

(Translation)

May 20, 2005

**BRIEF NON-CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2005**

---

|  |  |
|--|--|
| Name of listed company:  | Nippon Meat Packers, Inc.  |
| Code number:   | 2282<br>(URL <a href="http://www.nipponham.co.jp">http://www.nipponham.co.jp</a> )   |
| Listing exchange:  | Tokyo Stock Exchange and<br>Osaka Securities Exchange  |
| Location of head office (prefecture):                                    | Osaka  |
| Representative:  | Yoshikiyo Fujii<br>President and Representative Director   |
| Inquiries to be directed to:   | Noboru Takezoe<br>Senior Executive Officer, General<br>Manager of Management Planning<br>Central Division<br>Tel. (06) 6282-3171 |
| Date of meeting of the Board of<br>Directors for settlement of accounts: | May 20, 2005   |
| Interim dividend system:   | No   |
| Payment date of dividend:  | June 29, 2005  |
| Date of ordinary general meeting<br>of shareholders:                     | June 28, 2005  |
| System of a unit of shares:  | Yes (One unit: 1,000 shares)   |

1. Business results for the year ended March 31, 2005 (April 1, 2004 through March 31, 2005):

(1) Operating results

(Stated by discarding fractions of one million yen)

|  | Year ended March<br>31, 2005 | Year ended March 31,<br>2004 |
|--|------------------------------|------------------------------|
| Net sales  | ¥611,912 million<br>(0.8%)   | ¥607,022 million<br>(4.0%)   |
| Operating income   | ¥7,133 million<br>(-) 15.5%  | ¥8,438 million<br>(15.8%)    |
| Ordinary income  | ¥9,585 million<br>(-) 9.1%   | ¥10,542 million<br>(23.4%)   |
| Net income   | ¥5,026 million<br>(-) 3.9%   | ¥5,228 million<br>-          |
| Net income per share   | ¥22.02                       | ¥22.90                       |
| Net income per share after<br>adjustment of potential stocks | ¥22.01                       | ¥22.86                       |
| Ratio of income to<br>shareholders' equity for the<br>year   | 2.4%                         | 2.5%                         |
| Ratio of ordinary income to<br>total assets                  | 2.7%                         | 2.9%                         |
| Ratio of ordinary income to<br>sales                         | 1.6%                         | 1.7%                         |

(Notes)

1. Average number of shares during each year:
 

|  |                    |                    |
|--|--------------------|--------------------|
|  | 228,297,204 shares | 228,324,432 shares |
|--|--------------------|--------------------|
2. Changes in the accounting procedure:
 

|  |      |
|--|------|
|  | None |
|--|------|
3. The percentages in the items of sales, operating income, ordinary income and net income indicate the rates of increase or decrease from the previous year.

| (2) State of dividends                        | Year ended March 31,<br>2005 | Year ended March 31,<br>2004 |
|---|------------------------------|------------------------------|
|   |                              |                              |
| Dividend per share for the year               | ¥16.00                       | ¥16.00                       |
| (interim)                                     | -                            | -                            |
| (year-end)                                    | ¥16.00                       | ¥16.00                       |
| Total amount of dividends<br>(for the year)   | ¥3,652 million               | ¥3,653 million               |
| Pay-out ratio                                 | 72.7%                        | 69.9%                        |
| Ratio of dividends to<br>shareholders' equity | 1.7%                         | 1.7%                         |

| (3) Financial position                           | Year ended March 31,<br>2005 | Year ended March 31,<br>2004 |
|--|------------------------------|------------------------------|
|  |                              |                              |
| Total assets                                     | ¥360,664 million             | ¥362,211 million             |
| Shareholders' equity                             | ¥211,006 million             | ¥209,569 million             |
| Ratio of shareholders' equity<br>to total assets | 58.5%                        | 57.9%                        |
| Shareholders' equity per share                   | ¥924.33                      | ¥917.89                      |

(Notes)

1. Number of issued shares outstanding at end of the year:
 

|                            |                    |
|----------------------------|--------------------|
| Year ended March 31, 2005: | 228,279,778 shares |
| Year ended March 31, 2004: | 228,317,404 shares |
  
2. Number of treasury shares at end of the year:
 

|                            |                |
|----------------------------|----------------|
| Year ended March 31, 2005: | 165,572 shares |
| Year ended March 31, 2004: | 127,946 shares |

2. Forecast of operating results for the year ending March 31, 2006 (April 1, 2005 through March 31, 2006):

|                                 | <u>Interim period</u> | <u>Whole-year period</u> |
|---------------------------------|-----------------------|--------------------------|
| Net sales                       | ¥310,000 million      | ¥620,000 million         |
| Ordinary income                 | ¥5,000 million        | ¥10,000 million          |
| Net income                      | ¥5,000 million        | ¥8,000 million           |
| Dividend per share for the year | -                     | ¥16.00                   |
| (interim)                       | -                     | -                        |
| (year-end)                      | -                     | ¥16.00                   |

(Reference) Forecast of net income per share for the year (whole-year period):¥35.04

\* The above forecast was calculated based on the currently available information. The actual results may change materially depending on various factors in the future. As for the matters relating to the above forecast, please refer to page 22 of the brief statements of consolidated accounts.

NON-CONSOLIDATED FINANCIAL STATEMENTS, ETC.

BALANCE SHEETS

|  | As of March 31, 2005        |                        | As of March 31, 2004        |                        | Increase or decrease        |
|--|-----------------------------|------------------------|-----------------------------|------------------------|-----------------------------|
|  | Amount<br>(millions of yen) | Component<br>ratio (%) | Amount<br>(millions of yen) | Component<br>ratio (%) | Amount<br>(millions of yen) |
| <u>Assets:</u>                           |                             |                        |                             |                        |                             |
| I. Current assets:                       | 183,179                     | 50.8                   | 180,542                     | 49.8                   | 2,636                       |
| Cash on hand and in banks                | 32,829                      |                        | 37,687                      |                        | (-) 4,857                   |
| Notes receivable – trade                 | 865                         |                        | 917                         |                        | (-) 52                      |
| Accounts receivable – trade              | 69,939                      |                        | 68,148                      |                        | 1,790                       |
| Marketable securities                    | 501                         |                        | 149                         |                        | 351                         |
| Finished goods and<br>merchandise        | 25,556                      |                        | 26,181                      |                        | (-) 625                     |
| Raw materials                            | 6,513                       |                        | 4,375                       |                        | 2,137                       |
| Goods in process                         | 455                         |                        | 477                         |                        | (-) 21                      |
| Stores                                   | 515                         |                        | 481                         |                        | 34                          |
| Deferred tax assets                      | 1,159                       |                        | 1,884                       |                        | (-) 725                     |
| Short-term loans receivable              | 40,468                      |                        | 36,453                      |                        | 4,014                       |
| Other current assets                     | 4,697                       |                        | 4,144                       |                        | 553                         |
| Reserve for doubtful<br>accounts         | (-) 322                     |                        | (-) 360                     |                        | 38                          |
| II. Fixed assets:                        | 177,485                     | 49.2                   | 181,669                     | 50.2                   | (-) 4,184                   |
| 1. Tangible fixed assets                 | 77,684                      | 21.5                   | 78,631                      | 21.7                   | (-) 947                     |
| Buildings                                | 25,279                      |                        | 25,492                      |                        | (-) 213                     |
| Structures                               | 3,215                       |                        | 3,421                       |                        | (-) 206                     |
| Machinery and equipment                  | 13,312                      |                        | 13,016                      |                        | 296                         |
| Vehicles and transportation<br>equipment | 197                         |                        | 198                         |                        | 0                           |
| Tools, furniture and fixtures            | 1,024                       |                        | 1,054                       |                        | (-) 30                      |
| Land                                     | 34,405                      |                        | 35,306                      |                        | (-) 901                     |
| Construction in progress                 | 248                         |                        | 141                         |                        | 107                         |
| 2. Intangible fixed assets               | 2,998                       | 0.8                    | 1,803                       | 0.5                    | 1,195                       |
| Software                                 | 2,742                       |                        | 1,591                       |                        | 1,151                       |
| Other intangible fixed assets            | 256                         |                        | 212                         |                        | 44                          |
| 3. Investments and other assets          | 96,802                      | 26.9                   | 101,234                     | 28.0                   | (-) 4,431                   |
| Investment securities                    | 19,466                      |                        | 21,231                      |                        | (-) 1,765                   |
| Capital stock of affiliated<br>companies | 31,054                      |                        | 30,341                      |                        | 713                         |
| Long-term loans receivable               | 33,410                      |                        | 35,346                      |                        | (-) 1,935                   |
| Long-term prepaid expenses               | 124                         |                        | 138                         |                        | (-) 13                      |
| Deferred tax assets                      | 11,983                      |                        | 11,924                      |                        | 59                          |
| Other investments, etc.                  | 4,796                       |                        | 4,950                       |                        | (-) 153                     |
| Reserve for doubtful accounts            | (-) 4,034                   |                        | (-) 2,697                   |                        | (-) 1,336                   |
| Total Assets                             | 360,664                     | 100.0                  | 362,211                     | 100.0                  | (-) 1,547                   |

|  | As of March 31, 2005        |                        | As of March 31, 2004        |                        | Increase or decrease        |
|--|-----------------------------|------------------------|-----------------------------|------------------------|-----------------------------|
|  | Amount<br>(millions of yen) | Component<br>ratio (%) | Amount<br>(millions of yen) | Component<br>ratio (%) | Amount<br>(millions of yen) |
| <u>Liabilities</u>   |                             |                        |                             |                        |                             |
| I. Current liabilities:                                      | 108,971                     | 30.2                   | 96,281                      | 26.6                   | 12,689                      |
| Notes payable – trade  | 2,183                       |                        | 2,201                       |                        | (-) 18                      |
| Accounts payable – trade                                     | 66,658                      |                        | 59,383                      |                        | 7,274                       |
| Long-term loans payable<br>within one year                   | 3,932                       |                        | 3,333                       |                        | 598                         |
| Straight bonds redeemable<br>within one year                 | 15,000                      |                        | 5,000                       |                        | 10,000                      |
| Accounts payable - others                                    | 4,457                       |                        | 4,563                       |                        | (-) 106                     |
| Unpaid corporation tax, etc.                                 | 550                         |                        | 6,027                       |                        | (-) 5,477                   |
| Accrued expenses payable                                     | 10,325                      |                        | 10,792                      |                        | (-) 467                     |
| Deposit received   | 607                         |                        | 630                         |                        | (-) 23                      |
| Others current liabilities                                   | 5,255                       |                        | 4,348                       |                        | 907                         |
| II. Fixed liabilities:                                       | 40,686                      | 11.3                   | 56,360                      | 15.5                   | (-) 15,674                  |
| Straight bonds   | 9,700                       |                        | 24,700                      |                        | (-) 15,000                  |
| Long-term loans payable                                      | 16,073                      |                        | 15,006                      |                        | 1,067                       |
| Reserve for retirement<br>benefits                           | 14,618                      |                        | 16,259                      |                        | (-) 1,641                   |
| Reserve for officers'<br>retirement benefits                 | -                           |                        | 395                         |                        | (-) 395                     |
| Long-term accounts payable                                   | 294                         |                        | -                           |                        | 294                         |
| <b>Total Liabilities</b>                                     | <b>149,657</b>              | <b>41.5</b>            | <b>152,642</b>              | <b>42.1</b>            | <b>(-) 2,984</b>            |
| <u>Shareholders' Equity</u>                                  |                             |                        |                             |                        |                             |
| I. Capital   | 24,165                      | 6.7                    | 24,165                      | 6.7                    | -                           |
| II. Capital surplus  | 43,083                      | 11.9                   | 43,083                      | 11.9                   | -                           |
| Capital reserve  | 43,083                      |                        | 43,083                      |                        | -                           |
| III. Earned surplus  | 140,482                     | 39.0                   | 139,111                     | 38.4                   | 1,370                       |
| Reserve out of income  | 6,041                       |                        | 6,041                       |                        | -                           |
| Voluntary reserve  | 124,341                     |                        | 124,379                     |                        | (-) 38                      |
| Reserve for special<br>depreciation                          | 102                         |                        | 140                         |                        | (-) 38                      |
| Reserve for loss on overseas<br>investment                   | 33                          |                        | 33                          |                        | -                           |
| Reserve for deferred income<br>tax on fixed assets           | 620                         |                        | 620                         |                        | -                           |
| General reserve  | 123,585                     |                        | 123,585                     |                        | -                           |
| Unappropriated retained<br>earnings at the end of year       | 10,099                      |                        | 8,690                       |                        | 1,409                       |
| IV. Revaluation difference of other<br>marketable securities | 3,468                       | 1.0                    | 3,350                       | 0.9                    | 117                         |
| V. Treasury shares   | (-) 194                     | (-) 0.1                | (-) 142                     |                        | (-) 51                      |
| <b>Total Shareholders' Equity</b>                            | <b>211,006</b>              | <b>58.5</b>            | <b>209,569</b>              | <b>57.9</b>            | <b>1,437</b>                |
| <b>Total Liabilities and Shareholders'<br/>Equity</b>        | <b>360,664</b>              | <b>100.0</b>           | <b>362,211</b>              | <b>100.0</b>           | <b>(-) 1,547</b>            |

STATEMENT OF INCOME

|  | Year ended March 31,<br>2005<br>(From April 1, 2004 to<br>March 31, 2005) |                   | Year ended March 31,<br>2004<br>(From April 1, 2003 to<br>March 31, 2004) |                   | Increase or<br>decrease     | Rate of<br>increase or<br>decrease<br>from the<br>previous<br>year |
|--|---|-------------------|---|-------------------|-----------------------------|--|
|  | Amount<br>(millions of yen)   | Percentage<br>(%) | Amount<br>(millions of yen)   | Percentage<br>(%) | Amount<br>(millions of yen) | Percentage<br>(%)  |
| <u>Ordinary Income and Loss</u>                          |   |                   |   |                   |                             |  |
| Operating income and loss:                               |   |                   |   |                   |                             |  |
| I. Sales   | 611,912   | 100.0             | 607,022   | 100.0             | 4,889                       | 0.8  |
| II. Cost of goods sold                                   | 525,471   | 85.9              | 514,894   | 84.8              | 10,577                      |  |
| Gross income on sales                                    | 86,440  | 14.1              | 92,128  | 15.2              | (-) 5,687                   |  |
| III. Selling, general and<br>administrative expenses     | 79,307  | 12.9              | 83,690  | 13.8              | (-) 4,383                   |  |
| Operating income   | 7,133   | 1.2               | 8,438   | 1.4               | (-) 1,304                   | (-) 15.5   |
| Non-operating income and loss:                           |   |                   |   |                   |                             |  |
| IV. Non-operating income                                 | 4,544   | 0.7               | 4,462   | 0.7               | 82                          |  |
| Interest and dividends received                          | 2,152   |                   | 2,142   |                   | 10                          |  |
| Other non-operating income                               | 2,391   |                   | 2,319   |                   | 72                          |  |
| V. Non-operating expenses                                | 2,092   | 0.3               | 2,357   | 0.4               | (-) 265                     |  |
| Interest paid  | 724   |                   | 905   |                   | (-) 180                     |  |
| Other non-operating expenses                             | 1,367   |                   | 1,451   |                   | (-) 84                      |  |
| Ordinary income  | 9,585   | 1.6               | 10,542  | 1.7               | (-) 957                     | (-) 9.1  |
| <u>Special Income and Loss</u>                           |   |                   |   |                   |                             |  |
| VI. Special income:                                      | 2,171   | 0.3               | 418   | 0.1               | 1,753                       |  |
| Income from sale of fixed assets                         | 645   |                   | 365   |                   | 280                         |  |
| Income from sale of marketable<br>securities             | 1,166   |                   | -   |                   | 1,166                       |  |
| Reversal of reserve for officers'<br>retirement benefits | -   |                   | 52  |                   | (-) 52                      |  |
| Gain on insurance claims                                 | 359   |                   | -   |                   | 359                         |  |
| VII. Special loss:                                       | 3,946   | 0.6               | 1,728   | 0.3               | 2,218                       |  |
| Loss on sale of fixed assets                             | 426   |                   | -   |                   | 426                         |  |
| Loss from disposition of fixed<br>assets                 | 515   |                   | 314   |                   | 201                         |  |
| Valuation loss of investment<br>securities               | 186   |                   | 27  |                   | 159                         |  |
| Valuation loss of capital stock of<br>subsidiaries       | -   |                   | 898   |                   | (-) 898                     |  |
| Special retirement allowances                            | 1,409   |                   | 114   |                   | 1,295                       |  |
| Transfer to reserve for doubtful<br>accounts             | 1,388   |                   | -   |                   | 1,388                       |  |
| Loss relating to the adjustment<br>storage measures      | -   |                   | 301   |                   | (-) 301                     |  |
| Other special loss                                       | 19  |                   | 72  |                   | (-) 53                      |  |

|  | Year ended March 31,<br>2005<br>(From April 1, 2004 to<br>March 31, 2005) |                   | Year ended March 31,<br>2004<br>(From April 1, 2003 to<br>March 31, 2004) |                   | Increase or<br>decrease | Rate of<br>increase or<br>decrease<br>from the<br>previous<br>year |
|--|---|-------------------|---|-------------------|-------------------------|--|
|  | Amount<br>(millions of yen)   | Percentage<br>(%) | Amount<br>(millions of yen)   | Percentage<br>(%) |                         |  |
| Income before tax for the year                                 | 7,810   | 1.3               | 9,232   | 1.5               | (-) 1,422               | (-) 15.4   |
| Corporation tax, inhabitant tax<br>and enterprise tax          | 2,200   | 0.4               | 6,150   | 1.0               | (-) 3,950               |  |
| Adjustment corporation tax, etc.                               | 584   | 0.1               | (-) 2,145   | (-) 0.4           | 2,729                   |  |
| Net income   | 5,026   | 0.8               | 5,228   | 0.9               | (-) 202                 | (-) 3.9  |
| Retained earnings brought<br>forward from the previous<br>year | 5,076   |                   | 3,462   |                   | 1,613                   |  |
| Loss on disposition of treasury<br>shares                      | 2   |                   | -   |                   | 2                       |  |
| Unappropriated retained earnings<br>at the end of the year     | 10,099  |                   | 8,690   |                   | 1,409                   |  |

PROPOSED APPROPRIATION OF RETAINED EARNINGS

|  | Year ended March 31,<br>2005 | Year ended March 31,<br>2004 | Increase or<br>decrease |
|--|------------------------------|------------------------------|-------------------------|
|  | (millions of yen)            | (millions of yen)            | (millions of yen)       |
| Unappropriated retained earnings at the end of year            | 10,099                       | 8,690                        | 1,409                   |
| Reversal of reserve for special depreciation                   | 41                           | 43                           | (-) 2                   |
| Reversal of reserve for loss of overseas investment            | 6                            | -                            | 6                       |
| Total:   | 10,147                       | 8,734                        | 1,413                   |
| The above retained earnings are to be appropriated as follows: |                              |                              |                         |
| Dividends to shareholders                                      | 3,652<br>(¥16 per share)     | 3,653<br>(¥16 per share)     | 0                       |
| Reserve for special depreciation                               | 8                            | 5                            | 3                       |
| Retained earnings brought forward to the next year             | 6,487                        | 5,076                        | 1,410                   |

(Note) Figures of the above amounts are stated by discarding fractions of one million yen.

Significant Accounting Policies:

1. Basis and method of valuation of marketable securities:

Securities to be held to maturity: At cost, determined by the amortized cost method (straight line method)

Capital stocks of affiliated companies:

At cost, determined by the periodic average method

Other securities:

Those with market value: At market value, determined by market prices, etc. as of the closing of the business year (Revaluation differences are all transferred directly to capital. Selling costs are determined by the periodic average method.)

Those without market value: At cost, determined by the periodic average method

2. Basis and method of valuation of inventories:

Finished goods and merchandise, raw materials and goods in process:

At cost, determined by the periodic average method

Stores:

At cost, determined by the monthly moving average method

3. Method of depreciation of fixed assets:

Tangible fixed assets:

Declining balance method; however, the straight line method applies to Hyogo Plant, Tokushima Plant, part of the hired-out assets and all buildings (except for their appurtenances) acquired on or after April 1, 1998.

Intangible fixed assets:

Straight line method. Depreciation of software for use by the Company is made by the straight line method based on the useful life (five years) within the Company.

4. Basis for providing reserves:

Reserve for doubtful accounts:

By taking into consideration the actual loss rate in respect of general credits and the individual possibilities of collection in respect of specific credits, including possible non-performing credits,

the Company provides an estimated uncollectible amount.

Reserve for retirement benefits: To meet the payment of retirement benefits to employees, the Company provides an amount, based on estimated retirement benefit obligations and plan assets as of the end of the current business year. Prior year service liabilities are treated as expenses based on the straight line method for a specific period of years (13 years) not exceeding the average remaining years of service of employees when such liabilities occur. Actuarial differences are treated as expenses, effective from the following business year, based on the straight line method for a specific period of years (16 years or 13 years) not exceeding the average remaining years of service of employees when such differences occur.

Reserve for officers' retirement benefits:

As a means of amendments to the policies of officers' remuneration, the Company abolished the policy of officers' retirement benefits as of June 25, 2004 on which the ordinary general meeting of shareholders was held.

The adequate amount of officers' retirement benefits up to that day has been transferred to long-term accounts payable.

5. Method of treatment of lease transactions:

Any financial lease transaction other than those in which ownership of leased property is deemed to pass to its lessee is treated in the manner in which ordinary lease transactions are treated.

6. Method of hedge accounting:

(i) Method of hedge accounting of forward exchange contracts :

Forward exchange contracts are translated into yen with forward exchange rate.

(ii) Hedging instruments and hedged items:

Hedging instruments:

Derivatives transactions (forward exchange contract transactions)

Hedged items:

Items of which cash flows are fixed to prevent fluctuations thereof

(iii) Hedging policy:

Forward exchange contract transactions are carried out pursuant to the Company's internal regulations stipulating the transaction authority and the maximum transaction amount based on its foreign exchange exposure management policy.

(iv) Method of evaluating the effectiveness of a hedge:

The method of evaluating the effectiveness of a hedge is to confirm the compliance with the foreign exchange exposure management policy upon entering into a forward exchange contract.

7. Other important fundamental matters for the preparation of financial statements:

Accounting treatment of consumption tax:

Consumption tax is treated for accounting purpose on a tax-excluded basis.

**Material subsequent event**

As a result of the enforcement of the Defined-Benefit-Type Corporate Pension Law, with regard to substitutional payments for the Nippon Meat Packers Employees' Pension Fund, the Company was authorized by the Minister of Health, Labor and Welfare of Japan to be exempt from the obligation of past payments therefor as of April 1, 2005.

Consequently, pursuant to Clause 44-2 of the "Practical Guidelines of Accounting for Retirement Benefits (Interim Report)" (JICPA Accounting Committee Report No.13), the Company recognized the expiration of the retirement benefit obligations relating to the substitutional payments and the resulting profit and loss as of the date of such authorization of exemption from the obligation of past substitutional payments.

For the year ending March 31, 2006, the Company will report an income of ¥13,146 million from the exemption of substitutional payments as a special income.

**NOTES:**

1. Figures of the above-listed amounts are stated by discarding fractions of one million yen.

Year ended March 31, 2005

Year ended March 31, 2004

2. Accumulated depreciation of tangible fixed assets: ¥79,824 million ¥78,306 million
3. Guarantee obligations: ¥12,833 million ¥14,937 million
4. Financial lease transactions other than those in which ownership of leased property is deemed to pass to its lessee:
- 1) Amounts equivalent to the acquisition prices, accumulated depreciation and balance at the end of the year, of leased property:

Year ended March 31, 2005:

*(millions of yen)*

|   | Amount<br>equivalent to<br>the acquisition<br>prices | Amount<br>equivalent to<br>accumulated<br>depreciation | Amount<br>equivalent to<br>balance at the<br>end of the year |
|---|--|--|--|
| Tools, furniture and fixtures:            | 1,828  | 1,257  | 570  |
| Vehicles and transportation<br>equipment: | 822  | 482  | 340  |
| Others:                                   | -  | -  | -  |
| Total:                                    | 2,650  | 1,740  | 910  |

Year ended March 31, 2004:

*(millions of yen)*

|   | Amount<br>equivalent to<br>the acquisition<br>prices | Amount<br>equivalent to<br>accumulated<br>depreciation | Amount<br>equivalent to<br>balance at the<br>end of the year |
|---|--|--|--|
| Tools, furniture and fixtures:            | 3,457  | 2,641  | 816  |
| Vehicles and transportation<br>equipment: | 2,746  | 1,858  | 887  |
| Others:                                   | 168  | 142  | 26   |
| Total:                                    | 6,372  | 4,642  | 1,730  |

- 2) Amount equivalent to the balance of unearned rent at the end of the year:

|                           | Year ended March 31,<br>2005 | Year ended March 31,<br>2004 |
|---------------------------|------------------------------|------------------------------|
| Lease within one year:    | ¥434 million                 | ¥855 million                 |
| Lease exceeding one year: | ¥476 million                 | ¥874 million                 |
| Total:                    | ¥910 million                 | ¥1,730 million               |

- 3) Rent paid for the year and amount equivalent to depreciation costs:

|  | Year ended March 31,<br>2005 | Year ended March 31,<br>2004 |
|--|------------------------------|------------------------------|
|--|------------------------------|------------------------------|

|  |              |                |
|--|--------------|----------------|
| Rent paid:                               | ¥685 million | ¥1,181 million |
| Amount equivalent to depreciation costs: | ¥685 million | ¥1,181 million |

The amounts equivalent to the acquisition prices of leased property and to the balance of unearned rent at the end of the year are calculated by including interest paid, since the amount of the balance of unearned rent at the end of the year is insignificant.

6. Marketable securities (Shares of subsidiaries and associated companies):

No shares of subsidiaries and associated companies have market values.

7. Tax effect accounting:

1) Significant components of deferred tax assets and deferred tax liabilities:

(millions of yen)

|   | Year ended March 31,<br>2005 | Year ended March 31,<br>2004 |
|---|------------------------------|------------------------------|
| Deferred Tax Assets   |                              |                              |
| Excess over deductible amount of accrued bonuses                    | 963                          | 1,139                        |
| Denial of accrued enterprise taxes                                  | 63                           | 543                          |
| Denial of valuation loss of merchandise                             | 18                           | 7                            |
| Excess over deductible amount of reserve for retirement benefits    | 7,869                        | 8,050                        |
| Denial of officers' retirement benefits                             | 120                          | 161                          |
| Denial of revaluation loss of capital stock of affiliated companies | 5,043                        | 5,129                        |
| Excess over deductible amount of reserve for doubtful accounts      | 1,441                        | 966                          |
| Others  | 530                          | 663                          |
| Subtotal  | 16,050                       | 16,662                       |

|   | <i>(millions of yen)</i>            |               |                                     |               |
|---|-------------------------------------|---------------|-------------------------------------|---------------|
|   | <u>Year ended March 31,</u><br>2005 |               | <u>Year ended March 31,</u><br>2004 |               |
| Deferred Tax Liabilities                              |                                     |               |                                     |               |
| Reserve for special depreciation                      | (-)                                 | 48            | (-)                                 | 71            |
| Reserve for loss on overseas investment               | (-)                                 | 18            | (-)                                 | 23            |
| Reserve for deferred income tax on fixed assets       | (-)                                 | 430           | (-)                                 | 430           |
| Revaluation difference of other marketable securities | (-)                                 | 2,410         | (-)                                 | 2,328         |
| Subtotal  | (-)                                 | 2,908         | (-)                                 | 2,853         |
| Net Deferred Tax Assets                               |                                     | <u>13,142</u> |                                     | <u>13,808</u> |

2) Principal reasons for significant differences between normal effective statutory tax rate and the actual effective tax rate after application of tax effect accounting:

|  | <u>Year ended March 31,</u><br>2005 |
|--|-------------------------------------|
| Effective statutory tax rate   | 41.0%                               |
| (Adjustment)   |                                     |
| Permanently nondeductible expense such as entertainment expense      | 4.1%                                |
| Permanently nonrecognizable income such as dividends received        | (-) 4.9%                            |
| Inhabitants tax lump-sum payments                                    | 1.6%                                |
| Tax deduction  | (-) 2.4%                            |
| Other  | (-) 3.7%                            |
| Actual effective tax rate after application of tax effect accounting | <u>35.7%</u>                        |

For the year ended March 31, 2004, as the difference between normal effective statutory tax rate and the actual effective tax rate after application of tax effect accounting was not more than 5% of the normal effective statutory tax rate, the note was omitted.

CHANGE OF OFFICERS:

1. Changes of officers (expected to be effective as of June 28, 2005):

1) Candidates for Directors:

|  |                   |   |
|--|-------------------|---|
| Director:<br>[Managing Executive<br>Officer, General Manager<br>of Processed Foods<br>Business Division]     | Hiroshi Kobayashi | [Concurrent Managing Executive<br>Officer, General Manager of<br>Processed Foods Business<br>Division]                      |
| Director:<br>[Senior Executive Officer,<br>General Manager of<br>Management Planning<br>Central Division]    | Noboru Takezoe    | [Concurrent Senior Executive<br>Officer, General Manager of<br>Management Planning Central<br>Division]                     |
| Director:<br>[Senior Executive Officer,<br>General Manager of<br>General Administrative<br>Central Division] | Bin Ueda          | [Concurrent Senior Executive<br>Officer, General Manager of<br>General Administrative Central<br>Division]                  |
| Director:  | Akira Fujii       | [Senior Vice President,<br>Division COO,<br>Foods(Commodity)Division<br>Living Essentials Group,<br>Mitsubishi Corporation] |

(Note) Candidate for Director, Akira Fujii is a candidate for outside Director as provided for in Article 188, paragraph 2, item 7-2 of the Commercial Code of Japan.

2) Candidates for Corporate Auditors:

Not applicable.

3) Retiring Directors:

|          |                 |   |
|----------|-----------------|---|
| Director | Hiroshi Sogo    | (Expected to assume the office of<br>Counselor) |
| Director | Kanji Yamaguchi |   |

4) Retiring Corporate Auditor:

Not applicable.