Unofficial Translation

No: 050./JAPFA-BEI/LD-CS/III/2016 Jakarta, 21 March 2016

to
Director of Listing PT Bursa Efek Indonesia
Indonesia Stock Exchange Building Tower I,
Jl. Jend. Sudirman Kav 52-53, Jakarta 12190.

Attn. **Listing Division Group 1**

Dear Sir,

Referring to the letter of PT Bursa Efek Indonesia No. S-01599/BEI.PP1/03-2016 dated 16 March 2016, Re.: Request for Explanation, PT Japfa Comfeed Indonesia Tbk (the Company) hereby gives explanation, as follows:

1. Please give your explanation on the below queries:

   a) Company's consideration to buyback the shares on the period stated by Company

      Explanation
      The rationale for the Company to undertake the Buyback is as follows:
      i. In managing the business of the Company management will strive to increase Shareholders' value by improving, *inter alia*, the Return on Equity (ROE) of the Company. In addition to growth and expansion of the business, Buyback may be considered as one of the ways through which the ROE of the Company may be enhanced;
      ii. The Buyback mandate will provide the Company with greater flexibility in managing its capital and maximizing returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Buyback mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner.

   b) The resources to fund the shares buyback.

      Explanation
      The resources to fund the shares buyback come from internal or external sources.

   c) The member of stock exchange appointed by the Company to implement the shares buyback.

      Explanation
      The Company may appoint PT Buana Capital or any other stockbroker registered in IDX.

   d) The plan of transferring the shares buyback (if any)

      Explanation
      Subject to prevailing regulations, the Company may use such Buyback shares for the following purposes, including but not limited to:
      i. Refloat the shares at the best price as the market condition is improving;

ii. Debt to equity financing, such as exchangeable bonds;
iii. ESOP;
iv. Reduce capital.

e) Any other information/ facts/ important matters that have not disclosed to public which is material and can impact the shares prices as well as the going concern of the Company.

Explanation
In the Company knowledge, no other information/facts/important matters that have not disclosed to public which is material and can impact the shares prices as well as the going concern of the Company.

2. In addition to the above and related to the Company's plan to buyback the shares, we would like to remind you to comply with Regulation No. IX.B.2 regarding the Shares Buyback by Issuers or Public Companies.

Explanation
Buyback shall be performed in compliance with Regulation No, XI.B.2, as an attachment to the Decision of the Chairman of Bapepam-LK No. Kep-105/BL/2010 dated April 13, 2010 concerning Shares Buyback by Listed Company or Public Company

Sincerely yours,
PT Japfa Comfeed Indonesia Tbk

Stamp & Signed

Maya Pradjono
Corporate Secretary