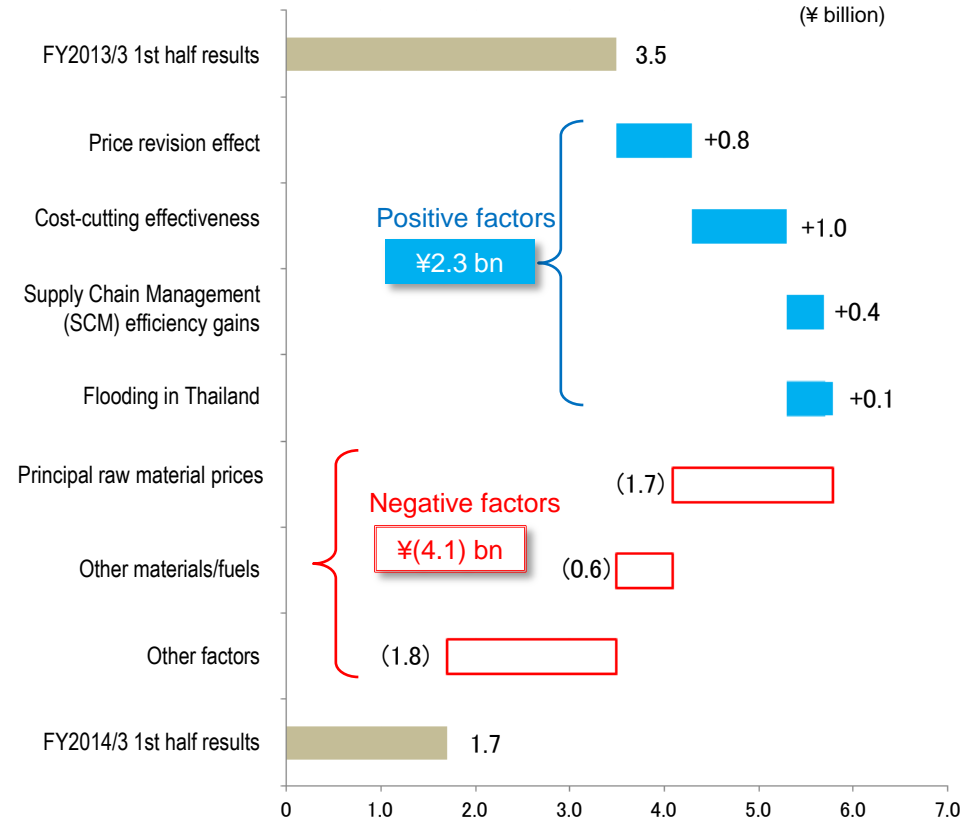
Factor Analysis: Changes in operating income

(¥ billion)

	FY2014/3 1st half forecasts and results				
	1Q results	2Q results	1st half forecasts	1st half results	Variance
Price revision effect	0.0	0.8	0.9	0.8	(0.1)
Cost-cutting effectiveness	0.7	0.3	1.4	1.0	(0.4)
Supply Chain Management (SCM) efficiency gains	0.2	0.2	0.5	0.4	(0.1)
Flooding in Thailand	0.1	0.0	0.2	0.1	(0.1)
Principal raw/other material prices	(0.9)	(1.4)	(2.4)	(2.3)	0.1
Principal raw material prices	(0.7)	(1.0)	(1.8)	(1.7)	0.1
Other materials/fuels	(0.2)	(0.4)	(0.6)	(0.6)	0.0
Other factors	(1.4)	(0.4)	(1.1)	(1.8)	(0.7)
Including Impact of products manufactured overseas	(0.9)	(0.3)	(0.9)	(1.2)	(0.3)
Total	(1.3)	(0.5)	(0.5)	(1.8)	(1.3)

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

Factor Analysis Graph: Changes in operating income (1st half)



● Projection Variation Factor Analysis (1st Half)

【Cost-cutting effectiveness】

⇒ Cost-cutting effectiveness decreased accompanying lower sales volume for hams and sausages

【Other factors】

⇒ The income ratio of products manufactured overseas deteriorated following the weakening of the yen

3. Operating Segment Data: Processed Foods Business Division (3)

● Summer gift product sales results

【Reference: Summer gift product sales results】

(Unit: 1,000)

- FY2014/3 results: up approximately 2% (unit basis) year on year
- “Utsukushi-no-Kuni” sets sold: up approximately 20% (unit basis) year on year
(Sales ratio: approximately 18%)

Reference: Market data (unit basis) of the 2013 summer gift season

*Nippon Meat Packers, Inc. survey

Overall gift set market: lower than last year

Hams and sausages gift market: on par with last year

		FY2013/3 Results	FY2014/3 Results	
		Unit	Unit	Variance
Summer gift sets sold Results	Overall sales volume	2,026	2,075	102%
	“Utsukushi-no-Kuni”	315	378	120%

● Major brands sales results

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

Hams and sausages	FY2014/3 Results			Processed Foods	FY2014/3 Results		
	1Q	2Q	1st half		1Q	2Q	1st half
SCHAU ESSEN	101%	101%	101%	Ishigama Kobo	104%	104%	104%
Mori-no-Kaori Arabiki wiener sausages	80%	87%	83%	Chuka Meisai	105%	103%	104%
Loin Hams	99%	95%	97%	Prefried	94%	93%	93%
Bacons	103%	105%	104%	Hamburgers / Meatballs	125%	122%	124%
Yakibutas	113%	103%	108%	Curries	102%	115%	109%

“Four Cheese Hamburg ”



“Mo Kitemasuyo!” series

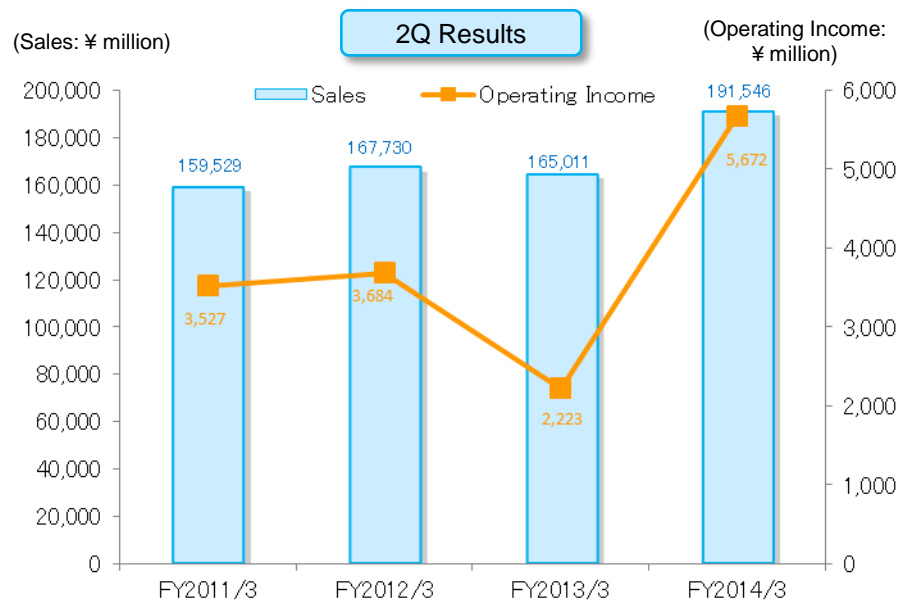
● Sales results by channel

Reference: FY2014/3 1st half (Year-on-year growth in sales by channel)

- 1) Consumer-use products
Sales of hams and sausages and processed foods were firm
- 2) Commercial-use products
Fierce competition over hams and sausages in food service channels

		Volume	Amount
Hams and sausages	Consumer-use	100%	102%
	Commercial-use	97%	96%
	Total	99%	100%
Processed foods	Consumer-use	102%	104%
	Commercial-use	104%	103%
	Total	103%	104%

4. Operating Segment Data: Fresh Meats Business Division (1)



(¥ million, %)

	FY2013/3 2Q	FY2014/3 2Q	Variance	Variance (%)
Sales	165,011	191,546	26,535	16.1
Operating income	2,223	5,672	3,449	155.2
Operating income ratio	1.3%	3.0%	-	-

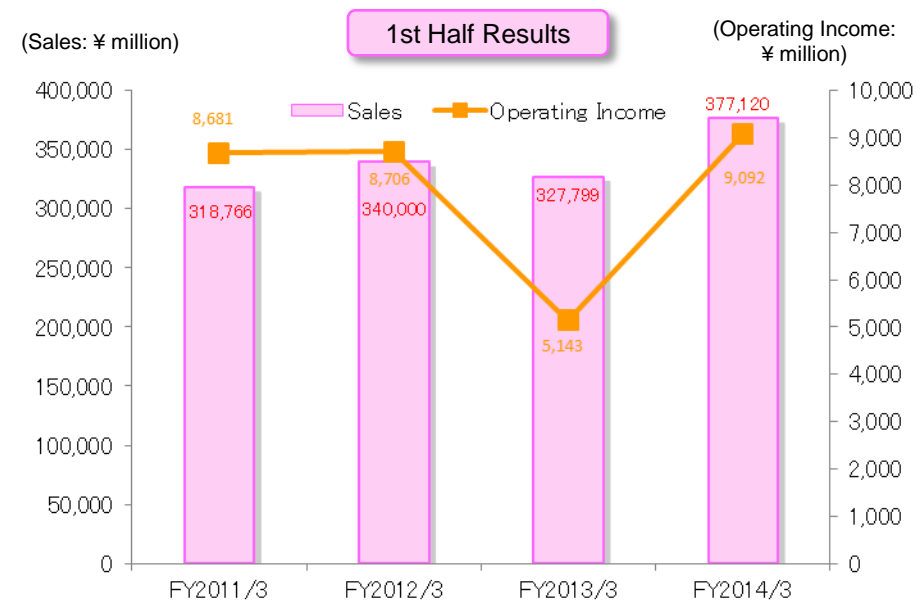
【FY2014/3 2Q (July - Sept.)】

(Sales)

- Revenues grew owing to increases in beef sales volume and unit prices accompanying a recovery in market prices in Japan

(Operating Income)

- In Japan, farming operations improved thanks to a rebound in fresh meat market prices
Overseas earnings increased, reflecting an improvement of Australian businesses



(¥ million, %)

	FY2013/3 1st half	FY2014/3 1st half	Variance	Variance (%)
Sales	327,799	377,120	49,321	15.0
Operating income	5,143	9,092	3,949	76.8
Operating income ratio	1.6%	2.4%	-	-

【FY2014/3 1st half (Apr.-Sept.)】

(Sales)

- Sales of Australian beef rose because of higher volume and monetary amounts

(Operating Income)

- Despite sluggishness in the Nippon Food Group business, earnings increased due to an improvement in farming operations in Japan, reflecting higher market prices, and a major enhancement of Australian businesses

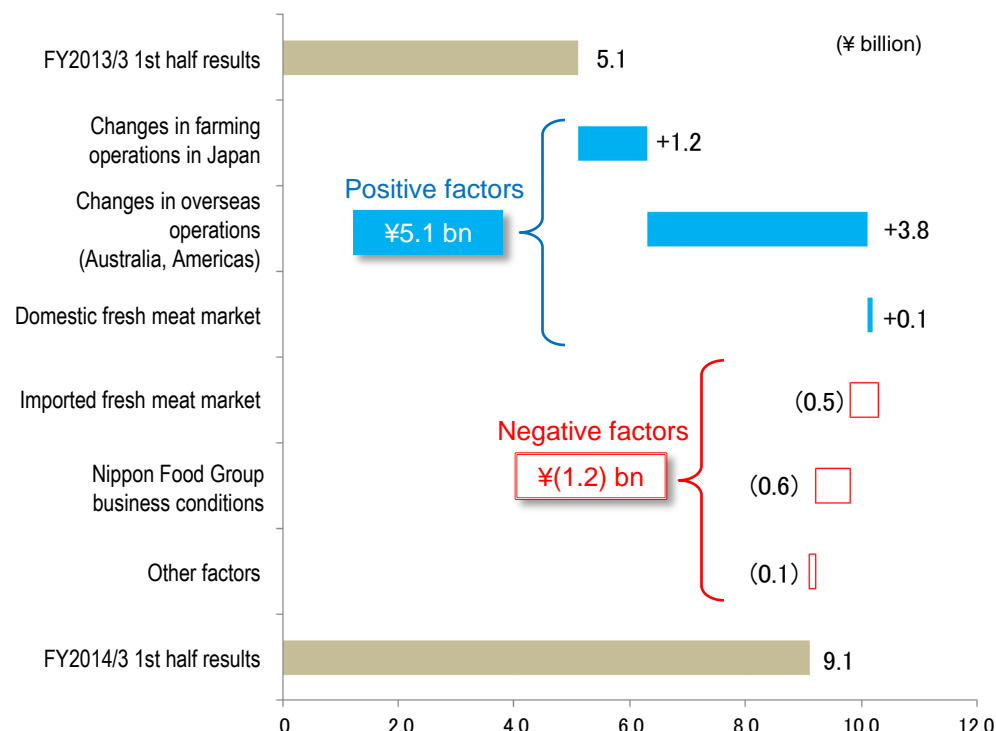
4. Operating Segment Data: Fresh Meats Business Division (2)

Factor Analysis: Changes in operating income

(¥ billion)					
	FY2014/3 1st half forecasts and results				
	1Q results	2Q results	1st half forecasts	1st half results	Variance
Changes in farming operations in Japan	0.4	0.8	1.1	1.2	0.1
Changes in overseas operations (Australia, Americas)	0.4	3.4	1.3	3.8	2.5
Domestic fresh meat market	(0.2)	0.3	0.3	0.1	(0.2)
Imported fresh meat market	0.3	(0.8)	0.7	(0.5)	(1.2)
Nippon Food Group business conditions	(0.4)	(0.2)	(0.2)	(0.6)	(0.4)
Other factors	0.0	(0.1)	0.0	(0.1)	(0.1)
Total	0.5	3.4	3.2	3.9	0.7

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

Factor Analysis Graph: Changes in operating income (1st half)



● Projection Variation Factor Analysis (1st Half)

【Changes in overseas operations】

⇒ In Australian businesses, we curbed costs associated with purchasing live cattle while sales of beef in Australia and abroad were firm

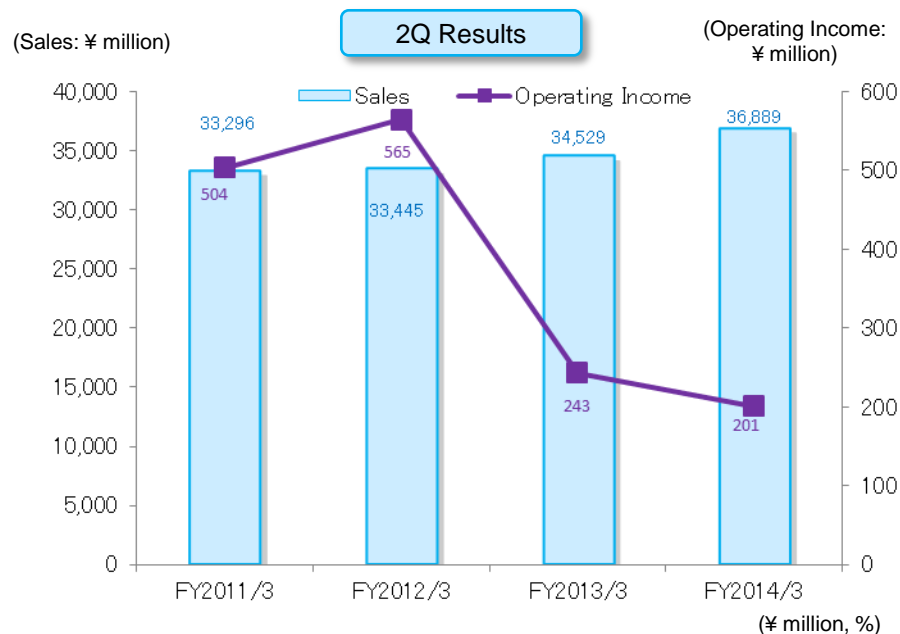
【Imported fresh meat market】

⇒ Sales volume and earnings declined for imported beef and pork due to a rise in purchasing costs accompanying higher local market prices and the weak yen

【Nippon Food Group business conditions】

⇒ Volume and earnings for imported fresh meat in each livestock category decreased because of high purchasing costs in line with increases in local market prices and the weak yen

5. Operating Segment Data: Affiliated Business Division



	FY2013/3 2Q	FY2014/3 2Q	Variance	Variance (%)
Sales	34,529	36,889	2,360	6.8
Operating income	243	201	(42)	(17.3)
Operating income ratio	0.7%	0.5%	-	-

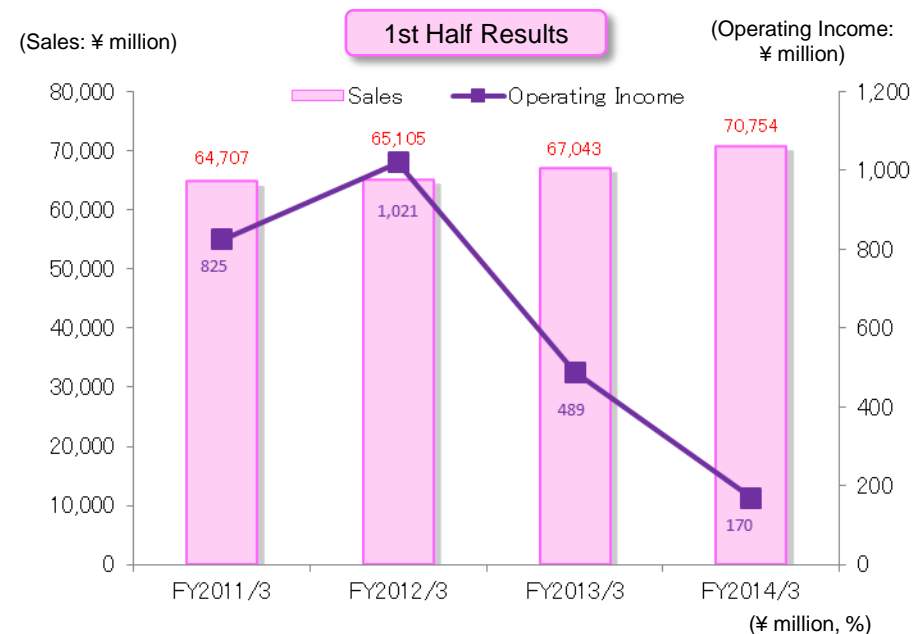
【FY2014/3 2Q (July - Sept.)】

(Sales)

- In marine products, sales to volume retailers were firm
- In dairy products, sales increased, despite sluggish sales of national-brand yogurt products, due to higher sales of cheese products to bakery and food service channels

(Operating Income)

- In marine products, earnings remained on par with last year, reflecting higher sales of priority products
- In dairy products, the income ratio deteriorated and earnings decreased as a result of higher raw material prices in the cheese business



	FY2013/3 1st half	FY2014/3 1st half	Variance	Variance (%)
Sales	67,043	70,754	3,711	5.5
Operating income	489	170	(319)	(65.2)
Operating income ratio	0.7%	0.2%	-	-

【FY2014/3 1st half (Apr.-Sept.)】

(Sales)

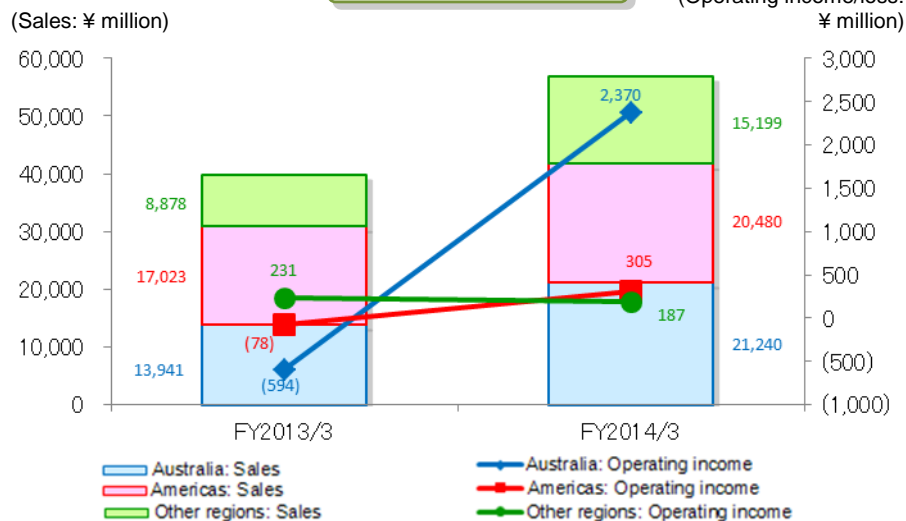
- In marine products, although sales to volume retailers grew, competition over sales to sushi restaurants was fierce
- In dairy products, sales increased thanks to higher sales of cheese to bakeries and food service channels

(Operating Income)

- In both marine and dairy products, earnings fell due to foreign exchange rates; delayed price revisions in response to higher prices for principal raw materials and imported products; and increased advertising costs accompanying efforts to boost sales to volume retailer channels

6. Business Results in Major Overseas Geographical Areas

2Q Results



(¥ million)

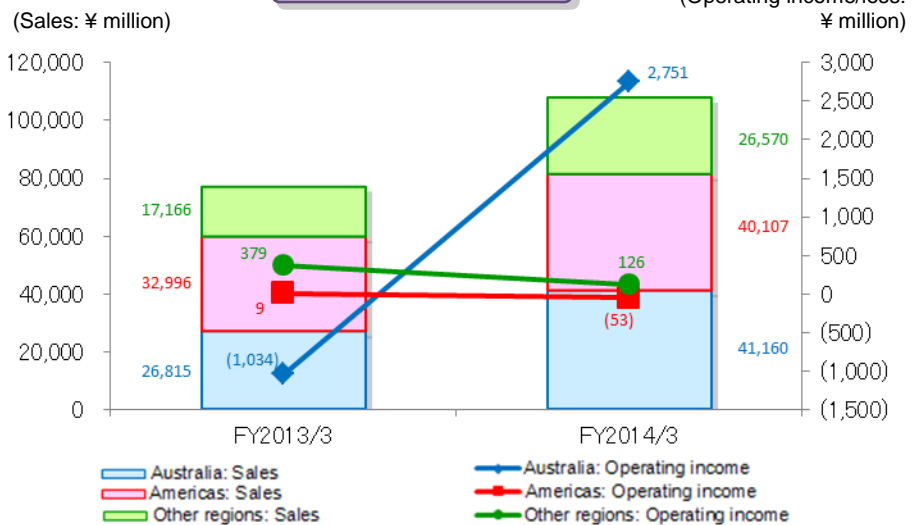
		FY2013/3 2Q	FY2014/3 2Q	Variance	Variance (%)
Overseas total	Sales	39,019	55,556	16,537	42.4
	Operating income	(452)	2,855	3,307	-
Australia	Sales	13,941	21,240	7,299	52.4
	Operating income	(594)	2,370	2,964	-
Americas	Sales	17,023	20,480	3,457	20.3
	Operating income	(78)	305	383	-
Other regions	Sales	8,878	15,199	6,321	71.2
	Operating income	231	187	(44)	(19.0)

- 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
- Americas include businesses in North and South America

【FY2014/3 2Q (July - Sept.)】

- (Australia) • Sales and earnings increased thanks to successful efforts to control live cattle purchasing costs and steady sales
- (Americas) • U.S. pork farming is on an improvement track as market prices for pork carcasses rise
- (Asia) • Sales increased throughout Asia, while earnings trended upward in the 2nd quarter

1st Half Results



(¥ million)

		FY2013/3 1st half	FY2014/3 1st half	Variance	Variance (%)
Overseas total	Sales	75,636	105,424	29,788	39.4
	Operating income	(668)	2,765	3,433	-
Australia	Sales	26,815	41,160	14,345	53.5
	Operating income	(1,034)	2,751	3,785	-
Americas	Sales	32,996	40,107	7,111	21.6
	Operating income	9	(53)	(62)	-
Other regions	Sales	17,166	26,570	9,404	54.8
	Operating income	379	126	(253)	(66.8)

【FY2014/3 1st half (Apr.-Sept.)】

- (Australia) • Sales and earnings rose thanks to increased sales mainly in the U.S., Asia and China
- (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

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

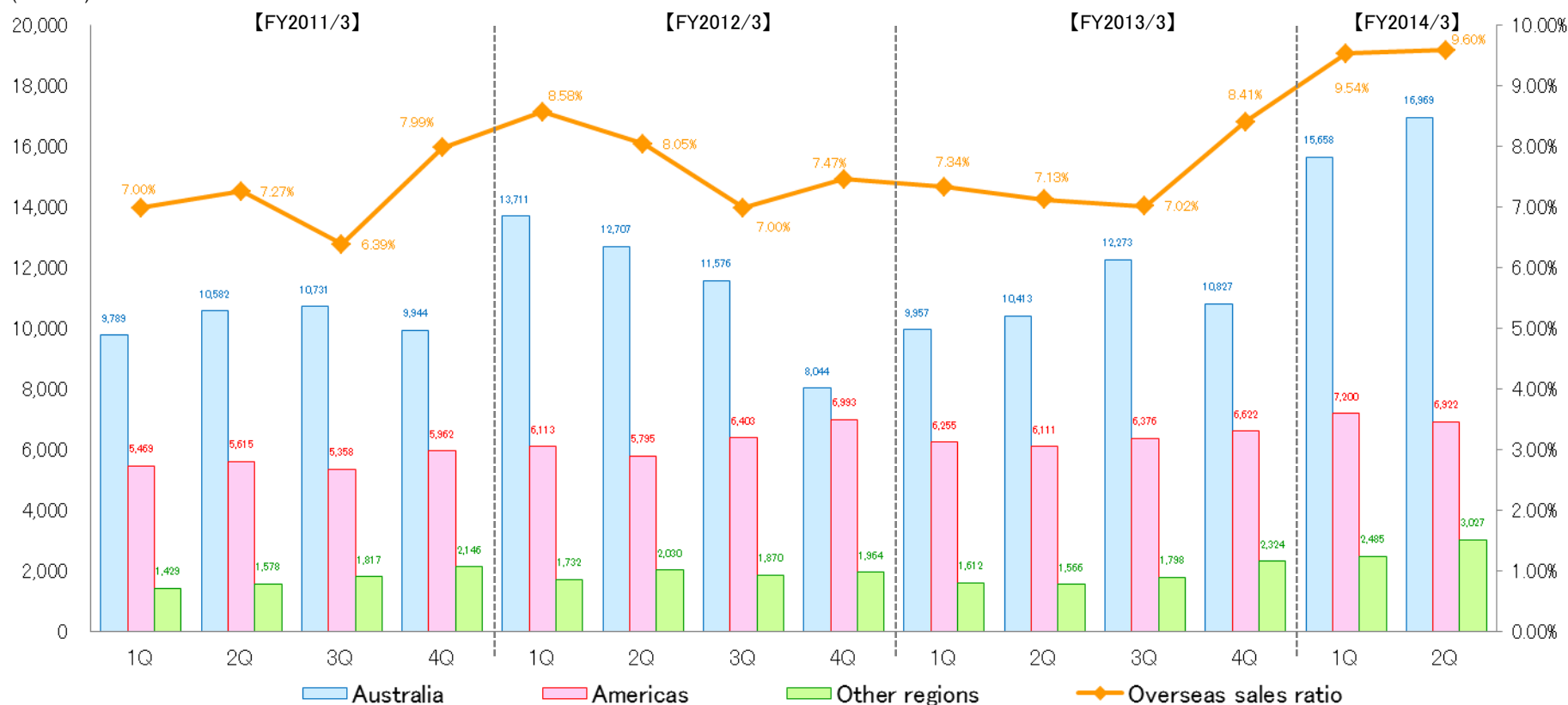
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(¥ million)

	FY2011/3	FY2012/3	FY2013/3					FY2014/3	
	Full year	Full year	1Q	2Q	3Q	4Q	Full year	1Q	2Q
Australia	41,046	46,038	9,957	10,413	12,273	10,827	43,470	15,658	16,969
Americas	22,404	25,304	6,255	6,111	6,376	6,622	25,364	7,200	6,922
Other regions	6,970	7,596	1,612	1,566	1,798	2,324	7,300	2,485	3,027
Overseas total	70,420	78,938	17,824	18,090	20,447	19,773	76,134	25,343	26,918
Overseas sales ratio	7.12%	7.76%	7.34%	7.13%	7.02%	8.41%	7.44%	9.54%	9.60%

Sales *Net sales figures represent net sales to external customers.

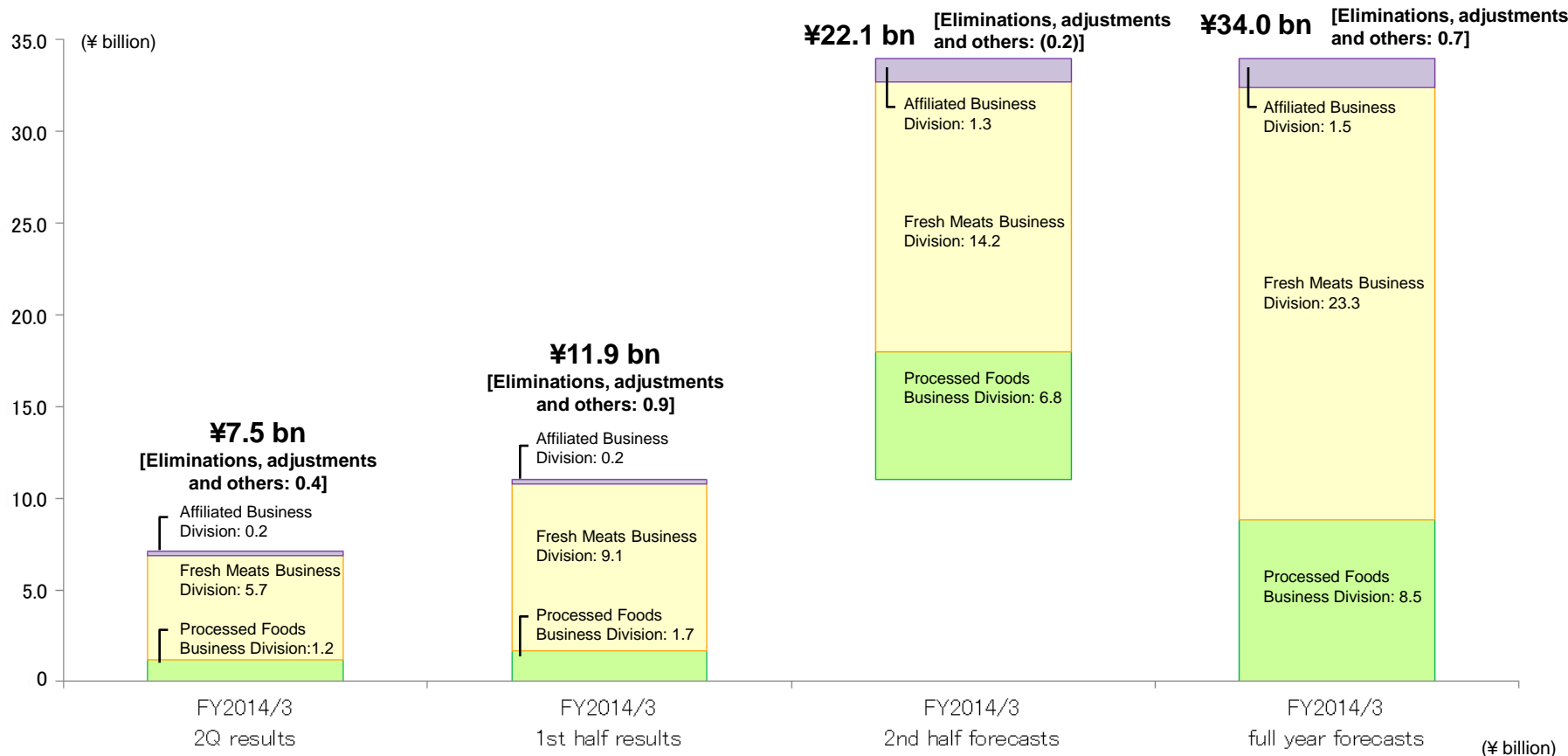
(¥ million)



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 2Q results			FY2014/3 1st half results			FY2014/3 2nd half forecasts			FY2014/3 full year forecasts		
	FY2013/3 2Q results		Variance	FY2013/3 1st half results		Variance	FY2013/3 2nd half results		Variance	FY2013/3 full year results		Variance
Processed Foods Business Division	1.7	1.2	(0.5)	3.5	1.7	(1.8)	6.1	6.8	0.7	9.6	8.5	(1.1)
Fresh Meats Business Division	2.2	5.7	3.5	5.1	9.1	4.0	10.4	14.2	3.8	15.5	23.3	7.8
Affiliated Business Division	0.2	0.2	0.0	0.5	0.2	(0.3)	1.0	1.3	0.3	1.5	1.5	0.0
Eliminations, adjustments and others	0.6	0.4	(0.2)	0.7	0.9	0.2	0.7	(0.2)	(0.9)	1.4	0.7	(0.7)
Total	4.7	7.5	2.8	9.8	11.9	2.1	18.2	22.1	3.9	28.0	34.0	6.0

* Items may not tally due to rounding. In such cases, figures are adjusted in Elimination and Other Adjustments

* Due to rounding, item tallies in each division may not match totals. In this case, item tallies in each division are adjusted at Eliminations, adjustments and others in order to match totals.

1. FY2014/3 Operating Income Forecasts (2)

【Revision of forecast and variance as of 1Q】

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

(¥ billion)

	FY2014/3 1st half results			FY2014/3 3Q forecasts			FY2014/3 4Q forecasts			FY2014/3 full year forecasts		
	Forecasts announced at 1Q		Variance	Forecasts announced at 1Q		Variance	Forecasts announced at 1Q		Variance	Forecasts announced at 1Q		Variance
Processed Foods Business Division	3.0	1.7	(1.3)	7.3	5.9	(1.4)	0.7	0.9	0.2	11.0	8.5	(2.5)
Fresh Meats Business Division	8.3	9.1	0.8	9.2	9.2	0.0	3.5	5.0	1.5	21.0	23.3	2.3
Affiliated Business Division	0.4	0.2	(0.2)	1.6	1.3	(0.3)	0.0	0.0	0.0	2.0	1.5	(0.5)
Eliminations, adjustments and others	0.8	0.9	0.1	(0.6)	0.0	0.6	(0.2)	(0.2)	0.0	0.0	0.7	0.7
Total	12.5	11.9	(0.6)	17.5	16.4	(1.1)	4.0	5.7	1.7	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					
	3Q		4Q		Full year	
	Forecasts	Variance	Forecasts	Variance	Forecasts	Variance
Price revision effect	0.9	0.0	0.8	(0.1)	2.5	(0.2)
Cost-cutting	0.9	(0.4)	1.6	0.5	3.5	(0.3)
Supply Chain Management (SCM) effect	0.2	(0.3)	0.2	(0.1)	0.8	(0.5)
Principal raw/other material prices	(2.1)	0.2	(1.9)	(0.2)	(6.3)	0.1
Principal raw material prices	(1.3)	0.2	(1.1)	(0.1)	(4.1)	0.1
Other materials/fuels	(0.8)	0.0	(0.8)	(0.1)	(2.2)	0.0
Flooding in Thailand	0.0	(0.1)	(0.1)	(0.2)	0.0	(0.4)
Other factors	(0.4)	(0.8)	0.6	0.2	(1.6)	(1.3)
Total	(0.5)	(1.4)	1.2	0.2	(1.1)	(2.5)

Fresh Meats Business Division	Revision of forecast and variance as of 1Q					
	3Q		4Q		Full year	
	Forecasts	Variance	Forecasts	Variance	Forecasts	Variance
Changes in overseas operations (Australia, Americas)	1.1	0.4	1.2	0.8	6.1	3.7
Growth in Nippon Food Group business	0.0	(0.2)	0.4	0.2	(0.1)	(0.3)
Imported fresh meat market	(0.1)	(0.2)	0.0	0.2	(0.6)	(1.2)
Changes in farming operations in Japan	0.9	0.4	1.0	0.5	3.1	1.0
Domestic fresh meat market	(0.2)	(0.3)	(0.3)	0.0	(0.4)	(0.6)
Other factors	0.0	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)
Total	1.7	0.0	2.1	1.5	7.8	2.3

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

2. Processed Foods Business Division : Outlook

● Measures to increase sales of gift products

- Target sales of 4,903 million units (up 3% year on year: unit basis) of year-end gift sets
- Target sales of 873,000 units (up 20% year on year: unit basis) of the flagship brand “*Utsukushi-no-Kuni*”



The flagship brand “*Utsukushi-no-Kuni*”

Reference: Summer gift product sales volume:
results for FY2013/3 and forecasts for FY2014/3 (Unit: 1,000)

		FY2013/3 results	FY2014/3 results and forecasts	
		Units	Units	Variance FY2013/3
Summer gift sets (result)	Overall sales volume	2,026	2,075	102%
	(“ <i>Utsukushi-no-Kuni</i> ”)	315	378	120%
Year-end gift sets (tforecasts)	Overall sales volume	4,759	4,903	103%
	(“ <i>Utsukushi-no-Kuni</i> ”)	727	873	120%
Total (forecasts)	Overall sales volume	6,785	6,978	103%
	(“ <i>Utsukushi-no-Kuni</i> ”)	1,042	1,251	120%
	(Sales ratio)	15%	18%	—

● Measures to expand sales of major brands and new products

1) Hams and sausages

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

- 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

Hams and sausages	FY2014/3 full year forecasts	Processed foods	FY2014/3 full year forecasts
<i>SCHAU ESSEN</i>	103%	<i>Ishigama Kobo</i>	103%
<i>Mori-no-Kaori</i>	103%	<i>Chuka Meisai</i>	103%
<i>Arabiki wiener sausages</i>			
Loin 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 forecasts		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

- Domestic feed prices are forecast to remain high

2) Farming operations in Japan

【Pig farming】

- Market prices in Japan appear to be stable due to a lower supply of imported pork

【Poultry farming】

- Domestic poultry market prices are rising because of smaller poultry sizes caused by the August heat wave. Market prices are expected to remain high and stable due to seasonal factors

● 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

- Pork market prices are expected to increase from last year, while feed prices are trending downward following bumper crops of corn

● 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

• Boost sales in three livestock categories in Japan

• Boost sales of brand fresh meat, including *Sakurahime* brand chicken, *Whyalleaf* and *Kenko (Healthy) Pork*

●Measures to increase marine product sales

(Marine Foods Corporation)

- Increase share by strengthening product development capability to expand sales of items from the Company's factories in Japan and by increasing sales of priority products
- Increase sales by enhancing proposal-based marketing to volume retailer channels
- Capture year-end demand centered on crab, roe and other high-priced items

(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
- Increase sales of consumer-use products by building frameworks to boost production of "*Rolf Baby Cheese*"

(Yogurt)

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

●Trends in principal raw and other materials

- Cheese ingredients produced in Oceania and overseas milk powder prices remain high mainly due to ongoing overseas demand. Prices of fat-free milk powder produced in Japan also remain high because of severe supply and demand conditions

III. Consolidated Financial Results for First Half of FY2014/3 (Apr. - Sept.)

- 1. First Half of FY2014/3 Business Results at a Glance and FY2014/3 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**
- 5. Cash Flows**

1. First Half of FY2014/3 Business Results at a Glance and FY2014/3 Forecasts

(¥ million, %)

Consolidated	FY2013/3 results						FY2014/3 results and forecasts					
	1st half results	Variance	2nd half results	Variance	Full year results	Variance	1st half results	Variance	2nd half forecasts	Variance	Full year forecasts	Variance
Net sales	496,691	(1.9)	526,148	2.9	1,022,839	0.5	546,191	10.0	553,809	5.3	1,100,000	7.5
Hams and sausages	67,301	2.5	72,647	1.4	139,948	1.9	67,393	0.1	73,607	1.3	141,000	0.8
Processed foods	100,451	0.5	104,305	1.1	204,756	0.8	102,695	2.2	105,305	1.0	208,000	1.6
Fresh meats	263,175	(5.0)	278,423	4.3	541,598	(0.5)	304,067	15.5	307,933	10.6	612,000	13.0
Beef	99,101	(2.7)	105,749	10.6	204,850	3.7	125,741	26.9	128,259	21.3	254,000	24.0
Pork	98,726	(2.4)	101,577	1.1	200,303	(0.6)	107,240	8.6	106,760	5.1	214,000	6.8
Chicken	55,664	(10.2)	62,221	2.2	117,885	(4.1)	60,921	9.4	63,079	1.4	124,000	5.2
Other fresh meats	9,684	(19.9)	8,876	(11.5)	18,560	(16.1)	10,165	5.0	9,835	10.8	20,000	7.8
Marine products	40,192	2.7	43,637	(0.1)	83,829	1.2	43,040	7.1	42,460	(2.7)	85,500	2.0
Dairy products	12,769	12.6	12,386	3.9	25,155	8.1	13,242	3.7	12,758	3.0	26,000	3.4
Others	12,803	(2.8)	14,750	5.3	27,553	1.4	15,754	23.0	11,746	(20.4)	27,500	(0.2)
Cost of goods sold	404,573	(1.6)	422,485	2.8	827,058	0.6						
Gross profit	92,118	(3.3)	103,663	3.4	195,781	0.1						
Gross profit ratio	18.5%	—	19.7%	—	19.1%	—						
SG&A expenses	82,279	(1.2)	85,481	(0.3)	167,760	(0.8)						
Operating income	9,839	(18.0)	18,182	25.3	28,021	5.7	11,935	21.3	22,065	21.4	34,000	21.3
Income before income taxes	7,946	(17.0)	20,085	16.8	28,031	4.7	10,689	34.5	19,311	(3.9)	30,000	7.0
Net income attributable to Nippon Meat Packers, Inc.	3,881	(19.1)	12,578	83.5	16,459	41.2	7,620	96.3	9,380	(25.4)	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

2. Growth Rate by Sales Category, and by Geographical Segment

Growth Rate by Sales Category

(%)

Category	FY2013/3 (Year-on-year comparison)				FY2014/3 (Year-on-year comparison)			
	2Q		1st half		2Q		1st half	
	Sales volume	Sales revenues	Sales volume	Sales revenues	Sales volume	Sales revenues	Sales volume	Sales revenues
Hams and sausages	3.7	3.1	3.9	2.5	(2.3)	(0.2)	(1.5)	0.1
Processed foods	0.2	1.3	(0.1)	0.5	1.2	1.6	2.3	2.2
Fresh meats	0.5	(3.3)	1.1	(5.0)	1.8	17.0	2.3	15.5
Beef	(7.9)	2.7	(9.7)	(2.7)	15.3	27.9	16.7	26.9
Pork	1.0	(2.5)	1.9	(2.4)	(1.5)	10.7	(2.2)	8.6
Chicken	8.0	(10.8)	10.7	(10.2)	(3.8)	9.9	(2.2)	9.4
Other fresh meats	(8.2)	(19.7)	(9.0)	(19.9)	(4.9)	8.7	(4.8)	5.0

Geographical Segment

(¥ million, %)

	FY2013/3 results			FY2014/3 results and forecasts					
	1st half results	2nd half results	Full year results	1st half results	Variance	2nd half forecasts	Variance	Full year forecasts	Variance
Domestic sales	461,110	486,278	947,388	494,479	7.2	502,721	3.4	997,200	5.3
External customers	460,777	485,928	946,705	493,930	7.2	502,070	3.3	996,000	5.2
Intersegment	333	350	683	549	64.9	651	86.0	1,200	75.7
Operating income	10,824	17,800	28,624	9,187	(15.1)	19,643	10.4	28,830	0.7
Operating income ratio	2.3%	3.7%	3.0%	1.9%	—	3.9%	—	2.9%	—
Overseas sales	75,636	83,237	158,873	105,424	39.4	106,576	28.0	212,000	33.4
External customers	35,914	40,220	76,134	52,261	45.5	51,739	28.6	104,000	36.6
Intersegment	39,722	43,017	82,739	53,163	33.8	54,837	27.5	108,000	30.5
Operating income	(668)	194	(474)	2,765	—	2,465	—	5,230	—
Operating income ratio	—	0.2%	—	2.6%	—	2.3%	—	2.5%	—

* Sales by geographic segment are before intersegment elimination

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

(¥ million, %)

	FY2013/3 1st half results	FY2014/3 1st half results	FY2014/3	
			Variance (%)	Variance
★① Selling, general and administrative expenses	82,279	83,091	1.0	812
Personnel	32,403	32,479	0.2	76
Advertising	5,146	5,413	5.2	267
★② Logistics	19,848	20,574	3.7	726
Others	24,882	24,625	(1.0)	(257)

Major reasons for
increases/decreases

★① SG&A expenses: The ratio of SG&A expenses to sales decreased 1.4 of a percentage point from 16.6% to 15.2%

★② Logistics: Logistics costs increased by approximately ¥0.7 billion due to an upswing in sales volume

(¥ million, %)

	FY2013/3 1st half results	FY2013/3 Full year results	FY2014/3	
			1st half results	Variance
Other operating costs and expenses (income) - net	723	131	1,212	489
Fixed assets	670	3	1,188	518
Others	53	128	24	(29)
★① Other Income (expenses) - net	(404)	1,723	750	1,154
Interest and dividends income	522	988	559	37
Foreign exchange gains (losses)	(834)	841	527	1,361
Others	(92)	(106)	(336)	(244)
Interest expenses	766	1,582	784	18

Major reasons for
increases/decreases

★① Other Income (expenses) – net Increased by approx. ¥1.2 billion due mainly to foreign exchange gains and losses

(¥ million, %)

	Consolidated balance sheets	FY2013/3 year-end	FY2014/3 End of Sept.	Variance (%)	Variance
★①	Total assets	610,293	617,106	1.1	6,813
	Cash and cash equivalents	36,475	46,467	27.4	9,992
★②	Trade notes and accounts receivable	123,972	114,103	(8.0)	(9,869)
★③	Inventories	113,187	133,885	18.3	20,698
	Property, plant and equipment - at cost, less accumulated depreciation	224,785	224,311	(0.2)	(474)
	Investments and other assets	30,685	31,734	3.4	1,049
	Deferred income taxes - non-current	12,531	12,415	(0.9)	(116)
	Total liabilities	314,209	314,782	0.2	573
	Trade notes and accounts payable	102,148	101,365	(0.8)	(783)
★④	Interest-bearing debt	149,821	157,849	5.4	8,028
	Liability under retirement and severance programs	15,005	14,688	(2.1)	(317)
	Total Nippon Meat Packers, Inc. shareholders' equity	293,414	299,579	2.1	6,165
	Noncontrolling interests	2,670	2,745	2.8	75
	Total equity	296,084	302,324	2.1	6,240

Major reasons for
increases/decreases

★① Total assets:	Increased by approximately ¥6.8 billion including ② and ③
★② Trade notes and accounts receivable:	Decreased by approximately ¥9.9 billion year on year due to the previous fiscal year-end falling on a holiday
★③ Inventories:	Increased by approximately ¥20.7 billion year on year mainly due to higher sales of fresh meat
★④ Interest-bearing debt:	Increased by approximately ¥8.0 billion year on year due to higher short-term bank loans

(¥ million, %)

Capital expenditures and depreciation	FY2013/3 1st half results	FY2014/3 1st half results	Variance (%)	Variance	FY2014/3 Full year forecasts
Property, plant and equipment	12,181	8,891	(27.0)	(3,290)	32,000
Production facilities	4,704	4,549	(3.3)	(155)	15,700
Marketing and logistics facilities	1,695	1,109	(34.6)	(586)	4,500
Farms and processing facilities	3,199	1,950	(39.0)	(1,249)	6,500
Overseas operations facilities	1,245	522	(58.1)	(723)	3,300
Other facilities	1,338	761	(43.1)	(577)	2,000
Depreciation and amortization	9,420	9,212	(2.2)	(208)	20,000

(¥ million)

	Consolidated statement of cashflows	FY2013/3 1st half	FY2014/3		FY2014/3 Full year forecasts
			1st half	Variance	
★①	Cash flow from operating activities	1,785	1,237	(548)	41.0 bn
★②	Cash flow from investing activities	(48,542)	2,812	51,354	(25.0 bn)
	Cash flow from financing activities	15,981	5,669	(10,312)	(17.0 bn)

Major reasons for increases/decreases

★① Breakdown of major items of cash flow from operating activities (¥ million)

	FY2013/3 1st half	FY2014/3	
		1st half	Variance
Decrease (increase) in trade notes and accounts receivable	(4,159)	10,059	14,218
Decrease (increase) in inventories	(9,925)	(20,925)	(11,000)

★② Breakdown of major items of cash flow from investing activities (¥ million)

	FY2013/3 1st half	FY2014/3	
		1st half	Variance
Capital expenditures	(11,150)	(11,581)	(431)
Decrease (increase) in short-term investments	(38,079)	11,445	49,524

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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.