(Translation)

May 19, 2006

BRIEF STATEMENTS OF ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2006 (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 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 accounts:	May 19, 2006
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, 2006 (April 1, 2005 through March 31, 2006):

(1) Consolidated operating results

	Year ended March 31, 2006	Year ended March 31, 2005
Net sales:	¥963,664 million (3.1%)	¥934,678 million (0.9%)
Operating income:	¥10,074 million ((-) 63.0%)	¥27,241 million (15.3%)
Income before income taxes:	¥2,335 million ((-) 89.6%)	¥22,382 million (14.3%)
Net income:	¥952 million ((-) 92.0%)	¥11,839 million (11.3%)
Net income per share (basic):	¥4.17	¥51.86
Net income per share (diluted):	¥4.17	¥51.85
Ratio of net income to shareholders' equity:	0.3%	4.5%
Ratio of income before income taxes to total assets:	0.4%	3.7%
Ratio of income before income taxes to net sales:	0.2%	2.4%

(Notes)

1) Equity in earnings of associated companies:

Year ended March 31, 2006:	(-) ¥16 million
Year ended March 31, 2005:	(-) ¥8 million

2) Changes in accounting methods: Yes

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

Year ended March 31, 2006:	228,268,860 shares
Year ended March 31, 2005:	228,297,204 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.

No gain or loss due to the return of the substitutional portion of the Employees' Pension Fund or no settlement loss from the restructuring of employee benefit plans 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 previous year.

(2) Consolidated financial condition

	Year ended March 31, 2006	Year ended March 31, 2005
Total assets:	¥591,426 million	¥611,250 million
Shareholders' equity:	¥291,580 million	¥268,621 million
Ratio of shareholders' equity to total assets:	49.3%	43.9%
Shareholders' equity per share:	¥1,277.41	¥1,176.72

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

Year ended March 31, 2006:	228,258,558 shares
Year ended March 31, 2005:	228,279,778 shares

(3) State of consolidated cash flows

	Year ended March 31, 2006	Year ended March 31, 2005
Cash flows from operating activities:	(¥21,207 million)	¥34,880 million
Cash flows from investing activities:	(¥16,661 million)	(¥23,530 million)
Cash flows from financing activities:	(¥1,745 million)	(¥18,145 million)
Cash and cash equivalents at end of the year:	¥27,180 million	¥66,793 million

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

Number of consolidated subsidiaries:	118 companies
Number of non-consolidated subsidiaries subject to equity method:	None
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):	5 companies
Consolidated subsidiaries	(exclusion):	3 companies
Companies subject to equity method	(inclusion):	0 company
Companies subject to equity method	(exclusion):	1 company

2. Forecast of consolidated operating results for the year ending March 31, 2007 (April 1, 2006 through March 31, 2007):

	Year ending March 31, 2007	
	Interim period	Whole year
Net sales:	¥485,000 million	¥980,000 million
Income before income taxes:	¥5,000 million	¥14,000 million
Net income:	¥2,500 million	¥9,000 million

(For reference)

Forecast of net income per share for the year ending March 31, 2007 (whole-year):	¥39.43

* 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 10 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 118 subsidiaries and 10 associated companies. Their businesses are categorized as follows:

Fresh meat-related businesses:

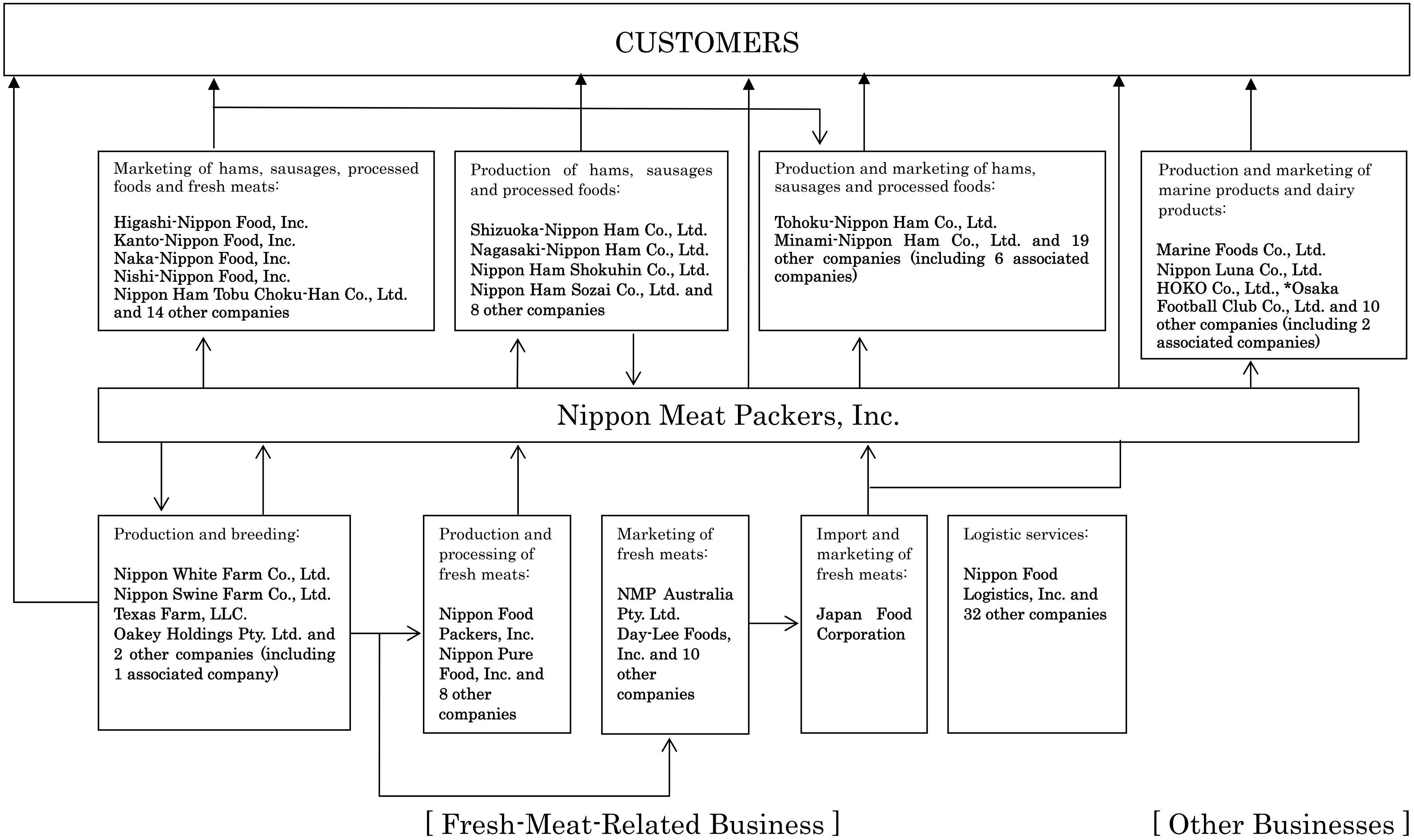
Hams, sausages and processed foods are produced at the Company and its production subsidiaries, Shizuoka-Nippon Ham Co., Ltd., Nagasaki-Nippon Ham Co., Ltd., Nippon Ham Shokuhin Co., Ltd. and Nippon Ham Sozai Co., Ltd. and marketed through the Company's nationwide business offices and its marketing subsidiaries, 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 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 8 other companies
Production and marketing of hams, sausages and processed foods:
Tohoku-Nippon Ham Co., Ltd.
Minami-Nippon Ham Co., Ltd. and 19 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 10 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 32 other companies
[Fresh-Meat-Related Business]
[Other Businesses]

BUSINESS POLICY

1. The Company's fundamental business policy

The Group advocates, as two pillars of its corporate philosophy, "We will create an epoch-making culture and contribute to the society under the themes of the 'joy of eating'" and "We will exist as a workplace for our employees to seek true happiness and something to live for", and engages in business, focus on foods, with a mission of management to contribute to people’s happy and healthy life through supply of safe, secure and high-quality foods. The "joy of eating" represents the "excitement of good eating and preciousness of health" and we will actively focus our efforts on proposals as to TPOs of eating and the creation of a food culture, as well as support of health promotion through sports, among others. We also believe that the Group's business is a socially important business as it will secure a stable supply of foods for next generations by nurturing living nature and producing foods while feeling grateful for blessings of nature. We believe that by engaging in such business, our employees will feel happy and do their work with a sense of satisfaction, and consequently, will find self-fulfillment, which will lead us to provide foods and services acceptable to consumers.

In April 2003, the Group formulated a three-year "New Medium-Term Business Plan Part I" and has since exerted its efforts to renovate its corporate culture and promote management reforms with the aim of restoring the confidence of consumers by its misconduct. Based on the Medium-Term Business Plan, the Group formulated a "New Medium-Term Business Plan Part II" (for the business years from April 1, 2006 to March 31, 2009) with the theme of "enhancement of corporate value by incessant reforms and challenges", in April 2006. The Group has instituted three management policies developed from those listed in the Business Plan Part I: "promotion of quality No. 1 management", "Improvement of group management in quality and aggressive business expansion" and "promotion of corporate social responsibility (CSR) and brand value enhancement", and has given the period the status of the one for focusing its efforts on business development and improvement of management in quality.

Under these policies, the Group will, centering on its "high quality and strong sales force", promote its group strategy from the perspective of total optimization, as well as optimal business strategies based on the analyses of the respective market conditions, advantages and competitive relations by its business divisions and related companies, to respond to the expectations of consumers and secure sustainable growth and constant earnings, whereby enhancing the corporate value of the Group.

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 Part II" (for the period from April 1, 2006 through March 31, 2009), the Group has aimed to book net sales of ¥1,200 billion, operating income of ¥330 billion and income before income taxes of ¥300 billion and attain the ROA (ratio of income before income taxes on total assets) of 5.0%. The business environment is expected to remain severe and unforeseeable. However, the Group will respond to changes in the environment, drastically reform its cost structures, reform its business structures and actively develop business to materialize the reforms and challenges set forth in the "New Medium-Term Business Plan Part II", all in an effort to complete the management target.

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

(1) Improvement of group management in quality

・ The Company will furthermore promote group management as has been done under the "New Medium-Term Business Plan Part I" and allocate its management resources of "personnel", "facilities", "funds", "information" and "brands" from the perspective of total optimization to enhance the strategic formation and management efficiencies of the Group. Additionally, the Company will promote independent, autonomous management of each group company and establish internal control systems for the Group to strengthen its functions of governance.

・ The Company will further strengthen fund administration of the whole Group to expand financing within the Group and improve the efficiencies of procurement and management of funds of the Group and to maximize cash flows and reduce interest-bearing debt.

・ The Company will proactively utilize information technology (IT) to support operational activities and will also upgrade managerial information to materialize speedy management.

・ The Company will focus its efforts on establishing systems for human resource cultivation and human resource information and utilizing various human resources to strengthen management of human resources.

(2) Aggressive business expansion

- The Group has developed through its marketing capabilities centering on route sales by salespersons who directly visit customers. The Company regards its sales sections as engines to stimulate growth. Hence, the Company will restructure its organization in response to changes in the distribution structure and build up a system that can increase salespersons' desire to work and allow them to develop their skills to higher degrees. Additionally, the Company will further enhance its marketing capabilities by synergistic effects added by cooperation within the Group to expand business.

- The Company will establish an SCM system integrating procurement of raw materials, production, physical distribution and marketing to have full information of production, inventory and customers and maintain complete quality control in every stage to improve qualities.

- The Company will establish a global network to purchase raw materials to procure raw materials on a stable basis and expand its integration system overseas to establish a system to assure safety and security for consumers. The Company will exert its efforts to improve its basis and cultivate human resources to increase sales overseas.

6. 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

The Japanese economy during the business year under review made a strong recovery, supported by steady domestic demand, including private spending and capital investment.

However, the food and fresh meats industry has been placed in an unprecedentedly severe condition, due to the prolonged embargos on account of BSE (bovine spongiform encephalopathy) and avian flu, rising prices of raw meats on account of increased demand in China and Russia and changes in the movement of international demand, rising energy costs and material costs on account of higher oil prices, and price competition with imported processed goods increasing rapidly in number, among others.

Under these circumstances, strictly in accordance with three management policies under its Medium-Term Business Plan, "strict compliance in management", "customer-creed management" and "promotion of group management", the Group has exerted its efforts to drastically reform its profit structure and aggressively develop business.

To be specific, the Group, in its production sections, to absorb the impacts of higher prices of pork meats, has exerted its efforts to thoroughly improve efficiencies and boost productivity, restructure its production sites and production lines and abolish or merge product items. With regard to marketing in Japan, the Company has made employment transfers of a large number of employees to its subsidiaries to improve cost competitiveness. Simultaneously, the Company has reformed its marketing system to make it more community-based and enhance efficiencies of marketing. Furthermore, the Company has downsized unprofitable sectors within the Group. On the other hand, the Company has strengthened relations with suppliers and improved local marketing systems in China and Thailand. The Company has also made strategic moves toward global development, including expansion of leather business in Australia and swine farming business in North America. Furthermore, as challenges in new fields, the Company has focused its efforts on development and sales of health foods with functional materials as ingredients derived from livestock products by utilizing technology developed by its Central Research Laboratory, as well as high-end delicatessen, whereby promoting selection and concentration of business.

To improve qualities of products, the Group has exerted its efforts to establish a quality assurance system to assure safety and security for consumers. The Group has taken positive measures for risk evaluation and quality audits to assure complete management thereof, improvement of responses to claims, acquisition of third-party certifications, and the Positive List System for Agricultural Chemical Residues in Foods setting forth maximum residue limits (MRLs) of agricultural chemicals, veterinary medical products and feed additives. In addition, in April 2005, the Company started an "Open Quality Action Program Part II" to strengthen communications with consumers and established a Customer satisfaction office, whereby promoting "customer-creed management" through its activities to improve products and services.

In addition, the Company has developed corporate accounting systems and strengthened human resources development to build up bases for group management.

As a result of these activities, while sales of hams and sausages decreased as sales volumes declined due to intensifying marketing competition, sales of processed foods, specifically its core brand products and new products, increased. Sales of fresh meats increased as sales volumes of pork and poultry to substitute beef increased though sales of beef decreased. Additionally, sales of seafood increased principally due to an increase in materials for industrial use. Consequently, net sales for the business year under review amounted to ¥963,664 million, up 3.1% from the previous business year.

In regard to profits, however, in spite of efforts to reduce costs, including production costs and physical distribution costs, due to a rise in prices of raw meats, increased material costs arising from higher oil prices and decreased profits on account of intensifying price competition in marketing, as well as various profitability-reducing factors, including higher prices of feeder's cattle in Australia and the prolonged embargos on imports of beef in the business of imported fresh meats, which ran in high gear during the previous business year. Consequently, income before income taxes amounted to ¥2,335 million, down 89.6% from the previous business year and net income amounted to ¥952 million, down 92.0%.

Breakdown of consolidated net sales

	Year ended March 31, 2006 (April 1, 2005-March 31, 2006)		Year ended March 31, 2005 (April 1, 2004-March 31, 2005)		Rate of increase or decrease from the previous year
	Amount (millions of yen)	Component ratio (%)	Amount (millions of yen)	Component ratio (%)	(%)
Hams and sausages	134,045	13.9	135,583	14.5	(1.1)
Processed foods	184,751	19.2	180,659	19.3	2.3
Fresh meats and others	496,772	51.6	488,983	52.3	1.6
Seafood	82,497	8.6	72,389	7.8	14.0
Dairy products	21,707	2.2	21,806	2.3	(0.5)
Others	43,892	4.5	35,258	3.8	24.5
Total	963,664	100.0	934,678	100.0	3.1

Overview by business segment

Fresh meat-related businesses

In the hams and sausages business, due to a slowdown in spending in general and intensified price competition, including competition with imported processed products, the Company had a tough time. Under these difficult conditions, owing to sales promotion activities utilizing its characters and the year-end gift blitz through intensive TV commercials, sales turned into a recovery phase in the second period of the business year under review. Additionally, to cope with higher prices of raw meats, the Company has exerted its efforts to reduce costs from the perspective of total optimization through joint purchase of materials by the Group and restricting logistics among the Group.

In the processed foods business, the Company has endeavored to increase sales through intensive sales promotion activities for its brand products, specifically, release of new products by product development efforts and the expansion of marketing channels for industrial use. The Company also has made efforts to further enhance efficiencies by integration of the production sites and restructuring of the production lines and the abolition or merger of products.

In the hams and sausages business and the processed foods business combined, the Company has endeavored to increase sales and taken various measures to reduce costs. However, the Company could not completely absorb the impacts of higher prices of raw meats and raw materials and the situation became too difficult to ensure a profit.

In the fresh meats business, the Company has been committed to its fundamental policy to provide safe, secure and high-quality products. The Company has endeavored to increase sales of its brand products by adding the values of its integration system covering production to marketing, qualities and information on traceability. In Australia, the Company has refurbished its processing factories in recent years to improve hygienic management and strengthen traceability. At its production sites in Japan, the Company actively endeavored to strengthen its production system and acquire third-party certifications. With regard to profits, the market declined due to a sharp rise in prices of feeder's cattle in Australia after the emergence of BSE in the United States and sluggish sales in Japan, and sales of poultry, a rapid rise in the purchase price because it was supplied only from Brazil, increased slightly in Japan for the second half of the year under review. Consequently, the imported fresh meats business, which had been favorable for recent years, had a tough time. Due to its collective strengths with its fresh-meat production sites in Japan and sales force and marketing capabilities of its the sales and marketing subsidiaries nationwide, the domestic fresh meats business made a good show. Overall, sales increased from the previous business year but profits did not.

As a result, net sales and operating income of the fresh meat-related businesses amounted to ¥858,907 million, up 3.5% from the previous business year, and ¥11,411 million, down 58.7%, respectively.

Other businesses

In the seafood business, the Company was placed in a difficult position due to intensifying competition with rival companies in its major marketing channels, channels to the restaurant industry and other businesses. However, the Company has endeavored to increase sales by strengthening marketing activities targeting its major customers in its mass retail and delicatessen channels and expanding new transactions in the division of raw materials. With regard to profits, the Company had a tough time as material prices remained high due to higher demand in Russia and China and decreased fish catches globally.

In the dairy products business, sales of "Vanilla Yogurt", its mainstay product, increased steadily and a line of new products increased favorably, which contributed to a sales increase. With regard to cheese, sales of products for convenience stores and other vendors increased favorably, while sales of consumer did not do well due to intensifying competition with competitors

As a result, net sales of the other businesses, including those of the restaurant and other businesses, amounted to ¥128,602 million, up 1.6% from the previous business year. However, the Company registered an operating loss of ¥1,261 million.

Overview of segment information by geographic area

(i) Japan

Sales of hams and sausages decreased due to decreased sales volumes arising from intensifying sales competition, while sales of processed foods, specifically, the Company's main brand products, increased. Sales of fresh meats increased as sales volumes of pork and poultry to substitute beef increased while sales of beef decreased. Additionally, sales of seafood increased due to the expansion of new transactions in the raw materials sector. As a result, net sales in Japan amounted to ¥877,615 million, up 1.6% from the previous business year. Operating income decreased substantially due to higher prices of raw meats and raw materials in spite of an increase in net sales and cost reduction, amounting to ¥11,013 million, down 52.3% 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 processed foods increased due to the development of new products. Consequently, net sales in other areas amounted to ¥172,016 million, up 19.4% from the previous business year. However, the Company registered an operating loss of ¥1,008 million as prices of feeder's cattle remained high while selling prices for Japan declined.

(2) Prospect for the next business year

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

The "New Medium-Term Business Plan Part II" for three years to come has commenced on April 1, 2006. The Company intends to put the policies set forth in the "New Medium-Term Business Plan Part I" into shape to enhance its corporate value. The theme of the New Medium-Term Business Plan is "enhancement of corporate value by incessant reforms and challenges". Under the circumstances where the market and consumers are changing without stop and competition with competitors in Japan, as well as on a global scale, is intensifying, the Company will respond quickly to changes in the environment to attain healthy growth, drastically reform its cost structure and business structure and venture into new areas.

The first of the new business policies is "promotion of quality No. 1 management". The Company will continue to actively communicate with consumers, have the solid understanding of their values and develop products and technologies that should be attractive and inspiring. In response to the Positive List System for Agricultural Chemical Residues in Foods, effective May 29, 2006, the Company will further exert its efforts to secure safety of raw materials and products by trainings, verifications and inspections at its production stages in and outside of Japan. In so doing, the Company will establish its brand image "Nippon Ham Group = High Quality Product", whereby gaining a competitive advantage in the food industry.

The second of the new business policies "Improvement of group management in quality and aggressive business expansion" is intended to distribute management resources strategically from the perspective of total optimization. The Company will also promote autonomous management of each group company and to strengthen the Group's functions of governance based on the basic policy to establish internal control systems determined upon enforcement of the Corporation Law of Japan. Based on such policy, the Company will expand its existing business with its strong marketing capabilities and aggressively invest resources in the business fields with growth potential and where the Group may have advantages, to develop and expand business.

The third of the new business policies "promotion of corporate social responsibility (CSR) and brand value enhancement" is intended to get one step further from compliance in management to promote CSR unique to the Group, covering food education, support for sports, recycling-oriented agriculture and measures anti-allergies food, among others. The Company will link these activities with its communication activities and enhance the value of its group brand instituted last year.

Under these three policies, the Company will put its business strategies into action. However, the business environment is expected to remain very difficult. The Group, realized that reliance on the past success stories or activities oriented toward maintaining the status may hinder business, will pursue "reforms" and "challenges" with an unflagging resolve.

In the processed foods business covering hams, sausages and processed foods, the Company will continue dynamic reforms. The Company will also promote reforms of the cost structure of its production system by improving the efficiencies of its production lines, as well as revise prices. With regard to marketing, the Company will promote strategies by channel and spread specialized consulting sales, as well as expand its marketing areas by offering fine-tuned services. In addition, by further cooperation between its production and sales and marketing sections, the Company will strengthen cost competitiveness.

In the fresh meats business, based on its integration system covering production to marketing, the Company will enhance the accuracy of its system of "delivering safe, secure and high-quality fresh meats in the absolutely fresh conditions in a required amount at required time nationwide" to increase consumer satisfaction. The Company will also improve its production sites in and outside of Japan and expand its purchase networks to further increase trading volumes and the market share.

With regard to seafood and dairy products, the Company will develop the business fields of seafood and dairy products for the Group's intended strategic diversification of business. In the seafood business, the Company will promote cooperation among the Group to improve capabilities to procure raw materials and improve the production sites overseas. In the dairy products business, the Company will penetrate the market of desserts in general, in addition to yogurt, and expand sales through new channels. In addition, in the cheese business, by use of technology to make processed cheese, the Company will develop unique business.

The Group has attached a brand statement "The brilliance of people, the future of food " to its group brand. The Group is composed of various companies that take on challenges in the various fields of foods. 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 are determined to confront the difficult situation, under the group brand.

With regard to operating results for the next business year, net sales are estimated to amount to ¥9, 800 billion (up 1.7% from the previous business year).

Prospect of net sales by product category

	Year ending March 31, 2007 (April 1, 2006-March 31, 2007)	Rate of increase or decrease from the previous year
	(billions of yen)	(%)
Hams and sausages	136.0	1.5
Processed foods	187.0	1.2
Fresh meats and others	505.5	1.8
Seafood	83.0	0.6
Dairy products	23.0	6.0
Others	45.5	3.7
Total	980.0	1.7

Income before income taxes and net income are estimated to amount to ¥140 billion (up 499.6% from the previous business year) and ¥90 billion (up 845.4% 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 year decreased by 3.2% from the end of the previous business year, accounting for ¥591,426 million. By item, with regard to current assets, trade notes and accounts receivable increased by 5.7%, accounting for ¥102,832 million and inventories increased by 22.3%, accounting for ¥117,011 million, while cash and cash equivalents decreased by 59.3%, accounting for ¥27,180 million. As a result, current assets decreased by 3.5% from the end of the previous business year, accounting for ¥271,043 million. Property, plant and equipment decreased by 2.5% from the end of the previous business year, accounting for ¥259,727 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 55.5% from the end of the previous business year, accounting for ¥8,795 million, principally due to the return of the substitutional portion of employees' pension fund liabilities.

With regard to liabilities, current liabilities decreased by 13.0% from the end of the previous business year, accounting for ¥196,913 million as short-term bank loans decreased by 8.5% from the end of the previous business year, accounting for ¥71,823 million and current maturities of long-term debt decreased 55.5%, accounting for ¥12,485 million. The liability under retirement and severance program decreased by 77.7% from the end of the previous business year, accounting for ¥10,743 million due to the return of the substitutional portion of employees' pension fund liabilities. As a result, liabilities decreased by 12.3% from the end of the previous business year, accounting for ¥297,896 million.

Interest-bearing debt increased by ¥2,682 million from the end of the previous business year to account for ¥169,701 million.

Shareholders' equity increased by 8.5% from the end of the previous business year to account for ¥291,580 million as the minimum pension liability adjustment decreased due to the return of the substitutional portion of employees' pension fund liabilities. As a result, the ratio of shareholders' equity increased by 5.4% from the end of the previous business year to 49.3%.

The states and causes of cash flows are as follows:

(millions of yen)

	Year ended March 31, 2006	Year ended March 31, 2005	Increase or decrease
	(as of March 31, 2006)	(as of March 31, 2005)	
Cash flows from operating activities	(21,207)	34,880	(56,087)
Cash flows from investing activities	(16,661)	(23,530)	6,869
Cash flows from financing activities	(1,745)	(18,145)	16,400
Net increase in cash and cash equivalents	(39,613)	(6,795)	(32,818)
Cash and cash equivalents at end of the year	27,180	66,793	(39,613)

With regard to operating activities, trade notes and accounts receivable and inventories increased. As a result, net cash from operating activities amounted to a negative ¥21,207 million (¥34,880 million for the previous business year).

With regard to investing activities, net cash from investing activities amounted to a negative ¥16,661 million (a negative ¥23,530 million for the previous business year) due to ¥19,809 million of additions to property, plant and equipment.

With regard to financing activities, long-term debt increased, while short-term bank loans decreased and the Company paid cash dividends. As a result, net cash from financing activities amounted to a negative ¥1,745 million (a negative ¥18,145 million for the previous business year).

As a result, cash and cash equivalents at end of the year decreased by ¥39,613 million in comparison with the end of the previous business year, to amount to ¥27,180 million.

The trends in cash flow indices are as shown below:

	Year ended March 31, 2002	Year ended March 31, 2003	Year ended March 31, 2004	Year ended March 31, 2005	Year ended March 31, 2006
Ratio of shareholders' equity to total assets (%)	41.3	39.7	42.9	43.9	49.3
Ratio of shareholders' equity on a market value basis (%)	47.1	41.7	45.7	50.8	47.6
Years for debt redemption	5.0	5.4	5.1	4.8	-
Interest coverage ratio	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 provided by operating activities

Interest coverage ratio: Cash provided by 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 provided by operating activities, cash flows from 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 material purchase 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 anticipated 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 constantly 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 ¥1,697 billion as of March 31, 2006 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 taken measures to reduce interest-bearing debt, 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, 2006, 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 operating 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)

(6) Personal information leakage risks

The Group has established "Regulations for Personal Information Management" with regard to protection and management of personal information it possesses and has endeavored to exercise strict control over such information through education of its employees and other means. However, if there is a leakage of such information due to any unforeseeable event, the Group may lose the confidence of the society and it may have an adverse effect on the operating results of the Group.

(7) Safety risks

The Group has exerted its efforts to establish strict quality control systems through the acquisition of quality control certifications (such as ISO and HACCP) and will continue its efforts to further enhance qualities to secure safety. However, if any quality problem not covered by these efforts occurs, it may have an adverse effect on the operating results of the Group.

CONSOLIDATED BALANCE SHEETS

(millions of yen)

	Year ended March 31, 2006 (as of March 31, 2006)	Year ended March 31, 2005 (as of March 31, 2005)	Increase or decrease
Assets			
Current assets:			
Cash and cash equivalents	27,180	66,793	(39,613)
Time deposits	4,507	3,107	1,400
Marketable securities	198	1,595	(1,397)
Trade notes (non-interest bearing) and accounts receivable	102,832	97,283	5,549
Allowance for doubtful receivables	(906)	(1,367)	461
Inventories	117,011	95,646	21,365
Deferred income taxes	4,832	5,432	(600)
Prepayments and other current assets	15,389	12,324	3,065
Total current assets	271,043	280,813	(9,770)
Investment in and advances to associated companies	1,079	1,279	(200)
Other securities investments	26,792	22,313	4,479
Deposits and other investments	13,817	14,398	(581)
Total investments and non-current receivables	41,688	37,990	3,698
Property, plant, and equipment - at cost, less accumulated depreciation	259,727	266,494	(6,767)
Deferred income taxes - non-current	8,795	19,772	(10,977)
Other assets	10,173	6,181	3,992
Total	591,426	611,250	(19,824)

(millions of yen)

	Year ended March 31, 2006 (as of March 31, 2006)	Year ended March 31, 2005 (as of March 31, 2005)	Increase or decrease
Liabilities and shareholders' equity			
Current liabilities:			
Short-term bank loans	71,823	78,480	(6,657)
Current maturities of long-term debt	12,485	28,032	(15,547)
Trade notes (principally non-interest bearing) and accounts payable	88,141	91,077	(2,936)
Accrued income taxes	3,847	5,389	(1,542)
Deferred income taxes	723	623	100
Accrued expenses	14,342	15,483	(1,141)
Other current liabilities	5,552	7,256	(1,704)
Total current liabilities	196,913	226,340	(29,427)
Liability under retirement and severance program	10,743	48,074	(37,331)
Long-term debt, less current maturities	86,663	61,724	24,939
Deferred income taxes - non-current	3,577	3,537	40
Minority interests	1,950	2,954	(1,004)
Shareholders' equity:			
Common stock	24,166	24,166	-
Capital surplus	50,688	50,553	135
Retained earnings:			
Appropriated for legal reserve	6,741	6,637	104
Unappropriated	203,542	206,346	(2,804)
Accumulated other comprehensive income (loss)	6,664	(18,887)	25,551
Treasury stock, at cost	(221)	(194)	(27)
Total shareholders' equity	291,580	268,621	22,959
Total	591,426	611,250	(19,824)

STATEMENTS OF CONSOLIDATED INCOME

(millions of yen)

	Year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)	Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)	Increase or decrease
Revenues:			
Net sales	963,664	934,678	28,986
Sundry	4,022	2,719	1,303
Total	967,686	937,397	30,289
Cost and expenses:			
Cost of goods sold	789,411	736,119	53,292
Selling, general and administrative expenses	187,732	171,318	16,414
Subsidy from the government on the transfer of the substitutional portion of the Employees' Pension Fund	(27,434)	-	(27,434)
Interest expense	2,496	2,487	9
Other	13,146	5,091	8,055
Total	965,351	915,015	50,336
Income from consolidated operations before income taxes:	2,335	22,382	(20,047)
Income taxes:			
Current	6,089	8,451	(2,362)
Deferred	(3,771)	2,084	(5,855)
Total	2,318	10,535	(8,217)
Income from consolidated operations	17	11,847	(11,830)
Equity in losses of associated companies - net of applicable income taxes	(16)	(8)	(8)
Income before extraordinary items and cumulative effect of accounting change	1	11,839	(11,838)
Extraordinary gain on negative goodwill	555	-	555
Cumulative effect of accounting change	396	-	396
Net income	952	11,839	(10,887)

Note: Cost of goods sold and selling, general and administrative expenses for the year ended March 31, 2006

(i) 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.

(ii) Of the settlement loss from the restructuring of employees' benefit plans, ¥531 million and ¥2,223 million are included in the cost of goods sold and the selling, general and administrative expenses, respectively.

The gain or loss upon the transfer of the substitutional portion of the Employees' Pension Fund are summed up as "gain on the transfer of the substitutional portion of the Employees' Pension Fund" and "settlement loss from the restructuring of employee benefit plans" is independently shown, on the next page.

(For reference)

STATEMENTS OF CONSOLIDATED INCOME

(with gain on transfer of the substitutional portion of the Employees' Pension Fund summed up and settlement loss from the restructuring of employee benefit plans independently shown)

(millions of yen)

	Year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)	Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)	Increase or decrease
Revenues:			
Net sales	963,664	934,678	28,986
Other	4,022	2,719	1,303
Total	967,686	937,397	30,289
Cost and expenses:			
Cost of goods sold	783,291	736,119	47,172
Selling, general and administrative expenses	170,299	171,318	(1,019)
Gain on the transfer of the substitutional portion of the Employees' Pension Fund	(6,635)	-	(6,635)
Settlement loss from the restructuring of employees' benefit plans	2,754	-	2,754
Interest expense	2,496	2,487	9
Other	13,146	5,091	8,055
Total	965,351	915,015	50,336
Income from consolidated operations before income taxes:	2,335	22,382	(20,047)
Income taxes:			
Current	6,089	8,451	(2,362)
Deferred	(3,771)	2,084	(5,855)
Total	2,318	10,535	(8,217)
Income from consolidated operations	17	11,847	(11,830)
Equity in losses of associated companies - net of applicable income taxes	(16)	(8)	(8)
Income before extraordinary items and cumulative effect of accounting change	1	11,839	(11,838)
Extraordinary gain on negative goodwill	555	-	555
Cumulative effect of accounting change	396	-	396
Net income	952	11,839	(10,887)

Operating income (based on Japanese accounting practices)	10,074	27,241	(17,167)

STATEMENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY

(millions of yen)

	Year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)	Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)	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	50,553	50,438	115
Stock options granted	135	117	18
Exercise of stock options	-	(2)	2
Balance at end of the year	50,688	50,553	135
Retained Earnings Appropriated for Legal Reserve			
Balance at beginning of the year	6,637	6,616	21
Transfer from unappropriated retained earnings	104	21	83
Balance at end of the year	6,741	6,637	104
Unappropriated Retained Earnings			
Balance at beginning of the year	206,346	198,181	8,165
Net income	952	11,839	(10,887)
Cash dividends	(3,652)	(3,653)	1
Transfer to retained earnings appropriated for legal reserve	(104)	(21)	(83)
Balance at end of the year	203,542	206,346	(2,804)
Accumulated Other Comprehensive Income (Loss):			
Net unrealized gains (losses) on securities available for sale:			
Balance at beginning of the year	4,197	4,143	54
Change in net unrealized gains (losses)	1,973	54	1,919
Balance at end of the year	6,170	4,197	1,973
Net unrealized gains (losses) on derivative financial instruments:			
Balance at beginning of the year	21	8	13
Change in net unrealized gains (losses) on derivative financial instruments	28	13	15
Balance at end of the year	49	21	28
Minimum pension liability adjustment:			
Balance at beginning of the year	(22,015)	(19,390)	(2,625)
Change in minimum pension liability adjustment during the year	20,052	(2,625)	22,677
Balance at end of the year	(1,963)	(22,015)	20,052

(millions of yen)

	Year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)	Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)	Increase or decrease
Foreign currency translation adjustment:			
Balance at beginning of the year	(1,090)	(1,923)	833
Foreign currency translation adjustment	3,498	833	2,665
Balance at end of the year	2,408	(1,090)	3,498
Total accumulated other comprehensive income (loss) at end of the year	6,664	(18,887)	25,551
Treasury Stock			
Balance at beginning of the year	(194)	(143)	(51)
Treasury stock acquired	(27)	(53)	26
Exercise of stock options	-	2	(2)
Balance at end of the year	(221)	(194)	(27)
Total shareholders' equity	291,580	268,621	22,959

STATEMENTS OF CONSOLIDATED CASH FLOWS

(millions of yen)

	Year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)	Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)
Operating Activities:		
Net income	952	11,839
Adjustments to reconcile net income to net cash provided by operating activities:		
Cumulative effect of accounting changes	(396)	-
Depreciation and amortization	24,452	23,578
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	-
Settlement loss from the restructuring of employees' benefit plans	2,754	-
Income taxes – deferred	(3,771)	2,084
Extraordinary gain on negative goodwill	(555)	-
Decrease (increase) in trade notes and accounts receivable	(5,293)	232
Increase in inventories	(20,494)	(9,919)
Decrease (increase) in current assets	(3,192)	2,458
Increase (decrease) in trade notes and accounts payable	(1,971)	7,702
Decrease in accrued income taxes	(1,578)	(2,930)
Decrease in accrued expenses and other current liabilities	(3,681)	(1,682)
Other – net	(1,799)	1,518
Net cash provided (used in) by operating activities	(21,207)	34,880
Investing Activities:		
Additions to property, plant and equipment	(19,809)	(24,625)
Proceeds from sales of property, plant and equipment	3,660	2,308
Increase in time deposits	(818)	(1,300)
Purchases of marketable securities and other securities investments	(1,102)	(696)
Proceeds from sales of marketable securities and other securities investments	3,669	3,179
Business acquisition, net of cash acquired	-	(366)
Decrease in deposits and other sundry investments	1,159	1,247
Other – net	(3,420)	(3,277)
Net cash provided by (used in) investing activities	(16,661)	(23,530)
Financing Activities:		
Cash dividends	(3,669)	(3,671)
Decrease in short-term bank loans	(6,636)	(3,878)
Proceeds from long-term debt	36,780	9,847
Repayments of long-term debt	(28,193)	(20,390)
Others – net	(27)	(53)
Net cash provided by (used in) financing activities	(1,745)	(18,145)
Net decrease in cash and cash equivalents	(39,613)	(6,795)
Cash and cash equivalents at beginning of the year	66,793	73,588
Cash and cash equivalents at end of the year	27,180	66,793

(millions of yen)

	Year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)	Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)
Additional Information:		
Interest paid	2,450	2,675
Income taxes paid	8,367	12,758
Capital lease obligations incurred	423	-

BASIS FOR PREPARING CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of Consolidation

   (1) Number of consolidated subsidiaries: 118 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)	5 companies	3 companies due to incorporation, 1 company due to transfer from company subject to equity method and 1 company due to acquisition
(exclusion)	3 companies	2 companies due to wind-up, 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:

   (exclusion) 1 company 1 company moved to consolidated subsidiary

   (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 as fair and consistently in the United States.

The basis and method of valuation of inventories, which used to be a cost method based on a periodic average method, has been changed to a cost method based on a moving average method as from the business year under review.

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

As a result, cumulative effect of accounting change (net of applicable income tax) as of April 1, 2005, ¥396 million, is shown as “Cumulative effect of accounting change” in the statement of consolidated income.

(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, 2006 (from April 1, 2005 to March 31, 2006)	Year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)
	(millions of yen)	
Net income (Numerator):		
Income available to shareholders	952	11,839
	(thousands of shares)	
Shares (Denominator):		
Average shares outstanding for basic earnings per share	228,269	228,297
Dilutive effect of stock options granted	155	45
Average shares outstanding for diluted earnings per share	228,424	228,342

SEGMENT INFORMATION

1. Segment information by business category:

For the Year ended March 31, 2006 (from April 1, 2005 to March 31, 2006):

(millions of yen)

Items	Fresh meat-related businesses	Other businesses	Total	Eliminations or group-wide	Consolidation
Net sales					
(1) Sales to outside customers	837,364	126,300	963,664	-	963,664
(2) Inter-segment sales	21,543	2,302	23,845	(23,845)	-
Total	858,907	128,602	987,509	(23,845)	963,664
Operating expenses	847,496	129,863	977,359	(23,769)	953,590
Operating income (loss)	11,411	(1,261)	10,150	(76)	10,074
Assets, depreciation and amortization and capital expenditure					
Assets	523,037	48,116	571,153	20,273	591,426
Depreciation and amortization	20,886	1,795	22,681	1,771	24,452
Capital expenditure	20,228	1,690	21,918	(62)	21,856

(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 gain or loss due to the transfer of the substitutional portion of the Employees' Pension Fund or no settlement loss from the restructuring of employee benefit plans is included.

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 ¥40,961 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, 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					
(2) 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.

2. Segment information by geographic area:

For the Year ended March 31, 2006 (from April 1, 2005 to March 31, 2006):

(millions of yen)

Items	Japan	Other areas	Total	Eliminations or group-wide	Consolidation
Net sales:					
(1) Sales to outside customers	876,272	87,392	963,664	-	963,664
(2) Inter-segment sales	1,343	84,624	85,967	(85,967)	-
Total	877,615	172,016	1,049,631	(85,967)	963,664
Operating expenses	866,602	173,024	1,039,626	(86,036)	953,590
Operating income	11,013	(1,008)	10,005	69	10,074
Assets	485,870	74,458	560,328	31,098	591,426

(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.

No gain or loss due to the transfer of the substitutional portion of the Employees' Pension Fund or no settlement loss from the restructuring of employee benefit plans is included.

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 ¥40,961 million, principally comprising the parent company's time deposits, marketable securities and securities investments.

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
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.

3. Overseas sales:

As respective overseas sales for the years ended March 31, 2005 and March 31, 2006 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, 2006 (from April 1, 2005 to March 31, 2006)
(as of March 31, 2006):

(millions of yen)

Items	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Available-for-Sale:				
Equity securities	13,046	10,430	(5)	23,471
Debt securities	377	47	-	424
Held-to-Maturity	524	4	(2)	526
Total	13,947	10,481	(7)	24,421

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