

Minutes of the Institutional Investor/Analyst Briefing for the Fiscal Year Ended March 31, 2014

NIPPON MEAT PACKERS, INC.

Date & Time:	May 14, 2014 (Wednesday) -- 10:00-11:30
Attendees:	President and Representative Director: <i>Noboru Takezoe</i> Director and Senior Managing Executive Officer, General Manager of Processed Foods Business Division: <i>Koji Uchida</i> Director and Senior Managing Executive Officer, General Manager of Fresh Meats Business Division: <i>Juichi Suezawa</i> Director and Managing Executive Officer, General Manager of Corporate Management Division, in charge of the Accounting & Finance Department and IT Strategy Department: <i>Yoshihide Hata</i> Director and Executive Officer, General Manager of Affiliated Business Division: <i>Koji Kawamura</i>

[Q&A]

Overall

Q) What are the business risks?

A) There is a significant risk of livestock disease. We will continue to secure the disease prevention system and implement other measures thoroughly.

Q) What is the probability of achieving the estimated operating income for the current fiscal year?

A) Although it will be difficult to achieve the estimates in the Processed Foods Business Division and the Affiliated Business Division, we will try to exceed the estimates in the Fresh Meats Business Division.

Q) In what business is the profit level enhanced structurally, rather than due to the effects of the external circumstances?

A) Business operations are affected by various changes in the external circumstances, and it is difficult to make a clear distinction between them; however, there is a growing awareness of the brands throughout the entire group, and we will further strengthen the ratio of the branded fresh meats and other initiatives.

Q) What was the state of capital investment and what are the plans for the following fiscal year and beyond?

A) We are planning active capital investment beyond the scope of depreciation for the three years under the New Medium-Term Management Plan Part IV. This includes the maintenance of existing facilities (to improve productivity and the quality of products made in factories), which is necessary for future business. In addition, we are considering capital investment and political investment for growth after the following fiscal year.

Q) What companies are considered as benchmarks?

A) The businesses range widely over various fields, so the benchmarks are set by division rather than for the entire group. The group's goals are to be in the top five in the domestic food sector and the top three among overseas fresh meat companies.

Q) What were the sales for hams and sausages, and processed foods overseas?

A) Approximately 9 billion yen for the fiscal year ended March 31, 2014. We will accelerate the speed of the expansion of sales.

Fresh Meats Business

Q) What are the forecasts for the Australian businesses for the current fiscal year?

A) A decrease in the number of forwarded live cattle for all Australian businesses will lead to a rise in the live cattle purchasing costs from the second quarter onwards. Although we are expecting to face more challenging conditions than in the previous period, we will respond to these with stronger sales activities and more efficient operations.

Q) What are the forecasts for the sales volumes of domestic fresh meats?

A) We will increase our 1% share by sales volume growth of 5% each year, in order to achieve a share of 30% in the future. Along with that effort, we will increase the purchasing ability. In addition, we will also strengthen imported branded fresh meats (such as *Italian Pork* and *German Pork*).

Q) Please explain the trends in the market prices for fresh meats for the current fiscal year in Japan.

A) The actual market prices and forecasts of their changes for the current fiscal year are as set forth below (for those produced in Japan):

The market price for chicken (breast/dark meat; weighted average) is expected to increase approximately 15 yen per kilogram.

The market price for pork (excellent quality/carcass/average of the three markets) is expected to increase 24-25 yen per kilogram.

The market price for beef (A-3 wagyu/carcass/Tokyo market) is expected to remain the same.

Q) What are the effects of the TPP and other trade agreements on the Fresh Meats Business?

A) The specific provisions and time/period under them are not determined, so it is impossible to provide definite answers. However, we will take steps to expand sales by getting onto the trend of the domestic consumption increase and strengthening exports under the Australian businesses.

Processed Foods Business

Q) What are the states of changes in the product standards in the previous year and the concepts for the recent change in specifications and price revisions?

A) The effects of the previous year's revision of prices were realized as planned. The recent change is mainly implemented with regard to the standards, with a partial revision of the supply prices scheduled. In this regard, the price shift for private brand products and commercial-use products was extended for the previous fiscal year.

Q) Why is the company joining the OEM business for CVS ?

A) The purpose is sales expansion by joining the new business.

Q) What are the effects of the cost cut, including the investment in the Nippon Ham Factory Co., Ltd. Ibaraki Plant?

A) The total cost cut of 35 yen per kilogram in the manufacture of hams and sausages is planned by the end of the period under the following medium-term plan.