

V. NON-CONSOLIDATED FINANCIAL STATEMENTS

1. BALANCE SHEETS

	Year ended March 31, 2007 (as of March 31, 2007)		Year ended March 31, 2006 (as of March 31, 2006)		Increase or decrease in amount (millions of yen)
	Amount (millions of yen)	Component ratio (%)	Amount (millions of yen)	Component ratio (%)	
Assets:					
I. Current assets:	220,183	58.0	207,101	55.1	13,082
Cash on hand and in banks	20,374		7,441		12,933
Notes receivable – trade	757		852		(95)
Accounts receivable – trade	78,316		73,867		4,449
Marketable securities	200		10		190
Finished goods and merchandise	30,486		37,916		(7,430)
Raw materials	11,077		12,423		(1,346)
Goods in process	471		488		(17)
Stores	795		665		130
Deferred tax assets	1,290		2,035		(745)
Short-term loans receivable from affiliated companies	71,805		65,342		6,463
Other current assets	4,675		6,379		(1,704)
Reserve for doubtful accounts	(63)		(317)		254
II. Fixed assets:	159,666	42.0	168,655	44.9	(8,989)
1. Tangible fixed assets	66,731	17.6	69,960	18.6	(3,229)
Buildings	22,202		23,217		(1,015)
Structures	2,760		2,986		(226)
Machinery and equipment	10,827		12,466		(1,639)
Vehicles and transportation equipment	132		165		(33)
Tools, furniture and fixtures	827		925		(98)
Land	29,875		30,080		(205)
Construction in progress	108		121		(13)
2. Intangible fixed assets	4,446	1.1	3,550	1.0	896
Software	4,225		3,305		920
Other intangible fixed assets	221		245		(24)
3. Investments and other assets	88,489	23.3	95,145	25.3	(6,656)
Investment securities	20,553		22,968		(2,415)
Capital stock of affiliated companies	30,842		30,487		355
Long-term loans receivable	25,910		31,674		(5,764)
Long-term prepaid expenses	130		135		(5)
Prepaid pension expenses	5,631		4,784		847
Deferred tax assets	6,828		5,678		1,150
Other investments, etc.	3,858		4,725		(867)
Reserve for doubtful accounts	(5,263)		(5,306)		43
Total Assets	379,849	100.0	375,756	100.0	4,093

	Year ended March 31, 2007 (as of March 31, 2007)		Year ended March 31, 2006 (as of March 31, 2006)		Increase or decrease in amount (millions of yen)
	Amount (millions of yen)	Component ratio (%)	Amount (millions of yen)	Component ratio (%)	
<u>Liabilities</u>					
I. Current liabilities:	107,180	28.2	112,753	30.0	(5,573)
Notes payable – trade	1,198		1,405		(207)
Accounts payable – trade	72,903		71,128		1,775
Short-term bank loans	-		9,000		(9,000)
Long-term loans payable within one year	5,332		4,932		400
Accounts payable - others	4,780		3,056		1,724
Accrued expenses payable	9,686		9,005		681
Unpaid corporation taxes, etc.	375		407		(32)
Deposit received from affiliated companies	12,021		13,091		(1,070)
Deposit received	643		663		(20)
Others current liabilities	242		66		176
II. Fixed liabilities:	70,193	18.5	56,813	15.1	13,380
Straight bonds	9,700		9,700		-
Long-term loans payable	56,609		46,141		13,468
Reserve for retirement benefits	680		712		(32)
Long-term accounts payable	204		260		(56)
Total Liabilities	177,373	46.7	169,566	45.1	7,807
<u>Shareholders' Equity</u>					
I. Capital	-	-	24,166	6.4	-
II. Capital surplus	-	-	43,084	11.5	-
Capital reserve	-	-	43,084		-
III. Earned surplus	-	-	133,131	35.4	-
Reserve out of income	-	-	6,041		-
Voluntary reserve	-	-	124,302		-
Reserve for loss of overseas investment, etc.	-	-	27		-
Reserve for special depreciation	-	-	70		-
Reserve for deferred income tax on fixed assets	-	-	620		-
General reserve	-	-	123,585		-
Unappropriated retained earnings at the end of year	-	-	2,788		-
IV. Revaluation difference of other marketable securities	-	-	6,030	1.6	-
V. Treasury stock	-	-	(221)	(0.0)	-
Total Shareholders' Equity	-	-	206,190	54.9	-
Total Liabilities and Shareholders' Equity	-	-	375,756	100.0	-

	Year ended March 31, 2007 (as of March 31, 2007)		Year ended March 31, 2006 (as of March 31, 2006)		Increase or decrease in amount (millions of yen)
	Amount (millions of yen)	Component ratio (%)	Amount (millions of yen)	Component ratio (%)	
<u>Net Assets</u>					
I. <u>Shareholders' Equity</u>	197,984	52.1			
1. Capital	24,166	6.4			
2. Capital surplus	43,084	11.3			
Capital reserve	43,084				
3. Retained earnings	131,036	34.5			
a) Reserve out of income	6,041				
b) Other retained earnings	124,995				
Reserve for loss of overseas investment, etc.	14				
Reserve for special depreciation	13				
Reserve for deferred income tax on fixed assets	620				
General reserve	115,000				
Net retained earnings forwarded	9,348				
4. Treasury stock	(302)	(0.1)			
II. Revaluation and exchange differences, etc.	4,390	1.2			
1. Revaluation difference of other marketable securities	4,434				
2. Deferred hedge income	(44)				
III. Stock acquisition rights	102				
Total Net Assets	202,476	53.3			
Total Liabilities and Net Assets	379,849	100.0			

2. STATEMENT OF INCOME

	Year ended March 31, 2007 (From April 1, 2006 to March 31, 2007)		Year ended March 31, 2006 (From April 1, 2005 to March 31, 2006)		Increase or decrease in amount (millions of yen)	Rate of increase or decrease from the previous year (%)
	Amount (millions of yen)	Percentage (%)	Amount (millions of yen)	Percentage (%)		
I Sales	619,745	100.0	621,547	100.0	(1,802)	(0.3)
II. Cost of goods sold	549,469	88.7	547,298	88.1	2,171	
Gross income on sales	70,276	11.3	74,249	11.9	(3,973)	
III. Selling, general and administrative expenses	68,942	11.1	75,208	12.1	(6,266)	
Operating income (loss)	1,334	0.2	(959)	(0.2)	2,293	-
IV. Non-operating income	6,409	1.0	5,568	0.9	841	
Interest and dividends received	3,665		3,242		423	
Other non-operating income	2,744		2,326		418	
V. Non-operating expenses	2,439	0.3	2,089	0.3	350	
Interest paid	1,036		655		381	
Other non-operating expenses	1,403		1,434		(31)	
Ordinary income	5,304	0.9	2,520	0.4	2,784	110.4
VI. Special income	818	0.1	15,258	2.5	(14,440)	
Income from sale of fixed assets	803		302		501	
Income from sale of investment securities	15		1,060		(1,045)	
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)	
VII. Special loss	3,702	0.6	17,697	2.9	(13,995)	
Loss on sale of fixed assets	30		336		(306)	
Loss from disposition of fixed assets	298		292		6	
Valuation loss of investment securities	7		115		(108)	
Valuation loss of capital stock of affiliated companies	-		1,419		(1,419)	
Loss on disposition of subsidiaries	507		201		306	
Special retirement allowances	709		8,605		(7,896)	
Transfer to reserve for doubtful accounts	1,549		1,960		(411)	

	Year ended March 31, 2007 (From April 1, 2006 to March 31, 2007)		Year ended March 31, 2006 (From April 1, 2005 to March 31, 2006)		Increase or decrease in amount (millions of yen)	Rate of increase or decrease from the previous year (%)
	Amount (millions of yen)	Percentage (%)	Amount (millions of yen)	Percentage (%)		
Loss on impairment of fixed assets	153		4,280		(4,127)	
Loss on closing of factories	410		-		410	
Other special loss	39		489		(450)	
Income before income taxes for the year	2,420	0.4	81	0.0	2,339	-
Corporation taxes, inhabitant taxes and enterprise taxes	110	0.0	130	0.0	(20)	
Adjustment corporation taxes, etc.	741	0.1	3,650	0.6	(2,909)	
Net income (loss)	1,569	0.3	(3,699)	(0.6)	5,268	-
Retained earnings brought forward from the previous year			6,487			
Unappropriated retained earnings for the year			2,788			

3. APPROPRIATION STATEMENT AND STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY, ETC.

(1) Appropriation Statement

Category	Year ended March 31, 2006 (June 28, 2006)	
	Amount (millions of yen)	
I. Unappropriated retained earnings at end of the year		2,788
II. Reversal of voluntary reserve:		
1. Reversal of reserve for loss of overseas investment, etc.	7	
2. Reversal of special depreciation reserve	32	
3. Reversal of general reserve	8,585	8,624
Total		11,412
III. Appropriation of retained earnings:		
1. Dividends	3,652	
2. Voluntary reserve Special depreciation reserve	6	3,658
IV. Retained earnings brought forward to the next year		7,754

(Note) The date shows the day on which the statement was approved by the General Meeting of Shareholders.

(2) Statement of Changes in Equity

For the year Ended March 31, 2007 (April 1, 2006 to March 31, 2007)

(millions of yen)

	Shareholders' equity											
	Capital	Capital surplus		Reserve out of income	Retained earnings						Treasury stock	Total shareholders' equity
		Capital reserve	Total capital surplus		Retained earnings, other							
					Reserve for loss of overseas investment, etc.	Reserve for special depreciation	Reserve for deferred income tax on fixed assets	General reserve	Net retained earnings forwarded	Total of retained earnings		
Balance as of March 31, 2006	24,166	43,084	43,084	6,041	27	70	620	123,585	2,788	133,131	(221)	200,160
Changes during the year												
Reversal of reserve for loss of overseas investment, etc. (Note)					(7)				7	-		-
Reversal of reserve for loss of overseas investment, etc.					(6)				6	-		-
Addition to reserve for special depreciation (Note)						6			(6)	-		-
Reversal of reserve for special depreciation (Note)						(32)			32	-		-
Reversal of reserve for special depreciation						(31)			31	-		-
Reversal of general reserve (Note)								(8,585)	8,585	-		-
Distribution of surplus (Note)									(3,652)	(3,652)		(3,652)
Net income									1,569	1,569		1,569
Acquisition of treasury stock											(93)	(93)
Disposition of treasury stock									(12)	(12)	12	0
Changes in items other than shareholders' equity during the year – net												
Total change during the year	-	-	-	-	(13)	(57)	-	(8,585)	6,560	(2,095)	(81)	(2,176)
Balance as of March 31, 2007	24,166	43,084	43,084	6,041	14	13	620	115,000	9,348	131,036	(302)	197,984

	Revaluation and exchange differences, etc.			Stock acquisition rights	Total net assets
	Revaluation difference of other marketable securities	Deferred hedge income	Total revaluation and exchange differences, etc.		
Balance as of March 31, 2006	6,030	-	6,030	-	206,190
Changes during the year					
Reversal of reserve for loss of overseas investment, etc. (Note)					
Reversal of reserve for loss of overseas investment, etc.					-
Addition to reserve for special depreciation (Note)					-
Reversal of reserve for special depreciation (Note)					-
Reversal of reserve for special depreciation					-
Reversal of general reserve (Note)					-
Distribution of surplus (Note)					(3,652)
Net income					1,569
Acquisition of treasury stock					(93)
Disposition of treasury stock					0
Changes in items other than shareholders' equity during the year – net	(1,596)	(44)	(1,640)	102	(1,538)
Total change during the year	(1,596)	(44)	(1,640)	102	(3,714)
Balance as of March 31, 2007	4,434	(44)	4,390	102	202,476

(Note) These items were subject to resolution for the appropriation of retained earnings at the Ordinary General Meeting of Shareholders held in June 2006.

4. CHANGES IN THE IMPORTANT ACCOUNTING POLICIES

(1) Accounting Standard for Presentation of Net Assets in the Balance Sheet:

As from the fiscal year under review, the "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board of Japan ("ASBJ") Corporate Accounting Standard No.5, December 9, 2005) and the "Implementation Guidance on the Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ Corporate Accounting Standard Implementation Guidance No.8, December 9, 2005) are applicable.

The change had no effect on the income account.

The amount equivalent to the previous total shareholders' equity is ¥202,418 million.

(2) Accounting Standard for Share-Based Payment:

As from the fiscal year under review, the "Accounting Standard for Share-Based Payment" (ASBJ Corporate Accounting Standard No. 8, December 27, 2005) and the "Implementation Guidance on Accounting Standard for Share-Based Payment" (ASBJ Corporate Accounting Standard Implementation Guidance No.11, May 31, 2006) are applicable.

As a result, operating income decreased by ¥102 million, and ordinary income and income before income taxes for the year also decreased by ¥102 million, respectively.

VI. CHANGE OF OFFICERS

New appointment and retirement of officers (expected to be effective as of June 27, 2007):

1) Candidate for new Director:

Director; Managing Executive Officer; General Manager, Processed Foods Business Division; and General Manager, Production Administrative Division	Koji Uchida	Managing Executive Officer; General Manager, Processed Foods Business Division; and General Manager, Production Administrative Division (present post)
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2) Candidates for new Corporate Auditors:

Corporate Auditor (Full-time)	Soichi Furukawa	Full-time Advisor, Legal Affairs Department (present post)
Corporate Auditor	Tokito Sasaki	President and Representative Director, Nishi Nippon Information Service Center Co., Ltd. (present post)

3) Retiring Director:

Director	Yosuke Umemoto	Expected to assume the office of Corporate Advisor
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4) Retiring Corporate Auditors:

Corporate Auditor (Full-time)	Kazumi Watanabe
Corporate Auditor (Full-time)	Hisao Kanazawa

(Note) Candidate for new Corporate Auditor Mr. Tokito Sasaki is a candidate for outside auditor as provided for in Article 2, item 16 of the Corporation Law of Japan.

- End -

(Translation)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007

**Supplementary
Information**

NIPPON MEAT PACKERS, INC.

May 2007

I. Highlights

(Consolidated financial statements)

(Millions of yen)

	Year ended March 31, 2003 (actual)	Year ended March 31, 2004 (actual)	Year ended March 31, 2005 (actual)	Year ended March 31, 2006 (actual)	Year ended March 31, 2007 (actual)	Comparison with the previous year	Year ending March 31, 2008 (forecast)
Net sales:	909,999	926,019	934,678	963,664	977,296	1.4%	1,000,000
Gross profit on sales:	188,454	192,003	198,559	180,373	187,487	3.9%	
Operating income:	23,121	23,625	27,241	10,074	16,422	63.0%	21,000
Income before income taxes:	13,301	19,576	22,382	2,335	13,668	485.4%	14,500
Net income:	4,409	10,641	11,839	952	11,386	1,096.0%	9,500

Ratio of operating income to sales:	2.5%	2.6%	2.9%	1.0%	1.7%	2.1%
Pre-tax return on assets (ROA):	2.1%	3.2%	3.7%	0.4%	2.3%	

Total assets:	621,579	610,663	611,250	591,426	612,933	3.6%
Shareholders' equity:	246,981	262,096	268,621	291,580	298,428	2.3%
Interest-bearing debt:	212,385	179,797	167,019	169,701	171,211	0.9%

Plant and equipment investment:	25,251	19,626	27,193	20,996	19,441	(7.4%)	24,500
Depreciation costs:	25,032	24,336	22,954	23,731	22,975	(3.2%)	24,000

Cash flows from operating activities:	39,582	35,040	34,880	(21,207)	33,364	
Cash flows from investing activities:	(5,139)	(7,084)	(23,530)	(16,661)	(19,740)	
Cash flows from financing activities:	(753)	(41,113)	(18,145)	(1,745)	(6,322)	
Net increase (decrease) in cash and cash equivalents:	33,690	(13,157)	(6,795)	(39,613)	7,302	
Cash and cash equivalents at end of the year:	86,745	73,588	66,793	27,180	34,482	

(Non-consolidated financial statements)

(Millions of yen)

	Year ended March 31, 2003 (actual)	Year ended March 31, 2004 (actual)	Year ended March 31, 2005 (actual)	Year ended March 31, 2006 (actual)	Year ended March 31, 2007 (actual)	Comparison with the previous year	Year ending March 31, 2008 (forecast)
Net sales:	583,803	607,022	611,912	621,547	619,745	(0.3%)	625,000
Gross profit on sales:	82,021	92,128	86,440	74,249	70,276	(5.4%)	
Operating income:	7,289	8,438	7,133	(959)	1,334	-	3,000
Ordinary income:	8,541	10,542	9,585	2,520	5,304	110.5%	11,000
Net income:	203	5,228	5,026	(3,699)	1,569	-	5,000

Ratio of operating income to sales:	1.2%	1.4%	1.2%	(0.2%)	0.2%	-	0.5%
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Total assets:	364,312	362,211	360,664	375,756	379,849	1.1%
Net assets:	-	-	-	-	202,476	-
Shareholders' equity:	204,895	209,569	211,006	206,190	-	-
Interest-bearing debt:	62,295	48,040	44,706	69,774	74,641	7.0%

II. Breakdown of consolidated net sales

(Millions of yen)

	Year ended March 31, 2006 (actual)	Year ended March 31, 2007 (actual)	Comparison with the previous year	Year ending March 31, 2008 (forecast)
Hams and sausages	134,045	131,987	(1.5%)	133,000
Processed foods	184,751	184,320	(0.2%)	186,000
Fresh meats	496,772	510,695	2.8%	527,000
Marine products	82,497	83,353	1.0%	85,000
Dairy products	21,707	21,832	0.6%	22,500
Others	43,892	45,109	2.8%	46,500
Total	963,664	977,296	1.4%	1,000,000

III. Breakdown of consolidated selling, general and administrative expenses

(Millions of yen)

	Year ended March 31, 2006 (actual)	Year ended March 31, 2007 (actual)	Comparison with the previous year
Personal expenses	72,835	71,254	(2.2%)
Sales promotion expenses	17,268	16,760	(2.9%)
Logistics expenses	33,239	34,530	3.9%
Others	46,957	48,521	3.3%
Total	170,299	171,065	0.4%

IV. Breakdown of consolidated other income and other expenses

1. Other income

(Millions of yen)

	Year ended March 31, 2006 (actual)	Year ended March 31, 2007 (actual)	Comparison with the previous year
Interest and dividends received	816	936	14.7%
Others	3,206	1,166	(63.6%)
Total	4,022	2,102	(47.7%)

2. Other expenses

(Millions of yen)

	Year ended March 31, 2006 (actual)	Year ended March 31, 2007 (actual)	Comparison with the previous year
Valuation loss of securities	286	56	(80.4%)
Loss on impairment of fixed assets	757	436	(42.4%)
Special retirement allowances	8,605	312	(96.4%)
Others	3,498	1,124	(67.9%)
Total	13,146	1,928	(85.3%)