

(Translation)

November 28, 2011

Dear Sirs,

Name of the Company: Nippon Meat Packers, Inc.

Representative: Hiroshi Kobayashi
President and Representative
Director

(Code No. 2282, First Sections of the Tokyo Stock
Exchange and the Osaka Securities Exchange)

Person to contact: Shigeru Nakajima
General Manager of
Public Relations & IR Department

Notice of Misconduct of Ex-Employee of the Company

It has turned out that at Nippon Logistics Center, Inc. (Representative: Hidehiro Aoyama, Head Office: Kawasaki Ward, Kawasaki City; hereinafter "NLC"), a consolidated subsidiary of Nippon Meat Packers, Inc. (the "Company"), an ex-employee ("Ex-employee") of the Company who had been a person responsible for accounting of NLC (sent on loan by the Company) performed wrongful acts (misappropriation of company funds), as described below. We feel regretful for the occurrence of such incident at the consolidated subsidiary of the Company and should like to express our sincerest apology to our shareholders and clients, as well as all other related parties for causing great annoyance and anxiety.

Description

1. Misconduct in outline:

With regard to the incident, in October 2011, we received a report from a current person in charge of accounting of NLC that some accounting slips were questionable. After full examination of accounting data and other materials, the Ex-employee (male, 39 years old) who had been responsible for accounting was found to have misused his position as such to fraudulently withdraw company funds some dozen times and misappropriated them for private purposes.

Internal investigations by seeking advice from third-party experts have at this stage revealed the misappropriation of (i) approximately 0.9 million yen from July 1995 to September 1996 during which he served with Nippon Food Tokai, Inc. (currently, Kanto Nippon Food, Inc.) and (ii) approximately 112 million yen from May 2003 to February 2010 during which he served with NLC, totaling approximately 113 million yen.

2. The Company's response:

Immediately after the fact was found out, the Company conducted internal investigations and ordered a disciplinary dismissal of the Ex-employee. The Company is advancing the preparation for a criminal complaint against the Ex-employee and also consulting with its legal counsels about the filing of a civil lawsuit and other steps to recover the misappropriated funds. The Nippon Ham Group will cooperate with law enforcement authorities to clarify the whole picture of the incident.

3. Effects on the consolidated financial statements for the previous fiscal years and the business results for the fiscal year ending March 31, 2012:

The amount equivalent to the funds lost by the misconduct is considered to have no significant effect on the consolidated financial statements of the Company. Part of such amount has already been charged off in the settlement of accounts for the fiscal year ended March 31, 2010 and theretofore. While the incident is considered to have no significant effect on the settlement of accounts for the previous fiscal years, any revision thereof, if considered necessary, will promptly be publicized.

4. Preventive measures:

The Nippon Ham Group has instituted a "Nippon Ham Group Code of Conduct" and has been keeping all officers and employees informed of and familiar with the code to promote group management based on compliance with law. Therefore, the Company has treated the scandal with utmost seriousness. Hence, the Company will exert efforts to establish its internal control system more strongly and enhance its effectiveness to prevent similar incidents.

To be specific, the Company will implement the following measures:

- (i) Thoroughly verify the state of compliance with internal rules and regulations through internal monitoring and other procedures on an irregular basis;
- (ii) Minimize cash on hand and further integrate payment processing among the Group by its cash management system;
- (iii) Further promote the sharing of services for accounting and financing work among the Group (integrate accounting work into a specialized subsidiary to strengthen its checking function); and
- (iv) Rotate its employees on a regular basis to reduce risks.

In addition, the Company will take strict disciplinary action against related persons for their managerial responsibilities as they have failed to detect the wrongful acts for years.

In the event that with regard to the incident, any new fact is found to be disclosed or any decision is made, it will be publicized then.

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