(Translation)

May 20, 2005

BRIEF STATEMENTS OF ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2005 (CONSOLIDATED)
(Based on U.S. Generally Accepted Accounting Principles)

Name of listed company:	Nippon Meat Packers, Inc.
Code number:	2282 (URL http://www.nipponham.co.jp)
Listing exchange:	Tokyo Stock Exchange and Osaka Securities Exchange
Location of head office (Prefecture):	Osaka
Representative:	Yoshikiyo Fujii President and Representative Director
Inquiries to be directed to:	Noboru Takezoe Senior Executive Officer, General Manager of Management Planning Division Tel. (06) 6282-3171
Date of meeting of the Board of Directors for settlement of accounts:	May 20, 2005
Name of parent company:	- (Code No.: -)
Ratio of shares held by the parent company:	- %
Adoption of U.S. Generally Accepted Accounting Principles:	Yes

1. Business results for the year ended March 31, 2005 (April 1, 2004 through March 31, 2005):

(1) Consolidated operating results

	Year ended March 31, 2005	Year ended March 31, 2004
Net sales:	¥934,678 million (0.9%)	¥926,019 million (1.8%)
Operating income:	¥27,241 million (15.3%)	¥23,625 million (2.2%)
Income before income taxes:	¥22,382 million (14.3%)	¥19,576 million (47.2%)
Net income:	¥11,839 million (11.3%)	¥10,641 million (141.3%)
Net income per share (basic):	¥51.86	¥46.61
Net income per share (diluted):	¥51.85	¥46.32
Ratio of net income to shareholders' equity:	4.5%	4.2%
Ratio of income before income taxes to total assets:	3.7%	3.2%
Ratio of income before income taxes to net sales:	2.4%	2.1%

(Notes)

1) Equity in earnings of associated companies:

Year ended March 31, 2005:	(-) ¥8 million
Year ended March 31, 2004:	¥42 million

2) Changes in accounting methods: No

3) Average number of shares during each year (consolidated):

Year ended March 31, 2005:	228,297,204 shares
Year ended March 31, 2004:	228,324,432 shares

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 previous year.

(2) Consolidated financial condition

	Year ended March 31, 2005	Year ended March 31, 2004
Total assets:	¥611,250 million	¥610,663 million
Shareholders' equity:	¥268,621 million	¥262,096 million
Ratio of shareholders' equity to total assets:	43.9%	42.9%
Shareholders' equity per share:	¥1,176.72	¥1,147.95

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

Year ended March 31, 2005:	228,279,778 shares
Year ended March 31, 2004:	228,317,404 shares

(3) State of consolidated cash flows

	Year ended March 31, 2005	Year ended March 31, 2004
Cash flows from operating activities:	¥34,880 million	¥35,040 million
Cash flows from investing activities:	(¥23,530 million)	(¥7,084 million)
Cash flows from financing activities:	(¥18,145 million)	(¥41,113 million)
Cash and cash equivalents at end of the year:	¥66,793 million	¥73,588 million

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

Number of consolidated subsidiaries:	116 companies
Number of non-consolidated subsidiaries subject to equity method:	None
Number of associated companies subject to equity method:	11 companies

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

Consolidated subsidiaries	(inclusion):	4 companies
Consolidated subsidiaries	(exclusion):	1 company
Companies subject to equity method	(inclusion):	1 company
Companies subject to equity method	(exclusion):	None

2. Forecast of consolidated operating results for the year ending March 31, 2006 (April 1, 2005 through March 31, 2006):

	Year ending March 31, 2006	
	Interim period	Whole year
Net sales:	¥475,000 million	¥950,000 million
Income before income taxes:	¥16,500 million	¥30,000 million
Net income:	¥9,000 million	¥16,000 million

(For reference)

Forecast of net income per share for the year ending March 31, 2006 (whole-year):	¥70.09

* 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 22 of the attached material.

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Attached material

STATE OF CORPORATE GROUP

The Company's group (the "Group") is composed of the Company, its 116 subsidiaries and 11 associated companies. Their businesses are categorized as follows:

Fresh meat-related businesses:

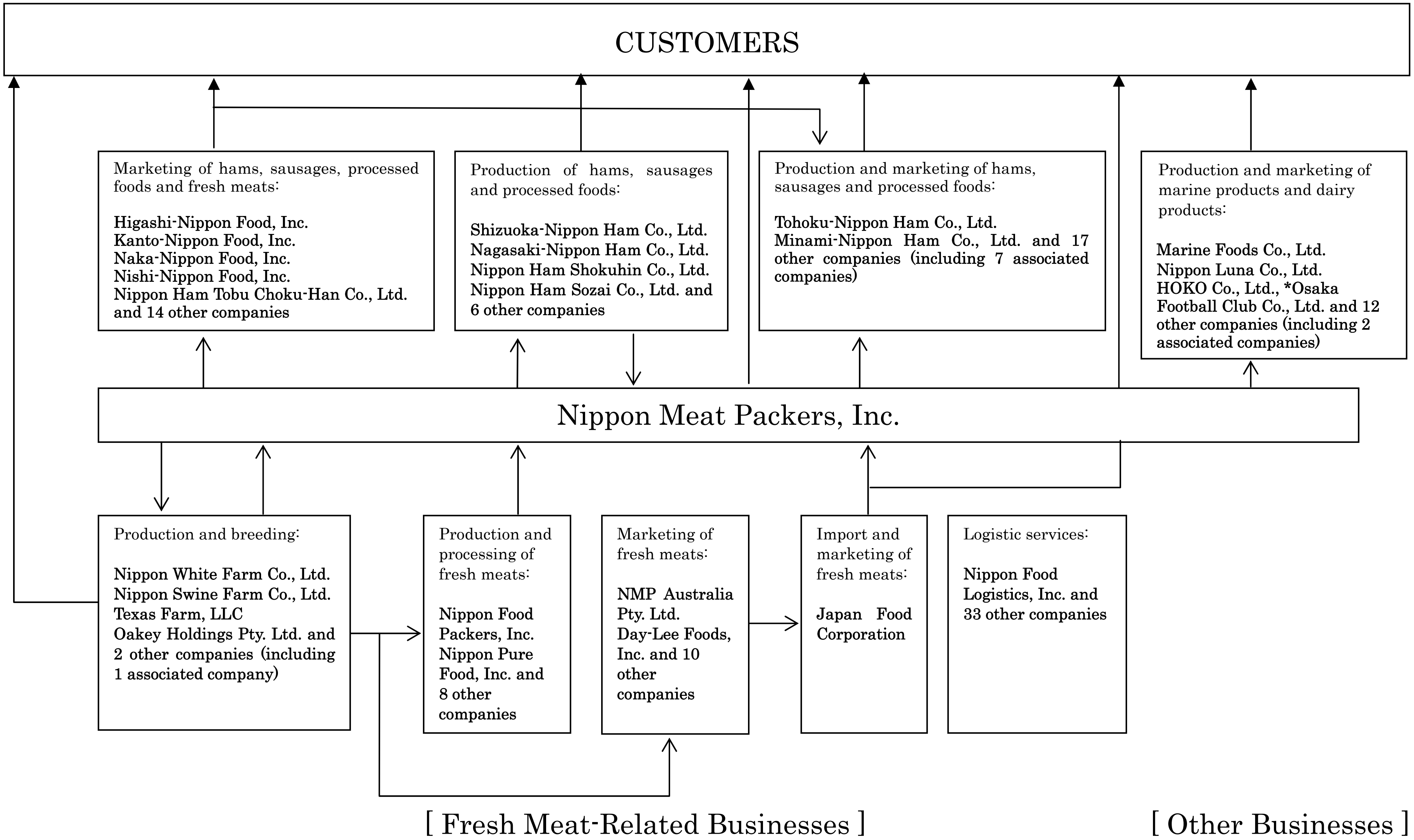
Hams, sausages and processed foods are produced at the Company and its production subsidiaries, Shizuoka-Nippon Ham Co., Ltd., Nagasaki-Nippon Ham Co., Ltd., Nippon Ham Shokuhin Co., Ltd. and Nippon Ham Sozai Co., Ltd. and marketed through the Company's nationwide business offices and its marketing subsidiaries, 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, by the Company and through its nationwide marketing subsidiaries such as Higashi-Nippon Food, Inc., Kanto-Nippon Food, Inc., Naka-Nippon Food, Inc. and Nishi-Nippon Food, Inc.

Other businesses:

Seafood and dairy products are produced and marketed by the Company's subsidiaries, HOKO Co., Ltd., Marine Foods Co., Ltd. and Nippon Luna Co., Ltd.

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 14 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 6 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 7 associated companies)
Production and marketing of marine products and dairy products:
Marine Foods Co., Ltd.
Nippon Luna Co., Ltd.
HOKO Co., Ltd., *Osaka Football Club Co., Ltd. and 12 other companies (including 2 associated companies)
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 10 other companies
Import and marketing of fresh meats:
Japan Food Corporation
Logistic services:
Nippon Food Logistics, Inc. and 33 other companies
[Fresh Meat-Related Businesses]
[Other Businesses]

BUSINESS POLICY

1. The Company's fundamental business policy

The Group advocates, as its corporate philosophy, "creating an epoch-making culture and contributing to the society under the themes of the 'joy of eating'".

The "joy of eating" represents the "excitement of good eating and preciousness of health" and the "cheerful and happy life". The Group recognizes that it is a mission of management to contribute to people's happy and healthy life through supply of safe, secure and high-quality foods, as well as proposals as to the time, the place and the occasion of eating and the creation of a food culture. Our new challenges in the food culture, including the development of health foods and hypoallergenic foods, and support of health promotion through sports are also related with the "joy of eating".

In its New Medium-Term Business Plan Part I that commenced in April 2003, the Group has placed emphasis on "strict compliance in management", "customer-creed management" and "promotion of group management" as its most important management policies and promoted these policies.

The Group will strictly adhere to honest and highly transparent management to restore the confidence of the society and promote group management from the perspective of total optimization to improve business performances. In addition, 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 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 of the "New Medium-Term Business Plan" (for the period from April 1, 2003 through March 31, 2006), the Group has aimed to book net sales of ¥1,100 billion and income before income taxes of ¥35 billion. However, due to drastic changes in the external environment, such as the embargo on account of the emergence of BSE (bovine spongiform encephalopathy) in the United States and the embargos on unheated poultry on account of the emergence of avian flu, the Group has determined it difficult to attain the aim and amended the aim to net sales of ¥950 billion and income before income taxes of ¥30 billion, respectively. To improve its financial position, the Group will continue to improve the efficiency of invested capital, optimize the allocation of management resources and reduce interest-bearing debt, whereby aiming 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 leverage the financial position of the Group as a whole. The Company will operate by placing great importance on "generating cash flows", "reducing interest-bearing debt" and "improving the efficiency of funds operations", whereby "selecting, concentrating and expanding" its operations.

The Company will activate the use of human resources through personnel exchanges among its business divisions with the aim of their optimum allocation and revitalization. Additionally, the Company will give greater opportunities to female employees so that they can take an active part and being dynamism to the Group. Furthermore, the Company will make its manufacturing facilities and idle facilities available across and among the business divisions to reduce costs.

For example, to establish an SCM (Supply Chain Management) system covering purchases, production and distribution, the Company will set up a Supply Chain Management Office as from the business year commencing on April 1, 2005 for the purpose of managing proper inventories and reduce purchase and distribution costs through integrated management of purchases and distribution from the perspective of the optimization thereof within the Group.

Simultaneously, the Company will also set up a Production Administrative Division, which will exercise general control over the Hams & Sausages Division and the Deli & Processed Foods Division (which was set up by the integration of the Processed Foods Business Division and the Delicatessen Business Division during the business year ended March 31, 2004), as from the business year commencing on April 1, 2005 to seek to gain integrated effects of its facilities, researches and purchases, in an effort to reduce cost.

(2) Aggressive business expansion

(i) Domestic business

In the New Medium-Term Business Plan, the Company aims to expand the businesses of hams and sausages, processed foods and fresh meats, as well as to develop the business areas of seafood and dairy products as the fourth and fifth business pillars to bring "dynamism" to the Group through the expansion of business areas 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.

The environment surrounding the food and fresh meat industries remain severe. However, the Group will develop management to create a new value by combining its capabilities of development, technology and marketing, "hybrid management".

(ii) Overseas business

The domestic market is placed in severe conditions, such as lower prices due to an increase in low-priced imports and intensifying competition among rival companies and from outsiders. Additionally, the market is expected to shrink due to declining birthrate and a growing proportion of elderly people. Hence, overseas business has become more important.

The Company intends to develop businesses of seafood and processed foods, in addition to its fresh meats business and also expand the business of sales in overseas local markets and exports to third countries, in addition to supplies to Japan. For such purposes, the Company will develop global human resources, make efficient use of funds, facilities and human resources, promote an optimum allocation of the Group's management resources and improve its quality assurance system.

In the business year commencing on April 1, 2005, the Company will set up an International Business Affairs Department to share information on overseas business and establish a cooperative system among the Group, with the aim of expanding its overseas business.

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

<Fundamental philosophy on corporate governance>

The Group aims to conduct group management by exploiting its comprehensive capabilities, with each business division and each associated company operating under its organization and systems and business strategies best suited for its market and capitalizing on its strengths. For that purpose, it is essential as a basis to management to comply with law and establish a stronger system of corporate governance. The Company intends to ensure the corporate governance to function properly and strictly hold management accountable to its stakeholders, such as "customers", "shareholders", "business partners" and "employees".

As a basis to the Group's corporate governance, a system of executive officers has been employed to clearly define responsibilities and powers in Directors conducting their "function of management supervision" and executive officers conducting their "function of business execution". Additionally, the Company, which recognizes that the roles of Directors responsible for the function of management supervision are crucial, has elected 2 outside Directors and improved its head office departments and committees to provide support to the Directors.

Furthermore, the Company recognizes that it is important to bring corporate governance home to ranks and files as well as management and has strengthened the internal control systems of its own business offices and group companies.

<Implementation of measures for corporate governance>

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

(i) Description of corporate organs, and the development of the internal control systems and risk management systems

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

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

The Company has 2 outside Directors among 9 Directors and 4 outside Corporate Auditors among 5 Corporate Auditors.

The Company introduced a system of executive officers in April 2003 and has reduced the number of Directors.

(Note) A Director passed away and as of March 31, 2005, the number of Directors was 9.

c. Summaries of the committees:

・ Holding of sessions of the Compliance Committee:

The Committee, since it was instituted in April 2003 to generally investigate compliance by the Group, specifically, to review the group-wide compliance policies and codes of conduct and verify the thoroughness of the development thereof, has held sessions to submit propositions to the Board of Directors as to the development of compliance and concrete issues.

- Establishment and holding of sessions of the Risk Management Committee:

  The Committee, since it was instituted in April 2003 to eliminate risks and contribute to compliance-based management in the Group, has held sessions to share and investigate risk information and confirm measures therefor. It has also engaged in confirming the development of the strengthening of internal control systems.

- Establishment and holding of sessions of the Compensation Committee:

  The Committee, which has been instituted to fairly evaluate officers' performances, as a means of management to strengthen the system of corporate governance and improve the transparency of management, has held six sessions for the past year. It has proposed the introduction of stock-remuneration-type stock options. It has also discussed and proposed to the Board of Directors the revision to the level of officers' remuneration and the expansion of the performance-linked portions in their evaluations.

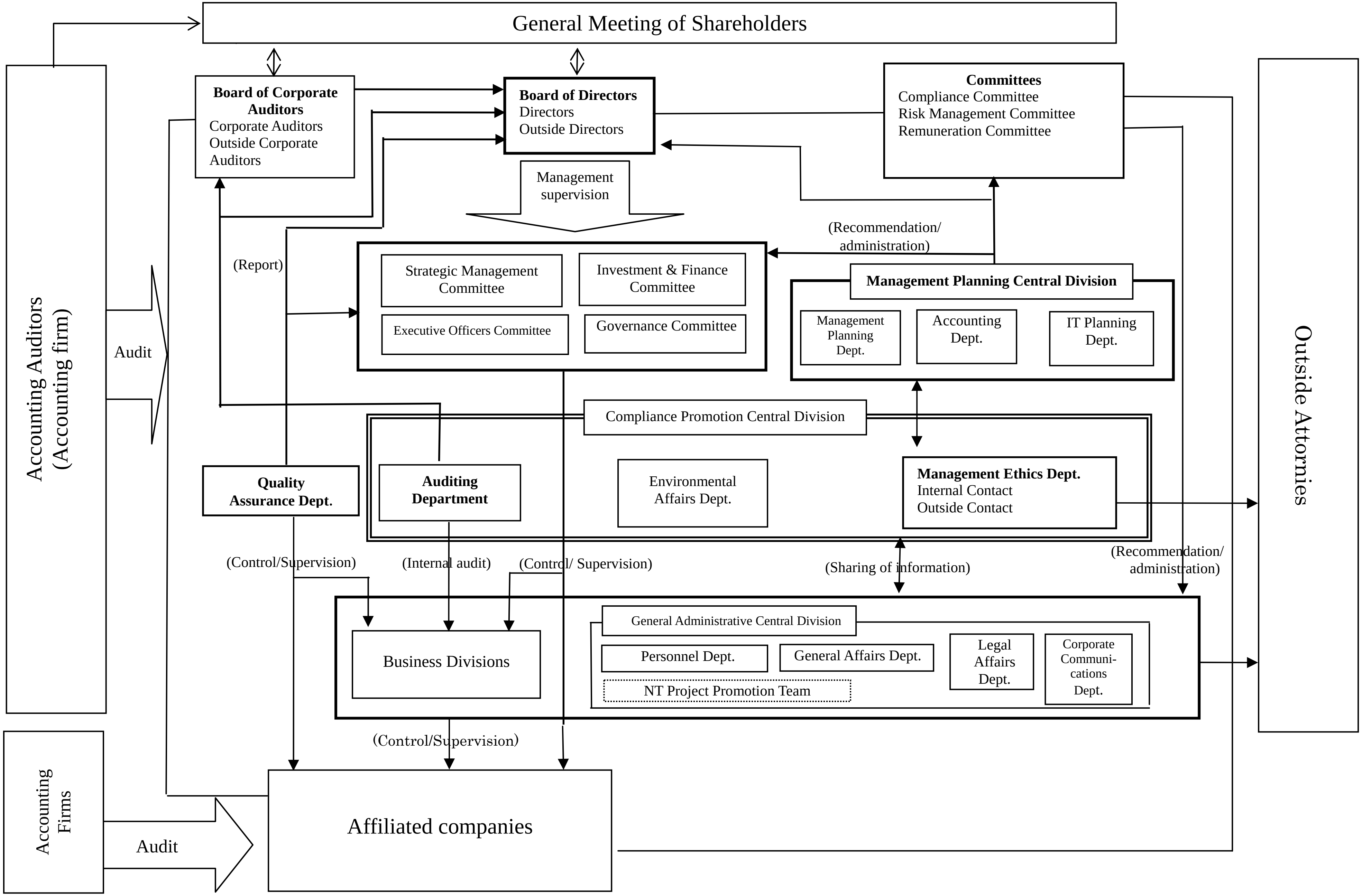
- Establishment and holding of sessions of the Overseas Strategy Council and the disbandment thereof:

  The Council, which has been instituted to promote effective use of management resources of the Group and the cross-sectional sharing of know-how and information among the business divisions and materialize overall optimization of the Group overseas, has broadly discussed overseas investment projects, the strengthening of governance overseas and the issues of the Group's overseas strategies, as well as the improvement of the infrastructure in terms of manpower. However, the Council was disbanded as of March 31, 2005 upon the institution of an International Business Affairs Department.

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

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

e. Scheme of business execution and management supervision, the development of the internal control systems and the development of the risk management systems (as of March 31, 2005):



- Promotion of an internal control project (NT Project):

  To strengthen the internal control functions of its group companies, the Company on advice of its outside consultants instituted an NT Project Team in April 2003 and has since promoted it actively to review the items of and standards for controlling its group companies, and standardize the control system and reestablish an auditing framework. Under the project team, the persons responsible for internal control of the group companies have played central roles in reviewing the rules of major operations of the respective group companies and preparing the guidelines for proper procedures. Consequently, they almost completed their duties at the end of the business year under review.

- Integration of information management and risk management:

  To secure strict compliance in management and risk management, the Company has instituted corporate information management rules for clarifying communication channels and responsibilities upon the occurrence of any unusual event and has a policy to verify the content of information provided, take any emergency measure accordingly and consider whether or not to disclose such event.

  Additionally, to respond to consultations and information by employees of the group companies, the Company has instituted a Nippon Meat Packers Management Ethics Department as an internal contact and employed a law firm and a specialized company as outside contacts. Any information provided to such contacts will be investigated with sufficient attention given to the privacy of the informant and handled properly.

f. 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) States of internal audits, audits by the Corporate Auditors and the account audits

With regard to internal audits, the Auditing Department, in cooperation with the Corporate Auditors and accounting auditors, conducts accounting audits and business audits by visiting and inspecting the factories and business offices and inspecting the subsidiaries in and outside of Japan. The results of the internal audits are reported to the Board of Directors to be reflected for the purpose of strict compliance promotion and operational improvements.

The Auditing Department and the accounting auditors meet for counsel to help the accounting auditors understand how the internal audits are conducted, in evaluating the effectiveness thereof and report their respective audit results to each other to conduct their respective audits efficiently.

With regard to the audits by the Corporate Auditors, the Corporate Auditors attend meetings of the Board of Directors, the Strategic Management Committee, etc. and confirm the execution by the Directors of their duties. Additionally, to perform their monitoring functions and enhance the effectiveness of the internal audits, the Corporate Auditors request the accounting auditors to explain all matters (such as matters concerning audit plans of the accounting auditors, matters concerning accounting treatment and representations judged in the audits and matters found in the audits) they consider important in connection with the execution of their duties and discuss with the accounting auditors on a timely basis whether or not the matters or signs found by the Corporate Auditors in executing their duties exist.

With regard to the accounting audits, Shin Nihon & Co. audits financial statements and consolidated financial statements under the provisions of the Commercial Code of Japan. Shin Nihon & Co. also audits financial statements under the provisions of the Securities and Exchange Law of Japan and Shin Nihon & Co. and Tohmatsu & Co. audit consolidated financial statements under the provisions of the Securities and Exchange Law of Japan. The departments and sections responsible for accounts discuss with the accounting auditors as the necessity arises to make accounting treatment more transparent and accurate.

Names of certified public accountants executing their auditing duties:

Takeshi Koyama	(Shin Nihon & Co.)	Length of continuous audits:	11 years
Masashi Inoue	(Shin Nihon & Co.)	-	
Takamitsu Nishiura	(Tohmatsu & Co.)	-	
Wakyu Shinmen	(Tohmatsu & Co.)	Length of continuous audits:	8 years

Participants in the auditing duties:

Certified public accountants:	9
Assistant certified public accountants:	11

Others: 3

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

Mr. Kanji Yamaguchi, an outside Director of the Company, is a Standing Advisor of Mitsubishi Corporation, which is one of its major shareholders and has constant business dealings with the Company and its associated 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, Labor 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 capital or trading relation or no conflict of interest with any outside Corporate Auditor.

(3) Efforts to improve corporate governance of the Company for the most recent year

a. Sessions of the Corporate Ethics Committee and the disbandment thereof:

The Company instituted the Committee on September 10, 2002, with the participation of outside experts. Since then, the Committee has held 17 sessions. In addition to regular meetings, the Committee has met extraordinarily.

The Committee has monitored the development of measures to establish thorough compliance-based management and made recommendations as to comprehensive management reforms. The Committee was disbanded as of July 23, 2004 as it was determined to have accomplished its mission.

The Compliance Committee of the Company has since assumed the role.

b. Sessions of compliance promotion committees:

In January 2004, the Company caused compliance promotion committees to be established in its group companies in Japan. During the past year, 53 compliance promotion committees of the group companies held 187 sessions in total.

The compliance promotion committees have formulated their respective "Manuals on Codes of Conduct", which give specific explanations on the Group's standard "Nippon Ham Group Codes of Conduct" by reference to their respective operations. The compliance promotion committees have focused on activities to get across the manuals to make compliance dominate in all business offices.

c. Reforms of the Board of Directors:

- Shortening of the term of office of Directors:

  To clearly define responsibilities of the Directors for management and allow the Company to promptly institute a management system to respond to changes in the business conditions, the Company shortened the term of office of Directors to one year upon the close of the Ordinary General Meeting of shareholders of the Company held on June 25, 2004.

- Establishment and holding of a Governance Committee:

  On April 1, 2004, the Company, to make more effective a series of management reforms, which had been carried out since 2003, established a Corporate Governance Committee as an organ responsible for preliminary reviews for the Board of Directors and the Strategic Management Committee, whereby strengthening preliminary reviews of important matters, including policies, strategies, organizations and systems of the Group.

d. Organizational reforms:

- As from April 1, 2004, to further improve its quality assurance system and promote customer-creed management more speedily, the Company has brought the Quality Assurance Department and the Customer Service Office, which were under control of the Compliance Promotion Division, under the direct control of the President.

- As from April 1, 2004, the Company has established a Management Planning Central Division, under which the Accounting Department, IT Planning Department and Management Planning Department have been placed to be responsible for information strategies for group management in close cooperation. The Company has also reorganized the General Administration Division, under which the Personnel Department, General Affairs Department, Legal Affairs Department and Corporate Communications Department belong.

- As from February 21, 2005, to support the promotion of overseas business, including the establishment of the Group's overseas strategies, the strengthening of governance overseas and the improvement of the infrastructure in terms of manpower, the Company has instituted an International Business Affairs Department under the direct control of the President.

- As from February 21, 2005, to improve customer satisfaction measurements by conducting market researches and formulating plans from customers' perspectives, the Company has instituted Customer Satisfaction Section under the direct control of the President. Furthermore, to establish an SCM system that integrates management of purchases and distribution from the perspective of the optimization thereof within the Group and covers purchases of raw materials, production and distribution, the Company has instituted an Supply Chain Management Section under the direct control of the President.

- As from February 21, 2005, the Company has reorganized its Processed Foods Business Division. To seek synergy effects and strengthen the cross-sectional management system, the Company has instituted a Administrative Division under Processed Foods Business Division. Under the Sales & Marketing Division, the Company has instituted a General Merchandising Division, a Food Service Division and a Direct Sales Administrative Division to reorganize the controlling systems by region into those by sales channel. Furthermore, the Company has instituted a Production Administrative Division, which exercises general control over the Hams & Sausages Division and the Deli & Processed Foods Division.

- As from February 21, 2005, the Company has reorganized its Fresh Meats Business Division. A Domestic Operations Administrative Division has been instituted to exercise general control over the domestic operations and domestic fresh meats production operations of the Fresh Meats Business Division. Under the Domestic Operations Administrative Division, a Domestic Fresh Meats Production Division has been instituted to exercise general control over its firms and production operations, including processing and sales.

e. Improvement of internal control:

- To establish the internal control systems of the group companies, the Company on advice of its outside consultants has promoted the "restructuring of its control systems" and the "revision to its auditing frameworks".

  During the business year ended March 31, 2004, the Company has engaged the field representatives of its group companies in picking up risks and problems through analyzing major operations of the respective companies, including sales, purchases, cash accounting, production, breeding, processing, imports, distribution and store operations, and exerted its efforts to prepare "Operation Rules" and "Administration Manuals" providing for control functions to control such operations from the perspectives of compliance with law and ethics.

  As a result, the group companies in Japan have almost completed preparing their new Operation Rules and Administration Manuals and endeavored to gradually introduce and entrench them in the work fronts.

7. Matters concerning the parent company, etc.

   The Company has no parent company, etc.

OPERATING RESULTS AND FINANCIAL POSITION

1. Operating results

(1) Overview for the business year under review

Overview of operating results in general

In the Japanese economy during the business year under review, sustained by favorable corporate performances, capital investment has remained strong and the employment situation has improved. Thus, in spite of some uncertain factors, including higher oil prices, the economy has remained in the phase of steady recovery.

In the food and fresh meats industry, due to the embargos on account of the emergences of BSE (bovine spongiform encephalopathy) and avian flu, prices of raw meats rose. Production in overseas bases, including China, has expanded and channels for procurement of raw materials have expanded to diversify risks. Thus, globalization of procurement and production has further advanced. On the other hand, as consumers have become more concerned about "security and safety of foods", it has become a serious challenge to establish production history management systems and indicate places of origin.

Under these circumstances, in accordance with the management policies under its "New Medium-Term Business Plan Part I" formulated in April 2003, the Group has exerted its efforts to restore confidence and improve business performances.

For the purpose of "strict compliance in management", its most important management policy, the Company has endeavored to foster an awareness of compliance through compliance rallies and trainings at its business offices and affiliated companies nationwide. The Company has also taken measures to establish internal control systems to sustain compliance. The Company on advice of third-party consultants has almost completed reviewing rules and compiling manuals providing for proper procedures concerning major operations of each group company and gradually brought them home to ranks and files to strengthen the internal control functions. In July 2004, the Corporate Ethics Committee was disbanded as it was determined to have accomplished its initial mission. The Company will pursue "strict compliance in management" with an iron will by itself.

For the purpose of "customer-creed management", the Company has exerted its efforts to strengthen its quality assurance system. Specifically, the Company has taken measures to make fair product specifications and quality labeling, establish quality assurance rules and verify these progresses all over the Group. Additionally, the Company has expanded its factories to invite consumers and also opened on its website a site of virtual factory for consumers to visit. In its fresh meats business, the Company has strengthened its traceability system and obtained a "JAS standard for beef with publicized production information", first in the industry. In addition, as a means of establishing its quality assurance system, the Company has exerted its efforts to obtain third-party certification standards SQF 1000 (Production Division) and SQF 2000 (Factory Division) and specifically, obtained an SQF 1000 for its poultry production farm, as the first farm in Japan.

The Company has focused its efforts on the "promotion of group management" to distribute management resources from the perspectives of optimization thereof and strengthen its system of corporate governance. Additionally, the Company has launched hybrid projects by members selected from its group companies and business divisions to seek synergy effects and create new values as a group. Specifically, the Company has promoted reductions of costs to purchase materials, the abolition and merger of its business offices and the revision to its production sites. In January 2005, the Company specified its group brand to strengthen cooperation among the group companies.

The Company has also focused its efforts on cultivating and utilizing its human resources. Through the implementation of an in-house staff recruitment system, the Company has promoted personnel exchanges, selection of young employees for promotion and utilization of female employees. Furthermore, the Company has reviewed and amended its personnel evaluation system to secure employment and energize the workplace to enhance its employees' sense of satisfaction and motivations.

In the midst of globalization, the Company has commenced to improve and strengthen its overseas production system and lay the base to expand not only supplies to Japan but also overseas marketing channels.

As a result of these activities, sales of hams and sausages and processed foods decreased as sales prices declined due to intensifying marketing competition. However, sales of fresh meats increased as sales of pork increased substantially as demand for pork and poultry to substitute beef increased and consumers became more health-conscious though sales of beef decreased due to the embargo. Additionally, sales of dairy products and seafood increased due to the contribution of HOKO Co., Ltd. Consequently, net sales for the business year under review amounted to ¥934,678 million, up 0.9% from the previous business year. In regard to profits, though prices of raw materials rose, operating income increased due to an increase in net sales. Consequently, income before income taxes amounted to ¥22,382 million, up 14.3% from the previous business year and net income amounted to ¥11,839 million, up 11.3%.

Breakdown of consolidated net sales

	Year ended March 31, 2005 (April 1, 2004-March 31, 2005)		Year ended March 31, 2004 (April 1, 2003-March 31, 2004)		Rate of increase or decrease from the previous year
	Amount (millions of yen)	Component ratio (%)	Amount (millions of yen)	Component ratio (%)	(%)
Hams and sausages	135,583	14.5	138,818	15.0	(2.3)
Processed foods	180,659	19.3	181,812	19.6	(0.6)
Fresh meats	488,983	52.3	480,732	51.9	1.7
Seafood	72,389	7.8	71,552	7.7	1.2
Dairy products	21,806	2.3	18,876	2.1	15.5
Others	35,258	3.8	34,229	3.7	3.0
Total	934,678	100.0	926,019	100.0	0.9

Overview by business segment

Fresh meat-related businesses

In the hams and sausages business, the Company has exerted its efforts to strengthen its quality assurance system and actively promote sales of its brand products, among other things. Specifically, in the year-end gift blitz, the Company engaged in massive sales promotion campaigns through TV commercials featuring Mr. Shinjo, a baseball player from Hokkaido Nippon Ham Fighters, which proved much more successful than the previous business year. In addition, to cope with higher prices of raw materials, the Company implemented measures, including steady efforts to reduce costs in the field by improving the yield ratios and percent defectives of its products and rearranging the lines, and the abolition and merger of items. However, demand decreased partly due to a change in the taxation system under which prices are indicated inclusive of consumption taxes and a decrease in sales prices due to more frequent bargain sales. Thus, the business was placed in a difficult situation.

In the processed foods business, the embargos due to BSE and bird flu have caused higher prices of raw materials, as well as changes in menus and a temporary drop in consumption, resulting in a decrease in demand. The Company has made efforts to reduce costs by centralized purchasing of materials and substitute raw materials, integration of the production sites and transfer and integration of the production lines, and develop fine-tuned products by season and promote sales. The Company has also endeavored to develop products by taking the needs of the age in advance to cultivate a new category. However, in the conventional products, competition with PB products in the mass-volume channels and with rivals in the industry was intensive and the business was placed in a difficult situation.

In the fresh meats business, the Company has endeavored to increase sales of its brand products with its weapon of traceability under its policy to provide safe and secure products. To cope with the embargos on imports of beef from the United States, the Company expanded sales of "Omugi-gyu" by taking advantage of its strongpoint in Australia. The Company also leveraged sales of its brand pork, domestic beef and domestic poultry, specifically, to meet substitute demand. To cope with the embargos on unheated poultry from China and Thailand, the Company focused its efforts on increasing imports from Brazil and importing and selling heated and processed poultry products from China and Thailand. The Company has shown competitive advantages by making the best use of its integration system covering production to marketing, its nationwide sales subsidiaries in Japan and its collective strengths to cover all kinds of livestock.

As a result, net sales and operating income of the fresh meat-related businesses amounted to ¥830,032 million, up 0.5% from the previous business year, and ¥27,598 million, up 23.4%, respectively.

Other businesses

In the seafood business, while prices of raw materials kept rising, demand leveled off in the Group's principal channel and price competition with its rival companies intensified. Thus, the market conditions remained difficult. Under the new organizational system, the Company focused its efforts on developing new channels in the departments of daily distribution services for mass retailers and delicatessen, and for food services, as well as developing new products of higher value added.

In the dairy products business, to further strengthen the basis of "Vanilla Yogurt", its mainstay product, the Company aggressively promoted sales activities, including TV commercials. A line of new products increased favorably and contributed to a sales increase. With regard to cheese products, the Company focused its efforts on developing channels for cheese products for commercial application in preparation for the commencement of operations of a new factory this spring.

As a result, net sales of the other businesses, including those of the restaurant and other businesses, amounted to ¥126,541 million, up 6.4% from the previous business year. However, due to higher prices of raw materials, operating income decreased from the previous business year and the Company registered an operating loss of ¥353 million.

Overview of segment information by geographic area

(i) Japan

Sales of hams and sausages and processed foods decreased due to lower selling prices arising from intensifying sales competition and a change in the taxation system under which prices are indicated inclusive of consumption taxes. However, sales of pork and poultry increased due to higher substitute demand caused by the embargos on imports of beef from the United States. Additionally, sales of dairy products increased due to the contribution of HOKO Co., Ltd. As a result, net sales in Japan amounted to ¥864,165 million, up 0.6% from the previous business year. Operating income leveled off due to higher prices of raw materials in spite of an increase of net sales, amounting to ¥23,065 million, down 0.2% from the previous business year.

(ii) Other areas

In Australia, sales of beef for the Japanese market increased substantially due to the embargos on imports of beef from the United States. In the United States, sales of pork increased due to boosted consumption of pork as consumers became more health-conscious, as well as a recovery of the pork market resulting from an increase in global demand. Consequently, net sales in other areas amounted to ¥144,095 million, up 12.4% from the previous business year. Operating income increased substantially, amounting to ¥4,235 million, up 806.9%.

(2) Prospect for the next business year

Prospect of business results in general

The three-year "New Medium-Term Business Plan Part I" formulated with the slogan of "revamping its corporate culture and promoting management reforms" will expire at the end of the business year commencing on April 1, 2005 (the "current business year"). The environment surrounding management is expected to remain severe due to price hikes in materials and channel shifts. However, the Group in a body will exert its efforts based on its three management policies under the medium-term business plan.

The Company will carry forward "strict compliance in management" absolutely. The Company will make it deep-rooted as the basis of the existence of the Group. Simultaneously, the Company will be committed to CSR (corporate social responsibility) befitting to the Group, including environmental issues to become a corporate group really needed and trusted by the society.

For the purpose of "customer-creed management", the Company, as a food company, will further strengthen its quality assurance system to assure consumers' requirements for "safety and security" and endeavor to improve its information infrastructure as a supportive system. As from the current business year, the Company, with the institution of the Customer Satisfaction Section, will reinforce relations with its customers to improve and develop products.

For the purpose of "promotion of group management", the Company will continue to promote personnel exchanges, efficient utilization of its facilities and centralization of funding to distribute management resources, such as personnel, facilities and funds, from the perspective of optimization thereof. As from the current business year, the Company has instituted an International Business Affairs Department and a Supply Chain Management Section. In the past, each business division deployed overseas as a supply source to Japan. However, as globalization advances, the Company will formulate oversees strategies for the whole Group to target overseas markets. At present, the Company, through its business offices, and its related companies operate independent production, distribution and marketing sites nationwide. From the perspectives of optimization thereof, the Company will establish an integrated SCM system that can optimize management of the placement and receipt of orders, procurement, inventories, production and distribution to sharpen its competitive edge and reduce costs.

Group management is premised on the independence of business and growth strategy of each group company. The Company will actively promote growth strategies of each individual business and business reconstruction.

In the processed foods business covering hams, sausages and processed foods, the Company will improve its cost structure and reconstruct its marketing system. The Company will reduce costs by sharing facilities, researches and purchases more than ever and promote the consolidation and abolition of its product line. From the medium-term perspective, the Company intends to optimize its production sites. With regard to the marketing system, the Company has reorganized the system by region into that by channel as from the current business year. The Company will expand sales by meeting business partners' needs in fine-tuned and swift manners, review marketing and distribution costs and develop new marketing channels.

In the fresh meats business, it remains difficult to forecast the market as the prospects of the embargos on imports of beef from the United States and the embargos on imports of poultry from China and Thailand are unforeseeable. However, to secure earnings on a constant basis, the Company will exert its efforts to foster brand products by taking advantage of its integration system covering farms to marketing. The Company will also endeavor to increase sales volumes by making the best use of its supply network, information network and marketing system extending in and outside of Japan and consolidate and improve its domestic and overseas production sites.

In the business areas of seafood and dairy products hoped to be the fourth and fifth business pillars of the Group, the Company will develop new businesses having a presence by taking advantage of their respective strengths and features. With regard to seafood, the Group, which has had a tough time due to higher prices of materials and intensifying marketing competition, will promote separation of distribution and marketing in its marketing system to improve efficiencies. The Group will also leverage sales promotional activities, including menu proposals to expand sales to mass-volume stores and the food service industry and improve qualities and strengthen its product developing capabilities to expand sales of products differentiated from those of rival companies.

With regard to dairy products, during the current business year, a new cheese factory will be completed in Nishinomiya City. To enhance productivity of the new factory, it is fundamental to increase sales. As a new challenge, the Group will make an entry into the market of cheese products for commercial application and strengthen its brand power.

Thus, each individual business under its own responsibility will capitalize on its strengths with its strategy and system most adaptable to its market to create values and expand its business area. Through the optimum combination of such centrifugal force with the centripetal force of the Group, such as the sharing of the common visions and values, exercise of scale effects and synergy effects from the perspectives of optimization and the creation of new values, the Group aims to become a "strategic, diversified corporate group".

The Group has attached a brand statement "People enlivened, future of foods" to its group brand established this year. The Group is composed of various companies that take on challenges in the various areas of foods in various manners. The statement represents all officers and employees' wishes, as well as commitments to all stakeholders, to contribute to the happy and healthy life of the people and build a bright future that enlivens people by engaging in business and duties from the customers' perspectives at all times and providing the "joy of eating".

All officers and employees of the Group in a body are determined to execute the "New Medium-Term Business Plan Part I" in its final year, under the group brand.

With regard to operating results for the next business year, net sales are estimated to amount to ¥950.0 billion (up 1.6% from the previous business year).

Prospect of net sales by product category

	Year ending March 31, 2006 (April 1, 2005-March 31, 2006)	Rate of increase or decrease from the previous year
	(billions of yen)	(%)
Hams and sausages	136.0	0.3
Processed foods	183.5	1.6
Fresh meats	497.0	1.6
Seafood	74.0	2.2
Dairy products	22.5	3.2
Others	37.0	4.9
Total	950.0	1.6

Income before income taxes and net income are estimated to amount to ¥30.0 billion (up 34.0% from the previous business year) and ¥16.0 billion (up 35.1% 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.

2. Financial position

Total assets at end of the year increased slightly from the end of the previous business year, accounting for ¥611,250 million. By item, with regard to current assets, cash and cash equivalents decreased, while inventories increased by 12.4% from the previous business year, accounting for ¥95,646 million due to an increase in pork and cattle bred in Australia. As a result, current assets increased by 1.3% from the end of the previous business year, accounting for ¥280,813 million. Property, plant and equipment decreased by 0.4% from the end of the previous business year, accounting for ¥266,494 million due to sales of idle assets, though investment in plant and equipment exceeded depreciation and amortization.

Other securities investments decreased by 8.3% from the end of the previous business year, accounting for ¥22,313 million, due to sales of stock holdings.

With regard to liabilities, accrued income taxes decreased by 35.2% from the end of the previous business year, accounting for ¥5,389 million, as the amount of interim payments for income taxes on a non-consolidated basis exceeded the tax amount for the business year under review. Trade notes (non-interest bearing) and accounts receivable increased by 9.6% from the end of the previous business year, accounting for ¥91,077 million, due to an increase in most recent purchases. Current maturities of long-term debt increased by 46.2% from the end of the previous business year, accounting for ¥28,032 million as straight bonds to be redeemed within one year increased by ¥10,000 million from the end of the previous business year. Consequently, current liabilities increased by 4.7% from the end of the previous business year, accounting for ¥226,340 million. The liability under retirement and severance program increased by 7.6% from the end of the previous business year, accounting for ¥48,074 million as the discount rate was changed from 2.5% to 2.0%. Long-term debt decreased by 23.9% from the end of the previous business year, accounting for ¥61,724 million as straight bonds decreased by ¥15,000 million from the end of the previous business year and payments were made as scheduled. As a result, liabilities decreased by 1.7% from the end of the previous business year, accounting for ¥342,629 million.

Interest-bearing debt decreased by ¥12,778 million from the end of the previous business year, accounting for ¥167,019 million.

Shareholders' equity increased by 2.5% from the end of the previous business year, accounting for ¥268,621 million as net income amounted to ¥11,839 million while dividends were paid and the minimum pension liability adjustment increased due to the reduction in the discount rate. As a result, the ratio of shareholders' equity increased by 1.0% from the end of the previous business year to 43.9%.

The states and causes of cash flows are as follows:

(billions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004	Increase or decrease
	(as of March 31, 2005)	(as of March 31, 2004)	
Cash flows from operating activities	34.9	35.0	(0.1)
Cash flows from investing activities	(23.5)	(7.1)	(16.4)
Cash flows from financing activities	(18.1)	(41.1)	23.0
Net increase in cash and cash equivalents	(6.8)	(13.2)	6.4
Cash and cash equivalents at end of the year	66.8	73.6	(6.8)

With regard to operating activities, inventories increased, while net income, depreciation and amortization and trade notes accounts payable - trade increased. As a result, net cash from operating activities amounted to ¥34,880 million (¥35,040 million for the previous business year).

With regard to investing activities, net cash from investing activities amounted to a negative ¥23,530 million (a negative ¥7,084 million for the previous business year) due to ¥24,625 million of additions to property, plant and equipment.

With regard to financing activities, while the Company raised long-term loans, net cash from financing activities amounted to a negative ¥18,145 million (a negative ¥41,113 million for the previous business year) due to the scheduled payment of long-term debt, including the redemption of its bonds in ¥5,000 million.

As a result, cash and cash equivalents at end of the year decreased by ¥6,795 million to amount to ¥66,793 million.

The trends in cash flow indices are as shown below:

	Year ended March 31, 2001	Year ended March 31, 2002	Year ended March 31, 2003	Year ended March 31, 2004	Year ended March 31, 2005
Ratio of shareholders' equity to total assets (%)	40.9	41.3	39.7	42.9	43.9
Ratio of shareholders' equity on a market value basis (%)	52.4	47.1	41.7	45.7	50.8
Years for debt redemption	5.6	5.0	5.4	5.1	4.8
Interest coverage ratio	10.1	12.6	11.9	12.2	13.0

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

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

Years for debt redemption: Interest-bearing debt/ Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities /Interest payments

(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 multiplied by the total number of shares issued as of the end of each business year.
3. As cash flows from operating activities, net cash provided by operating activities in the statement of consolidated cash flows are used. Interest-bearing debt covers all debt with interest being paid which is stated in the balance sheet. For interest payments, the amount of interest paid in the statement of consolidated cash flows is used.

3. Risk factors in business

The major risks that may affect the operating results and financial position of the Group are described below. These risks contain future factors, which are envisioned as of the end of the business year under review.

(1) Risks of commodity prices

The Group trades in fresh meats and fresh meat-related processed products. Let alone fresh meats for sale, materials for hams, sausages and other processed foods are fresh meats. Hence, the Group is exposed to risks associated with market conditions of livestock products. Furthermore, its production and breeding business to supply fresh meats are subject to fluctuations in commodity prices and feedstuff prices.

To hedge such risks associated with price fluctuations, the Group has taken measures to diversify product procurement routes, develop high value-added products and formulate distinctive marketing strategies, as well as secure raw materials on a constant basis in anticipation of product demand and maintain a reasonable inventory level of fresh meats.

In addition, price fluctuations arising from epidemics (such as BSE, bird flu and foot-and-mouth disease) and the implementation of safeguard measures (emergency import restrictions) may affect the operating results of the Group.

(2) Risks of foreign exchange

The Group engages in exports and imports in various foreign currencies and is exposed to risks of currency fluctuations associated with receivables and payables, firm commitments and forecasted transactions arising from such exports and imports. The most significant risk of currency fluctuations, if any relates to the U.S. dollar. To reduce such risks of currency fluctuations, the Group uses forward exchange contracts, almost all of which are settled within one year.

To hedge risks associated with foreign currency transactions, the Company has instituted a foreign exchange exposure management policy to monitor foreign exchanges consistently and evaluate risks of currency fluctuations periodically. All forward exchange contract transactions are carried out pursuant to the Company's internal regulations stipulating such foreign exchange exposure management policy, the transaction authority and the maximum transaction amount.

(3) Interest rate risks

The Group raises substantial part of its required funds by loans from third parties and other interest-bearing debt and hence is exposed to interest rate risks at all times.

Most of interest-bearing debt in the amount of ¥167.0 billion as of March 31, 2005 was fixed-rate debt and an interest rate hike may have no significant direct effect for the time being. However, to prepare for a rise in fund-raising costs in connection with a prospective increase in funding requirements, the Company has set the reduction of interest-bearing debt as one of the management objectives under its medium-term business plan and taken measures therefore, including its efforts to increase cash flows from operating activities and make investment in plant and equipment within the scope of the amount of depreciation and amortization.

However, in a rising rate environment in the future, fund-raising terms for the Company may deteriorate.

(4) Stock price risks

Marketable securities held by the Group consist principally of the shares of its business partners and hence are exposed to stock price risks associated with market price fluctuations.

As of March 31, 2005, such marketable securities overall represent unrealized capital gains. However, stock movements in the future may have an adverse effect on the operating results and financial position.

(5) Risks of natural calamities and social systems

The Group engages in business operations all over the world. The areas of such operations involve the following potential risks. If such any event occurs, it may have an adverse effect on the business results of the Group.

- Occurrence of a natural calamity, such as an earthquake
- Establishment, amendment or repeal of any unforeseeable law or regulations
- Occurrence of any unforeseeable adverse economic or political event
- Occurrence of a terrorist attack, strife, etc.
- Social disorder caused by the spread of an infectious disease, such as SARS (severe acute respiratory syndrome)

CONSOLIDATED BALANCE SHEETS

(millions of yen)

	Year ended March 31, 2005 (as of March 31, 2005)	Year ended March 31, 2004 (as of March 31, 2004)	Increase or decrease
Assets			
Current assets:			
Cash and cash equivalents	66,793	73,588	(6,795)
Time deposits	3,107	1,764	1,343
Marketable securities	1,595	947	648
Trade notes (non-interest bearing) and accounts receivable	97,283	97,312	(29)
Allowance for doubtful receivables	(1,367)	(1,466)	99
Inventories	95,646	85,118	10,528
Deferred income taxes	5,432	5,333	99
Prepayments and other current assets	12,324	14,606	(2,282)
Total current assets	280,813	277,202	3,611
Investment in and advances to associated companies	1,279	1,224	55
Other securities investments	22,313	24,324	(2,011)
Deposits and sundry investments	14,398	15,433	(1,035)
Total investments and non-current receivables	37,990	40,981	(2,991)
Property, plant, and equipment - at cost, less accumulated depreciation	266,494	267,632	(1,138)
Deferred income taxes - non-current	19,772	20,101	(329)
Other assets	6,181	4,747	1,434
Total	611,250	610,663	587

(millions of yen)

	Year ended March 31, 2005 (as of March 31, 2005)	Year ended March 31, 2004 (as of March 31, 2004)	Increase or decrease
Liabilities and shareholders' equity			
Current liabilities:			
Short-term bank loans	78,480	80,910	(2,430)
Current maturities of long-term debt	28,032	19,172	8,860
Trade notes (principally non-interest bearing) and accounts payable	91,077	83,103	7,974
Accrued income taxes	5,389	8,310	(2,921)
Deferred income taxes	623	523	100
Accrued expenses	15,483	15,144	339
Other current liabilities	7,256	9,104	(1,848)
Total current liabilities	226,340	216,266	10,074
Liability under retirement and severance program	48,074	44,685	3,389
Long-term debt, less current maturities	61,724	81,138	(19,414)
Deferred income taxes - non-current	3,537	3,544	(7)
Minority interests	2,954	2,934	20
Shareholders' equity:			
Common stock	24,166	24,166	-
Capital surplus	50,553	50,438	115
Retained earnings:			
Appropriated for legal reserve	6,637	6,616	21
Unappropriated	206,346	198,181	8,165
Accumulated other comprehensive income (loss)	(18,887)	(17,162)	(1,725)
Treasury stock, at cost	(194)	(143)	(51)
Total shareholders' equity	268,621	262,096	6,525
Total	611,250	610,663	587

STATEMENTS OF CONSOLIDATED INCOME

(millions of yen)

	Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)	Year ended March 31, 2004 (from April 1, 2003 to March 31, 2004)	Increase or decrease
Revenues:			
Net sales	934,678	926,019	8,659
Sundry	2,719	2,595	124
Total	937,397	928,614	8,783
Cost and expenses:			
Cost of goods sold	736,119	734,016	2,103
Selling, general and administrative expenses	171,318	168,378	2,940
Interest	2,487	2,965	(478)
Sundry	5,091	3,679	1,412
Total	915,015	909,038	5,977
Income from consolidated operations before income taxes:	22,382	19,576	2,806
Income taxes:			
Current	8,451	10,406	(1,955)
Deferred	2,084	(1,429)	3,513
Total	10,535	8,977	1,558
Income from consolidated operations	11,847	10,599	1,248
Equity in earnings of associated companies – net (less applicable income taxes)	(8)	42	(50)
Net income	11,839	10,641	1,198

STATEMENTS OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(millions of yen)

	Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)	Year ended March 31, 2004 (from April 1, 2003 to March 31, 2004)	Increase or decrease
Common Stock			
Balance at beginning of the year	24,166	24,166	-
Balance at end of the year	24,166	24,166	-
Capital Surplus			
Balance at beginning of the year	50,438	50,438	-
Stock options granted	117	-	117
Exercise of stock options	(2)	-	(2)
Balance at end of the year	50,553	50,438	115
Retained Earnings Appropriated for Legal Reserve			
Balance at beginning of the year	6,616	6,562	54
Transfer from unappropriated retained earnings	21	54	(33)
Balance at end of the year	6,637	6,616	21
Unappropriated Retained Earnings			
Balance at beginning of the year	198,181	191,248	6,933
Net income	11,839	10,641	1,198
Cash dividends	(3,653)	(3,653)	-
Transfer to retained earnings appropriated for legal reserve	(21)	(55)	34
Balance at end of the year	206,346	198,181	8,165
Accumulated Other Comprehensive Income (Loss):			
Net unrealized gains (losses) on securities available for sale:			
Balance at beginning of the year	4,143	177	3,966
Change in net unrealized gains (losses) during the year	54	3,966	(3,912)
Balance at end of the year	4,197	4,143	54
Net unrealized gains (losses) on derivative financial instruments:			
Balance at beginning of the year	8	(1)	9
Change in net unrealized gains (losses) on derivative financial instruments during the year	13	9	4
Balance at end of the year	21	8	13
Minimum pension liability adjustment:			
Balance at beginning of the year	(19,390)	(24,683)	5,293
Change in minimum pension liability adjustment during the year	(2,625)	5,293	(7,918)
Balance at end of the year	(22,015)	(19,390)	(2,625)

(millions of yen)

	Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)	Year ended March 31, 2004 (from April 1, 2003 to March 31, 2004)	Increase or decrease
Foreign currency translation adjustment:			
Balance at beginning of the year	(1,923)	(799)	(1,124)
Change in foreign currency translation adjustment during the year	833	(1,124)	1,957
Balance at end of the year	(1,090)	(1,923)	833
Total accumulated other comprehensive income (loss) at end of the year	(18,887)	(17,162)	(1,725)
Treasury Stock			
Balance at beginning of the year	(143)	(127)	(16)
Treasury stock acquired	(53)	(16)	(37)
Exercise of stock options	2	-	2
Balance at end of the year	(194)	(143)	(51)
Total shareholders' equity	268,621	262,096	6,525

STATEMENTS OF CONSOLIDATION CASH FLOWS

(millions of yen)

	Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)	Year ended March 31, 2004 (from April 1, 2003 to March 31, 2004)
Operating Activities:		
Net income	11,839	10,641
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	23,578	24,336
Income taxes – deferred	2,084	(1,429)
Decrease in trade notes and accounts receivable	232	828
Increase in inventories	(9,919)	(529)
Increase in trade notes and accounts payable	7,702	1,849
Increase (decrease) in accrued income taxes	(2,930)	3,112
Other – net	2,294	(3,768)
Net cash provided by operating activities	34,880	35,040
Investing Activities:		
Additions to property, plant and equipment	(24,625)	(19,626)
Proceeds from sales of property, plant and equipment	2,308	1,430
Decrease (increase) in time deposits	(1,300)	4,461
Purchases of marketable securities and other securities investments	(696)	(555)
Proceeds from sales of marketable securities and other securities investments	3,179	2,690
Business acquisition, net of cash acquired	(366)	4,645
Decrease in deposits and sundry investments	1,247	1,099
Other – net	(3,277)	(1,228)
Net cash used in investing activities	(23,530)	(7,084)
Financing Activities:		
Cash dividends	(3,671)	(3,660)
Decrease in short-term bank loans	(3,878)	(29,650)
Proceeds from long-term debt	9,847	23,120
Repayments of long-term debt	(20,390)	(31,013)
Others – net	(53)	90
Net cash used in financing activities	(18,145)	(41,113)
Net decrease in cash and cash equivalents	(6,795)	(13,157)
Cash and cash equivalents at beginning of the year	73,588	86,745
Cash and cash equivalents at end of the year	66,793	73,588

(millions of yen)

	Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)	Year ended March 31, 2004 (from April 1, 2003 to March 31, 2004)
Additional Information:		
Interest paid	2,675	2,876
Income taxes paid	12,758	7,320
Business acquisitions		
Fair value of assets acquired	642	18,158
Liabilities assumed	(176)	(15,647)
Net assets acquired	466	2,511
Net assets acquired in excess of cost	-	(2,457)
Less cash acquired	(100)	(4,699)
Cash paid (acquired), net of cash acquired	366	(4,645)

BASIS FOR PREPARING CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 116 subsidiaries

(2) Number of non-consolidated subsidiaries: None

(3) Principal subsidiaries:

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

(4) Situation of changes in consolidation:

(inclusion)	4 companies	3 companies (Maruwa, Ltd. and 2 other companies) due to acquisition and 1 company due to incorporation
(exclusion)	1 company	1 company due to merger

2. Fiscal years of consolidated subsidiaries

Among the Company's consolidated subsidiaries, 9 companies have fiscal years ending on December 31. In preparing the consolidated financial statements, the financial statements in respect of each company's fiscal year 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: 11 companies

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

(3) Situation of change: (inclusion) 1 company
(exclusion) 0 company

(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) Basis of preparation of consolidated financial statements:

The consolidated financial statements of the Company are prepared in accordance with accounting principles generally accepted in the United States.

(2) Method and basis of evaluation of 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) Method and basis of evaluation of marketable securities:

The Statement of Financial Accounting Standards (SFAS) No. 115 "Accounting for Certain Investments in Debt and Equity Securities" is applicable.

Investments classified as Held-to-Maturity:

Stated at amortized cost.

Investments classified as Available-for-Sale:

Stated at market value using market prices on fiscal year end dates. (Valuation differences are reflected directly in shareholders' equity and cost of sale is calculated through the average method).

(4) Method of depreciation and amortization of fixed assets:

Tangible fixed assets:	Principally by the declining balance method.
Intangible assets:	By the straight-line method (however, in accordance with SFAS No. 142 "Goodwill and Intangible Assets", intangible assets with an indefinite useful life must not be amortized but only subject to a test for impairment of value).

(5) Basis of accounting for liability under retirement and severance program:

In accordance with SFAS No. 87 "Employers' Accounting for Pensions", to prepare for the payment of retirement and severance benefits to employees, the Company accounts for an amount based on benefit obligations and the fair value of plan assets as of the end of the business year. Any amount of the liability under retirement and severance program falling short of the balance between the accumulated benefit obligations (= benefit obligations minus the portion of future pay hikes) and the fair value of plan assets is additionally accounted for as a minimum pension liability adjustment.

Unrecognized prior service cost is amortized in equal amounts over the average remaining period of service for affected employees.

With regard to unrecognized actuarial net loss, the portion thereof which exceeds 10% of the larger of the benefit obligations and the fair value of plan assets is amortized in equal amounts over the average remaining period of service for affected employees when such loss is incurred.

5. Calculation Contents of Net Income Per Share

	Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)	Year ended March 31, 2004 (from April 1, 2003 to March 31, 2004)
	(millions of yen)	
Net income (Numerator):		
Income available to shareholders	11,839	10,641
Effect of convertible debentures	-	49
Income available to shareholders and assumed conversions	11,839	10,690
	(thousands of shares)	
Shares (Denominator):		
Average shares outstanding for basic earnings per share	228,297	228,324
Dilutive effect of convertible debentures	-	2,496
Dilutive effect of stock options granted	45	-
Average shares outstanding for diluted earnings per share	228,342	230,820

Material subsequent event

As a result of the enforcement of the Defined-Benefit-Type Corporate Pension Law, with regard to substitutional payments for the Nippon Meat Packers Employees' Pension Fund, the Company was authorized by the Minister of Health, Labor and Welfare of Japan to be exempt from the obligation of past payments therefor as of April 1, 2005.

Accounting treatment with regard to the exemption from substitutional payments for the pension fund shall be made when the transfer of the related assets and liabilities is made. At present, the time for the transfer remains undecided and the effect on the profit and loss may change according to the management of the pension fund in the future. Hence, it is currently difficult to calculate such effect.

SEGMENT INFORMATION

1. Segment information by business category:

For the year ended March 31, 2005 (from April 1, 2004 to March 31, 2005):

(millions of yen)

Items	Fresh meat-related businesses	Other businesses	Total	Eliminations or group-wide	Consolidation
Net sales					
(1) Sales to outside customers	810,233	124,445	934,678	-	934,678
(2) Inter-segment sales	19,799	2,096	21,895	(21,895)	-
Total	830,032	126,541	956,573	(21,895)	934,678
Operating expenses	802,434	126,894	929,328	(21,891)	907,437
Operating income (loss)	27,598	(353)	27,245	(4)	27,241
Assets, depreciation and amortization and capital expenditure					
Assets	536,822	53,857	590,679	20,571	611,250
Depreciation and amortization	21,402	1,400	22,802	776	23,578
Capital expenditure	22,496	3,917	26,413	1,304	27,717

(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.

3. With regard to assets, group-wide assets, included in eliminations or group-wide items, amounted to ¥38,211 million, principally comprising the parent company's time deposits, marketable securities and securities investments.

4. Depreciation and amortization and capital expenditure include long-term prepaid expenses and deferred assets and the amortization thereof.

For the year ended March 31, 2004 (from April 1, 2003 to March 31, 2004):

(millions of yen)

Items	Fresh meat-related businesses	Other businesses	Total	Eliminations or group-wide	Consolidation
Net sales					
(1) Sales to outside customers	809,140	116,879	926,019	-	926,019
(2) Inter-segment sales	16,692	2,039	18,731	(18,731)	-
Total	825,832	118,918	944,750	(18,731)	926,019
Operating expenses	803,461	117,664	921,125	(18,731)	902,394
Operating income	22,371	1,254	23,625	(0)	23,625
Assets, depreciation and amortization and capital expenditure					
Assets	535,375	50,355	585,730	24,933	610,663
Depreciation and amortization	22,355	1,383	23,738	598	24,336
Capital expenditure	18,213	1,975	20,188	542	20,730

(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.

3. With regard to assets, group-wide assets, included in eliminations or group-wide items, amounted to ¥39,944 million, principally comprising the parent company's time deposits, marketable securities and securities investments.

4. Depreciation and amortization and capital expenditure include long-term prepaid expenses and deferred assets and the amortization thereof.

2. Segment information by geographic area:

For the year ended March 31, 2005 (from April 1, 2004 to March 31, 2005):

(millions of yen)

Items	Japan	Other areas	Total	Eliminations or group-wide	Consolidation
Net sales: (1) Sales to outside customers (2) Inter-segment sales	 863,497 668	 71,181 72,914	 934,678 73,582	 - (73,582)	 934,678 -
Total	864,165	144,095	1,008,260	(73,582)	934,678
Operating expenses	841,100	139,860	980,960	(73,523)	907,437
Operating income	23,065	4,235	27,300	(59)	27,241
Assets	515,264	64,758	580,022	31,228	611,250

(Notes) 1. Countries and areas are categorized in accordance with their geographic nearness. However, any net sales and assets in any country or area other than Japan account for less than 10% of the total net sales and the total assets 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. With regard to assets, group-wide assets, included in eliminations or group-wide items, amounted to ¥38,211 million, principally comprising the parent company's time deposits, marketable securities and securities investments.

For the year ended March 31, 2004 (from April 1, 2003 to March 31, 2004):

(millions of yen)

Items	Japan	Other areas	Total	Eliminations or group-wide	Consolidation
Net sales: (1) Sales to outside customers (2) Inter-segment sales	 858,398 563	 67,621 60,623	 926,019 61,186	 - (61,186)	 926,019 -
Total	858,961	128,244	987,205	(61,186)	926,019
Operating expenses	835,854	127,777	963,631	(61,237)	902,394
Operating income	23,107	467	23,574	51	23,625
Assets	513,237	62,833	576,070	34,593	610,663

(Notes) 1. Countries and areas are categorized in accordance with their geographic nearness. However, any net sales and assets in any country or area other than Japan account for less than 10% of the total net sales and the total assets 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. With regard to assets, group-wide assets, included in eliminations or group-wide items, amounted to ¥39,944 million, principally comprising the parent company's time deposits, marketable securities and securities investments.

3. Overseas sales:

As respective overseas sales for the years ended March 31, 2004 and March 31, 2005 did not amount to at least 10% of our consolidated net sales, presentation of overseas sales is omitted.

CURRENT MARKET PRICE OF SECURITIES

Investments classified as Available-for-Sale are reported at fair value on the balance sheets, in accordance with U.S. Generally Accepted Accounting Principles.

For the year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)
(as of March 31, 2005):

(millions of yen)

Items	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Available-for-Sale:				
Equity securities	12,108	7,086	(95)	19,099
Debt securities	1,212	143	(6)	1,349
Held-to-Maturity	766	7	0	773
Total	14,086	7,236	(101)	21,221

For the year ended March 31, 2004 (from April 1, 2003 to March 31, 2004)
(as of March 31, 2004):

(millions of yen)

Items	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Available-for-Sale:				
Equity securities	12,985	7,038	(143)	19,880
Debt securities	1,318	142	0	1,460
Held-to-Maturity	1,051	1	0	1,052
Total	15,354	7,181	(143)	22,392