

(Translation)

May 19, 2006

BRIEF NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006

Name of listed company:	Nippon Meat Packers, Inc.
Code number:	2282 (URL http://www.nipponham.co.jp)
Listing exchange:	Tokyo Stock Exchange and Osaka Securities Exchange
Location of head office (prefecture):	Osaka
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 Tel. (06) 6282-3171
Date of meeting of the Board of Directors for settlement of accounts:	May 19, 2006
Interim dividend system:	No
Payment date of dividend:	June 29, 2006
Date of ordinary general meeting of shareholders:	June 28, 2006
System of a unit of shares:	Yes (One unit: 1,000 shares)

1. Business results for the year ended March 31, 2006 (April 1, 2005 through March 31, 2006):

(1) Operating results

(Figures of the above-listed amounts are indicated by discarding fractions of one million yen for the year ended March 31, 2005, and by counting fractions of 1/2 or more of a million yen as one and discarding the rest for the year ended March 31, 2006.)

	Year ended March 31, 2006	Year ended March 31, 2005
Net sales	¥621,547 million (1.6%)	¥611,912 million (0.8%)
Operating income	(-) ¥959 million -	¥7,133 million (-) 15.5%
Ordinary income	¥2,520 million (-) 73.7%	¥9,585 million (-) 9.1%
Net income	(-) ¥3,699 million -	¥5,026 million (-) 3.9%
Net income per share	(-) ¥16.20	¥22.02
Net income per share after adjustment of potential stocks	-	¥22.01
Ratio of income to shareholders' equity for the year	(-) 1.8%	2.4%
Ratio of ordinary income to total assets	0.7%	2.7%
Ratio of ordinary income to sales	0.4%	1.6%

(Notes)

- Average number of shares during each year: 228,268,860 shares 228,297,204 shares
- Changes in the accounting procedure: Yes
- 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, 2006	Year ended March 31, 2005
Dividend per share for the year	¥16.00	¥16.00
(interim)	-	-
(year-end)	¥16.00	¥16.00
Total amount of dividends (for the year)	¥3,652 million	¥3,652 million
Pay-out ratio	-	72.7%
Ratio of dividends to shareholders' equity	1.8%	1.7%
(3) Financial position	Year ended March 31, 2006	Year ended March 31, 2005
Total assets	¥375,756 million	¥360,664 million
Shareholders' equity	¥206,190 million	¥211,006 million
Ratio of shareholders' equity to total assets	54.9%	58.5%
Shareholders' equity per share	¥903.32	¥924.33

(Notes)

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

Year ended March 31, 2006:	228,258,558 shares
Year ended March 31, 2005:	228,279,778 shares

2. Number of treasury shares at the end of year:

Year ended March 31, 2006:	186,792 shares
Year ended March 31, 2005:	165,572 shares

2. Estimate of operating results for the year ending March 31, 2007 (April 1, 2006 through March 31, 2007):

	<u>Interim period</u>	<u>Whole-year period</u>
Net sales	¥310,000 million	¥630,000 million
Ordinary income	¥2,500 million	¥6,000 million
Net income	¥800 million	¥2,000 million
Dividend per share for the year	-	¥16.00
(interim)	-	-
(year-end)	-	¥16.00

(Reference) Estimate of net income per share for the year (whole-year period): ¥8.76

- * The above estimate 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 estimate, please refer to page 10 of the attached material.

NON-CONSOLIDATED FINANCIAL STATEMENTS, ETC.

BALANCE SHEETS

	As of March 31, 2006		As of March 31, 2005		Increase or decrease
	Amount (millions of yen)	Component ratio (%)	Amount (millions of yen)	Component ratio (%)	Amount (millions of yen)
<u>Assets:</u>					
I. Current assets:	207,101	55.1	183,179	50.8	23,922
Cash on hand and in banks	7,441		32,829		(-) 25,389
Notes receivable – trade	852		865		(-) 13
Accounts receivable – trade	73,867		69,939		3,927
Marketable securities	10		501		(-) 491
Finished goods and merchandise	37,916		25,556		12,360
Raw materials	12,423		6,513		5,910
Goods in process	488		455		33
Stores	665		515		150
Deferred tax assets	2,035		1,159		875
Short-term loans receivable from affiliated companies	65,342		40,468		24,873
Other current assets	6,379		4,697		1,682
Reserve for doubtful accounts	(-) 317		(-) 322		5
II. Fixed assets:	168,655	44.9	177,485	49.2	(-) 8,831
1. Tangible fixed assets	69,960	18.6	77,684	21.5	(-) 7,725
Buildings	23,217		25,279		(-) 2,062
Structures	2,986		3,215		(-) 230
Machinery and equipment	12,466		13,312		(-) 847
Vehicles and transportation equipment	165		197		(-) 33
Tools, furniture and fixtures	925		1,024		(-) 100
Land	30,080		34,405		(-) 4,325
Construction in progress	121		248		(-) 128
2. Intangible fixed assets	3,550	1.0	2,998	0.8	551
Software	3,305		2,742		563
Other intangible fixed assets	245		256		(-) 12
3. Investments and other assets	95,145	25.3	96,802	26.9	(-) 1,657
Investment securities	22,968		19,466		3,502
Capital stock of affiliated companies	30,487		31,054		(-) 568
Long-term loans receivable	31,674		33,410		(-) 1,737
Long-term prepaid expenses	135		124		10
Prepaid pension expenses	4,784		-		4,784
Deferred tax assets	5,678		11,983		(-) 6,305
Other investments, etc.	4,725		4,796		(-) 72
Reserve for doubtful accounts	(-) 5,306		(-) 4,034		(-) 1,271
Total Assets	375,756	100.0	360,664	100.0	15,091

	As of March 31, 2006		As of March 31, 2005		Increase or decrease
	Amount (millions of yen)	Component ratio (%)	Amount (millions of yen)	Component ratio (%)	Amount (millions of yen)
Liabilities					
I. Current liabilities:	112,753	30.0	108,971	30.2	3,781
Notes payable – trade	1,405		2,183		(-) 779
Accounts payable – trade	71,128		66,658		4,470
Short-term bank loans	9,000		-		9,000
Long-term loans payable within one year	4,932		3,932		1,000
Straight bonds redeemable within one year	-		15,000		(-) 15,000
Accounts payable - others	3,056		4,457		(-) 1,402
Unpaid corporation tax, etc.	407		550		(-) 143
Accrued expenses payable	9,005		10,325		(-) 1,320
Deposit received from affiliated companies	13,091		4,549		8,542
Deposit received	663		607		55
Others current liabilities	66		706		(-) 642
II. Fixed liabilities:	56,813	15.1	40,686	11.3	16,127
Straight bonds	9,700		9,700		-
Long-term loans payable	46,141		16,073		30,067
Reserve for retirement benefits	712		14,618		(-) 13,906
Long-term accounts payable	260		294		(-) 34
Total Liabilities	169,566	45.1	149,657	41.5	19,908
Shareholders' Equity					
I. Capital	24,166	6.4	24,165	6.7	-
II. Capital surplus	43,084	11.5	43,083	11.9	-
Capital reserve	43,084		43,083		-
III. Earned surplus	133,131	35.4	140,482	39.0	(-) 7,351
Reserve out of income	6,041		6,041		-
Voluntary reserve	124,302		124,341		(-) 40
Reserve for special depreciation	70		102		(-) 33
Reserve for loss on overseas investment	27		33		(-) 7
Reserve for deferred income tax on fixed assets	620		620		-
General reserve	123,585		123,585		-
Unappropriated retained earnings at the end of year	2,788		10,099		(-) 7,311
IV. Revaluation difference of other marketable securities	6,030	1.6	3,468	1.0	2,561
V. Treasury shares	(-) 221	(-) 0.0	(-) 194	(-) 0.1	(-) 27
Total Shareholders' Equity	206,190	54.9	211,006	58.5	(-) 4,817
Total Liabilities and Shareholders' Equity	375,756	100.0	360,664	100.0	15,091

STATEMENT OF INCOME

	Year ended March 31, 2006 (From April 1, 2005 to March 31, 2006)		Year ended March 31, 2005 (From April 1, 2004 to March 31, 2005)		Increase or decrease	Rate of increase or decrease from the previous year
	Amount (millions of yen)	Percentage (%)	Amount (millions of yen)	Percentage (%)		
<u>Ordinary Income and Loss</u>						
Operating income and loss:						
I. Sales	621,547	100.0	611,912	100.0	9,635	1.6
II. Cost of goods sold	547,298	88.1	525,471	85.9	21,826	
Gross income on sales	74,249	11.9	86,440	14.1	(-) 12,191	
III. Selling, general and administrative expenses	75,208	12.1	79,307	12.9	(-) 4,100	
Operating income or loss (-)	(-) 959	(-) 0.2	7,133	1.2	(-) 8,091	-
Non-operating income and loss:						
IV. Non-operating income	5,568	0.9	4,544	0.7	1,024	
Interest and dividends received	3,242		2,152		1,090	
Other non-operating income	2,326		2,391		(-) 66	
V. Non-operating expenses	2,089	0.3	2,092	0.3	(-) 3	
Interest paid	655		724		(-) 69	
Other non-operating expenses	1,434		1,367		66	
Ordinary income	2,520	0.4	9,585	1.6	(-) 7,064	(-) 73.7
<u>Special Income and Loss</u>						
VI. Special income	15,258	2.5	2,171	0.3	13,086	
Income from sale of fixed assets	302		645		(-) 344	
Income from sale of marketable securities	1,060		1,166		(-) 107	
Gain on the transfer of the substitutional portion of the Employees' Pension Fund	13,106		-		13,106	
Gain on change in the retirement benefit plan	790		-		790	
Gain on insurance claims	-		359		(-) 359	
VII. Special loss	17,697	2.9	3,946	0.6	13,750	
Loss on sale of fixed assets	336		426		(-) 91	
Loss from disposition of fixed assets	292		515		(-) 224	
Valuation loss of investment securities	115		186		(-) 71	
Valuation loss of capital stock of affiliated companies	1,419		-		1,419	
Loss of disposition of subsidiaries	201		-		201	

	Year ended March 31, 2006 (From April 1, 2005 to March 31, 2006)		Year ended March 31, 2005 (From April 1, 2004 to March 31, 2005)		Increase or decrease	Rate of increase or decrease from the previous year
	Amount (millions of yen)	Percentage (%)	Amount (millions of yen)	Percentage (%)	Amount (millions of yen)	Percentage (%)
Special retirement allowances	8,605		1,409		7,196	
Transfer to reserve for doubtful accounts	1,960		1,388		571	
Loss on impairment of fixed assets	4,280		-		4,280	
Other special loss	489		19		469	
Income before tax for the year	81	0.0	7,810	1.3	(-) 7,728	(-) 99.0
Corporation tax, inhabitant tax and enterprise tax	130	0.0	2,200	0.4	(-) 2,070	
Adjustment corporation tax, etc.	3,650	0.6	584	0.1	3,066	
Net income or loss (-)	(-) 3,699	(-) 0.6	5,026	0.8	(-) 8,724	-
Retained earnings brought forward from the previous year	6,487		5,076		1,411	
Loss on disposition of treasury shares	-		2		(-) 2	
Unappropriated retained earnings at the end of the year	2,788		10,099		(-) 7,311	

PROPOSED APPROPRIATION OF RETAINED EARNINGS

	Year ended March 31, 2006	Year ended March 31, 2005	Increase or decrease
	(millions of yen)	(millions of yen)	(millions of yen)
Unappropriated retained earnings at the end of year	2,788	10,099	(-) 7,311
Reversal of reserve for special depreciation	32	41	(-) 9
Reversal of reserve for loss on overseas investment	7	6	-
Reversal of general reserve	8,585	-	8,585
Total:	11,412	10,147	1,265
The above retained earnings are to be appropriated as follows:			
Dividends to shareholders	3,652 (¥16 per share)	3,652 (¥16 per share)	0
Reserve for special depreciation	6	8	(-) 2
Retained earnings brought forward to the next year	7,754	6,487	1,267

(Note) Figures of the above-listed amounts are indicated by discarding fractions of one million yen for the year ended March 31, 2005, and by counting fractions of 1/2 or more of a million yen as one and discarding the rest for the year ended March 31, 2006.

Significant Accounting Policies:

1. Basis and method of valuation of assets:

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

At cost, determined by the moving average method.

(Change in the accounting policy)

The basis and method of valuation of finished goods and merchandise, raw materials and goods in process, which used to be a cost method based on a periodic average method, has been changed to a cost method based on a moving average method as from the business year under review.

It is intended, on the occasion of the introduction of a new accounting system, to reflect price fluctuations on inventories more swiftly and timely to recognize periodic profits and losses earlier.

As a result, in comparison with the previous basis and method, inventories for the business year under review increased by ¥480 million. Operating loss decreased, and ordinary income and net income before tax for the year increased, by the same amount.

Marketable securities:

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

Capital stocks of related companies: At cost, determined by the moving 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 moving average method.)

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

(Change in the accounting policy)

The method of valuation of marketable securities (and the method of calculation of selling costs in respect of other securities with market value), which used to be a periodic average method, has been changed to a moving average method as from the business year under review.

It is intended, on the occasion of the introduction of a new accounting system, to recognize profits and losses from sales of securities more swiftly and timely.

The change has no significant effect on the income statement.

2. Method of depreciation of fixed assets:

Tangible fixed assets: Declining balance method (but the straight line method in the case of Hyogo Plant, Tokushima Plant and part of the hired-out assets).

Provided, however, that the straight line method applies to 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.

3. 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 employee retirement benefits: To meet the payment of retirement benefits to employees, the Company provides an amount as reserve for employee retirement benefits and prepaid pension expenses estimated to accrue at the end of

the business year under review, based on estimated retirement benefit obligations and plan assets as of the end of the business year. Prior year service liabilities are treated as expenses based on the straight line method for a specific period of years (16 years) not exceeding the average remaining years of service of employees when such liabilities occur. Actuarial differences will be treated as expenses, effective from the following business year, prorated 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.

(Additional information)

In conjunction of the enforcement of the Defined Benefit Corporate Pension Law, the Company received approval from the Minister for Health, Labour and Welfare of Japan for transfer to the Japanese government of the past payment obligations for the substitutional portion of employees' pension fund liabilities on April 1, 2005 and returned the amount (minimum actuarial liability) to the Japanese government on September 7, 2005. In addition, as of January 1, 2006, the Company changed its three plans of lump-sum retirement benefits, qualified retirement pensions and defined benefit corporate pensions to new plans of lump-sum retirement benefits, defined benefit corporate pensions (cash balance type) and defined contribution corporate pensions, based on point-earning retirement benefits that link employees' contributions accumulated for their years of service directly to the retirement benefit plans. Consequently, the Company has employed the "Accounting for Transfers between Retirement Benefit Plans" (Accounting Standards Board of Japan's Financial Accounting Standards Implementation Guidance No.1) to account for the change in its retirement benefit plans.

As a result, the Company reported ¥13,106 million of gain on return of substitutional portion of employees' pension fund liabilities and ¥790 million of gain on change in the retirement benefit plan as special incomes for the business year under review.

4. 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.

5. Method of hedge accounting:

(i) Method of hedge accounting:

Deferral hedge accounting is adopted in principle. Foreign-exchange trades payable with forward exchange contracts are translated into yen with forward exchange rate. Interest rate swaps that meet the criteria for the allocation method are accounted for by the allocation method.

(ii) Hedging instruments and hedged items:

a. Hedging instruments: Forward exchange contracts

Hedged items: Items of which cash flows are fixed to prevent fluctuations thereof

b. Hedging instruments: Interest rate swaps

Hedged items: Loans payable

(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.

The Company also trades interest rate swaps to eliminate exposure to interest rates.

(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. With regard to interest rate swaps, no evaluation is made as they are accounted for by the allocation method.

6. 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.

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

Accounting Standard for Impairment of Fixed Assets:

The Accounting Standard for Impairment of Fixed Assets (the "Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" (Business Accounting Council, August 9, 2002)) and the "Guidance on Accounting Standard for Impairment of Fixed Assets" (Guidance on Corporate Accounting Standard No. 6, October 31, 2003) have become applicable as from the business year under review. As a result, income before tax for the year decreased by ¥4,280 million.

Accumulated losses on impairment of fixed assets are deducted directly from the amount of each asset pursuant to the Regulations Concerning Financial Statements, as amended.

NOTES:

1. Figures of the listed amounts are indicated by discarding fractions of one million yen for the year ended March 31, 2005, and by counting fractions of 1/2 or more of a million yen as one and discarding the rest for the year ended March 31, 2006.

	<u>Year ended March 31, 2006</u>	<u>Year ended March 31, 2005</u>
2. Accumulated depreciation of tangible fixed assets:	¥83,065 million	¥79,824 million
3. Guarantee obligations:	¥13,587 million	¥12,833 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, 2006:

	<u>Amount equivalent to the acquisition prices</u>	<u>Amount equivalent to accumulated depreciation</u>	<u>Amount equivalent to balance at the end of the year</u>
			(millions of yen)
Tools, furniture and fixtures:	963	483	480
Vehicles and transportation equipment:	516	319	197
Total:	1,479	802	677

Year ended March 31, 2005:

	<u>Amount equivalent to the acquisition prices</u>	<u>Amount equivalent to accumulated depreciation</u>	<u>Amount equivalent to balance at the end of the year</u>
			(millions of yen)
Tools, furniture and fixtures:	1,828	1,257	570
Vehicles and transportation equipment:	822	482	340
Total:	2,650	1,740	910

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

	<u>Year ended March 31, 2006</u>	<u>Year ended March 31, 2005</u>
Lease within one year:	¥271 million	¥434 million
Lease exceeding one year:	¥406 million	¥476 million
Total:	¥677 million	¥910 million

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

	Year ended March 31, 2006	Year ended March 31, 2005
Rent paid:	¥433 million	¥685 million
Amount equivalent to depreciation costs:	¥433 million	¥685 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.

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

No shares of subsidiaries and associated companies have market values.

6. Losses on impairment of fixed assets:

For the business year under review, the Company accounted for losses on impairment of the following asset groups:

1) Asset groups of which the Company accounted for losses on impairment, amounts thereof and assets by category:

(millions of yen)

Usage	Place	Land	Building /Structure	Others	Total
Assets for lease	Izumi-Sano City, Osaka and 14 other places	3,148	678	28	3,854
Idle assets	Sorachi-gun, Hokkaido and 8 other places	244	178	4	426
Total		3,392	856	32	4,280

* For the purpose of clarifying the explanations, the usages are categorized broadly.

2) Grouping of the assets:

The Company groups its assets for business use based on its business category and its assets for lease and idle assets according to the units thereof.

3) Background of recognition of losses on impairment of fixed assets:

With regard to the assets for lease and idle assets the recoverable values of which have declined as a result of recent steep slide in land prices, the book values have been reduced to the recoverable values and special losses are accounted therefor.

4) Method of calculation of recoverable values:

For the purpose of calculating recoverable values, net sales values or values in use are applicable to the assets for lease and net sales values are applicable to the idle assets. The net sales values are evaluated mainly based on the assessments for inheritance tax purposes by road rating and the values in use are calculated by

discounting expected future cash flows by 4.9%.

7. Tax effect accounting:

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

	(millions of yen)	
	Year ended March 31, 2006	Year ended March 31, 2005
Deferred Tax Assets		
Excess over deductible amount of accrued bonuses	675	963
Denial of accrued enterprise taxes	-	63
Denial of valuation loss of merchandise	59	18
Excess over deductible amount of reserve for retirement benefits	1,186	7,869
Denial of officers' retirement benefits	107	120
Denial of revaluation loss of capital stock of related companies	595	5,043
Excess over deductible amount of reserve for doubtful accounts	1,734	1,441
Loss on impairment of fixed assets	1,743	-
Loss carried forward	7,562	-
Others	407	530
Subtotal	14,068	16,050
Valuation reserve	(-) 1,660	-
Total	12,408	16,050
		(millions of yen)
	Year ended March 31, 2006	Year ended March 31, 2005
Deferred Tax Liabilities		
Reserve for special depreciation	(-) 30	(-) 48
Reserve for loss on overseas investment	(-) 14	(-) 18
Reserve for deferred income tax on fixed assets	(-) 431	(-) 430
Revaluation difference of other marketable securities	(-) 4,190	(-) 2,410
Others	(-) 30	-
Total	(-) 4,695	(-) 2,908
Net Deferred Tax Assets	7,713	13,142

- 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> <u>2005</u>
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%
Residents 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, 2006, the Company recorded a net loss. Hence, no information on the effective tax rate is presented herein.

CHANGE OF OFFICERS:

1. Changes of officers (expected to be effective as of June 28, 2006):

1) Candidates for Directors:

Not applicable.

2) Candidates for Corporate Auditors:

Corporate Auditor (full-time):	Yoshiro Inui	[Current Advisor]
Corporate Auditor:	Masahiro Seki	[Certified Public Accountant, Chairman of the Japanese Institute of International Accounting Education -NPO corporation]

3) Retiring Director:

Director	Masahito Chikaishi	[Expected to assume the office of Counselor]
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4) Retiring Corporate Auditors:

Corporate Auditor (full-time):	Hiroyuki Fujimoto
Corporate Auditor:	Minoru Kogure

(Note) Candidate for Corporate Auditor, Mr. Masahiro Seki is a candidate for outside Corporate Auditor as provided for in Article 2, paragraph 16 of the Corporation Law of Japan.

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