(Translation)

November 16, 2005

BRIEF STATEMENTS OF INTERIM ACCOUNTS
FOR THE YEAR ENDING MARCH 31, 2006 (CONSOLIDATED)

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

Name of listed company:	Nippon Meat Packers, Inc. (URL http://www.nipponham.co.jp)
Code number:	2282
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:	Noboru Takezoe Director, Senior Corporate Officer and General Manager of Corporate Planning Division Tel. (06) 6282-3171
Date of meeting of the Board of Directors for settlement of interim accounts:	November 16, 2005
Adoption of U.S. generally accepted accounting principles:	Yes

1. Consolidated interim business results (April 1, 2005 through September 30, 2005):

(1) Consolidated operating results

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

	Six-month period ended September 30, 2005	Six-month period ended September 30, 2004	Year ended March 31, 2005
Net sales:	¥476,969 million (1.6%)	¥469,679 million (2.8%)	¥934,678 million (0.9%)
Operating income:	¥6,653 million (- 60.5%)	¥16,823 million (43.9%)	¥27,241 million (15.3)
Income before income taxes:	¥4,069 million (- 70.5%)	¥13,811 million (37.8%)	¥22,382 million (14.3)
Net income:	¥3,072 million (- 63.1%)	¥8,325 million (40.5%)	¥11,839 million (11.3%)
Net income per share (basic):	¥13.46	¥36.46	¥51.86
Net income per share (diluted):	¥13.45	¥36.46	¥51.85

(Notes)

1) Equity in earnings of associated companies:

Six-month period ended September 30, 2005:	- ¥12 million
Six-month period ended September 30, 2004:	- ¥11 million
Year ended March 31, 2005:	- ¥8 million

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

Six-month period ended September 30, 2005:	228,274,854 shares
Six-month period ended September 30, 2004:	228,308,871 shares
Year ended March 31, 2005:	228,297,204 shares

3) Changes in accounting procedures: Yes

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.

No income or loss due to the transfer of the substitutional portion of the Employees' Pension Fund is included.

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, 2005	Six-month period ended September 30, 2004	Year ended March 31, 2005
Total assets:	¥615,086 million	¥619,051 million	¥611,250 million
Shareholders' equity:	¥283,283 million	¥266,499 million	¥268,621 million
Ratio of shareholders' equity to total assets:	46.1%	43.0%	43.9%
Shareholders' equity per share:	1,241.00	1,167.32	¥1,176.72

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

Six-month period ended September 30, 2005:	228,270,781 shares
Six-month period ended September 30, 2004:	228,299,275 shares
Year ended March 31, 2005:	228,279,778 shares

(3) State of consolidated cash flows

	Six-month period ended September 30, 2005	Six-month period ended September 30, 2004	Year ended March 31, 2005
Cash flows from operating activities:	(¥17,810 million)	¥9,097 million	¥34,880 million
Cash flows from investing activities:	(¥10,120 million)	(¥9,824 million)	(¥23,530 million)
Cash flows from financing activities:	¥3,200 million	(¥3,038 million)	(¥18,145 million)
Cash and cash equivalents at end of the period (year):	¥42,063 million	¥69,823 million	¥66,793 million

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

Number of consolidated subsidiaries:	117 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):	2 companies
Consolidated subsidiaries (exclusion):	1 company
Companies subject to equity method (inclusion):	0 company
Companies subject to equity method (exclusion):	1 company

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

	Whole year
Net sales:	¥950,000 million
Income before income taxes:	¥7,000 million
Net income:	¥5,000 million

(For reference)
Forecast of net income per share for the year ending March 31, 2006 (whole year): ¥21.90

* 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 21 hereof.

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Attached material

STATE OF CORPORATE GROUP

The Company's group (the "Group") is composed of the Company, its 117 subsidiaries and 10 associated companies. Their businesses are categorized as follows:

Fresh meat-related businesses:

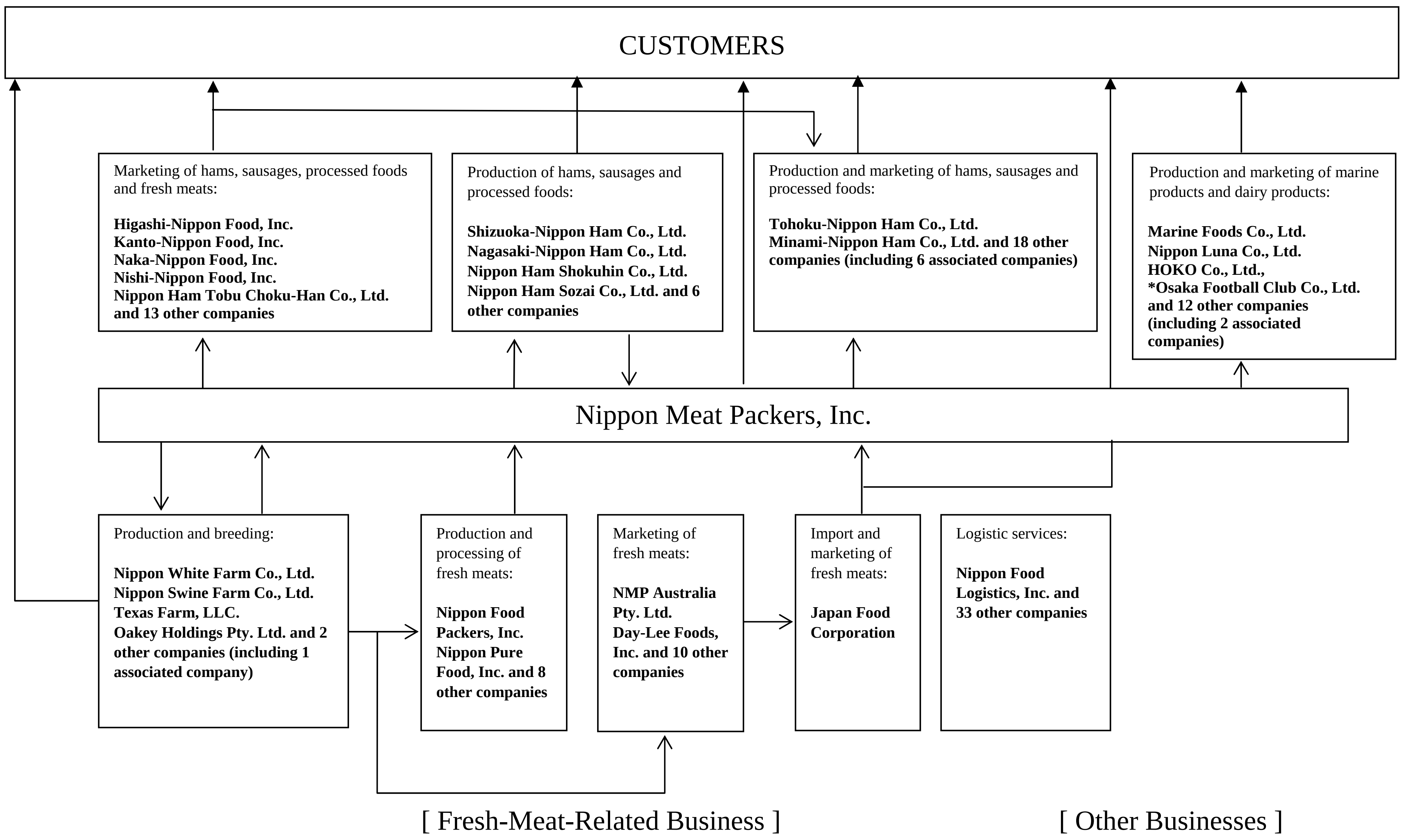
Hams, sausages and processed foods are produced at the Company and its production subsidiaries, Shizuoka-Nippon Ham Co., Ltd., Nagasaki-Nippon Ham Co., Ltd., Nippon Ham Shokuhin Co., Ltd. and Nippon Ham Sozai Co., Ltd. and marketed through the Company's nationwide business offices and its marketing subsidiaries, 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, 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 13 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 18 other companies (including 6 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 Business]
[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 build a "bright future that enlivens people" through supply of safe, secure and high-quality foods, as well as proposals as to TPOs 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". The Group's brand statement "People enlivened, future of foods" instituted in January 2005 represents its commitments to all stakeholders.

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

At the start of the business year from April 1, 2005 through March 31, 2006, the Group revised the targets for the final business year of the "New Medium-Term Business Plan" (for the period from April 1, 2003 through March 31, 2006): net sales of ¥950 billion and income before income taxes of ¥30 billion. However, due to severer business environments, the Group has made another downward revision of income before income taxes to ¥7 billion.

With regard to other management indices, the Group will continue aiming to attain the reduction of ¥40 billion in interest-bearing debt and the D/E ratio of 0.6 by improving its financial position. Meanwhile, the Group has determined it difficult to attain the ROA (ratio of income before income taxes on total assets) of 5% or more, based on the said income before income taxes.

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 reducing 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, 2005), 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 expands 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 affiliated 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 corporate officers has been employed to clearly define responsibilities and powers in Directors conducting their "function of management supervision" and corporate 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 11 Directors and 4 outside Corporate Auditors among 5 Corporate Auditors.

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 reports and 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.

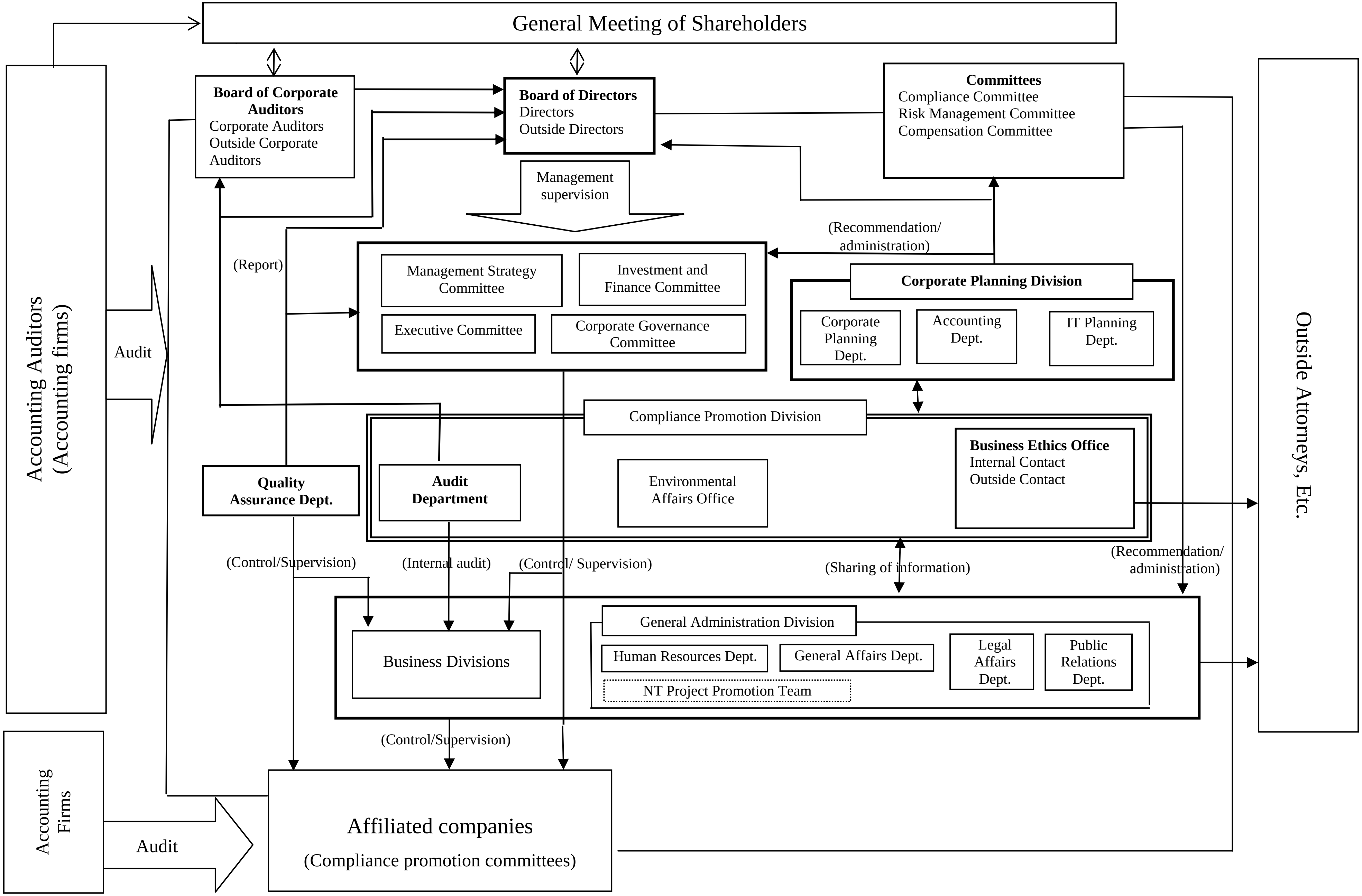
- Establishment and holding of sessions of the Compensation Committee:

  The Committee 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. It has proposed to the Board of Directors 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.

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 September 30, 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. As of March 31, 2005, the group companies in Japan almost completed reviewing their rules in respect of their major operations and preparing their new administration manuals setting forth proper procedures. During the current business year, they are endeavoring to promote activities to entrench the rules and manuals in the work fronts and identify and remedy the problems involved to manage risks. Furthermore, for the purpose of risk management of its overseas group companies, the Company has commenced to prepare such rules and manuals as those applicable to its group companies in Japan.

- Integration of information management and risk management:

  To secure strict compliance in management and risk management, the Group 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 Business Ethics Office 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 Audit 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 Audit 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 Management Strategy 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.

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

Ms. Sachiko Hayakawa, an outside Director of the Company, has served as member of the Quality of Life Policy Council of the Cabinet Office, Government of Japan, temporary member of the Labour Policy 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. Mr. Akira Fujii, another outside Director of the Company, is a Corporate Officer of Mitsubishi Corporation, which is one of its major shareholders and has constant business dealings with the Company and its affiliated companies.

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. Holding of sessions of committees:

・ Holding of sessions of the Compliance Committee:

Since its institution in April 2003, the Committee has held seven sessions to monitor the development of measures to establish thorough compliance-based management and consider policies for the pervasion thereof. Since the Corporate Ethics Committee was disbanded in 2004, the Compliance Committee has assumed the role, with the participation of outside experts.

・ 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 169 sessions in total.

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

・ Holding of sessions of the Corporate Governance Committee:

The Corporate Governance Committee, an organ responsible for preliminary reviews for the Board of Directors and the Management Strategy Committee, has held regular sessions twice a month, whereby strengthening preliminary reviews of important matters, including policies, strategies, organizations and systems of the Group.

・ Holding of sessions of the Risk Management Committee:

During the past year, the Committee held six sessions to share information on qualities among the Group, including important group-wide reports and inquires and complaints by consumers. The Committee also has made preparations for measures to be taken by each group company to the Personal Information Protection Law, which became effective as of April 1, 2005, improved the organizational administration system, established technological control and physical management systems of information technology and carried out activities to educate and familiarize the law among managers and staffs.

- Holding of sessions of the Remuneration Committee:

  The Committee 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. During the past year, the Committee held four sessions to discuss the revision of the rules to evaluate officers and the expansion of the performance-linked portions in their remuneration, which were proposed to the Board of Directors.

b. Strengthening of the Board of Directors:

Since April 2003, the Board of Director of the Company has reviewed its management system and personnel affairs of officers and changed its systems to strengthen corporate governance. Simultaneously, the Board has periodically received information on the details of inquires and complaints received by the Company's internal and outside contacts, important information received by its contacts for integrating information and consumers' opinions received by its Consumer Service Office, to improve the transparency of management. During the past year, 12 reports were filed with the Board.

c. Organizational reforms:

- 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 a Customer Satisfaction Office 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 a Supply Chain Management Office 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 an Administrative Division under the 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.

d. 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".

  Since April 1, 2004, the group companies in Japan, specifically, have engaged in picking up risks and problems through analyzing major operations of the respective companies and exerted its efforts to prepare "Operation Rules" and "Administration Manuals" providing for control functions, to produce improvements.

  During the past year, the Company has exerted its all-out efforts to entrench the Operation Rules and Administration Manuals in the work fronts. Furthermore, each group company has carried out its group activities to verify how such rules and manuals have been established and to further promote the establishment and improvement thereof.

  Additionally, for the purpose of risk management of its overseas group companies, the Company has commenced to prepare such "Policy Manuals (equivalent to the rules and standard rules)" and "Operation Manuals" as those applicable to its group companies in Japan.

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 interim period of the business year under review

Overview of operating results in general

During the interim period of the business year under review, the Japanese economy was in the phase of slow recovery as favorable performances in the corporate sector had a positive impact on the household sector. The apparent improvement of the employment and income situations has sustained solid private spending.

In the food and fresh meats industry, sales of beef decreased due to the prolonged embargos on beef from the United States resulting from the emergence of BSE (bovine spongiform encephalopathy) in December 2003 and raw material prices increased due to the continued embargos on unheated poultry from Thailand and China on account of avian flu and the higher market of pork, substitutes for beef from the United States, and prices of materials, including packaging components, increased due to higher oil prices. Thus, the industry has remained in a difficult condition.

Under these circumstances, the Group, strictly in accordance with three policies set forth in its "New Medium-Term Business Plan Part I", has aggressively promoted business. Additionally, to improve its corporate base, the Group has exerted its efforts to drastically review its cost structures covering production to marketing.

Specifically, the Group has exert its efforts to promote its fine-tuned marketing outlet and channel policy under the marketing system restructured by channel and route, strengthen its integration system by establishing its domestic and overseas production sites and accordingly expand sales of its brand products of fresh meats. The Group also has endeavored to rearrange its production sites, improve its production lines and reduce costs by cutting distribution costs and material costs through centralized information management of the whole Group. Additionally, the Group has made serious efforts at reform, including the change of the system of personnel affairs and transfers of employees to affiliated companies, with the aim of building a more aggressive marketing system by enhancing competitiveness.

Meanwhile, the Group has exerted group-wide efforts to foster further awareness of compliance and strengthen internal control through collective workshops, and familiarize CS activities.

As a result of these activities, net sales for the interim period under review amounted to ¥476,969 million, up 1.6% from the corresponding period of the previous business year. In regard to profits, the negative impact of higher material prices and intensifying price competition on income was more than projected and was not covered by cost reductions. In the business of imported fresh meats, which has run in high gear, prices of feeder's cattle in Australia increased and the beef market declined due to decreased demand in Japan. Consequently, the Group has achieved an unprecedented unsatisfactory result. Income before income taxes amounted to ¥4,069 million, down 70.5% from the corresponding period of the previous business year and net income amounted to ¥3,072 million, down 63.1%.

Breakdown of consolidated net sales

	Six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)		Six-month period ended September 30, 2004 (from April 1, 2004 to September 30, 2004)		Increase or decrease ratio	Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)	
	Amount	Compo-nent ratios	Amount	Compo-nent ratios		Amount	Compo-nent ratios
	(millions of yen)	(%)	(millions of yen)	(%)	(%)	(millions of yen)	(%)
Hams and sausages	65,163	13.7	67,475	14.4	(3.4)	135,583	14.5
Processed foods	91,731	19.2	89,553	19.1	2.4	180,659	19.3
Fresh meats	247,482	51.9	248,708	52.9	(0.5)	488,983	52.3
Seafood	40,664	8.5	36,408	7.8	11.7	72,389	7.8
Dairy products	11,086	2.3	10,871	2.3	2.0	21,806	2.3
Others	20,843	4.4	16,664	3.5	25.1	35,258	3.8
Total	476,969	100.0	469,679	100.0	1.6	934,678	100.0

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 improve products from CS perspectives, as well as promote sales by featuring its new characters "Hamlins" at the front. In addition, to cope with higher prices of raw materials, the Company has endeavored to rearrange its production lines and reduce costs of materials and substitute raw materials. Sales of its major brand products, including "Schau Essen", and summer gifts increased. However, due to decreased sales volumes as a result of a revision of the weight measuring standards, a slump in its industrial channels and sluggish growth of its new products, the business was placed in a difficult situation.

In the processed foods business, the Company has focused on fine-tuned product development and sales promotion activities by channel by developing new products for forthcoming seasons and giving early presentations. To cope with higher prices of raw materials, the Company has carried out "streamlining campaigns" in its domestic factories, specifically and strengthening cooperation with the hams and sausages business to improve efficiencies. Sales in the business increased as its brand products, including "Chuka Meisai" and "Ishikama Kobo" increased favorably in the mass-volume channels, among others and new products, including a premium hamburger "Hojun" also made a contribution thereto.

In the fresh meats business, the Company has endeavored to increase sales of its brand products with its weapon of traceability under its key policy to "provide safe, high quality and high valued added products". While the embargos on imports of beef from the United States remained prolonged, the Company expanded sales of "Omugi-gyu" of Australian origin and also leveraged sales of its brand pork, domestic beef and domestic poultry, specifically, to meet substitute demand by making the best use of the marketing capabilities of its marketing subsidiaries operating nationwide. By these collective strengths, sales were covered.

As a result, net sales and operating income of the fresh meat-related businesses amounted to ¥425,849 million, up 1.9% from the corresponding period of the previous business year, and ¥6,487 million, down 60.8%, respectively.

<u>Other businesses</u>

In the seafood business, the Company has promoted fine-tuned marketing activities by channel. Specifically, the Company focused its efforts on its delicatessen business targeting mass retailers and sales increased. However, in its sushi material business, which is high in the component ratio of sales, the Company had a tough time as material prices remained high due to decreased fish catches and higher demand in Russia and China and price competition intensified in the Japanese market. However, sales increased as the Company developed new customers.

In the dairy products business, with regard to lactic acid bacteria beverages, the Company focused its efforts on developing new products added with fresh ideas and functionalities, as well as marketing channels for industrial use, and promoted aggressive sales activities through TV commercials, among other things. With regard to cheese products for commercial application, the Company has commenced operations of a new plant to increase sales.

As a result, net sales and operating income of the other businesses, including those of the restaurant and other businesses, amounted to ¥64,242 million, up 0.6% from the corresponding period of the previous business year and ¥269 million, down 12.9%, respectively.

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

(i) Japan

Sales of hams and sausages decreased due to a slump in products for industrial use. However, in the processed foods business, sales of major brand products and new products increased. In the fresh meats business, while sales of beef decreased due to the prolonged embargos on imports of beef from the United States, sales of pork and poultry to meet substitute demand increased and sales as a whole leveled off. As a result, net sales in Japan amounted to ¥435,999 million, up 0.5% from the corresponding period of the previous business year. Operating income amounted to ¥6,934 million, down 50.0% due to higher prices of raw materials.

(ii) Other areas

In Americas, sales of pork increased due to a recovery of the pork market in the United States, as well as boosted consumption of pork as consumers became more health-conscious, and operating income increased steadily. In Australia, sales increased strongly due to increased exports but operating income decreased sharply as prices of raw materials increased due to a rise in prices of feeder's cattle and the Australian chilled beef market declined. Consequently, net sales in other areas amounted to ¥82,265 million, up 12.7% from the corresponding period of the previous business year. Operating income decreased from the previous business year and the Company registered an operating loss of ¥29 million.

(2) Prospect for the whole business year

Prospect of business results in general

During the second half of the business year under review, the market conditions are expected to remain unforeseeable as prices of raw materials remain high and the embargoes on imports of beef from the United States are to be lifted. The Company will continue its efforts to improve its profit structure and aggressively expand business.

In the processed foods business, the Company will continue its efforts to review its sites and lines in the production divisions for rationalization and integration by function and reduce operating costs. Simultaneously, the Company will implement measures to enhance cost competitiveness to strengthen its aggressive strategies. Towards the end of the year, the Company will launch TV commercials on a large scale and promote aggressive marketing activities, whereby activating selling spaces of hams and sausages and mounting the year-end gift blitz. For the purpose of product promotional exhibitions, the Company will develop products by defining their targets. In addition to its marketing strategies by channel, the Company will leverage its marketing subsidiaries during the second half of the business year under review to establish fine-tuned area strategies by route sales, which are the strengths of the Group.

In the fresh meats business, the embargoes on imports of beef from the United States are to be lifted during the second half of the business year under review. The volume of imports will be small in the beginning but the Company will gather accurate information on supply/demand conditions to secure increased sales and profits. Additionally, as consumers have become more concerned about the security and safety of foods, the Company will take advantage of its integration system covering production to marketing in and outside of Japan to meet such consumer needs. Simultaneously, to hedge risks concerning epidemics, the Company will diversify production and procurement in various countries and regions.

In the seafood business, in response to a decrease in fish catches globally, the Company will develop import and processing sites. The Company will also devise its marketing strategies by channel, promote product development and improve route sales to strengthen its marketing capabilities in Japan.

In the dairy products business, the Company will further enhance its product developing capabilities to provide new products by taking consumer needs before others. The Company will aggressively aim at increasing sales of cheese products for commercial application.

The Company will take hold as its core philosophy the "strict compliance in management", "customer-creed management" and "promotion of group management", which are set forth in the three-year Medium-Term Business Plan that will expire in March 2006, and take them over to a next medium-term business plan.

Specifically, with regard to group management, for the purpose of instituting the next medium-term business plan commencing as from April 1, 2006, the Company will investigate whether each business division or affiliated company has mobility fit to the market and a structure cost-competitive with rival companies under the sharply changing environments or whether it has a competitive advantage in production technologies and marketing capabilities and carry out any necessary reform to promote more independent management. Accordingly, the Company will promote group management under which management resources will be distributed from the perspective of optimization thereof.

Thus, the Company will promote cost reductions in both production and marketing to strengthen its corporate structure, enhance its "qualities" and "marketing capabilities" as driving forces of competitiveness of the Group and cope with the unforeseeable business environments.

With regard to operating results for the whole business year, net sales are estimated to amount to ¥950.0 billion (up 1.6% from the previous business year). Income before income taxes and net income are estimated to amount to ¥7.0 billion (down 68.7% from the previous business year) and ¥5.0 billion (down 57.8% 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 the end of the interim period under review increased by 0.6% from the end of the previous business year, accounting for ¥615,086 million. By item, cash and cash equivalents decreased by 37.0%, accounting for ¥42,063 million due to an increase in working capital, while inventories increased by 29.5% from the end of the previous business year, accounting for ¥123,835 million. As a result, current assets increased by 3.2% from the end of the previous business year, accounting for ¥289,844 million. Property, plant and equipment decreased by 0.1% from the end of the previous business year, accounting for ¥266,137 million as additions to property, plant and equipment were made within the scope of the amount of depreciation and amortization.

Deferred income taxes – non-current decreased by 41.2% from the end of the previous business year, accounting for ¥11,630 million, principally due to the transfer of the substitutional portion of the Employees' Pension Fund.

With regard to liabilities, current liabilities increased by 6.7% from the end of the previous business year, accounting for ¥241,552 million as short-term bank loans increased by 17.5% from the end of the previous business year, accounting for ¥92,196 million due to an increase in working capital. The liability under retirement and severance program decreased by 53.0% from the end of the previous business year, accounting for ¥22,578 million due to the transfer of the substitutional portion of the Employees' Pension Fund. As a result, liabilities decreased by 2.9% from the end of the previous business year, accounting for ¥329,943 million.

Interest-bearing debt increased by ¥7,924 million from the end of the previous business year to account for ¥174,943 million.

Shareholder's equity increased by 5.5% from the end of the previous business year to account for ¥283,283 million as the minimum pension liability adjustment decreased due to the transfer of the substitutional portion of the Employees' Pension Fund. As a result, the ratio of shareholders' equity increased by 2.2% from the end of the previous business year to 46.1%.

The states and causes of cash flows are as follows:

(millions of yen)

	Six-month period ended September 30, 2005	Six-month period ended September 30, 2004	Increase or decrease	Year ended March 31, 2005
Cash flows from operating activities	(17,810)	9,097	(26,907)	34,880
Cash flows from investing activities	(10,120)	(9,824)	(296)	(23,530)
Cash flows from financing activities	3,200	(3,038)	6,238	(18,145)
Net increase (decrease) in cash and cash equivalents	(24,730)	(3,765)	(20,965)	(6,795)
Cash and cash equivalents at end of the period/year	42,063	69,823	(27,760)	66,793

With regard to operating activities, inventories increased while trade notes and accounts payable - trade increased. As a result, net cash from operating activities amounted to a negative ¥17,810 million (¥9,097 million for the interim period of the previous business year).

With regard to investing activities, net cash from investing activities amounted to a negative ¥10,120 million (a negative ¥9,824 million for the interim period of the previous business year) due to ¥12,192 million of additions to property, plant and equipment.

With regard to financing activities, short-term bank loans increased while the

Company paid cash dividends and repaid long-term debt. As a result, net cash from financing activities amounted to ¥3,200 million (a negative ¥3,038 million for the interim period of the previous business year). As a result, cash and cash equivalents at end of the period decreased by ¥24,730 million in comparison with the end of the previous business year, to amount to ¥42,063 million.

The trends in financial indices are as shown below:

	Year ended March 31, 2002	Year ended March 31, 2003	Year ended March 31, 2004	Six-month period ended September 30, 2004	Year ended March 31, 2005	Six-month period ended September 30, 2005
Ratio of shareholders' equity to total assets (%)	41.3	39.7	42.9	43.0	43.9	46.1
Ratio of shareholders' equity to total assets on a market value basis (%)	47.1	41.7	45.7	54.4	50.8	45.6

※ 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).

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 interim period 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 approximately ¥174.9 billion as of September 30, 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 September 30, 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 INTERIM BALANCE SHEETS

	Six-month period ended September 30, 2005 (as of September 30, 2005)		Six-month period ended September 30, 2004 (as of September 30, 2004)		Year ended March 31, 2005 (as of March 31, 2005)	
	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%
Assets						
Current assets:						
Cash and cash equivalents	42,063	6.8	69,823	11.3	66,793	10.9
Time deposits	2,600	0.4	2,155	0.3	3,107	0.5
Marketable securities	1,112	0.2	1,294	0.2	1,595	0.3
Trade notes (non-interest bearing) and accounts receivable	99,999	16.3	99,470	16.1	97,283	15.9
Allowance for doubtful receivables	(920)	(0.1)	(1,285)	(0.2)	(1,367)	(0.2)
Inventories	123,835	20.1	97,581	15.8	95,646	15.6
Deferred income taxes	6,022	1.0	6,165	1.0	5,432	0.9
Prepayments and other current assets	15,133	2.4	14,963	2.4	12,324	2.0
Total current assets	289,844	47.1	290,166	46.9	280,813	45.9
Investment and non-current receivables:						
Investments in and advances to associated companies	1,086	0.2	1,062	0.2	1,279	0.2
Other securities investments	24,286	3.9	22,148	3.6	22,313	3.7
Deposits and sundry investments	13,958	2.3	15,259	2.4	14,398	2.4
Total investments and non-current receivables	39,330	6.4	38,469	6.2	37,990	6.3
Property, plant, and equipment - at cost, less accumulated depreciation	266,137	43.3	265,279	42.9	266,494	43.6
Deferred income taxes - non-current	11,630	1.9	19,979	3.2	19,772	3.2
Other assets	8,145	1.3	5,158	0.8	6,181	1.0
Total	615,086	100.0	619,051	100.0	611,250	100.0

	Six-month period ended September 30, 2005 (as of September 30, 2005)		Six-month period ended September 30, 2004 (as of September 30, 2004)		Year ended March 31, 2005 (as of March 31, 2005)	
	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%
Liabilities and shareholders' equity						
Current liabilities:						
Short-term bank loans	92,196	15.0	89,097	14.4	78,480	12.8
Current maturities of long-term debt	21,930	3.6	18,873	3.0	28,032	4.6
Trade notes (principally non-interest bearing) and accounts payable	97,018	15.8	90,376	14.6	91,077	14.9
Accrued income taxes	4,093	0.7	5,784	0.9	5,389	0.9
Deferred income taxes	852	0.1	485	0.1	623	0.1
Accrued expenses	19,920	3.2	14,872	2.4	15,483	2.5
Other current liabilities	5,543	0.9	6,668	1.1	7,256	1.2
Total current liabilities	241,552	39.3	226,155	36.5	226,340	37.0
Liability under retirement and severance program	22,578	3.7	44,716	7.2	48,074	7.9
Long-term debt, less current maturities	62,335	10.1	75,380	12.2	61,724	10.1
Deferred income taxes - non-current	3,478	0.5	3,327	0.6	3,537	0.6
Minority interests	1,860	0.3	2,974	0.5	2,954	0.5
Shareholders' equity:						
Common stock	24,166	3.9	24,166	3.9	24,166	4.0
Capital surplus	50,623	8.2	50,478	8.1	50,553	8.2
Retained earnings:						
Appropriated for legal reserve	6,741	1.1	6,637	1.1	6,637	1.1
Unappropriated	205,662	33.5	202,833	32.7	206,346	33.7
Accumulated other comprehensive income (loss)	(3,703)	(0.6)	(17,448)	(2.8)	(18,887)	(3.1)
Treasury stock, at cost	(206)	(0.0)	(167)	(0.0)	(194)	(0.0)
Total shareholders' equity	283,283	46.1	266,499	43.0	268,621	43.9
Total	615,086	100.0	619,051	100.0	611,250	100.0

CONSOLIDATED INTERIM STATEMENTS OF INCOME

	Six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)		Six-month period ended September 30, 2004 (from April 1, 2004 to September 30, 2004)		Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)	
	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%
Revenues:						
Net sales	476,969	100.0	469,679	100.0	934,678	100.0
Sundry	1,538	0.3	1,011	0.2	2,719	0.3
Total	478,507	-	470,690	-	937,397	-
Cost and expenses:						
Cost of goods sold	391,930	82.2	367,313	78.2	736,119	78.8
Selling, general and administrative expenses	99,185	20.8	85,543	18.2	171,318	18.3
Subsidy from the government on the transfer of the substitutional portion of the Employees' Pension Fund	(27,434)	(5.8)	-	-	-	-
Interest	1,250	0.3	1,244	0.3	2,487	0.3
Sundry	9,507	2.0	2,779	0.6	5,091	0.5
Total	474,438	99.5	456,879	97.3	915,015	97.9
Income from consolidated operations before income taxes:	4,069	0.8	13,811	2.9	22,382	2.4
Income taxes:						
Current	3,556	0.7	5,751	1.2	8,451	0.9
Deferred	(1,620)		(276)		2,084	
Total	1,936	0.4	5,475	1.1	10,535	1.1
Income from consolidated operations	2,133	0.4	8,336	1.8	11,847	1.3
Equity in earnings of associated companies - net (less applicable income taxes)	(12)		(11)		(8)	
Income before extraordinary gain and cumulative effect of accounting change	2,121	0.4	8,325	1.8	11,839	1.3
Extraordinary gain on negative goodwill	555		-		-	
Cumulative effect of accounting change	396		-		-	
Net income for the interim period (year)	3,072	0.6	8,325	1.8	11,839	1.3

Note: The difference in the amount of ¥27,434 million between the accumulated benefit obligations corresponding to the substitutional portion of the Employees' Pension Fund and the plan assets to be transferred to the Japanese government due to the transfer of the substitutional portion of the Employees' Pension Fund is stated separately as the "subsidy from the government on the transfer of the substitutional portion of the Employees' Pension Fund ".

The difference in the amount of ¥991 million between the projected benefit obligations and the accumulated benefit obligations, which represents the portion of future pay hikes corresponding to the substitutional portion of the Employees' Pension Fund, is accounted for as a transfer back from net periodic pension expenses and the lump-sum amortization of the balance of unamortized net loss equivalent to the substitutional portion of the Employees' Pension Fund is accounted for as a settlement loss in the amount of ¥21,790 million.

Of the aggregate of the transfer back from the portion of future pay hikes and the settlement loss, accounting for ¥20,799 million, ¥5,589 million and ¥15,210 million are included in the cost of goods sold and the selling, general and administrative expenses, respectively.

The income and loss are summed up as "gain on the transfer of the substitutional portion of the Employees' Pension Fund " on the next page.

<For reference>

CONSOLIDATED INTERIM STATEMENTS OF INCOME

(with gain on the transfer of the substitutional portion of the Employees' Pension Fund summed up)

	Six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)		Six-month period ended September 30, 2004 (from April 1, 2004 to September 30, 2004)		Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)	
	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%
Revenues:						
Net sales	476,969	100.0	469,679	100.0	934,678	100.0
Sundry	1,538	0.3	1,011	0.2	2,719	0.3
Total	478,507	-	470,690	-	937,397	-
Cost and expenses:						
Cost of goods sold	386,341	81.0	367,313	78.2	736,119	78.8
Selling, general and administrative expenses	83,975	17.6	85,543	18.2	171,318	18.3
Gain on the transfer of the substitutional portion of the Employees' Pension Fund	(6,635)	(1.4)	-	-	-	-
Interest	1,250	0.3	1,244	0.3	2,487	0.3
Sundry	9,507	2.0	2,779	0.6	5,091	0.5
Total	474,438	99.5	456,879	97.3	915,015	97.9
Income from consolidated operations before income taxes:	4,069	0.8	13,811	2.9	22,382	2.4
Income taxes:						
Current	3,556	0.7	5,751	1.2	8,451	0.9
Deferred	(1,620)		(276)		2,084	
Total	1,936	0.4	5,475	1.1	10,535	1.1
Income from consolidated operations	2,133	0.4	8,336	1.8	11,847	1.3
Equity in earnings of associated companies - net (less applicable income taxes)	(12)		(11)		(8)	
Income before extraordinary gain and cumulative effect of accounting change	2,121	0.4	8,325	1.8	11,839	1.3
Extraordinary gain on negative goodwill	555		-		-	
Cumulative effect of accounting change	396		-		-	
Net income for the interim period (year)	3,072	0.6	8,325	1.8	11,839	1.3

Operating income (based on Japanese accounting practices)	6,653	1.4	16,823	3.6	27,241	2.9

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(millions of yen)

	Six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)	Six-month period ended September 30, 2004 (from April 1, 2004 to September 30, 2004)	Increase or decrease	Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)
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)	50,553	50,438	115	50,438
Stock options granted	70	40	30	117
Stock options exercised	-	-	-	(2)
Balance at end of the interim period (year)	50,623	50,478	145	50,553
Retained Earnings Appropriated for Legal Reserve:				
Balance at beginning of the interim period (year)	6,637	6,616	21	6,616
Transfer from unappropriated retained earnings	104	21	83	21
Balance at end of the interim period (year)	6,741	6,637	104	6,637
Unappropriated Retained Earnings:				
Balance at beginning of the interim period (year)	206,346	198,181	8,165	198,181
Net income	3,072	8,325	(5,253)	11,839
Cash dividends	(3,652)	(3,653)	1	(3,653)
Transfer to retained earnings appropriated for legal reserve	(104)	(20)	(84)	(21)
Balance at end of the interim period (year)	205,662	202,833	2,829	206,346
Accumulated Other Comprehensive Income (Loss):				
Net unrealized gains (losses) on securities available for sale:				
Balance at beginning of the interim period (year)	4,197	4,143	54	4,143
Change in net unrealized gains (losses) during the interim period (year)	999	(975)	1,974	54
Balance at end of the interim period (year)	5,196	3,168	2,028	4,197
Net unrealized gains (losses) on derivative financial instruments:				
Balance at beginning of the interim period (year)	21	8	13	8
Change in net unrealized gains (losses) on derivative financial instruments during the interim period (year)	(3)	(1)	(2)	13

	Six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)	Six-month period ended September 30, 2004 (from April 1, 2004 to September 30, 2004)	Increase or decrease	Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)
Balance at end of the interim period (year)	18	7	11	21
Minimum Pension Liability Adjustment:				
Balance at beginning of the interim period (year)	(22,015)	(19,390)	(2,625)	(19,390)
Change in minimum pension liability adjustment during the interim period (year)	12,272	-	12,272	(2,625)
Balance at end of the interim period (year)	(9,743)	(19,390)	9,647	(22,015)
Foreign Currency Translation Adjustment:				
Balance at beginning of the interim period (year)	(1,090)	(1,923)	833	(1,923)
Foreign currency translation adjustment during the interim period (year)	1,916	690	1,226	833
Balance at end of the interim period (year)	826	(1,233)	2,059	(1,090)
Total accumulated other comprehensive income (loss) at end of the interim period (year)	(3,703)	(17,448)	13,745	(18,887)
Treasury stock				
Balance at beginning of the interim period (year)	(194)	(143)	(51)	(143)
Treasury stock acquired	(12)	(24)	12	(53)
Stock options exercised	-	-	-	2
Balance at end of the interim period (year)	(206)	(167)	(39)	(194)
Total shareholders' equity	283,283	266,499	16,784	268,621

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(millions of yen)

	Six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)	Six-month period ended September 30, 2004 (from April 1, 2004 to September 30, 2004)	Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)
Operating Activities:			
Net income	3,072	8,325	11,839
Adjustments to reconcile net income to net cash provided by operating activities:			
Cumulative effect of accounting changes	(396)	-	-
Depreciation and amortization	11,830	11,669	23,578
Income taxes - deferred	(1,620)	(276)	2,084
Decrease (increase) in trade notes and accounts receivable	(2,435)	(2,104)	232
Increase in inventories	(27,278)	(12,264)	(9,919)
Increase in trade notes and accounts payable	7,235	7,136	7,702
Decrease in accrued income taxes	(1,054)	(2,534)	(2,930)
Subsidy from the government on the transfer of the substituional portion of the Employees' Pension Fund	(27,434)	-	-
Settlement loss from the transfer of the substituional portion of the Employees' Pension Fund	20,799	-	-
Extraordinary gain on negative good will	(555)	-	-
Other – net	26	(855)	2,294
Net cash provided by (used in) operating activities	(17,810)	9,097	34,880
Investing Activities:			
Additions to property, plant and equipment	(12,192)	(9,749)	(24,625)
Proceeds from sales of property, plant and equipment	1,159	1,280	2,308
Decrease (increase) in time deposits	617	(377)	(1,300)
Purchases of marketable securities and other securities investment	(732)	(408)	(696)
Proceeds from sales of marketable securities and other securities investment	1,715	491	3,179
Business acquisitions, net of cash acquired	-	(366)	(366)
Decrease in deposits and sundry investments	1,018	451	1,247
Other – net	(1,705)	(1,146)	(3,277)
Net cash used in investing activities	(10,120)	(9,824)	(23,530)

	Six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)	Six-month period ended September 30, 2004 (from April 1, 2004 to September 30, 2004)	Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)
Financing Activities:			
Cash dividends	(3,669)	(3,669)	(3,671)
Increase (decrease) in short-term bank loans	12,652	7,039	(3,878)
Proceeds from long-term debt	6,679	7,110	9,847
Repayments of long-term debt	(12,450)	(13,494)	(20,390)
Others	(12)	(24)	(53)
Net cash provided by (used in) financing activities	3,200	(3,038)	(18,145)
Net decrease in cash and cash equivalents	(24,730)	(3,765)	(6,795)
Cash and cash equivalents at beginning of the interim period (year)	66,793	73,588	73,588
Cash and cash equivalents at end of the interim period (year)	42,063	69,823	66,793
Additional Cash Flow Information:			
Business acquisitions			
Fair value of assets acquired	-	642	642
Liabilities assumed	-	(176)	(176)
Net assets acquired	-	466	466
Less cash acquired	-	(100)	(100)
Cash paid , net of cash acquired	-	366	366
Cash payment for the interim period (year)			
Interest paid	1,180	1,463	2,675
Income taxes paid	4,116	8,277	12,758

BASIS FOR PREPARING CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 117 subsidiaries

(2) 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)	2 companies:	1 company due to incorporation and 1 company due to transfer from company subject to equity method
(exclusion)	1 company:	1 company due to merger

2. Fiscal years of consolidated subsidiaries

Among the Company's consolidated subsidiaries, 11 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: 10 companies

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

(3) Situation of change: (inclusion) 0 company
(exclusion) 1 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 on the basis of accounting principles generally accepted in the United States of America.

(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.

The method of evaluation of inventories by the Company, which used to be a periodic average method, has been changed to a moving average method as from the interim period of the business year under review.

It is principally intended to reflect price fluctuations on inventories more swiftly and timely to recognize periodic profits and losses earlier.

As a result, the cumulative effect (net of applicable income taxes) as of April 1, 2005 was ¥396 million, which is stated as a "cumulative effect of accounting change" in the interim statement of consolidated income.

(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.

On September 7, 2005, the Company was transferred the payment obligations of the substitutional portion of the Employees' Pension Fund and the relevant plan assets to the Japanese government.

In accordance with Issue No. 03-2 ("EITF 03-2") "Accounting for the Transfer to the Japanese Government of the Substitutional Portion of Employee Pension Fund Liabilities" publicized by the Emerging Issue Task Force (EITF) of the United States, the Company applied the accounting process for the substitutional portion upon transfer of retirement benefit obligations and the relevant plan assets to the Japanese government.

Special retirement benefits of ¥7,412 million to employees transferred to subsidiaries and retiring under the early retirement program were recognized as "sundry" of the cost and expenses in accordance with SFAS No. 88.

<u>Calculation Contents of Net Income Per Share</u>

	Six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)	Six-month period ended September 30, 2004 (from April 1, 2004 to September 30, 2004)	Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)
	(millions of yen)		
Net income (Numerator):			
Income available to shareholders	3,072	8,325	11,839
	(thousands of shares)		
Shares (Denominator):			
Average shares outstanding for basic earnings per share	228,275	228,309	228,297
Dilutive effect of stock options granted	128	16	45
Average shares outstanding for diluted earnings per share	228,403	228,325	228,342

SEGMENT INFORMATION

1. Segment information by business category:

For the six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005):

(millions of yen)

Items	Fresh meat-related businesses	Other businesses	Total	Eliminations or group-wide	Consolidation
Net sales					
(1) Sales to outside customers	413,840	63,129	469,969	-	476,969
(2) Inter-segment sales	12,009	1,113	13,122	(13,122)	-
Total	425,849	64,242	490,091	(13,122)	476,969
Operating expenses	419,362	63,973	483,335	(13,019)	470,316
Operating income	6,487	269	6,756	(103)	6,653

(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".

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.

No income or loss due to the transfer of the substitutional portion of the Employees' Pension Fund is included.

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, 2004 (from April 1, 2004 to September 30, 2004):

(millions of yen)

Items	Fresh meat-related businesses	Other businesses	Total	Eliminations or group-wide	Consolidation
Net sales					
(1) Sales to outside customers	407,063	62,616	469,679	-	469,679
(2) Inter-segment sales	10,743	1,247	11,990	(11,990)	-
Total	417,806	63,863	481,669	(11,990)	469,679
Operating expenses	401,273	63,554	464,827	(11,971)	452,856
Operating income	16,533	309	16,842	(19)	16,823

(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".

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.

2. Principal products included in the fresh meat-related businesses are hams and sausages, processed foods and fresh meats.

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

(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".

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.

2. Principal products included in the fresh meat-related businesses are hams and sausages, processed foods and fresh meats.

2. Segment information by geographic area:

For the six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005):

(millions of yen)

Items	Japan	Other areas	Total	Eliminations or group-wide	Consolidation
Net sales:					
(1) Sales to outside customers	435,348	41,621	476,969	-	476,969
(2) Inter-segment sales	651	40,644	41,295	(41,295)	-
Total	435,999	82,265	518,264	(41,295)	476,969
Operating expenses	429,065	82,294	511,359	(41,043)	470,316
Operating income (loss)	6,934	(29)	6,905	(252)	6,653

(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".

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.

No income or loss due to the transfer of the substitutional portion of the Employees' Pension Fund is included.

2. The other areas principally consist of Australia, the United States and Thailand.

For the six-month period ended September 30, 2004 (from April 1, 2004 to September 30, 2004):

(millions of yen)

Items	Japan	Other areas	Total	Eliminations or group-wide	Consolidation
Net sales:					
(1) Sales to outside customers	433,664	36,015	469,679	-	469,679
(2) Inter-segment sales	269	36,982	37,251	(37,251)	-
Total	433,933	72,997	506,930	(37,251)	469,679
Operating expenses	420,067	69,985	490,052	(37,196)	452,856
Operating income (loss)	13,866	3,012	16,878	(55)	16,823

(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".

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.

2. The other areas principally consist of Australia, the United States and Thailand.

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	863,497	71,181	934,678	-	934,678
(2) Inter-segment sales	668	72,914	73,582	(73,582)	-
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

(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".

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.

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, 2004, the year ended March 31, 2005 and the interim period ended September 30, 2005 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, 2005 (as of September 30, 2005):

(millions of yen)

Items	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Available-for-Sale:				
Equity securities	11,778	8,718	(14)	20,482
Debt securities	1,344	117	0	1,461
Held-to-Maturity	766	6	0	772
Total	13,888	8,841	(14)	22,715

For the six-month period ended September 30, 2004 (as of September 30, 2004):

(millions of yen)

Items	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Available-for-Sale:				
Equity securities	12,980	5,582	(273)	18,289
Debt securities	1,221	106	(31)	1,296
Held-to-Maturity	1,041	6	0	1,047
Total	15,242	5,694	(304)	20,632

For the year ended 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