

(Translation)

November 20, 2001

BRIEF STATEMENTS OF INTERIM ACCOUNTS  
FOR THE YEAR ENDING MARCH 31, 2002 (CONSOLIDATED)  
(based on accounting principles generally accepted in the U.S.A.)

Name of listed company: Nippon Meat Packers, Inc.

Code number: 2282

Listed exchange: Tokyo Stock Exchange  
Osaka Securities Exchange

Location of head office (Prefecture): Osaka

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Managing Director  
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Date of meeting of the Board of Directors  
concerning interim accounting: November 20, 2001

Adoption of U.S. Generally Accepted  
Accounting Principles: Yes

1. Consolidated interim business results (April 1, 2001 through September 30, 2001):

(1) Consolidated operating results

	Six month period ended September 30, 2001	Six month period ended September 30, 2000	Year ended March 31, 2001
Net sales:	¥488,800 million (9.3%)	¥447,303 million (-%)	¥910,634 million
Operating income:	¥21,914 million (-2.5%)	¥22,476 million (-%)	¥42,615 million
Income before income taxes:	¥16,037 million (-44.9%)	¥29,093 million (-%)	¥43,664 million

	Six month period ended September 30, 2001	Six month period ended September 30, 2000	Year ended March 31, 2001
Net income:	¥9,662 million (-41.2%)	¥16,429 million (-%)	¥25,609 million
Net income per share (basic):	¥42.29	¥71.92	¥112.10
Net income per share (diluted):	¥41.60	¥70.59	¥110.13

(Notes)

1) Equity in earnings of associated companies:

Six month period ended September 30, 2001:	¥84 million
Six month period ended September 30, 2000:	¥81 million
Year ended March 31, 2001:	¥213 million

2) Average number of shares during each period (year) (consolidated):

Six month period ended September 30, 2001:	228,445,350 shares
Six month period ended September 30, 2000:	228,445,350 shares
Year ended March 31, 2001:	228,445,350 shares

3) Changes in accounting procedures: Yes

4) The percentages in the items of net sales, operating income, income before income taxes and net income indicate the rates of increase or decrease from the interim period of the previous year.

(2) Consolidated financial condition

	Six month period ended September 30, 2001	Six month period ended September 30, 2000	Year ended March 31, 2001
Total assets:	¥614,849 million	¥601,486 million	¥601,821 million
Shareholders' equity:	¥251,958 million	¥238,370 million	¥245,965 million
Ratio of net worth (owned capital):	41.0%	39.6%	40.9%
Net worth (owned capital) per share:	¥1,102.92	¥1,043.44	¥1,076.69

(Note) Number of issued shares outstanding at end of the period (year) (consolidated):

Six month period ended September 30, 2001:	228,445,350 shares
Six month period ended September 30, 2000:	228,445,350 shares
Year ended March 31, 2001:	228,445,350 shares

(3) Summary of consolidated cash flows

	Six month period ended September 30, 2001	Six month period ended September 30, 2000	Year ended March 31, 2001
Net cash provided by operating activities	¥17,687 million	¥13,368 million	¥36,888 million
Net cash used in investing activities	¥(17,606) million	¥(11,854) million	¥(25,922) million
Net cash used in financing activities	¥(6,388) million	¥(2,688) million	¥16,440 million
Cash at end of the period (year)	¥60,529 million	¥71,136 million	¥66,836 million

(4) Matters related to the consolidation and the scope of application of equity method

Number of consolidated subsidiaries:	118 companies
Number of non-consolidated subsidiaries subject to equity method:	None
Number of affiliated companies subject to equity method:	13 companies

(5) Changes in consolidation and scope of application for equity method

Consolidated subsidiaries (inclusion):	6 companies
Consolidated subsidiaries (exclusion):	3 companies
Companies subject to equity method (inclusion):	None
Companies subject to equity method (exclusion):	None

2. Forecast for the year ending March 31, 2002 (April 1, 2001 through March 31, 2002):

	<u>Whole year</u>
Net sales:	¥930,000 million
Income before income taxes:	¥30,000 million
Net income:	¥18,000 million

(For reference)

Forecast of net income per share for the year ending March 31, 2002 (whole year): ¥78.79

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Attached material

STATE OF CORPORATE GROUP

The Company's group is composed of the Company, its 118 subsidiaries and 13 affiliates. Their businesses are categorized as follows:

Businesses of production and marketing of hams, sausages, processed foods and fresh meats:

Hams, sausages and processed foods are produced at the Company and its production subsidiaries, Shizuoka-Nippon Ham Co., Ltd., Nagasaki-Nippon Ham Co., Ltd., Nippon Ham Shokuhin Co., Ltd. and Nippon Ham Sozai Co., Ltd. and marketed through the Company's nationwide business offices and its marketing subsidiaries, Nippon Ham Tobu Choku-Han Co., Ltd. and others. Additionally, in some specific regions and markets, hams, sausages and processed foods are produced and marketed by its subsidiaries, Higashi-Nippon Ham Co., Ltd. and Tochiku-Ham Co., Ltd. and its affiliates, such as Minami-Nippon Ham Co., Ltd.

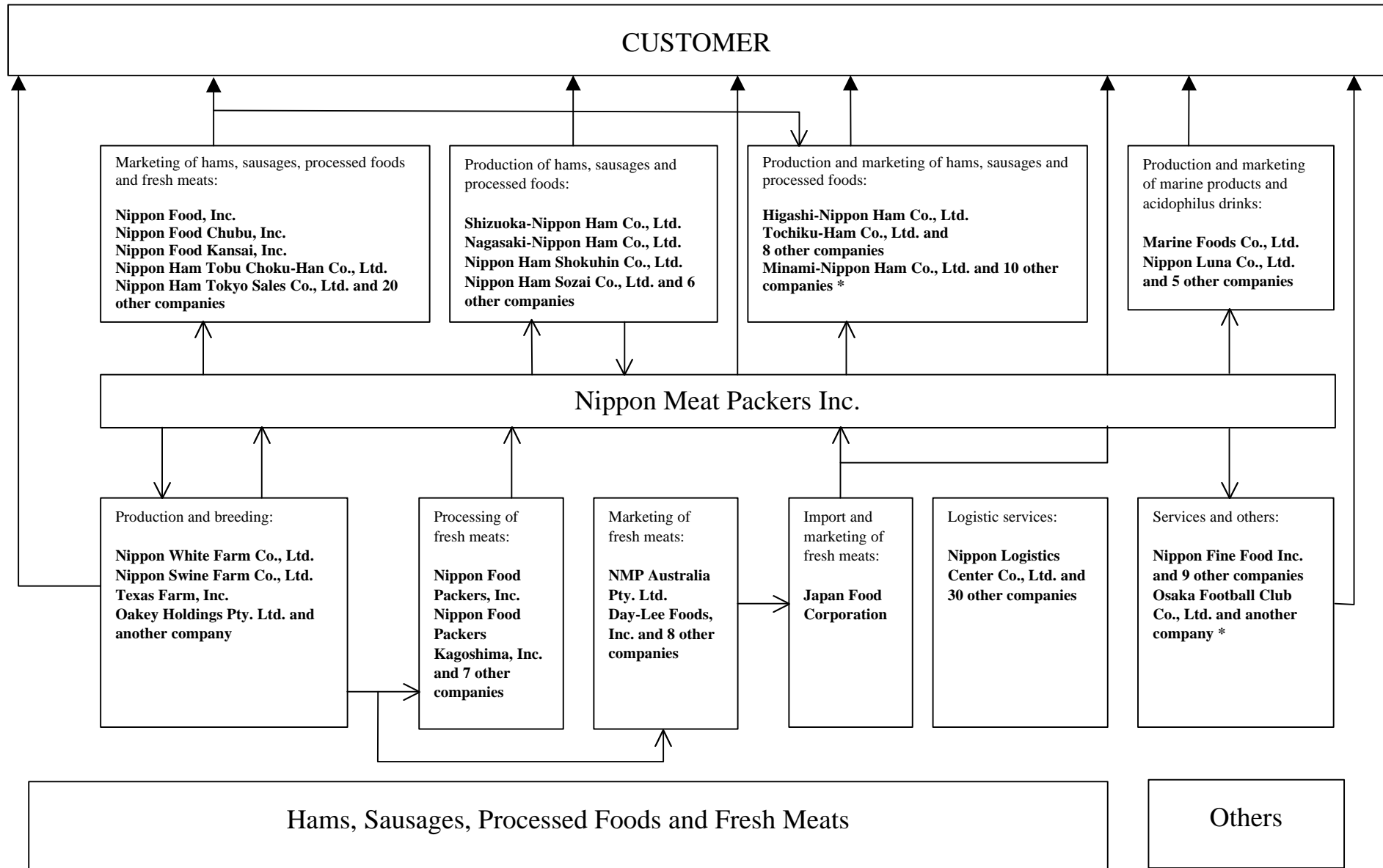
With regard to fresh meats, its subsidiaries, such as Nippon Swine Farm Co., Ltd., Nippon White Farm Co., Ltd. and Texas Farm, Inc. produce and breed swine, cattle and broiler. Fresh meats which are processed by the Company's subsidiaries, such as Nippon Food Packers, Inc. and Nippon Food Packers Kagoshima, Inc. are marketed, together with fresh meats purchased from outside suppliers, through its nationwide business offices and its marketing subsidiaries, such as Nippon Food, Inc. and Nippon Food Kansai, Inc.

Other businesses:

Marine products and acidophilus drinks are produced and marketed by the Company's subsidiaries, Marine Foods Co., Ltd. and Nippon Luna Co., Ltd. and others.

With regard to services and others, restaurant business is conducted by its subsidiaries, Nippon Fine Food Inc. and others.

The above mentioned matters are shown in the following business organization chart (affiliates are marked with \*).



## BUSINESS POLICY

### 1. The Company's basic business policy

The Company advocates its corporate slogan "Encouraging Healthy Eating Habits" whereby the Company provides safe and high-quality foods to help its customers enjoy eating and lead a healthy life.

For that purpose, the Company has created a "Nipponham Identity (NI)", which comprises its corporate philosophy, business philosophy and guidelines of conduct.

The idea of the NI is to share the quality of life with its customers, prosperity with its shareholders and the joy of work with its individual employees and obligates management to continue to pursue brave challenges in the food culture.

In addition, the Company recognizes that it is obliged as a corporate citizen to commit itself to the protection of the environment and management intends to actively address environmental problems in conducting operating activities.

### 2. The Company's basic dividend policy

With regard to its basic dividend policy, it is the Company's intention to pay dividends according to business results on a consistent basis, while increasing its retained earnings in order to strengthen its corporate base as the basis for long-range development.

The Company intends to make effective use of the retained earnings as capital for investment which will maintain its competitiveness and attain sustained growth for the years to come, and to use them to expand its business size and increase earnings, thereby increasing the value of its shares.

### 3. Measures for strengthening the Company's administrative organization

Important matters for management are fully discussed at the management meeting and other committees and then deliberated upon by the Board of Directors. In addition, the Company holds regular meetings between the Representative Directors and Statutory Auditors to exchange opinions and information on management.

### 4. The Company's business strategies and future challenges

Business conditions facing the Company are expected to remain in a deflationary process in which consumer spending remains slow and prices are declining while insecurity about employment and retirement life has loomed in the prolonged recession. In the midst of the development of globalization and information-oriented society and the ripening of the market due to aging society with declining birth rates, the Company believes that it is essential to win a cost competitive advantage to secure constant profits.

The Company, cognizant of these conditions and under the slogan of "Renovation and Improvement of Consolidated Earnings," intends to promote speedily the reform of its

operational structure levels and the optimization of management of its group as a whole and build its global strategy. Additionally, the Company will concentrate its efforts on further increasing the market share of its existing operations, as well as developing new category products and marketing channels and extending its operating area. For that purpose, the Company has embarked on the improvement of its personnel policy and marketing capability development systems, including information technology. Furthermore, to materialize such improvement, the Company intends to exert its efforts to upgrade its financial bases and increase cash flows to strengthen its management bases.

Due to a series of disturbances that happened in 2000 and 2001, arising from food poisoning incidents, concerns about genetically modified foods and the arrival of bovine spongiform encephalopathy ( BSE ) , consumers became extremely apprehensive about food safety. The Company believes that any food company should undoubtedly commit itself to "safety and security" and that it is its corporate responsibility to improve its quality assurance system, including materials and assure security of foods for consumers. The Company has established its "vertical integration system" which integrates the whole processes of its operations from production and breeding to marketing within the Company and its group. By making the most of the advantage of such system, the Company intends to materialize its corporate message "Encouraging Healthy Eating Habits" by providing "safe and secure" and "tasty" foods to its customers.

In addition, the Company recognizes that it is obliged to commit itself to the protection of the environment and will, as one of management's top priorities, work on environmental problems in conducting operating activities, as shown by the acquisition of approval of ISO14001 for its Ibaraki factory and four other factories to follow the acquisition thereof for its Ono factory in 1999.

## OPERATING RESULTS

### 1. Overview for the interim period under review

#### Overview of operating results in general

Market conditions facing the Company were severe due to a decline in prices caused by the slump in consumer spending and deflationary spirals in the prolonged recession, as well as an increase in prices of materials caused by a ban on chicken imports due to the outbreak of chicken influenza in China in June 2001 and the provision of a safeguard against pork in August 2001.

Under these circumstances, the Company made efforts to promote the development of products that met consumers' needs and created new eating styles, as well as the provision of attentive advice on marketing to its existing marketing channels and the promotion of the marketing channel policy to respond to the expansion of its operating area. Simultaneously, the Company has exerted constant efforts in the whole processes of its operations from development, production, marketing, sales and services with the aim of becoming No. 1 in every product category.

With regard to quality and health, to retain consumer confidence, the Company has made its group-wide efforts.

Additionally, the Company continued efforts to further reduce production costs and improve its distribution system via the rearrangement of its distribution centers and the consolidation and abolition of its business offices, to strengthen cost competitiveness.

In the meantime, with regard to fresh meats, the Company promoted a brand recognition strategy to attain superiority in competition to rival companies.

As a result of these efforts, while the Company suffered from slow spending, sales of processed foods and fresh meat increased steadily. Consequently, net sales for the interim period under review amounted to ¥488,800 million, up 9.3% from the corresponding period of the previous business year.

With regard to income, while the Company was affected by a decline in sales prices of hams and sausages, higher material costs and bankruptcies of large mass-retailers, the Company recorded a gain on contribution to its retirement benefit trust for the interim period of the previous business year. As a result, income before income taxes amounted to ¥16,037 million, down 44.9% from the corresponding period of the previous business year and net income for the interim period amounted to ¥9,662 million, down 41.2% from the corresponding period of the previous business year.

The results by product category are as follows:

#### Hams and sausages

Due to active sales promotion of "Schau Essen" through menu proposals and the



strengthening of lines of "Mori-no-Kaori" sausages, sales of the Company's main brand products increased steadily. Additionally, with regard to summer gift products and consumer products, the Company strengthened its existing marketing channels and developed new ones. Consequently, sales exceeded those for the previous year in volume. However, due to further intensifying price competition in the market, net sales amounted to ¥70,598 million, down 2.3% from the corresponding period of the previous business year.

Processed foods

Sales of "Chuka Meisai" and "Tenshinkaku" series, which are the Company's main brand products, continued to increase steadily, due to the penetration of its "Bimi Kenko" concept and their more varied lines. Additionally, due to hits, such as "Bimi Kenko Hamburger/Meatballs," "Ishigama Kobo" and "Asia Shokusaikan," as well as the development of a variety of category products and the promotion of its marketing channel policy, net sales amounted to ¥102,418 million, up 11.9% from the corresponding period of the previous business year.

Fresh meats, etc.

The market conditions remained uncertain due to various factors, such as the outbreak of chicken influenza in China, the implementation of a safeguard against pork and the arrival in Japan of BSE. Meanwhile, the Company endeavored to utilize its production sites in Japan and overseas, which the Company has taken initiatives in the industry to develop, procure purchases through its global network, and take advantage of its strong marketing power covering the whole of Japan, whereby increasing its market share. Consequently, sales both in Japan and overseas increased favorably in general. As a result, net sales amounted to ¥315,784 million, up 11.4% from the corresponding period of the previous business year.

Breakdown of consolidated net sales

	Six month period ended September 30, 2001 (from April 1, 2001 to September 30, 2001)		Six month period ended September 30, 2000 (from April 1, 2000 to September 30, 2000)		Increase or decrease ratio (%)	Year ended March 31, 2001 (from April 1, 2000 to March 31, 2001)	
	Amount (millions of yen)	Compo- nent ratios (%)	Amount (millions of yen)	Compo- nent ratios (%)		Amount (millions of yen)	Compo- nent ratios (%)
Hams and sausages	70,598	14.4	72,250	16.2	(2.3)	146,171	16.1
Processed foods	102,418	21.0	91,537	20.5	11.9	187,550	20.6
Fresh meats, etc.	315,784	64.6	283,516	63.3	11.4	576,913	63.3
Total	488,800	100.0	447,303	100.0	9.3	910,634	100.0

(Note) There is no principal customer to which sales accounted for more than 10% of the total sales.

Summary of cash flows

	(millions of yen)			
	Six month period ended September 30, 2001	Six month period ended September 30, 2000	Increase or decrease	Year ended March 31, 2001
Net cash provided by operating activities	17,687	13,368	4,319	36,888
Net cash used in investing activities	(17,606)	(11,854)	(5,752)	(25,922)
Net cash used in financing activities	(6,388)	(2,688)	(3,700)	(16,440)
Net increase (decrease) in cash	(6,307)	(1,174)	(5,133)	(5,474)
Cash at end of the period/year	60,529	71,136	(10,607)	66,836

With regard to operating activities, net income for the interim period and depreciation and amortization amounted to ¥9,662 million and ¥11,564 million, respectively. However, accounts receivable - trade and inventories increased. As a result, net cash provided by operating activities increased by ¥4,319 million in comparison with the previous interim period.

With regard to investing activities, net cash used in investing activities decreased by ¥5,752 million in comparison with the previous interim period, principally due to an increase in investment in property, plant and equipment.

With regard to financing activities, long-term debt increased during the previous interim period. As a result, net cash used in financing activities decreased by ¥3,700 million in comparison with the previous interim period.

As a result, net cash for the interim period decreased by ¥5,133 million in comparison with the previous interim period. Net cash for the interim period decreased by ¥6,307 million and cash at the end of the interim period amounted to ¥60,529 million.

Overview of segment information by business category

As the Company's group engages principally in the production and marketing of fresh meats-related hams and sausages, processed foods and fresh meats, other businesses are not so significant to be separately categorized. Hence, the Company does not prepare segment information by business category.

Overview of segment information by geographic area

(i) Japan

Net sales in Japan, though affected by slow spending, amounted to ¥444,531 million, up 7.9% from the corresponding period of the previous business year, as sales of processed foods and fresh meats increased steadily. Operating income, affected by lower sales prices

of hams and sausages and higher material costs, amounted to ¥18,994 million, down 3.0% from the corresponding period of the previous business year.

(ii) Other areas

Due to a steady increase in sales of fresh meats in general, net sales overseas amounted to ¥79,028 million, up 21.3% from the corresponding period of the previous business year. However, operating income overseas amounted to ¥2,866 million, down 1.2% from the corresponding period of the previous business year.

2. Prospect for the whole business year

Prospect of operating results in general

During the second half period, the Japanese economy is expected to have no bright prospect and consumers are expected to remain reluctant to spend. Additionally, the terrorist attacks in the United States are anticipated to have a long-term adverse effect on the economy.

Furthermore, material costs have remained high and the Company faces competition with lower-priced products from overseas, while the situations concerning the BSE problem remain unforeseeable. Thus, the Company is cognizant that the business conditions are severer than ever before.

Under these circumstances, the Company intends to engage in operating activities from consumers' points of view at all times and always exert its efforts to assure "safety and security." Also, the Company, positively accepting the difficult conditions as a good opportunity, intends to make further cost reductions, develop products in a new category that may be less affected by price competition and expand its operating area.

With regard to operating results for the whole business year, net sales are estimated to amount to ¥930.0 billion (up 2.1% from the previous business year).

By product category, in the hams and sausages category, the Company will make efforts to increase its market share by providing attentive advice on the marketing of its brand products such as "Schau Essen" to its existing marketing channels and actively promote the development of new category products and marketing channels. The Company will also concentrate efforts on increasing sales of year-end gifts and products for the Christmas and year-end season. Thus, this category is estimated to earn ¥142.3 billion in net sales (down 2.6% from the previous business year).

In the processed foods category, the Company will concentrate efforts on varying the lines of its popular brands, "Chuka Meisai," "Tenshinkaku" and "Asia Shokusaikan" series, as well as developing products to meet consumers' diversifying eating styles, with the aim of becoming No. 1 in every product category. Thus, this category is estimated to earn ¥205.5 billion in net sales (up 9.6% from the previous business year).

In the fresh meats category, while the BSE problem is expected to have an adverse effect, the Company will concentrate its group's comprehensive powers and take advantage of its strength of having an integration system of production sites in Japan and overseas to increase sales. The Company will also continue to carry out its brand recognition strategy to differentiate itself from rival companies, whereby increasing its market share. Thus, this category is estimated to earn ¥582.2 billion in net sales (up 0.9% from the previous business year).

With regard to income, the Company may be affected by the BSE problem and bankruptcies of large mass-retailers, while the Company recorded a gain on contribution to its retirement benefit trust during the previous business year. Thus, income before income taxes and net income are estimated to amount to ¥30.0 billion (down 31.3% from the previous business year) and ¥18.0 billion (down 29.7%), respectively.

#### Prospect of dividends

Management, based on the basic policy to pay dividends on a consistent basis, intends to pay an ordinary dividend of ¥16 per share for the business year under review.

**CONSOLIDATED BALANCE SHEETS**

(millions of yen)

	Six month period ended September 30, 2001 (as of September 30, 2001)	Six month period ended September 30, 2000 (as of September 30, 2000)	Increase or decrease	Year ended March 31, 2001 (as of March 31, 2001)
<b>Assets</b>				
Current assets:				
Cash	60,529	71,136	(10,607)	66,836
Time deposits	14,804	8,885	5,919	19,515
Marketable securities	6,111	20,525	(14,414)	8,188
Trade notes (non-interest bearing) and accounts receivable	116,794	107,729	9,065	108,079
Allowance for doubtful receivables	(1,843)	(1,887)	44	(2,053)
Inventories	88,302	80,495	7,807	84,284
Deferred income taxes	5,672	4,397	1,275	4,784
Prepayments and other current assets	12,444	12,883	(439)	11,552
Total current assets	302,813	304,163	(1,350)	301,185
Investment and non-current receivables:				
Investments in and advances to associated companies	3,683	3,642	41	3,636
Other securities investments	22,353	23,387	(1,034)	22,245
Deposits and sundry investments	16,415	15,282	1,133	16,099
Total investments and non-current receivables	42,451	42,311	140	41,980
Property, plant, and equipment - at cost, less accumulated depreciation	254,304	241,043	13,261	243,333
Deferred income taxes - non-current	8,372	6,766	1,606	8,066
Other assets	6,909	7,203	(294)	7,257
Total	614,849	601,486	13,363	601,821

	Six month period ended September 30, 2001 (as of September 30, 2001)	Six month period ended September 30, 2000 (as of September 30, 2000)	Increase or decrease	Year ended March 31, 2001 (as of March 31, 2001)
<u>Liabilities and Shareholders' equity</u>				
Current liabilities:				
Short-term bank loans	102,492	119,208	(16,716)	106,435
Current maturities of long-term debt	10,230	8,491	1,739	10,639
Trade notes (principally non-interest bearing) and accounts payable	98,267	87,638	10,629	89,322
Accrued income taxes	9,788	12,211	(2,423)	7,287
Deferred income taxes	335	167	168	10
Accrued expenses	13,434	12,733	701	13,054
Other current liabilities	9,284	9,056	228	10,288
Total current liabilities	243,830	249,504	(5,674)	237,035
Liability under retirement and severance program	24,281	18,514	5,767	24,618
Long-term debt, less current maturities	91,819	92,545	(726)	90,820
Deferred income taxes - non-current	565	324	241	1,068
Minority interests	2,396	2,229	167	2,315
Shareholders' Equity:				
Common stock	24,166	24,166	-	24,166
Capital surplus	50,438	50,438	-	50,438
Retained earnings:				
Appropriated for legal reserve	6,522	6,476	46	6,476
Unappropriated	182,464	167,323	15,141	176,503
Accumulated other comprehensive income (loss)	(11,632)	(10,033)	(1,599)	(11,618)
Total shareholders' equity	251,958	238,370	13,588	245,965
Total	614,849	601,486	13,363	601,821

STATEMENTS OF CONSOLIDATED INCOME

(millions of yen)

	Six month period ended September 30, 2001 (from April 1, 2001 to September 30, 2001)	Six month period ended September 30, 2000 (from April 1, 2000 to September 30, 2000)	Increase or decrease	Year ended March 31, 2001 (from April 1, 2000 to March 31, 2001)
Revenues:				
Net sales	488,800	447,303	41,497	910,634
Gain on contribution of securities to employee retirement benefit trust	-	12,556	(12,556)	12,556
Sundry	1,051	1,031	20	1,887
Total	489,851	460,890	28,961	925,077
Cost and expenses:				
Cost of goods sold	384,015	343,338	40,677	699,077
Selling, general, and Administrative expenses	82,871	81,489	1,382	168,942
Interest	1,654	1,738	(84)	3,514
Sundry	5,274	5,232	42	9,880
Total	473,814	431,797	42,017	881,413
Income from consolidated operations before income taxes:	16,037	29,093	(13,056)	43,664
Income taxes:				
Current	8,377	9,374	(997)	12,459
Deferred	(1,918)	3,371	(5,289)	5,809
Total	6,459	12,745	(6,286)	18,268
Income from consolidated operations	9,578	16,348	(6,770)	25,396
Equity in earnings of associated companies - net (less applicable income taxes)	84	81	3	213
Net income	9,662	16,429	(6,767)	25,609

STATEMENTS OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(millions of yen)

	Six month period ended September 30, 2001 (from April 1, 2001 to September 30, 2001)	Six month period ended September 30, 2000 (from April 1, 2000 to September 30, 2000)	Increase or decrease	Year ended March 31, 2001 (from April 1, 2000 to March 31, 2001)
<b>Common Stock:</b>				
Balance at beginning of the interim period (year)	24,166	24,166	-	24,166
Balance at end of the interim period (year)	24,166	24,166	-	24,166
<b>Capital Surplus:</b>				
Balance at beginning of the interim period (year)	50,438	50,438	-	50,438
Balance at end of the interim period (year)	50,438	50,438	-	50,438
<b>Retained Earnings Appropriated for Legal Reserve:</b>				
Balance at beginning of the interim period (year)	6,476	6,444	32	6,444
Transfer from unappropriated retained earnings	46	32	14	32
Balance at end of the interim period (year)	6,522	6,476	46	6,476
<b>Unappropriated Retained Earnings:</b>				
Balance at beginning of the interim period (year)	176,503	154,580	21,923	154,580
Net income	9,662	16,429	(6,767)	25,609
Cash dividends	(3,655)	(3,655)	-	(3,655)
Transfer to retained earnings appropriated for legal reserve	(46)	(31)	(15)	(31)
Balance at end of the interim period (year)	182,464	167,323	15,141	176,503
<b>Accumulated Other Comprehensive Income (Loss):</b>				
Net unrealized gains(losses) on securities available for sale:				
Balance at beginning of the interim period (year)	(1,451)	9,666	(11,117)	9,666
Change in net unrealized gains during the interim period (year)	857	(11,225)	12,082	(11,117)
Balance at end of the interim period (year)	(594)	(1,559)	965	(1,451)
Net unrealized gains(losses) on derivative financial instruments:				
Balance at beginning of the interim period (year)	-	-	-	-
Change in net unrealized gains(losses) on derivative financial instruments during the interim period (year)	(142)	-	(142)	-
Balance at end of the interim period (year)	(142)	-	(142)	-



	Six month period ended September 30, 2001 (from April 1, 2001 to September 30, 2001)	Six month period ended September 30, 2000 (from April 1, 2000 to September 30, 2000)	Increase or decrease	Year ended March 31, 2001 (from April 1, 2000 to March 31, 2001)
Minimum Pension Liability Adjustments:				
Balance at beginning of the interim period (year)	(8,793)	(4,941)	(3,852)	(4,941)
Change in minimum pension liability adjustments during the interim period (year)	-		-	(3,852)
Balance at end of the interim period (year)	(8,793)	(4,941)	(3,852)	(8,793)
Foreign Currency Translation Adjustments:		-		
Balance at beginning of the interim period (year)	(1,374)	(3,270)	1,896	(3,270)
Foreign currency translation adjustments during the interim period (year)	(729)	(263)	(466)	1,896
Balance at end of the interim period (year)	(2,103)	(3,533)	1,430	(1,374)
Total Accumulated Other Comprehensive Income (Loss)	(11,632)	(10,033)	(1,599)	(11,618)
Total Shareholders' Equity	251,958	238,370	13,588	245,965

**STATEMENTS OF CONSOLIDATED CASH FLOWS**

(millions of yen)

	Six month period ended September 30, 2001 (from April 1, 2001 to September 30, 2001)	Six month period ended September 30, 2000 (from April 1, 2000 to September 30, 2000)	Year ended March 31, 2001 (from April 1, 2000 to March 31, 2001)
<b>Operating Activities:</b>			
Net income	9,662	16,429	25,609
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	11,564	11,597	23,734
Gain on contribution of securities to employee retirement benefit trust	-	(12,556)	(12,556)
Income taxes - deferred	(1,918)	3,371	5,809
Increase in trade notes and accounts receivable	(8,788)	(14,533)	(14,534)
Increase in inventories	(4,375)	(6,185)	(9,404)
Increase in trade notes and accounts payable	9,010	8,557	10,052
Increase (decrease) in accrued income taxes	2,503	1,849	(3,047)
Other – net	29	4,839	11,225
Net cash provided by operating activities	17,687	13,368	36,888
<b>Investing Activities:</b>			
Additions to property, plant and equipment	(23,111)	(13,074)	(26,617)
Decrease (increase) in time deposits	4,769	4,786	(5,707)
Purchases of marketable securities and other securities investments	(4,070)	(7,978)	(10,939)
Proceeds from sales of marketable securities and other securities investments	5,034	4,190	17,874
Decrease (increase) in deposits and sundry investments	(388)	85	(301)
Other – net	160	137	(232)
Net cash used in investing activities	(17,606)	(11,854)	(25,922)
<b>Financing Activities:</b>			
Cash dividends	(3,655)	(3,655)	(3,655)
Decrease in short-term bank loans	(3,289)	(2,212)	(16,330)
Proceeds from long-term debt	6,727	11,286	10,378
Repayments of long-term debt	(6,171)	(8,107)	(6,833)
Net cash used in financing activities	(6,388)	(2,688)	(16,440)
Net Decrease in Cash	(6,307)	(1,174)	(5,474)
Cash and Cash Equivalents at Beginning of the Period (year)	66,836	72,310	72,310
Cash and Cash Equivalents at End of the Period (year)	60,529	71,136	66,836
<b>Additional Cash Flow Information:</b>			
Interest paid	1,615	1,770	3,650
Income taxes paid	5,877	7,528	15,536
<b>Noncash Investing Activities:</b>			
Fair value of securities contributed to employee retirement benefit trust	-	18,426	18,426

BASIS FOR PREPARING CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 118 subsidiaries

(2) Number of non-consolidated subsidiaries: None

(3) Principal subsidiaries:

Texas Farm, Inc., Nippon White Farm Co., Ltd., Nippon Swine Farm Co., Ltd., Shizuoka-Nippon Ham Co., Ltd. and Nippon Food, Inc.

(4) Situation of changes in consolidation:

(inclusion) 6 companies Nippon Techno Arc. Inc. and 5 other companies

(exclusion) 3 companies Nippon Ham Hokkaido Sales Co., Ltd. and other 2 companies (dissolution)

2. Fiscal years of consolidated subsidiaries:

Among the Company's consolidated subsidiaries, 4 companies have interim periods of each fiscal year ending on June 30. In preparing the consolidated interim financial statements, the financial statements in respect of the fiscal year of each of such companies are used. As for material transactions occurred during the period until the end of the consolidated fiscal year, any adjustments necessary for such consolidation are made.

3. Matters relating to application of equity method

(1) Number of companies subject to equity method: 13 companies

(2) Principal company: Minami-Nippon Ham Co., Ltd.

(3) Situation of change

(inclusion) None

(exclusion) None

(4) Fiscal years

As for the companies subject to equity method and which have fiscal years ending at other than the end of the consolidated fiscal year, the financial statements in respect of such companies fiscal years are used.

#### 4. Summary of Principal Accounting Policies

##### (1) Marketable securities

In accordance with Statement of Financial Accounting Standards (SFAS) No. 115, investments classified as Available-For-sale are reported at fair value with unrealized gains and losses, net of applicable income taxes, recorded in a separate component of shareholders' equity. Investments classified as Held -to-Maturity are recorded at amortized cost. All other securities investments in securities are stated cost, unless the value is considered to have been impaired.

##### (2) Inventories

Inventories are stated at lower of cost or market value based on the average method. The market value is based on net realizable value.

##### (3) Depreciation and amortization

Property, plant and equipment are reported at acquisition cost and depreciation is made principally by the declining balance method.

##### (4) Liability under retirement and severance program

SFAS No. 87 "Employers' Accounting for Pensions" applies to the retirement and severance program.

##### (5) Income taxes

In accordance with SFAS No. 109, deferred tax assets and liabilities are computed based on the temporary differences between the financial statement and tax bases of assets and liabilities, using the enacted tax rate at the respective balance sheet dates.

##### (6) Derivative financial instruments

As from the interim period under review, SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" and SFAS No. 138 "Accounting for Certain Derivative Instruments and Certain Hedging Activities—an amendment of FASB Statement No. 133" are applicable. All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value.

##### (7) Sales incentives

As from the interim period under review, Emerging Issues Task Force (EITF) Issue No. 00-14 "Accounting for Certain Sales Incentives" and EITF Issue No. 00-25 "Accounting for Consideration from a Vendor to a Retailer in connection with the Purchase or Promotion of the Vendor's Products" are applicable.

As a result of the application of these EITF Issues, "net sales" and "selling, general,

and administrative expenses" decreased by ¥4,339 million, respectively, in comparison with the previous method. However, the application has no effect on net income.

Calculation Contents of Net Income Per Share

	Six month period ended September 30, 2001 (from April 1, 2001 to September 30, 2001)	Six month period ended September 30, 2000 (from April 1, 2000 to September 30, 2000)	Year ended March 31, 2001 (from April 1, 2000 to March 31, 2001)
	(millions of yen)		
Net income (Numerator):			
Income available to shareholders	9,662	16,429	25,609
Effect of convertible debentures	50	50	99
Income available to shareholders and assumed conversions	9,712	16,479	25,708
	(thousands of shares)		
Shares (Denominator):			
Average shares outstanding for basic earnings per share	228,445	228,445	228,445
Dilutive effect of convertible debentures	4,992	4,992	4,992
Average shares outstanding for diluted earnings per share	233,437	233,437	233,437

SEGMENT INFORMATION

1. Segment information by business category:

The Company's group engages principally in the production and marketing of meat-related hams and sausages, processed foods and fresh meats. Because total net sales and total operating income, respectively, comprise more than 90% of the whole segments, the Company didn't prepare segment information by business category for the interim period ended September 30, 2000, the year ended March 31, 2001 and the interim period ended September 30, 2001.

2. Segment information by geographic area:

For the six month period ended September 30, 2001 (from April 1, 2001 to September 30, 2001):

(millions of yen)

<u>Items</u>	<u>Japan</u>	<u>Other areas</u>	<u>Total</u>	<u>Eliminations or group-wide</u>	<u>Consolidation</u>
Net sales:					
(1) Sales to outside customers	444,113	44,687	488,800	-	488,800
(2) Inter-segment sales	418	34,341	34,759	(34,759)	-
Total	444,531	79,028	523,559	(34,759)	488,800
Operating expenses	425,537	76,162	501,699	(34,813)	466,886
Operating income	18,994	2,866	21,860	54	21,914

(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, respectively. 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 six month period ended September 30, 2000 (from April 1, 2000 to September 30, 2000):

(millions of yen)

Items	Japan	Other areas	Total	Eliminations or group-wide	Consolidation
Net sales:					
(1) Sales to outside customers	411,668	35,635	447,303	-	447,303
(2) Inter-segment sales	304	29,496	29,800	(29,800)	-
Total	411,972	65,131	477,103	(29,800)	447,303
Operating expenses	392,395	62,230	454,625	(29,798)	424,827
Operating income	19,577	2,901	22,478	(2)	22,476

(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, respectively. 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 year ended March 31, 2001 (from April 1, 2000 to March 31, 2001):

(millions of yen)

Items	Japan	Other areas	Total	Eliminations or group-wide	Consolidation
Net sales:					
(1) Sales to outside customers	838,748	71,886	910,634	-	910,634
(2) Inter-segment sales	457	59,858	60,315	(60,315)	-
Total	839,205	131,744	970,949	(60,315)	910,634
Operating expenses	801,310	126,995	928,305	(60,286)	868,019
Operating income	37,895	4,749	42,644	(29)	42,615

(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, respectively. 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.

3. Overseas sales:

As respective overseas sales for the interim period ended September 30, 2000, the year ended March 31, 2001 and the interim period ended September 30, 2001 did not amount to at least 10% of our consolidated sales, the presentation of overseas sales is omitted.



CURRENT MARKET PRICE, ETC. OF SECURITIES

Investments classified as Available-for-Sale are reported at fair value on the balance sheets, in accordance with accounting principles generally accepted in the U.S.A.

For the six month period ended September 30, 2001 (as of September 30, 2001):

(millions of yen)

<u>Items</u>	<u>Cost</u>	<u>Gross unrealized holding gains</u>	<u>Gross unrealized holding losses</u>	<u>Fair value</u>
Available-for-Sale:				
Equity securities	15,538	2,324	(2,476)	15,386
Debt securities (principally private debt securities)	7,376	40	(911)	6,505
Held-to-Maturity	4,169	-	-	4,169
Total	27,083	2,364	(3,387)	26,060

For the six month period ended September 30, 2000 (as of September 30, 2000):

(millions of yen)

<u>Items</u>	<u>Cost</u>	<u>Gross unrealized holding gains</u>	<u>Gross unrealized holding losses</u>	<u>Fair value</u>
Available-for-Sale:				
Equity securities	19,174	3,029	(4,773)	17,430
Debt securities (principally private debt securities)	6,941	36	(296)	6,681
Held-to-Maturity	17,234	-	0	17,234
Total	43,349	3,065	(5,069)	41,345

For the year ended March 31, 2001 (as of March 31, 2001):

(millions of yen)

<u>Items</u>	<u>Cost</u>	<u>Gross unrealized holding gains</u>	<u>Gross unrealized holding losses</u>	<u>Fair value</u>
Available-for-Sale:				
Equity securities	17,467	2,468	(3,956)	15,979
Debt securities (principally private debt securities)	6,934	48	(1,062)	5,920
Held-to-Maturity	6,468	-	-	6,468
Total	30,869	2,516	(5,018)	28,367