

(Translation)

August 11, 2005

**BRIEF STATEMENTS OF ACCOUNTS FOR THE FIRST QUARTER  
OF THE YEAR ENDING MARCH 31, 2006 (CONSOLIDATED / ACCUMULATED)**

(Based on accounting principles generally accepted in the U.S.A.)

Name of listed company: **Nippon Meat Packers, Inc.**  
(URL <http://www.nipponham.co.jp>)

Code number: 2282

Listing exchange: Tokyo Stock Exchange, First Section and  
Osaka Securities Exchange, First Section

Representative: Yoshikiyo Fujii  
President and Representative Director

Inquiries to be directed to: Noboru Takezoe  
Director, Senior Corporate Officer and General  
Manager of Corporate Planning Division  
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1. Matters concerning the preparation of quarterly financial information:

- 1) Adoption of simplified methods for account treatment: No.
- 2) Change in the methods for account treatment from the most recent consolidated business year: Yes.

The method of evaluating marketable securities and inventories has principally been changed from a periodic average method to a moving average method.

- 3) Changes in the scope of consolidation and the application of equity method: Yes.

Consolidated subsidiaries (inclusion):	1 company
Consolidated subsidiaries (exclusion):	1 company
Companies subject to equity method (inclusion):	0 company
Companies subject to equity method (exclusion):	1 company

2. Summary of the financial and operating results for the first quarter of the business year ending March 31, 2006 (from April 1, 2005 to June 30, 2005):

(1) Progress of consolidated operating results

(Each amount is shown by rounding any fraction of over half of a million yen thereof upward to the nearest million yen and disregarding the rest.)

	First quarter ended June 30, 2005	First quarter ended June 30, 2004	(For reference) Year ended March 31, 2005
Net sales:	¥236,526 million (3.0%)	¥229,689 million (5.1%)	¥934,678 million
Operating income:	¥2,990 million (- 63.1%)	¥8,113 million (74.7%)	¥27,241 million
Income before income taxes:	¥1,745 million (- 71.4%)	¥6,093 million (34.9%)	¥22,382 million
Net income:	¥889 million (- 73.4%)	¥3,341 million (54.5%)	¥11,839 million
Net income per share (basic):	¥3.89	¥14.63	¥51.86
Net income per share (diluted):	¥3.89	¥ -	¥51.85

(Notes) (1) The percentages in the items of net sales, operating income, etc. indicate the rates of increase or decrease from the same quarterly period of the previous year.

(2) Operating income is calculated by deducting from net sales cost of goods sold and selling, general and administrative expenses, in accordance with the Japanese accounting practices.

[Qualitative information on the progress of consolidated operating results, etc.]

During the first quarter of the business year under review, the Japanese economy was in the phase of steady recovery as favorable corporate performances and strong capital investment resulted in the improvement of the employment situation, which has sustained private spending. However, the economy has remained unforeseeable due to some uncertain factors, including higher oil prices.

In the food and fresh meats industry, the market has remained in a very difficult condition as prices of materials remained high due to prolonged embargos on account of the emergences of BSE (bovine spongiform encephalopathy) in the United States and avian flu in Asia.

Under these circumstances, for the first quarter of the business year under review, on a consolidated basis, net sales amounted to ¥236,526 million, up 3.0% from the corresponding period of the previous business year.

With regard to profits, due to the prolonged embargos on beef from the United States resulting from the emergence of BSE, sales of beef decreased. The Group's hams and sausages and processed foods businesses were in a difficult condition as prices of materials increased due to

the higher market of pork, substitutes for beef from the United States, and higher oil prices. In the other businesses, price competition has intensified for seafood and cheese and profits were squeezed due to higher prices of materials. Furthermore, though sales increased in Australia, the Group remained in a difficult condition due to higher costs of materials on account of higher prices of feeder's cattle and the flagging market of chilled beef from Australia.

As a result, income before income taxes amounted to ¥1,745 million, down 71.4% from the corresponding period of the previous business year. Net income amounted ¥889 million, down 73.4% from the corresponding period of the previous business year.

In these situations, the Group will, as immediate tasks, exert its efforts to increase sales by promoting brand strategies by taking advantage of its capabilities to procure materials both overseas and in Japan through its integration system, improving products and qualities from the perspectives of consumers and promoting fine-tuned marketing activities in respective marketing channels. Simultaneously, the Group will continue its efforts to reduce costs by strengthening its cross-sectional system to purchase materials and supplementary materials and optimizing its physical distribution and production systems, to attain its goals.

(2) Movement in the consolidated financial condition

(Each amount is shown by rounding any fraction of over half of a million yen thereof upward to the nearest million yen and disregarding the rest.)

	First quarter ended June 30, 2005	First quarter ended June 30, 2004	(For reference) Year ended March 31, 2005
Total assets	¥637,506 million	¥623,340 million	¥611,250 million
Shareholders' equity	¥266,613 million	¥261,755 million	¥268,621 million
Ratio of shareholders' equity to total assets	41.8%	42.0%	43.9%
Shareholders' equity per share	¥1,167.94	¥1,145.89	¥1,176.72

[State of consolidated cash flows]

(Each amount is shown by rounding any fraction of over half of a million yen thereof upward to the nearest million yen and disregarding the rest.)

	First quarter ended June 30, 2005	First quarter ended June 30, 2004	(For reference) Year ended March 31, 2005
Cash flows from operating activities	(¥7,820 million)	¥3,223 million	¥34,880 million
Cash flows from investing activities	(¥7,092 million)	(¥4,812 million)	(¥23,530 million)
Cash flows from financing activities	¥9,793 million	¥2,063 million	(¥18,145 million)
Cash and cash equivalents at end of the quarter (year)	¥61,674 million	¥74,062 million	¥66,793 million

[Qualitative information on the movement in the consolidated financial position, etc.]

<Financial position>

At the end of the first quarter of the business year under review, total assets increased by 4.3% from the end of the previous business year to account for ¥637,506 million, as inventories increased by 22.8% from the end of the previous business year, accounting for ¥117,498 million.

With regard to liabilities, while current maturities of long-term debt decreased by 22.8% from the end of the previous business year, accounting for ¥21,644 million, trade notes and accounts payable increased by 15.0% from the end of the previous business year, accounting for ¥104,771 million and short-term bank loans increased by 22.0% from the end of the previous business year, accounting for ¥95,725 million. Consequently, liabilities increased by 8.3% from the end of the previous business year, accounting for ¥367,790 million. Interest-bearing debt increased by ¥14,259 million from the end of the previous business year, accounting for ¥181,278 million.

Shareholder's equity decreased by 0.7% from the end of the previous business year to account for ¥266,613 million due to the payment of cash dividends.

As a result, the ratio of shareholders' equity to total assets declined by 2.1% from the end of the previous business year to 41.8%.

<Cash flows>

Net cash provided by operating activities amounted to negative ¥7,820 million, as cash decreased due to an increase in inventories, in spite of an increase in trade notes and accounts payable.

Net cash used in investing activities amounted to negative ¥7,092 million, due to ¥7,196

million of additions to property, plant and equipment.

Net cash used in financing activities amounted to ¥9,793 million, due to an increase in short-term bank loans, in spite of the redemption of straight bonds, the scheduled payment of long-term debt and the payment of cash dividends.

As a result, for the first quarter of the business year under review, cash and cash equivalents at end of the quarter decreased by ¥5,119 million in comparison with the end of the previous business year to amount to ¥61,674 million.

○ Attached materials

(Summary) Quarterly Consolidated Balance Sheets, (Summary) Quarterly Statements of Consolidated Income, etc.

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[For reference]

Forecast of consolidated operating results for the year ending March 31, 2006 (from April 1, 2005 to March 31, 2006)

[Qualitative information on the forecast of operating results, etc.]

With regard to the forecast of operating results for the business year ending March 31, 2006, the forecast publicized as of May 20, 2005 has not been amended. However, it may be amended due to the possible occurrence of uncertain factors in the future.

In the event that any amendment to the forecast of operating results becomes necessary, it will be publicized promptly.

Attached materials

- Quarterly Consolidated Financial Statements

1. (Summary) QUARTERLY CONSOLIDATED BALANCE SHEETS

	(Millions of yen)		
	First quarter ended June 30, 2005 (as of June 30, 2005)	First quarter ended June 30, 2004 (as of June 30, 2004)	(For reference) Year ended March 31, 2005 (as of March 31, 2005)
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	61,674	74,062	66,793
Time deposits	2,714	2,042	3,107
Marketable securities	1,584	1,166	1,595
Trade notes (non-interest bearing) and accounts receivable	101,316	96,876	97,283
Allowance for doubtful receivables	(1,081)	(1,375)	(1,367)
Inventories	117,498	97,468	95,646
Deferred income taxes	4,902	4,501	5,432
Prepayments and other current assets	16,063	16,997	12,324
Total current assets	304,670	291,737	280,813
Investment and non-current receivables:			
Investment in and advances to associated companies	973	1,179	1,279
Other securities investments	22,728	24,983	22,313
Deposits and sundry investments	14,144	15,050	14,398
Total investments and non-current receivables	37,845	41,212	37,990
Property, plant, and equipment - at cost, less accumulated depreciation	267,389	265,610	266,494
Deferred income taxes - non-current	21,330	19,822	19,772
Other assets	6,272	4,959	6,181
Total	637,506	623,340	611,250

(Millions of yen)

	First quarter ended June 30, 2005 (as of June 30, 2005)	First quarter ended June 30, 2004 (as of June 30, 2004)	(For reference) Year ended March 31, 2005 (as of March 31, 2005)
<u>Liabilities and Shareholders' equity</u>			
Current liabilities:			
Short-term bank loans	95,725	90,098	78,480
Current maturities of long-term debt	21,644	21,008	28,032
Trade notes (principally non-interest bearing) and accounts payable	104,771	91,386	91,077
Accrued income taxes	2,422	2,246	5,389
Deferred income taxes	48	508	623
Accrued expenses	18,295	21,061	15,483
Other current liabilities	7,265	7,107	7,256
Total current liabilities	250,170	233,414	226,340
Liability under retirement and severance program	48,431	44,915	48,074
Long-term debt, less current maturities	65,160	76,629	61,724
Deferred income taxes - non-current	4,029	3,680	3,537
Minority interests	3,103	2,947	2,954
Shareholders' equity:			
Common stock	24,166	24,166	24,166
Capital surplus	50,591	50,438	50,553
Retained earnings			
Appropriated for legal reserve	6,731	6,637	6,637
Unappropriated	203,488	197,849	206,346
Accumulated other comprehensive income (loss)	(18,165)	(17,187)	(18,887)
Treasury stock, at cost	(198)	(148)	(194)
Total shareholders' equity	266,613	261,755	268,621
Total	637,506	623,340	611,250

## 2. (Summary) QUARTERLY STATEMENTS OF CONSOLIDATED INCOME

	(Millions of yen)			
	First quarter ended June 30, 2005 (from April 1, 2005 to June 30, 2005)	First quarter ended June 30, 2004 (from April 1, 2004 to June 30, 2004)	Rate of increase or decrease from the corresponding period of the previous year	(For reference) Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)
Revenues:				
Net sales	236,526	229,689	6,837	934,678
Sundry	562	654	(92)	2,719
Total	237,088	230,343	6,745	937,397
Cost and expenses:				
Cost of goods sold	190,585	178,451	12,134	736,119
Selling, general and administrative expenses	42,951	43,125	(174)	171,318
Interest	619	643	(24)	2,487
Sundry	1,188	2,031	(843)	5,091
Total	235,343	224,250	11,093	915,015
Income from consolidated operations before income taxes	1,745	6,093	(4,348)	22,382
Income taxes:				
Current	1,847	1,698	149	8,451
Deferred	(983)	1,044	(2,027)	2,084
Total	864	2,742	(1,878)	10,535
Income from consolidated operations	881	3,351	(2,470)	11,847
Equity in earnings of associated companies – net (less applicable income taxes)	8	(10)	18	(8)
Net income	889	3,341	(2,452)	11,839

### 3. (Summary) QUARTERLY STATEMENTS OF CONSOLIDATED CASH FLOWS

(Millions of yen)

	First quarter ended June 30, 2005 (from April 1, 2005 to June 30, 2005)	First quarter ended June 30, 2004 (from April 1, 2004 to June 30, 2004)	(For reference) Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)
<b>Operating Activities:</b>			
Net income	889	3,341	11,839
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	5,837	5,682	23,578
Income taxes – deferred	(983)	1,044	2,084
Decrease (increase) in trade notes and accounts receivable	(3,690)	251	232
Decrease (increase) in inventories	(21,406)	(12,870)	(9,919)
Increase (decrease) in trade notes and accounts payable	14,029	8,440	7,702
Increase (decrease) in accrued income taxes	(2,738)	(6,064)	(2,930)
Other – net	242	3,399	2,294
<b>Net cash provided by (used in) operating activities</b>	<b>(7,820)</b>	<b>3,223</b>	<b>34,880</b>
<b>Investing Activities:</b>			
Additions to property, plant, and equipment	(7,196)	(4,260)	(24,625)
Proceeds from sales of property, plant and equipment	377	234	2,308
Decrease (increase) in time deposits	414	(286)	(1,300)
Purchases of marketable securities and other securities investments	(662)	(375)	(696)
Proceeds from sales of marketable securities and other securities investments	0	145	3,179
Business acquisitions, net of cash acquired	(144)	-	(366)
Decrease in deposits and sundry investments	756	350	1,247
Other – net	(637)	(620)	(3,277)
<b>Net cash provided by (used in) investing activities</b>	<b>(7,092)</b>	<b>(4,812)</b>	<b>(23,530)</b>
<b>Financing Activities:</b>			
Cash dividends	(3,661)	(3,671)	(3,671)
Increase (decrease) in short-term bank loans	16,409	8,802	(3,878)
Proceeds from long-term debt	6,642	5,163	9,847
Repayments of long-term debt	(9,593)	(8,226)	(20,390)
Others– net	(4)	(5)	(53)
<b>Net cash provided by (used in) financing activities</b>	<b>9,793</b>	<b>2,063</b>	<b>(18,145)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,119)</b>	<b>474</b>	<b>(6,795)</b>
Cash and cash equivalents at beginning of the quarter (year)	66,793	73,588	73,588
Cash and cash equivalents at end of the quarter (year)	61,674	74,062	66,793

	First quarter ended June 30, 2005 (from April 1, 2005 to June 30, 2005)	First quarter ended June 30, 2004 (from April 1, 2004 to June 30, 2004)	(For reference) Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)
Additional Information:			
Cash payment for the quarter (year)			
Interest paid	519	573	2,675
Income taxes paid	4,165	7,762	12,758

#### 4. SEGMENT INFORMATION

[Segment information by business category]

For the first quarter of the year ending March 31, 2006 (from April 1, 2005 to June 30, 2005):

(Millions of yen)

Items	Fresh meat-related businesses	Other businesses	Total	Eliminations or group-wide	Consolidation
Net sales					
(1) Sales to outside customers	205,262	31,264	236,526	-	236,526
(2) Inter-segment sales	6,329	558	6,887	(6,887)	-
Total	211,591	31,822	243,413	(6,887)	236,526
Operating expenses	208,457	31,844	240,301	(6,765)	233,536
Operating income	3,134	(22)	3,112	(122)	2,990

- (Notes) 1. Businesses are categorized in accordance with the similarities of products in types and features. However, any net sales and any operating income of any business other than fresh meat-related businesses account for less than 10% of the total net sales and operating income of all the segments, respectively. Hence, all businesses other than fresh meat-related businesses are indicated collectively as the "other businesses".
2. Principal products included in the fresh meat-related businesses are hams and sausages, processed foods and fresh meats, etc.

For the first quarter of the year ended March 31, 2005 (from April 1, 2004 to June 30, 2004):

(Millions of yen)

Items	Fresh meat-related businesses	Other businesses	Total	Eliminations or group-wide	Consolidation
Net sales					
(2) Sales to outside customers	198,869	30,820	229,689	-	229,689
(2) Inter-segment sales	5,547	471	6,018	(6,018)	-
Total	204,416	31,291	235,707	(6,018)	229,689
Operating expenses	196,509	31,059	227,568	(5,992)	221,576
Operating income	7,907	232	8,139	( 26)	8,113

- (Notes) 1. Businesses are categorized in accordance with the similarities of products in types and features. However, any net sales and any operating income of any business other than fresh meat-related businesses account for less than 10% of the total net sales and operating income of all the segments, respectively. Hence, all businesses other than fresh meat-related businesses are indicated collectively as the "other businesses".
2. Principal products included in the fresh meat-related businesses are hams and sausages, processed foods and fresh meats, etc.

[Segment information by geographic area]

For the first quarter of the year ending March 31, 2006 (from April 1, 2005 to June 30, 2005):

(Millions of yen)

Items	Japan	Other areas	Total	Eliminations or group-wide	Consolidation
Net sales:					
(1) Sales to outside customers	216,383	20,143	236,526	-	236,526
(2) Inter-segment sales	149	20,242	20,391	(20,391)	-
Total	216,532	40,385	256,917	(20,391)	236,526
Operating expenses	213,839	39,872	253,711	(20,175)	233,536
Operating income	2,693	513	3,206	(216)	2,990

- (Notes) 1. Countries and areas are categorized in accordance with their geographic nearness. However, any net sales in any country or area other than Japan account for less than 10% of the total net sales of all the segments. Hence, all the countries and areas other than Japan are indicated collectively as the "other areas".
2. The other areas principally consist of Australia, the United States and Thailand.

For the first quarter of the year ended March 31, 2005 (from April 1, 2004 to June 30, 2004):

(Millions of yen)

Items	Japan	Other areas	Total	Eliminations or group-wide	Consolidation
Net sales:					
(1) Sales to outside customers	213,062	16,627	229,689	-	229,689
(2) Inter-segment sales	80	16,906	16,986	(16,986)	-
Total	213,142	33,533	246,675	(16,986)	229,689
Operating expenses	206,069	32,443	238,512	(16,936)	221,576
Operating income	7,073	1,090	8,163	(50)	8,113

- (Notes) 1. Countries and areas are categorized in accordance with their geographic nearness. However, any net sales in any country or area other than Japan account for less than 10% of the total net sales of all the segments. Hence, all the countries and areas other than Japan are indicated collectively as the "other areas".
2. The other areas principally consist of Australia, the United States and Thailand.

## 5. BREAKDOWN OF QUARTERLY CONSOLIDATED NET SALES

	First quarter ended June 30, 2005 (from April 1, 2005 to June 30, 2005)		First quarter ended June 30, 2004 (from April 1, 2004 to June 30, 2004)		Rate of increase or decrease from the corresponding period of the previous year  (%)	Year ended March 31, 2005 (April 1, 2004- March 31, 2005)	
	Amount	Component ratio	Amount	Component ratio		Amount	Component ratio
	(millions of yen)	(%)	(millions of yen)	(%)		(millions of yen)	(%)
Hams and sausages	30,979	13.1	32,530	14.2	(4.8)	135,583	14.5
Processed foods	46,172	19.5	43,961	19.1	5.0	180,659	19.3
Fresh meats and others	124,687	52.7	122,926	53.5	1.4	488,983	52.3
Seafood	19,335	8.2	17,617	7.7	9.8	72,389	7.8
Dairy products	5,531	2.3	5,467	2.4	1.2	21,806	2.3
Others	9,822	4.2	7,188	3.1	36.6	35,258	3.8
Total	236,526	100.0	229,689	100.0	3.0	934,678	100.0