(Translation)

November 18, 2003

BRIEF STATEMENTS OF INTERIM ACCOUNTS FOR THE YEAR ENDING MARCH 31, 2004 (CONSOLIDATED)

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

Name of listed company:	Nippon Meat Packers, Inc.
Code number:	2282 (URL http://www.nipponham.co.jp)
Listing exchange:	Tokyo Stock Exchange Osaka Securities Exchange
Location of head office (Prefecture):	Osaka
Representative:	Yoshikiyo Fujii President and Representative Director
Inquiries to be directed to:	Yosuke Umemoto Director & Senior Executive Corporate Officer and General Manager, General Administrative Division TEL (06) 6282-3160
Date of meeting of the Board of Directors for settlement of interim accounts:	November 18, 2003
Adoption of U.S. Generally Accepted Accounting Principles:	Yes

1. Consolidated interim business results (April 1, 2003 through September 30, 2003):

(1) Consolidated operating results

(Figures are shown by counting fractions of 1/2 or more of a million yen as one and disregarding the rest)

	Six-month period ended September 30, 2003	Six-month period ended September 30, 2002	Year ended March 31, 2003
Net sales:	¥456,681 million (- 2.3%)	¥467,342 million (- 4.4%)	¥909,999 million (- 3.7%)
Operating income:	¥11,690 million (-12.6%)	¥13,378 million (-39.0%)	¥23,121 million (- 39.7%)
Income before income taxes:	¥10,021 million (71.6%)	¥5,840 million (-63.6%)	¥13,301 million (- 56.8%)
Net income:	¥5,927 million (231.5%)	¥1,788 million (-81.5%)	¥4,409 million (- 75.1%)
Net income per share (basic):	¥25.96	¥7.83	¥19.30
Net income per share (diluted):	¥25.61	-	-

(Notes)

1) Equity in earnings of associated companies:
   - Six-month period ended September 30, 2003: ¥ 37 million
   - Six-month period ended September 30, 2002: - ¥11 million
   - Year ended March 31, 2003: ¥ 5 million

2) Average number of shares during each period (year) (consolidated):
   - Six-month period ended September 30, 2003: 228,327,692 shares
   - Six-month period ended September 30, 2002: 228,420,613 shares
   - Year ended March 31, 2003: 228,384,645 shares

3) Changes in accounting procedures: No

4) 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.

5) 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 (whole-year) period of the previous year.

(2) Consolidated financial condition

	Six-month period ended September 30, 2003	Six-month period ended September 30, 2002	Year ended March 31, 2003
Total assets:	¥635,609 million	¥674,727 million	¥621,579 million
Shareholders' equity:	¥251,043 million	¥253,790 million	¥246,981 million
Ratio of shareholders' equity to total assets:	39.5%	37.6%	39.7%
Shareholders' equity per share:	¥1,099.50	¥1,111.20	¥1,081.68

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

Six-month period ended September 30, 2003:	228,324,630 shares
Six-month period ended September 30, 2002:	228,392,942 shares
Year ended March 31, 2003:	228,331,408 shares

(3) State of consolidated cash flows

	Six-month period ended September 30, 2003	Six-month period ended September 30, 2002	Year ended March 31, 2003
Cash flows from operating activities:	¥5,718 million	¥14,647 million	¥39,582 million
Cash flows from investing activities:	¥1,128 million	¥7,839 million	(¥5,139 million)
Cash flows from financing activities:	(¥12,539 million)	¥74,531 million	(¥753 million)
Cash and cash equivalents at end of the period (year):	¥81,052 million	¥150,072 million	¥86,745 million

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

Number of consolidated subsidiaries:	119 companies
Number of non-consolidated subsidiaries subject to equity method:	0 company
Number of associated companies subject to equity method:	10 companies

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

Consolidated subsidiaries (inclusion):	4 companies
Consolidated subsidiaries (exclusion):	2 companies
Companies subject to equity method (inclusion):	1 company
Companies subject to equity method (exclusion):	0 company

2. Forecast for the year ending March 31, 2004 (April 1, 2003 through March 31, 2004):

	Whole year
Net sales:	¥950,000 million
Income before income taxes:	¥20,000 million
Net income:	¥12,000 million

(For reference)
Forecast of net income per share for the year ending March 31, 2004 (whole year): ¥52.56

* The above forecast was calculated based on the currently available information. The actual results may change materially depending on various factors in the future. As for the matters relating to the above forecast, please refer to page 18 hereof.

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Attached material

STATE OF CORPORATE GROUP

The Company's Group is composed of the Company, its 119 subsidiaries and 10 associated companies. Their businesses are categorized as follows:

Fresh meat-related businesses:

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 such as Tohoku-Nippon Ham Co., Ltd. and Minami-Nippon Ham Co., Ltd.

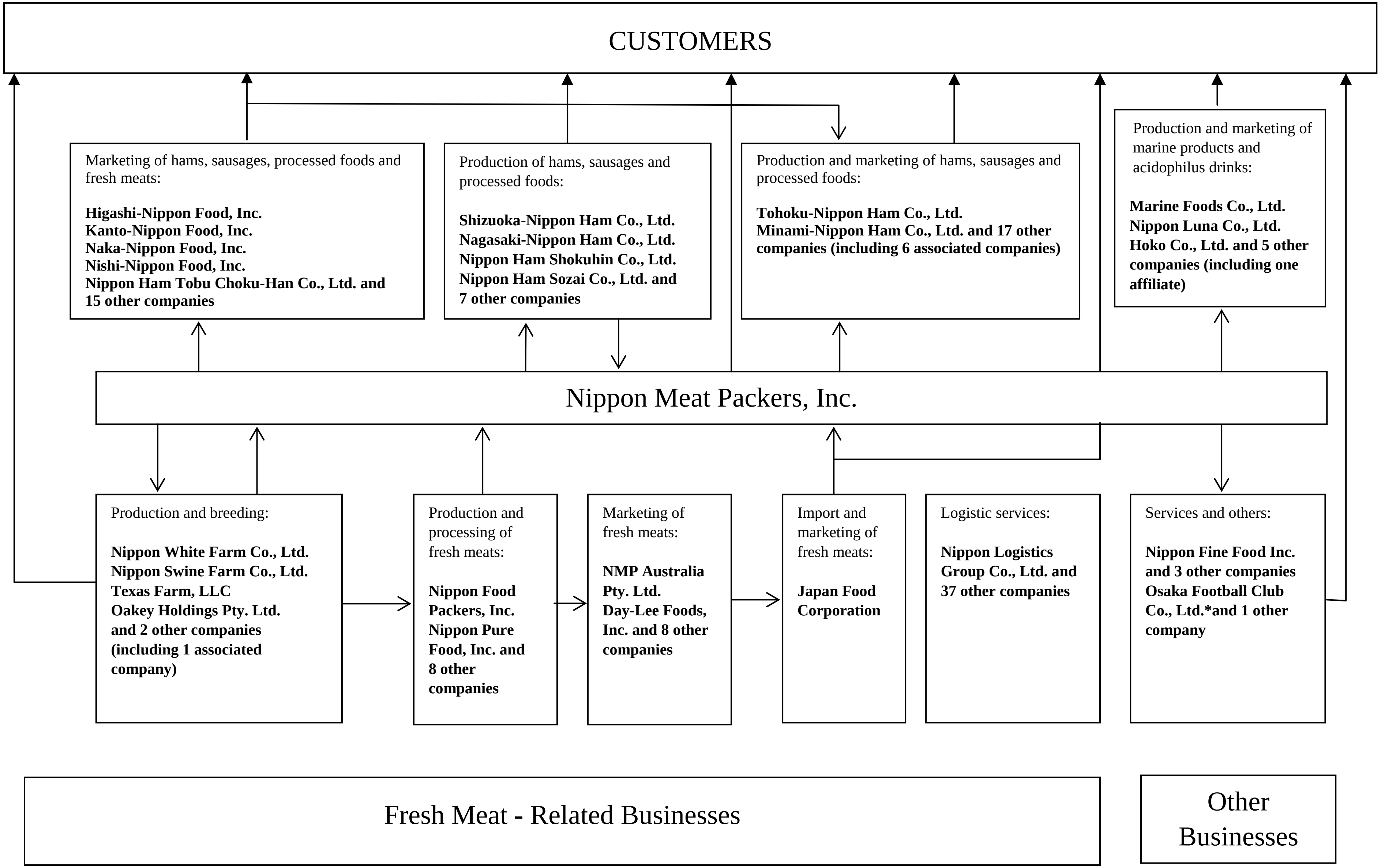
With regard to fresh meats, its subsidiaries such as Nippon Swine Farm Co., Ltd., Nippon White Farm Co., Ltd. and Texas Farm, LLC produce and breed swine, cattle and poultry. Fresh meats which are processed and produced by the Company's subsidiaries such as Nippon Food Packers, Inc. and Nippon Pure Food,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

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

The above-mentioned matters are shown in the following business organization chart (associated companies are marked with *).


CUSTOMERS
Marketing of hams, sausages, processed foods and fresh meats:
Higashi-Nippon Food, Inc.
Kanto-Nippon Food, Inc.
Naka-Nippon Food, Inc.
Nishi-Nippon Food, Inc.
Nippon Ham Tobu Choku-Han Co., Ltd. and 15 other companies
Production of hams, sausages and processed foods:
Shizuoka-Nippon Ham Co., Ltd.
Nagasaki-Nippon Ham Co., Ltd.
Nippon Ham Shokuhin Co., Ltd.
Nippon Ham Sozai Co., Ltd. and 7 other companies
Production and marketing of hams, sausages and processed foods:
Tohoku-Nippon Ham Co., Ltd.
Minami-Nippon Ham Co., Ltd. and 17 other companies (including 6 associated companies)
Production and marketing of marine products and acidophilus drinks:
Marine Foods Co., Ltd.
Nippon Luna Co., Ltd.
Hoko Co., Ltd. and 5 other companies (including one affiliate)
Nippon Meat Packers, Inc.
Production and breeding:
Nippon White Farm Co., Ltd.
Nippon Swine Farm Co., Ltd.
Texas Farm, LLC
Oakey Holdings Pty. Ltd.
and 2 other companies (including 1 associated company)
Production and processing of fresh meats:
Nippon Food Packers, Inc.
Nippon Pure Food, Inc. and 8 other companies
Marketing of fresh meats:
NMP Australia Pty. Ltd.
Day-Lee Foods, Inc. and 8 other companies
Import and marketing of fresh meats:
Japan Food Corporation
Logistic services:
Nippon Logistics Group Co., Ltd. and 37 other companies
Services and others:
Nippon Fine Food Inc. and 3 other companies
Osaka Football Club Co., Ltd.*and 1 other company
Fresh Meat - Related Businesses
Other Businesses

BUSINESS POLICY

1. The Company's fundamental business policy

The Group advocates, as its corporate philosophy, contributing to the society by bringing the "joy of eating" to people through supply of safe and high-quality foods, proposals as to TPOs of eating and the creation of a food culture. The Group recognizes that it is a mission of management to pursue brave challenges in the food culture and explore the possibility of foods ahead of the times with the aim of sharing the "excitement of good eating and preciousness of health" with its customers and continuing to support their healthy and delightful eating habits to "encourage healthy eating habits."

Since the outbreak of its scandal last year, the Group has placed emphasis on "strict compliance in management," as well as "customer-creed management" and the "promotion of group management" as its most important management policies and promoted these policies. The Group will remember its original purpose as a food company and make products from the perspectives of consumers and intends to materialize its corporate philosophy of contributing to the society by means of foods.

2. The Company’s fundamental policy of profit allocation

With regard to its fundamental 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 investments 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, whereby increasing the value of its shares.

3. The Company’s attitude and policy on reduction in investment units

The Company believes it important to promote the long-term and stable holding of its shares by investors. The Company also recognizes it as an important issue for its capital policy to increase the liquidity of its shares in the stock market and expand the base of individual investors.

The Company will watch the moves of the stock market and carefully study the possibility of reducing its investment units, by taking into consideration its business results and share prices.

4. Target management indices

For the final business year in the "New Medium-Term Business Plan" (for the period from April 1, 2003 to March 31, 2006), the Group aims to book net sales of ¥1,100 billion and income before income taxes of ¥35 billion. Furthermore, to improve its financial position, the Group will improve the efficiency of invested capital, optimize the allocation of management resources and reduce interest-bearing debt. Thus, the Group aims to attain the ROA (ratio of income before income taxes on total assets) of 5% or more, the reduction of ¥40 billion in interest-bearing debt and the D/E ratio of 0.6, as major management indices.

5. The Company's medium- and long-range business strategies and future challenges

(1) Optimum allocation of the Group's management resources

The Company will allocate its management resources of personnel, facilities and funds from the perspective of the optimization thereof and to leverage the financial position of each group company, reduce interest-bearing debt and improve the efficiency of funds operations, whereby generating cash flows. Furthermore, the Company will expand its business areas to cover seafood and dairy products, in addition to fresh meat-related businesses.

(2) Aggressive business expansion

(i) Domestic business

In April 2003, the Company instituted a Seafood and Dairy Products Headquarters, responsible for the operations of the affiliates marginated from the integrated businesses of fresh meats and fresh meat-related processed foods. The objective is to bring "dynamism" to its Group through the expansion of business areas of its affiliates and make a greater leap forward. The expansion of business areas here does not mean just diversification or establishment of comprehensive food business, but becoming a "strategic, diversified corporate group" by capitalizing on the strengths of the Group. Specifically, the basis of the strategy is to expand the business areas of seafood and dairy products as a new business pillar second to the businesses of hams and sausages, processed foods and fresh meats and enhance the value thereof.

(ii) Overseas business

To formulate a group-wide strategy targeting the global market and promote the strengthening of its overseas business and the efficient use of management resources of the Group, the "Overseas Strategy Council" will formulate strategies concerning countries, regions and businesses with growth prospects in the future and make recommendations to the Management Strategy Committee.

- Strengthen competitiveness by global human resources development and more active personnel management
- Make efficient use of funds, facilities and human resources and establish an overall optimum system
- Establish a quality assurance system

Business strategies by geographic area

- Australian market

  Improve the efficiency and profitability of business by further improving the integration system

- North American and South American market

  Formulate business models and expand business areas in response to its market characteristics of diversified food culture and improve profitability

- Chinese market

  Formulate business models and integrate group strategies effectively against the background of its huge market size and establish a quality assurance system

- Asian market

  Strengthen the system of supply to Japan, including supply of products, against the background of its bountiful resources (livestock and seafood)

6. Fundamental philosophy on corporate governance and the implementation of measures therefor

(1) Fundamental philosophy

The functions of the management system comprise a "function of management supervision," a "function of strategy formulation" and a "function of business execution." Management recognizes that management strictly based on compliance and the establishment of a system of corporate governance are central to these functions and that the roles of Directors responsible for the function of management supervision are crucial.

(2) Implementation of measures

(i) Management organization relating to corporate managerial decision-making, execution and supervision and other corporate governance systems

a. The Group has employed a system of statutory auditors.

b. State of election of outside Directors and outside Statutory Auditors:

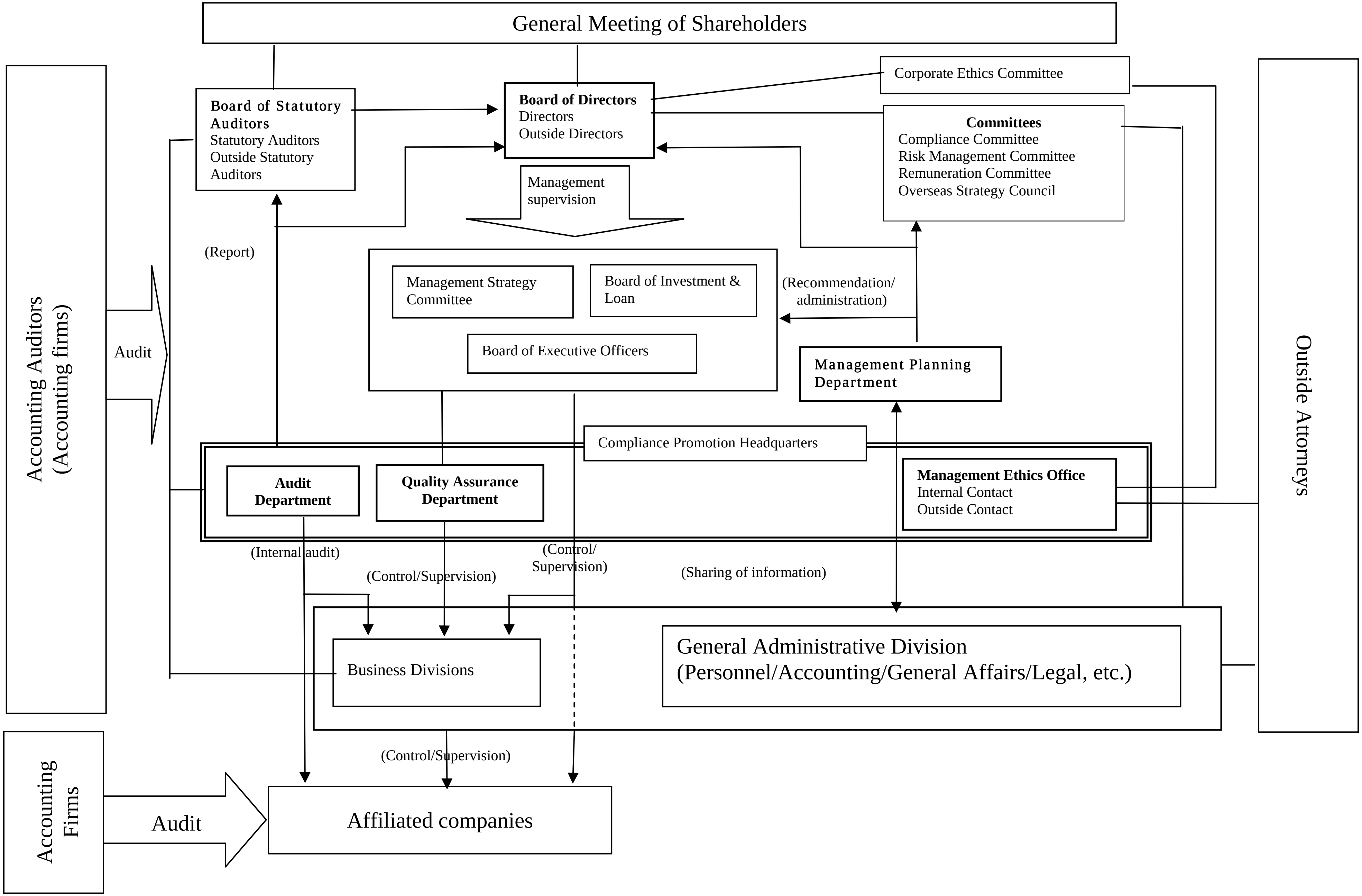
The Company has 2 outside Directors among 11 Directors and 4 outside Statutory Auditors among 5 Statutory Auditors.

The Company introduced a system of executive officers in April 2003. Under the new system to materialize the business policy, the Company has reduced the number of Directors from 16 (including one outside Director) to 11 (including two outside Directors) upon the close of its ordinary general meeting of shareholders convened in June 2003, with the aim of clarifying the roles of Directors and allowing active discussion among as small a number of Directors as possible.

c. Maintenance of full-time staff for outside officers:

The Company maintains no full-time staff for outside officers but its Management Planning Department or Management Ethics Office takes appropriate steps whenever necessary.

d. Scheme of business execution and supervision and internal control:



※ Roles of each Committee (These Committees are not governed by law as the Company is not a "committee establishing company" as stipulated in law.)

The Company has instituted a "Compliance Committee," a "Risk Management Committee," a "Remuneration Committee" and an "Overseas Strategy Council" to discuss important managerial matters under direct control of the President.

・ Compliance Committee: The Committee shall generally investigate compliance by the Group and make recommendations to the Board of Directors or the Management Strategy Committee.

・ Risk Management Committee: The Committee shall be responsible for risk analyses at regular times, management of the development of eliminating potential risks, preparation of manuals and thorough internal disclosure and make a report to the Board of Directors or the Management Strategy Committee as the necessity arises.

・ Remuneration Committee: The Committee shall institute a system to fairly evaluate officers' performances, as a means of management to strengthen corporate governance and improve transparency.

・ Overseas Strategy Council: To materialize overall optimization of the Group overseas, the Council shall promote effective use of management resources of the Group and the cross-sectional sharing of know-how and information among the business divisions and draft fundamental overseas strategies to set up operations and make investments and loans overseas.

※ Roles of each administrative unit

With regard to the administrative units, the Company has abolished the system of all departments placed under direct control of the President and instituted three larger units; "Management Planning Department," "General Administrative Division" and "Compliance Promotion Headquarters" with defined roles and responsibilities, to which Executive Officers shall be assigned, respectively.

・ Management Planning Department: The Department, which is placed under direct control of the President, is responsible for "strategy formulation functions," including management reforms, promotion and strengthening of corporate governance, implementation of brand management and formulation of strategies of the whole Group.

・ General Administrative Division: The Division, in charge of personnel affairs, accounting, general affairs, legal affairs, publicity and information planning, is responsible for conducting restructuring and standardization of administrative systems of the whole Group, formulating a risk management system and strengthening group management, whereby enhancing its administrative level.

・ Compliance Promotion Headquarters": The Headquarters is responsible for promoting cross-sectional activities among the business divisions with regard to auditing, quality assurance, ethics and environmental protection and building up compliance-based management.

e. Legal counsels, accounting auditors and other third parties (State of their engagement in the corporate governance systems):

With regard to corporate management and day-to-day operations, the Company has employed a system of entering into advisory agreements with more than one law firm to seek advice as a guide to managerial judgment as the necessity arises.

Additionally, the Company has entered into audit agreements with accounting firms with regard to audits under the Commercial Code of Japan (with Shin Nihon & Co.) and audits under the Securities and Exchange Law of Japan (with Shin Nihon & Co. and Tohmatsu & Co.). Each of the accounting firms has made audits on a fair and independent standpoint.

(ii) Personal, capital or trading relations or other relations of interest between the Company and its outside Directors and outside Statutory Auditors in outline

Mr. Kanji Yamaguchi, an outside Director of the Company, is a Standing Advisor of Mitsubishi Corporation, which is one of the major shareholders of the Company and has constant business dealings with the Company and its affiliated companies.

Ms. Sachiko Hayakawa, another outside Director of the Company, has served as member of the Workmen's Accident Compensation Insurance Council of the Ministry of Health, Labour and Welfare of Japan and member of the Special Committee on Environmental Safety of Japan Federation of Economic Organizations, among others. She has no special capital, personal or trading relation with the Company.

The Company has no transaction with any outside Statutory Auditor.

(iii) Efforts to improve corporate governance for the most recent year

a. Institution of a Corporate Ethics Committee:

The Company instituted the Committee on September 10, 2002, with the participation of outside experts. Since then, the Committee has held 12 sessions, including four sessions for the current business year.

The Committee has monitored the development of measures to prevent the recurrence of a scandal and made recommendations as to comprehensive management reforms.

b. Institution of a Compliance Committee:

To establish compliance within the Group, the Company has instituted a Compliance Committee, which shall be presided over by the President of the Company. The Committee has actively deliberated on the measures to make compliance dominate in the Group. The Committee, which shall be convened once quarterly, has been held twice to date.

c. Holding of Compliance Leaders' Meetings:

The Company has twice held Compliance Leaders' Meetings comprised of 26 young employees selected from within the Group to plan and implement measures to make compliance dominate in the Group and plan to make inquires among all employees of the Group.

d. Reforms of managerial decision-making organs:

As of April 1, 2003, the Company abolished its "Operating Committee" and instituted a "Management Strategy Committee," a "Board of Investment & Loan" and a "Board of Executive Officers" to build up its functions to formulate group-wide strategies and strategies of top management.

Accordingly, the Company has redefined the functional scopes of its organs and established a system to allow the "Board of Directors" to fulfill its primary function of management supervision at full length.

e. Organizational reforms:

To ensure thorough consolidated management, the Company reorganized its headquarters and instituted a Seafood and Dairy Products Headquarters, a General Administrative Division and a Compliance Promotion Headquarters on April 1, 2003.

Additionally, the Company has increased personnel in its administrative and auditing units to be placed at not only its head office in Osaka but also its Tokyo Branch, whereby strengthening its administrative units.

f. Improvement of internal control:

To strengthen internal control of the group companies, the Company has entered into a contract with a consultancy to review the items and standards for administering its group companies and promote standardization of its administrative systems and restructuring of its auditing frameworks.

OPERATING RESULTS AND FINANCIAL POSITION

1. Operating results

(1) Overview for the interim period under review

Overview of operating results in general

The Japanese economy appears to be bottoming out slightly, as shown by GDP and stock prices. However, people's apprehension about the future and employment has not been dispelled. Consequently, private spending remains sluggish and the economy has not come out of a serious situation, or a deflationary spiral.

In the food and fresh meats industry, consumers' demand for security and safety of foods increased and globalization continued. In this situation, the market was dislocated by embargos due to the problems of residual chemicals and descriptive labeling and cattle diseases, as well as the provision of a safeguard against pork and chilled beef. The Group also came up with a problem of misrepresentation of ratings of beef and in respect of the emergency beef price stabilization services. We must express our sincere apology to everyone for a good deal of trouble and disturbance.

Additionally, while demand remains weak due to the stagnation and aging population combined with dwindling birth rate, competition with lower-priced imports has intensified and the market is placed in a severe condition.

Under these circumstances, the Group, based on the basic idea that it will not be able to improve business performance without restoring the confidence of the society and consumers, has first of all focused on promoting compliance-based management. The Group has made its utmost efforts to foster an awareness of compliance through trainings of all employees and managerial staffs of the Group in respect of compliance and compliance rallies nationwide and also improve internal control, including its information systems, all in an effort to prevent the recurrence of a scandal.

Second, as a commitment as a food company, the Group has promoted quality assurance activities. Under its group-wide quality assurance system and quality standards, the Group has engaged in activities called "Open Quality" with the aim of increasing consumer satisfaction measurements. For example, the Group has reviewed 10,000 descriptive labelings and product records, hired an outside Director having consumers' points of view and expanded the Consumer Service Office to allow management to reflect consumers' opinions in its business and developed its system supporting structure. Thus, in respect of product qualities, the Group has practiced customer-creed management, which is listed as one of its most important management policies.

As to environmental protection, the Group has actively improved the qualities of its group companies' activities for environment preservation and promoted forest protection activities.

To add synergy as a whole, the Group has, from the perspectives of cross-sectional overall optimization among its business divisions and affiliated companies, reviewed logistics, purchases and production and business sites and commenced to consolidate and abolish lines of products. Simultaneously, the Group has actively implemented inter-sectional personnel transfers to activate its operations.

Under these general policies, the Group has exerted its steady efforts to restore confidence, while each business division has endeavored to improve sales by promoting the policy of developing marketing channels with sensitivity and expertise, improving proposal-style marketing, such as menu proposals and store-front sales promotions, and promoting product development to seek after a new category.

As a result of these activities, sales of processed foods, seafood and others increased, while sales of pork and chicken, demand for which to substitute beef grew during the previous business year, decreased. Consequently, net sales for the interim period under review amounted to ¥456,681 million, down 2.3% from the corresponding period of the previous business year. In regard to profits, income before income taxes amounted to ¥10,021 million, up 71.6% from the corresponding period of the previous business year and net income amounted to ¥5,927 million, up 231.5% as a loss from disposal of products was recorded during the previous business year.

Breakdown of consolidated net sales

	Six-month period ended September 30, 2003 (from April 1, 2003 to September 30, 2003)		Six-month period ended September 30, 2002 (from April 1, 2002 to September 30, 2002)		Increase or decrease ratio	Year ended March 31, 2003 (from April 1, 2002 to March 31, 2003)	
	Amount	Compo-nent ratios	Amount	Compo-nent ratios		Amount	Compo-nent ratios
	(millions of yen)	(%)	(millions of yen)	(%)	(%)	(millions of yen)	(%)
Hams and sausages	69,216	15.2	69,651	14.9	(0.6)	136,638	15.0
Processed foods	89,748	19.7	85,485	18.3	5.0	174,178	19.1
Fresh meats	236,716	51.8	261,094	55.9	(9.3)	490,764	53.9
Seafood	35,580	7.8	32,158	6.9	10.6	68,961	7.6
Dairy products	8,359	1.8	5,227	1.1	59.9	9,852	1.1
Others	17,062	3.7	13,727	2.9	24.3	29,606	3.3
Total	456,681	100.0	467,342	100.0	(2.3)	909,999	100.0

Overview of segment information by business category

Fresh meat-related businesses

In the hams and sausages business, the Company reviewed its quality control systems at its factories, tightened its temperature control and sanitation standards, as well as temperature control standards for delivery and storage at stores, and reduced preservatives as consumers strongly demanded. As to sales promotion, the Company focused on its brand products to recover sales. As a result, sales of "Schau Essen" series, the Company's most important brand, increased substantially. Sales of "Fresh Loin", which was renewed in June 2003, also increased favorably and contributed to an increase in sales of hams as a whole. In the summer gift blitz, the Company waged a vigorous campaign by integrating the comprehensive capabilities of the Group.

In the processed foods business, the Company carried out "Open Factory" campaigns to invite consumers to its factories, in addition to its hams and sausages factories, and endeavored to acquire HACCP (Hazard Analysis (and) Critical Control Point) authentications. To recover sales, the Company exerted further efforts to develop new products to make a challenge to new categories, such as noodle and rice markets, as well as to develop products for CVS (convenience store) channels. As new products, sales of "Ishikama Kobo" series increased favorably. Additionally, the Company exerted its efforts to propose seasonal products and develop products focusing on regional features.

In the fresh meat business, the Company attached high priority to compliance with laws related with the business and environmental protection. To meet consumer needs, the Company has extended the scope of traceability of fresh meats.

The market was confused by the provision of a safeguard against chilled beef and pork, the occurrence of BSE (bovine spongiform encephalopathy) in Canada and embargos on chicken from China. Demand for beef increased as the BSE impact in 2001 was subdued, while demand for pork and chicken to substitute beef declined. The Company concentrated its efforts on reviewing qualities and specifications from consumers' perspectives, building brands, sharing consumer information among its sections and promoted sales to its important clients.

As a result, net sales and operating income of the fresh meat-related business amounted to ¥411,327 million and ¥10,719 million, respectively.

Other businesses

In the seafood business, price competition continued as competitors entered the market of the Group's principal channel and the public showed a preference for lower-priced products. In such severe situations, the Group made its efforts to promote sales to expand sales of commercial products for a good-sized market.

In the dairy products business, sales of "Vanilla Yogurt", its mainstay product, increased favorably. New products also contributed to a favorable sales increase. Additionally, cheese products of Hoko Co., Ltd., which has become a consolidated subsidiary of the Company, contributed substantially to a sales increase.

As a result, net sales and operating income of the other businesses, including those of the restaurant and other businesses, amounted to ¥55,095 million and ¥976 million, respectively.

The Group engages principally in the production and marketing of fresh meat-related hams and sausages, processed foods and fresh meats. Previously, other businesses were not so significant to be separately categorized. Hence, the Company has not prepared segment information by business category and consequently has made no comparison with the corresponding period of the previous business year herein.

<u>Overview of segment information by geographic area</u>

(i) Japan

Sales of fresh meats decreased as the market for pork and chicken to substitute beef slowed down while beef consumption recovered. Hoko Co., Ltd., which became a consolidated subsidiary of the Company in July 2003, contributed to a sales increase. As a result, net sales in Japan increased slightly to ¥423,255 million, up 0.1% from the corresponding period of the previous business year. Operating income amounted to ¥12,024 million, down 10.3% from the corresponding period of the previous business year due to an increase in operating expenses.

(ii) Other areas

The pork market in the United States was on a track to recover, while a pork trade agreement with an overseas meat packer terminated in the previous business year. Consequently, sales decreased substantially. The beef business in Australia adversely affected by dry weather and SARS (severe acute respiratory syndrome) and sales declined. Consequently, net sales overseas amounted to ¥65,568 million, down 10.3% from the corresponding period of the previous business year. Operating income overseas decreased from the corresponding period of the previous business year to register a loss of ¥362 million.

(2) Prospect for the whole business year

<u>Prospect of operating results in general</u>

During the second half period, the situation is expected to continue to remain severe. Placing utmost importance on restoring the confidence of the society and consumers, the Company will focus on revamping its corporate culture and promoting management reforms by adhering to compliance-based management and strengthening corporate governance. Thus, firmly establishing a basis for compliance, the Company will put into practice customer-creed management and the promotion of group management at the level of operating activities.

As to quality improvement, the Company will further promote its "Open Quality." As to traceability, the Company will develop systems to materialize "trace back," which allows sorting out production histories by products, as well as "trace forward" in respect of beef, which allows tracing any route and any purchase of products. The "trace back" system will also cover imports as well as domestic products. During the interim period under review, the Company successfully established a system to eliminate any discrepancy between a product record and its descriptive labeling. Hence, during the second half period, the Company will implement and improve the system.

As to sales strategies, the Company will continue to promote sales of its important brands of processed foods, specifically. In addition to proposals as to TPOs of eating and store-front campaigns, the Company will restart TV commercials.

As to autumn products, the Company will develop products of high-quality categories and launch products to spur new demand, as well as autumn and winter products with a sense of the seasons. As to the winter gift blitz, the Company intends to restore sales by a variety of lines of products that may allow the Company to create and propose TPOs of eating and development of gifts in collaboration with its group companies in response to the diversification of gifts.

As to fresh meats, based on information collected from the global network of its overseas offices and its purchase capabilities backed by its marketing network in Japan, the Company will procure materials on advantageous terms and expand sales. The Company will also capitalize on its strengths of having breeding and processing divisions to meet needs for safety and security.

As to seafood, the Company will implement route policies in an elaborate manner. Specifically, the Company will promote sales of commercial routes and daily distribution routes. The Company will also expand its procurement sites overseas and improve the quality and sanitation control systems of its subcontract factories, whereby establishing a global supply system.

As to acidophilus drinks, the Company will launch TV commercials to enhance their brand recognition and expand sales.

As to cheese, the Company will improve qualities and the capabilities of production and supply to build up a foundation for future business development.

Thus, the Company will aggressively strengthen its marketing activities and improve efficiencies by further reviewing logistics and production and marketing sites from the perspective of the Group as a whole. Simultaneously, the Company will review and reduce all costs, including fixed costs and variable costs, to improve cost competitiveness. Furthermore, to strengthen its financial base, the Company will improve investment efficiencies, reduce interest-bearing debt and generate cash flows.

With regard to operating results for the whole business year, net sales are estimated to amount to ¥950 billion, up 4.4% from the previous business year. Income before income taxes and net income are estimated to amount to ¥20 billion, up 50.4% from the previous business year and to ¥12 billion, up 172.2% from the previous business year, respectively.

(3) Prospect of dividends

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

2. Financial position

Net cash for the interim period under review decreased by ¥5,693 million, accounting for a decrease of ¥102,710 million from the previous interim period and cash and cash equivalents at the end of the period amounted to ¥81,052 million. For the previous interim period, cash and cash equivalents increased due to a loan (¥76,400 million) temporarily acquired from financial institutions to prepare for a decrease in net sales.

The states and causes of cash flows are as follows:

(millions of yen)

	Six-month period ended September 30, 2003	Six-month period ended September 30, 2002	Increase or decrease	Year ended March 31, 2003
Cash flows from operating activities	5,718	14,647	(8,929)	39,582
Cash flows from investing activities	1,128	7,839	(6,711)	(5,139)
Cash flows from financing activities	(12,539)	74,531	(87,070)	(753)
Net increase (decrease) in cash	(5,693)	97,017	(102,710)	33,690
Cash and cash equivalents at end of the period/year	81,052	150,072	(69,020)	86,745

With regard to operating activities, net income for the interim period and accounts payable - trade increased. However, accounts receivable – trade, inventories and deferred taxes increased. As a result, net cash from operating activities decreased by ¥8,929 million in comparison with the previous interim period, to amount to ¥5,718 million.

With regard to investing activities, due to the acquisition of tangible fixed assets behind schedule during the second interim period, an increase in cash as a result of Hoko Co., Ltd. becoming a consolidated subsidiary, and the withdrawal of time deposits, net cash from investing activities decreased by ¥6,711 million in comparison with the previous interim period, to amount to ¥1,128 million.

With regard to financing activities, the Company raised long-term loans from financial institutions upon redemption of its convertible bonds and straight bonds and repaid short-term loans. As a result, net cash from financing activities decreased by ¥87,070 million in comparison with the previous interim period, to amount to negative ¥12,539 million.

The trends in financial indices are as shown below:

	Year ended March 31, 2000	Year ended March 31, 2001	Year ended March 31, 2002	Year ended March 31, 2003	Six-month period ended September 30, 2003
Ratio of shareholders' equity to total assets %	38.4	40.9	41.3	39.7	39.5
Ratio of shareholders' equity to total assets on a market value basis %	43.7	52.4	47.1	41.7	44.6

※ Ratio of shareholders' equity to total assets: Shareholders' equity/Total assets

Ratio of shareholders' equity to total assets on a market value basis: Aggregate market value of listed stock/Total assets

(Notes)

1. Each of the indices is calculated based on financial data on a consolidated basis.

2. The aggregate market value of listed stock is calculated based on the closing stock price at the end of each business year (interim period) multiplied by the total number of shares issued as of the end of each business year (interim period).

CONSOLIDATED INTERIM BALANCE SHEETS

	Six-month period ended September 30, 2003 (as of September 30, 2003)		Six-month period ended September 30, 2002 (as of September 30, 2002)		Year ended March 31, 2003 (as of March 31, 2003)	
	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%
Assets						
Current assets:						
Cash and cash equivalents	81,052	12.8	150,072	22.2	86,745	14.0
Time deposits	3,022	0.5	1,151	0.2	6,243	1.0
Marketable securities	1,380	0.2	4,489	0.7	1,564	0.3
Trade notes (non-interest bearing) and accounts receivable	101,567	16.0	86,706	12.8	91,666	14.8
Allowance for doubtful receivables	(1,899)	(0.3)	(1,224)	(0.2)	(1,079)	(0.2)
Inventories	92,845	14.6	91,189	13.5	80,728	13.0
Deferred income taxes	5,990	1.0	6,417	1.0	5,184	0.8
Prepayments and other current assets	13,888	2.1	10,663	1.6	11,749	1.9
Total current assets	297,845	46.9	349,463	51.8	282,800	45.5
Investment and non-current receivables:						
Investments in and advances to associated companies	1,243	0.2	1,025	0.1	1,210	0.2
Other securities investments	22,953	3.6	21,573	3.2	19,776	3.2
Deposits and sundry investments	15,806	2.5	16,155	2.4	16,234	2.6
Total investments and non-current receivables	40,002	6.3	38,753	5.7	37,220	6.0
Property, plant, and equipment - at cost, less accumulated depreciation	269,419	42.4	266,649	39.5	273,935	44.1
Deferred income taxes - non-current	23,289	3.7	13,993	2.1	22,340	3.6
Other assets	5,054	0.7	5,869	0.9	5,284	0.9
Total	635,609	100.0	674,727	100.0	621,579	100.0

	Six-month period ended September 30, 2003 (as of September 30, 2003)		Six-month period ended September 30, 2002 (as of September 30, 2002)		Year ended March 31, 2003 (as of March 31, 2003)	
	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%
<u>Liabilities and Shareholders' equity</u>						
Current liabilities:						
Short-term bank loans	100,848	15.9	180,784	26.8	111,307	17.9
Current maturities of long-term debt	20,259	3.2	24,963	3.7	25,676	4.1
Trade notes (principally non-interest bearing) and accounts payable	89,622	14.1	79,404	11.8	78,201	12.6
Accrued income taxes	7,418	1.2	5,042	0.7	5,224	0.8
Deferred income taxes	331	0.1	283	0.0	212	0.0
Accrued expenses	14,953	2.3	14,305	2.1	15,216	2.5
Other current liabilities	7,258	1.1	6,770	1.0	7,946	1.3
Total current liabilities	240,689	37.9	311,551	46.1	243,782	39.2
Liability under retirement and severance program	51,842	8.2	35,606	5.3	51,652	8.3
Long-term debt, less current maturities	87,909	13.8	70,760	10.5	75,666	12.2
Deferred income taxes - non-current	1,098	0.2	393	0.1	829	0.1
Minority interests	3,028	0.4	2,627	0.4	2,669	0.4
Shareholders' Equity:						
Common stock	24,166	3.8	24,166	3.6	24,166	3.9
Capital surplus	50,438	7.9	50,438	7.5	50,438	8.1
Retained earnings:						
Appropriated for legal reserve	6,615	1.0	6,558	1.0	6,562	1.1
Unappropriated	193,468	30.4	188,631	27.9	191,248	30.8
Accumulated other comprehensive income (loss)	(23,509)	(3.6)	(15,944)	(2.4)	(25,306)	(4.1)
Treasury stock, at cost	(135)	(0.0)	(59)	(0.0)	(127)	(0.0)
Total shareholders' equity	251,043	39.5	253,790	37.6	246,981	39.7
Total	635,609	100.0	674,727	100.0	621,579	100.0

INTERIM STATEMENTS OF CONSOLIDATED INCOME

	Six-month period ended September 30, 2003 (from April 1, 2003 to September 30, 2003)		Six-month period ended September 30, 2002 (from April 1, 2002 to September 30, 2002)		Year ended March 31, 2003 (from April 1, 2002 to March 31, 2003)	
	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%
Revenues:						
Net sales	456,681	100.0	467,342	100.0	909,999	100.0
Sundry	1,654	0.4	778	0.2	1,764	0.2
Total	458,335	-	468,120	-	911,763	-
Cost and expenses:						
Cost of goods sold	362,171	79.3	369,093	79.0	721,545	79.3
Selling, general and administrative expenses	82,820	18.1	84,871	18.2	165,333	18.2
Interest	1,540	0.4	1,586	0.3	3,331	0.4
Sundry	1,783	0.4	6,730	1.4	8,253	0.9
Total	448,314	98.2	462,280	98.9	898,462	98.7
Income from consolidated operations before income taxes:	10,021	2.2	5,840	1.3	13,301	1.5
Income taxes:						
Current	7,193	1.6	4,261	0.9	8,939	1.0
Deferred	(3,062)		(220)		(42)	
Total	4,131	0.9	4,041	0.9	8,897	1.0
Income from consolidated operations	5,890	1.3	1,799	0.4	4,404	0.5
Equity in earnings of associated companies - net (less applicable income taxes)	37		(11)		5	
Net income for the interim period (year)	5,927	1.3	1,788	0.4	4,409	0.5

INTERIM STATEMENTS OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(millions of yen)

	Six-month period ended September 30, 2003 (from April 1, 2003 to September 30, 2003)	Six-month period ended September 30, 2002 (from April 1, 2002 to September 30, 2002)	Increase or decrease	Year ended March 31, 2003 (from April 1, 2002 to March 31, 2003)
Common Stock:				
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
Capital Surplus:				
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
Retained Earnings Appropriated for Legal Reserve:				
Balance at beginning of the interim period (year)	6,562	6,522	40	6,522
Transfer from unappropriated retained earnings	53	36	17	40
Balance at end of the interim period (year)	6,615	6,558	57	6,562
Unappropriated Retained Earnings:				
Balance at beginning of the interim period (year)	191,248	190,534	714	190,534
Net income	5,927	1,788	4,139	4,409
Cash dividends	(3,653)	(3,655)	2	(3,655)
Transfer to retained earnings appropriated for legal reserve	(54)	(36)	(18)	(40)
Balance at end of the interim period (year)	193,468	188,631	4,837	191,248
Accumulated Other Comprehensive Income (Loss):				
Net unrealized gains (losses) on securities available for sale:				
Balance at beginning of the interim period (year)	177	204	(27)	204
Change in net unrealized gains (losses) during the interim period (year)	2,454	446	2,008	(27)
Balance at end of the interim period (year)	2,631	650	1,981	177
Net unrealized gains (losses) on derivative financial instruments:				
Balance at beginning of the interim period (year)	(1)	24	(25)	24
Change in net unrealized gains (losses) on derivative financial instruments during the interim period (year)	(41)	(29)	(12)	(25)
Balance at end of the interim period (year)	(42)	(5)	(37)	(1)

	Six-month period ended September 30, 2003 (from April 1, 2003 to September 30, 2003)	Six-month period ended September 30, 2002 (from April 1, 2002 to September 30, 2002)	Increase or decrease	Year ended March 31, 2003 (from April 1, 2002 to March 31, 2003)
Minimum Pension Liability Adjustment:				
Balance at beginning of the interim period (year)	(24,683)	(15,460)	(9,223)	(15,460)
Change in minimum pension liability adjustments during the interim period (year)	-	-	-	(9,223)
Balance at end of the interim period (year)	(24,683)	(15,460)	(9,223)	(24,683)
Foreign Currency Translation Adjustments:				
Balance at beginning of the interim period (year)	(799)	1,357	(2,156)	1,357
Foreign currency translation adjustments during the interim period (year)	(616)	(2,486)	1,870	(2,156)
Balance at end of the interim period (year)	(1,415)	(1,129)	(286)	(799)
Total accumulated other comprehensive income (loss) at end of the interim period (year)	(23,509)	(15,944)	(7,565)	(25,306)
Treasury stock				
Balance at beginning of the interim period (year)	(127)	(9)	(118)	(9)
Treasury stock acquired	(8)	(50)	42	(118)
Balance at end of the interim period (year)	(135)	(59)	(76)	(127)
Total shareholders' equity	251,043	253,790	(2,747)	246,981

INTERIM STATEMENTS OF CONSOLIDATED CASH FLOWS

(millions of yen)

	Six-month period ended September 30, 2003 (from April 1, 2003 to September 30, 2003)	Six-month period ended September 30, 2002 (from April 1, 2002 to September 30, 2002)	Year ended March 31, 2003 (from April 1, 2002 to March 31, 2003)
Operating Activities:			
Net income	5,927	1,788	4,409
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	11,967	12,039	25,032
Income taxes - deferred	(3,062)	(220)	(42)
Decrease (increase) in trade notes and accounts receivable	(3,880)	22,285	16,052
Decrease (increase) in inventories	(8,717)	2,795	13,928
Increase (decrease) in trade notes and accounts payable	8,716	(15,536)	(15,271)
Increase (decrease) in accrued income taxes	2,203	(6,560)	(6,378)
Other - net	(7,436)	(1,944)	1,852
Net cash provided by operating activities	5,718	14,647	39,582
Investing Activities:			
Additions to property, plant and equipment	(8,455)	(15,047)	(25,251)
Proceeds from sales of property, plant and equipment	764	883	1,387
Decrease in time deposits	3,207	21,864	16,712
Purchases of marketable securities and other securities investment	(198)	(706)	(1,323)
Proceeds from sales of marketable securities and other securities investment	1,106	3,222	6,705
Business acquisitions, net of cash acquired	4,698	(2,140)	(2,140)
Decrease in deposits and sundry investments	512	485	488
Other - net	(506)	(722)	(1,717)
Net cash provided by (used in) investing activities	1,128	7,839	(5,139)
Financing Activities:			
Cash dividends	(3,660)	(3,655)	(3,660)
Increase (decrease) in short-term bank loans	(8,374)	83,554	13,529
Proceeds from long-term debt	19,600	861	867
Repayments of long-term debt	(20,203)	(6,284)	(11,509)
Others	98	55	20
Net cash provided by (used in) financing activities	(12,539)	74,531	(753)

	Six-month period ended September 30, 2003 (from April 1, 2003 to September 30, 2003)	Six-month period ended September 30, 2002 (from April 1, 2002 to September 30, 2002)	Year ended March 31, 2003 (from April 1, 2002 to March 31, 2003)
Net increase (decrease) in cash and cash equivalents	(5,693)	97,017	33,690
Cash and cash equivalents at beginning of the interim period (year)	86,745	53,055	53,055
Cash and cash equivalents at end of the interim period (year)	81,052	150,072	86,745
Additional Cash Flow Information:			
Business acquisitions			
Assets acquired	18,043	11,509	11,509
Liabilities acquired	(15,591)	(6,055)	(6,055)
Net assets acquired	2,452	5,454	5,454
Net assets acquired in excess of cost	(2,452)	-	-
Less cash acquired	4,698	657	657
Less equity investment in associated company acquired	-	2,657	2,657
Cash paid (acquired, net of cash acquired)	(4,698)	2,140	2,140
Capital lease obligations incurred	-	-	10,960
Interest paid	1,553	1,436	3,327
Income taxes paid	4,999	10,823	15,319

BASIS FOR PREPARING CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Scope of Consolidation

   (1) Number of consolidated subsidiaries: 119 companies

   (2) Number of non-consolidated subsidiaries: None

   (3) Principal subsidiaries:

   Day-Lee Foods, Inc., Nippon Meat Packers Australia Pty. Ltd., Nippon White Farm Co., Ltd., Nippon Swine Farm Co., Ltd., Marine Foods Co., Ltd., Shizuoka-Nippon Ham Co., Ltd. and Nippon Food, Inc.

   (4) Situation of changes in consolidation:

(inclusion)	4 companies	Acquisition of 3 companies (including Hoko Co., Ltd.) and incorporation of one company
(exclusion)	2 companies	Winding-up of one company and dissolution of one company due to merger

2. Fiscal years of consolidated subsidiaries:

Among the Company's consolidated subsidiaries, 8 companies have interim periods of each fiscal year ending on June 30. In preparing the consolidated interim financial statements, the financial statements for the interim period of each of such companies are used. As for material transactions occurred during the period until the end of the interim period 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: 10 companies

   (2) Principal company: Osaka Football Club Co., Ltd.

   (3) Situation of change:

   (inclusion) 1 company
   (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 interim period of the consolidated fiscal year, the financial statements in respect of the interim periods 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 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 instruments

In accordance with SFAS No. 133 and SFAS No. 138, all derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value.

(7) Sales incentives

Emerging Issues Task Force (EITF) Issue No. 01-9 "Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor's Products" is applicable. Certain sales incentives and rebates are deducted from net sales.

Calculation Contents of Net Income Per Share

	Six-month period ended September 30, 2003 (from April 1, 2003 to September 30, 2003)	Six-month period ended September 30, 2002 (from April 1, 2002 to September 30, 2002)	Year ended March 31, 2003 (from April 1, 2002 to March 31, 2003)
	(millions of yen)		
Net income (Numerator):			
Income available to shareholders	5,927	1,788	4,409
Effect of convertible debentures	49	-	-
Income available to shareholders and assume conversions	5,976	1,788	4,409
	(thousands of shares)		
Shares (Denominator):			
Average shares outstanding for basic earnings per share	228,328	228,421	228,385
Dilutive effect of convertible debentures	4,991	-	-
Average shares outstanding for diluted earnings per share	233,319	228,421	228,385

(Note) The dilutive effects of convertible debentures for the interim period ended September 30, 2002 and the year ended March 31, 2003 are not shown as they are antidilutive.

SEGMENT INFORMATION

1. Segment information by business category:

For the six-month period ended September 30, 2003 (from April 1, 2003 to September 30, 2003):

(millions of yen)

Items	Fresh meat-related businesses	Other businesses	Total	Eliminations or group-wide	Consolidation
Net sales					
(1) Sales to outside customers	402,518	54,163	456,681	-	456,681
(2) Inter-segment sales	8,809	932	9,741	(9,741)	-
Total	411,327	55,095	466,422	(9,741)	456,681
Operating expenses	400,608	54,119	454,727	(9,736)	444,991
Operating income	10,719	976	11,695	(5)	11,690

(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.

For the six-month period ended September 30, 2002 (from April 1, 2002 to September 30, 2002):

The Group engages principally in the production and marketing of fresh meat-related hams and sausages, processed foods and fresh meats. Because total net sales and total operating income, respectively, comprised more than 90% of the whole segments, the Company didn't prepare segment information by business category for the interim period ended September 30, 2002.

For the year ended March 31, 2003 (from April 1, 2002 to March 31, 2003):

The Group engages principally in the production and marketing of fresh meat-related hams and sausages, processed foods and fresh meats. Because total net sales and total operating income, respectively, comprised more than 90% of the whole segments, the Company didn't prepare segment information by business category for the year ended March 31, 2003.

2. Segment information by geographic area:

For the six-month period ended September 30, 2003 (from April 1, 2003 to September 30, 2003):

(millions of yen)

Items	Japan	Other areas	Total	Eliminations or group-wide	Consolidation
Net sales:					
(1) Sales to outside customers	423,034	33,647	456,681	-	456,681
(2) Inter-segment sales	221	31,921	32,142	(32,142)	-
Total	423,255	65,568	488,823	(32,142)	456,681
Operating expenses	411,231	65,930	477,161	(32,170)	444,991
Operating income (loss)	12,024	(362)	11,662	28	11,690

(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, 2002 (from April 1, 2002 to September 30, 2002):

(millions of yen)

Items	Japan	Other areas	Total	Eliminations or group-wide	Consolidation
Net sales:					
(1) Sales to outside customers	422,528	44,814	467,342	-	467,342
(2) Inter-segment sales	167	28,298	28,465	(28,465)	-
Total	422,695	73,112	495,807	(28,465)	467,342
Operating expenses	409,287	73,172	482,459	(28,495)	453,964
Operating income (loss)	13,408	(60)	13,348	30	13,378

(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, 2003 (from April 1, 2002 to March 31, 2003):

(millions of yen)

Items	Japan	Other areas	Total	Eliminations or group-wide	Consolidation
Net sales:					
(1) Sales to outside customers	825,029	84,970	909,999	-	909,999
(2) Inter-segment sales	494	54,035	54,529	(54,529)	-
Total	825,523	139,005	964,528	(54,529)	909,999
Operating expenses	804,390	137,026	941,416	(54,538)	886,878
Operating income	21,133	1,979	23,112	9	23,121

(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, 2002, the year ended March 31, 2003 and the interim period ended September 30, 2003 did not amount to at least 10% of our consolidated sales, the presentation of overseas sales is omitted.

CURRENT MARKET PRICE SECURITIES

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

For the six-month period ended September 30, 2003 (as of September 30, 2003):

(millions of yen)

Items	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Available-for-Sale:				
Equity securities	13,783	5,099	(728)	18,154
Debt securities	1,824	125	(23)	1,926
Held-to-Maturity	1,156	-	-	1,156
Total	16,763	5,224	(751)	21,236

For the six-month period ended September 30, 2002 (as of September 30, 2002):

(millions of yen)

Items	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Available-for-Sale:				
Equity securities	13,139	2,963	(1,147)	14,955
Debt securities	6,074	60	(756)	5,378
Held-to-Maturity	3,111	-	-	3,111
Total	22,324	3,023	(1,903)	23,444

For the year ended March 31, 2003 (as of March 31, 2003):

(millions of yen)

Items	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Available-for-Sale:				
Equity securities	12,370	1,894	(1,155)	13,109
Debt securities	2,565	19	(449)	2,135
Held-to-Maturity	3,064	0	(5)	3,059
Total	17,999	1,913	(1,609)	18,303