(Translation)

November 15, 2006

BRIEF STATEMENTS OF INTERIM ACCOUNTS FOR THE YEAR ENDING MARCH 31, 2007 (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
Date of meeting of the Board of Directors for settlement of interim accounts:	November 15, 2006
Adoption of U.S. generally accepted accounting principles:	Yes

1. Consolidated interim business results (April 1, 2006 through September 30, 2006):

(1) Consolidated business 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, 2006	Six-month period ended September 30, 2005	Year ended March 31, 2006
Net sales:	¥485,388 million (1.8%)	¥476,969 million (1.6%)	¥963,664 million (3.1%)
Operating income:	¥5,981 million (- 10.1%)	¥6,653 million (- 60.5%)	¥10,074 million (- 63.0%)
Income before income taxes:	¥4,453 million (9.4%)	¥4,069 million (- 70.5%)	¥2,335 million (- 89.6%)
Net income:	¥2,533 million (- 17.5%)	¥3,072 million (- 63.1%)	¥952 million (- 92.0%)
Net income per share (basic):	¥11.10	¥13.46	¥4.17
Net income per share (diluted):	¥11.09	¥13.45	¥4.17

(Notes) 1) Equity in earnings of associated companies:
- Six-month period ended September 30, 2006: - ¥53 million
- Six-month period ended September 30, 2005: - ¥12 million
- Year ended March 31, 2006: - ¥16 million

2) Average number of shares during each period (year) (consolidated):
- Six-month period ended September 30, 2006: 228,255,519 shares
- Six-month period ended September 30, 2005: 228,274,854 shares
- Year ended March 31, 2006: 228,268,860 shares

3) Changes in accounting procedures: No

4) Operating income is calculated by deducting from net sales cost of goods sold and selling, general and administrative expenses, in accordance with the Japanese accounting practices.

No income or loss due to the return of the substitutional portion of employees' pension fund liabilities 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, 2006	Six-month period ended September 30, 2005	Year ended March 31, 2006
Total assets:	¥609,605 million	¥615,086 million	¥591,426 million
Shareholders' equity:	¥290,188 million	¥283,283 million	¥291,580 million
Ratio of shareholders' equity to total assets:	47.6%	46.1%	49.3%
Shareholders' equity per share:	1,271.33	1,241.00	¥1,277.41

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

Six-month period ended September 30, 2006:	228,255,898 shares
Six-month period ended September 30, 2005:	228,270,781 shares
Year ended March 31, 2006:	228,258,558 shares

(3) State of consolidated cash flows

	Six-month period ended September 30, 2006	Six-month period ended September 30, 2005	Year ended March 31, 2006
Cash flows from operating activities:	¥976 million	(¥17,810 million)	(¥21,207 million)
Cash flows from investing activities:	(¥8,200 million)	(¥10,120 million)	(¥16,661 million)
Cash flows from financing activities:	¥5,990 million	¥3,200 million	(¥1,745 million)
Cash and cash equivalents at end of the period (year):	¥25,946 million	¥42,063 million	¥27,180 million

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

Number of consolidated subsidiaries:	109 companies
Number of non-consolidated subsidiaries subject to equity method:	0 company
Number of associated companies subject to equity method:	11 companies

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

Consolidated subsidiaries (inclusion):	0 company
Consolidated subsidiaries (exclusion):	9 companies
Companies subject to equity method (inclusion):	1 company
Companies subject to equity method (exclusion):	0 company

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

	Whole year
Net sales:	¥985,000 million
Income before income taxes:	¥11,500 million
Net income:	¥7,500 million

(For reference)
Forecast of net income per share for the year ending March 31, 2007 (whole year): ¥32.86

* 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 12 hereof.

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Attached material

STATE OF CORPORATE GROUP

The Company's group (the "Group") is composed of the Company, its 109 subsidiaries and 11 associated companies. Their businesses are categorized as follows:

Fresh meat-related businesses:

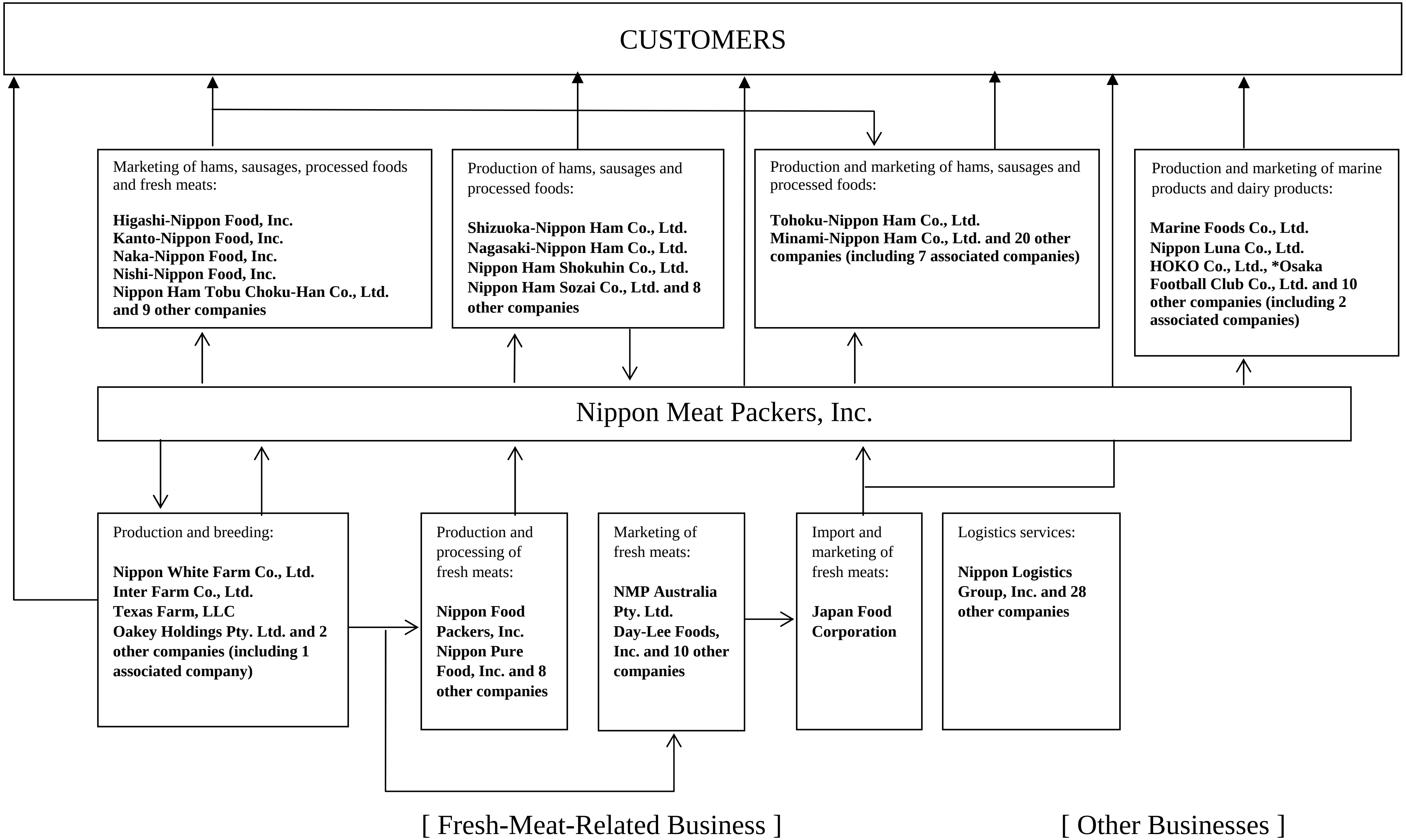
Hams, sausages and processed foods are produced at the Company and its production subsidiaries, Shizuoka-Nippon Ham Co., Ltd., Nagasaki-Nippon Ham Co., Ltd., Nippon Ham Shokuhin Co., Ltd. and Nippon Ham Sozai Co., Ltd. and dealt and sold through the Company's nationwide business offices and its sales subsidiaries, Nippon Ham Tobu Choku-Han Co., Ltd. and others. Additionally, in some specific regions and markets, hams, sausages and processed foods are produced, dealt and sold 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 Inter 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 dealt and sold, together with fresh meats purchased from outside suppliers, by the Company and through its nationwide sales subsidiaries such as Higashi-Nippon Food, Inc., Kanto-Nippon Food, Inc., Naka-Nippon Food, Inc. and Nishi-Nippon Food, Inc.

Other businesses:

Marine products and dairy products are produced, dealt and sold 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 *).



BUSINESS POLICY

1. The Company's fundamental business policy

The Group advocates, as two key factors of its corporate philosophy, "Under the basic theme of 'Joy of Eating', our Company creates a culture that marks an epoch and contributes to society" and "Our Company is a place where employees can feel truly happy and fulfilled", and engages in business, focusing 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 "pleasures of good eating and the joys 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 Management Plan Part I" and has since exerted its efforts to renovate its corporate culture and promote management reform with the aim of restoring the reliance of consumers hurt by its misconduct. Based on the Medium-Term Management Plan, the Group formulated a "New Medium-Term Management Plan Part II" (for the fiscal years from April 1, 2006 to March 31, 2009) with the theme of "corporate value improvement by ceaseless reform and challenge", in April 2006. The Group has instituted three management policies developed from those listed in the Management Plan Part I: "management for No. 1 quality", "improvement in the quality of group management and aggressive business expansion" and "CSR promotion and brand-value improvement", 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 powerful sales & marketing efforts", 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 fundamentals 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 attitudes and policy on reduction in investment units

The Company believes it is important for investors to hold stably its shares for a long time. However, the Company recognizes also that it is important to increase the liquidity of its shares and expand the layer of individual investors.

The Company will watch the trends 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 fiscal year of the "New Medium-Term Management Plan Part II" (for the period from April 1, 2006 through March 31, 2009), the Group has aimed to book net sales of ¥1,020 billion, operating income of ¥33 billion and income before income taxes of ¥30 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 Management 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 Management 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 prompt-decision 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' motivations to work and allow them to develop their skills to higher levels. 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 interim period of the fiscal year under review

Overview of operating results in general

The Japanese economy during the interim period of the fiscal year under review has continued a slow but long-standing expansion, supported by steady capital investment and exports, though investment in the public sector has been on the decline.

However, the food and fresh meats industry has been placed in a severe condition, due to increased prices of raw meats and rising energy costs and material costs on account of higher oil prices since the previous fiscal year.

Under these circumstances, the Group has vigorously implemented various management measures to produce the "corporate value improvement by ceaseless reform and challenge" set forth as the theme of the three-year "New Medium-Term Management Plan Part II" that has commenced on April 1, 2006.

To materialize the "Management for No. 1 quality", one of the business policies under the Medium-Term Management Plan, the Group has promoted measures from consumers' perspective to improve tastes, freshness and user-friendliness of products according to their features while placing top priority on security and safety, at its respective business divisions and group companies. Additionally, the Group has exerted its efforts to improve qualities in response to the Positive List System for Agricultural Chemical Residues in Foods, which has provided for stricter quality audits and established the standards for agricultural and other chemicals, and cultivated its quality-oriented corporate culture.

Furthermore, the Group has focused on enhancing internal control by making all employees in management positions better aware of compliance through workshops for them and developing systems for accounting and personnel affairs, to achieve improvement in the quality of group management.

In its processed foods business, the Group has continued drastic reform of its cost structure since the previous fiscal year. During the interim period of the current fiscal year, the Group closed two factories of hams and sausages to restructure its production system. The Group has also continued its cost-reduction efforts by enhancing productivity through the abolition and consolidation of products and establishing central purchasing and logistics systems. In its marketing division, in the meanwhile, the Group has streamlined its marketing system and revised prices to improve profitability.

In its fresh meats business, for the past few years, the equilibrium of supply and demand has been unbalanced due to the embargos on account of BSE (bovine spongiform encephalopathy), avian flu and other diseases, as well as the resulting substitute demand, and prices of imported fresh meats have risen in Japan. However, prices of imported poultry have been on the decline since the previous fiscal year and the division suffered from a tough time. The Group has exerted its strenuous efforts to increase the total handling volume by sales expansion of brand fresh meats with stable profit-earning ability and development of new marketing channels, and reduce inventories.

Prices of raw materials increased also in the areas of marine products and dairy products. However, the Group has focused on revising prices, increasing the total handling volume and developing new products and also made its efforts to improve production efficiencies and reduce selling expenses.

As a result of these activities, for the interim period of the current fiscal year, net sales amounted to ¥485,388 million, up 1.8% from the interim period of the previous fiscal year. With regard to profits, revenues reduced due to a decline in prices of imported raw meats in Japan, material costs remained high and price competition intensified in the marketing channels to the food industry. Thus, the Group was placed in a difficult condition for the first quarter of the current fiscal year, specifically. However, its efforts to reform the cost structure of its processed food business and raise sales prices have steadily produced good results since the second quarter of the current fiscal year. Consequently, income from consolidated operations before income taxes amounted to ¥4,453 million, up 9.4% from the interim period of the previous fiscal year. Net income, however, amounted to ¥2,533 million, down 17.5% as an extraordinary gain on negative goodwill was recorded for the interim period of the previous fiscal year.

Breakdown of consolidated net sales

	Six-month period ended September 30, 2006 (from April 1, 2006 to September 30, 2006)		Six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)		Increase or decrease ratio	Year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)	
	Amount	Component ratios	Amount	Component ratios		Amount	Component ratios
	(millions of yen)	(%)	(millions of yen)	(%)	(%)	(millions of yen)	(%)
Hams and sausages	63,634	13.1	65,163	13.7	(2.3)	134,045	13.9
Processed foods	92,438	19.0	91,731	19.2	0.8	184,751	19.2
Fresh meats	252,269	52.0	247,482	51.9	1.9	496,772	51.6
Marine products	44,134	9.1	40,664	8.5	8.5	82,497	8.6
Dairy products	10,929	2.3	11,086	2.3	(1.4)	21,707	2.2
Others	21,984	4.5	20,843	4.4	5.5	43,892	4.5
Total	485,388	100.0	476,969	100.0	1.8	963,664	100.0

Overview by business segment

Fresh meat-related businesses

In the hams and sausages business, the Group has proactively promoted sales through campaigns by featuring its characters "Hamlins" at the front. To cope with high prices of raw materials and intensifying marketing competition, the Group has promoted rearrangement of its production lines, including the closing of its factories, in a smooth and quick manner to reduce costs. Sales of its main brand products, summer gifts and new products, among others, increased. However, due to transfer of business of its overseas subsidiary during the previous fiscal year, profits as a whole declined.

In the processed foods business, the Group has vigorously conducted campaigns for its main products, specifically. As imports of processed foods have increased as price competition is intensifying, the Group has strengthened its supply system. In addition, the Group has continued its efforts to rearrange its production lines and abolish or merge its lines of products. Sales of pizzas and precooked fries were favorable. Due to higher prices of vegetables, sales of "Chuka Meisai" leveled off, while sales increased overseas, especially in the United States. Consequently, net sales increased.

In the fresh meats business, the Company has endeavored to improve and expand its integration system covering production (breeding) to marketing and taken advantage of the system to increase the quantities of its brand fresh meats produced within the Group. In addition, the Group has strengthened its capabilities of purchase and procurement from outside the Group and cooperation with its sales subsidiaries to increase the total handling volume to offset decreased unit prices due to decreased market prices. With regard to profits, the Group has exerted its efforts to reduce costs by keeping the proper level of inventory. However, the Group was placed in a difficult condition due to decreased market prices.

As a result, net sales and operating income of the fresh meat-related businesses amounted to ¥432,062 million, up 1.5% from the interim period of the previous fiscal year, and ¥6,278 million, down 3.2%, respectively.

Other businesses

In the marine products business, fish catches have been decreasing due to decreased fish resources and higher oil prices, and prices of raw materials have risen due to increased demand from Europe, Russia and China. In these severe market conditions, the Group has tried to revise prices and implemented sales channel policies, including the development of the delicatessen divisions of mass-volume retailers and self-service sushi restaurant channels, as well as product policies, including an increase in handling volume of tunas and the development of new breeds of fishes.

In the dairy products business, with regard to yogurts and lactic acid bacteria beverages, the Group has focused on the development of new products and new markets and tried to develop channels to the food industry. With regard to cheese products, the Group has tried to develop new customers to expand its sales routes. However, sales as a whole did not made a good show.

As a result, net sales of the other businesses, including those of the restaurant and other businesses, amounted to ¥67,314 million, up 4.8% from the interim period of the previous fiscal year. However, the Group registered an operating loss of ¥348 million.

Overview of segment information by geographic area

(i) Japan

With regard to hams and sausages, sale of the Group's main brand products, summer gifts and new products increased. Sales of processed foods decreased slightly due to intensifying sales competition, though sales of pizzas and precooked fries increased. With regard to fresh meats, the Group increased the total handling volume of brand products produced within the Group, whereby offsetting decreased unit prices due to decreased market prices. Consequently, net sales increased slightly. Sales of marine products increased as a result of price revisions, the implementation of sales channel policies and an increase in the handling volume of tunas, among others.

As a result, net sales in Japan amounted to ¥438,817 million, up 0.6% from the interim period of the previous fiscal year. Operating income decreased due to deterioration in earnings caused by a decline in sales prices of poultry in Japan in spite of the positive effects of cost reduction and price revisions, amounting to ¥6,290 million, down 9.3% from the interim period of the previous fiscal year.

(ii) Other areas

In Australia, net sales decreased due to decreased sales of hams and sausages resulting from the transfer of business of its overseas subsidiary during the previous fiscal year. However, net sales in the United States increased due to increased sales of processed foods.

As a result, net sales in other areas amounted to ¥91,154 million, up 10.8% from the interim period of the previous fiscal year. However, the Group registered an operating loss of ¥232 million (an operating loss of ¥29 million for the interim period of the previous fiscal year) principally due to the deterioration in profits of its beef business in Australia.

(2) Prospect for the whole fiscal year

Prospect of business results in general

During the second half of the fiscal year under review, the market conditions are expected to continue to remain difficult due to prices of raw materials and increasing imports of processed products, while a fair wind appears to be provided: sales celebrating the winning by Hokkaido Nippon Ham Fighters of the Pacific League Championship and the Japan Series Championship have not only shored up revenues but also enhanced the Group's corporate image and employees' motivations. The Group will take advantage of the tailwind to improve operating results and expand business aggressively during the second half.

In the processed foods business, a series of efforts towards drastic reform to reduce cost and price revisions have improved the Group's earnings structure. The Group will continue to implement cost-reduction measures and put forth a greater effort to increase sales. The Group will vigorously promote consulting sales and expand its marketing area by regularly maintaining the spaces increased for the Fighters-related fairs. In addition, for the year-end gift blitz, the Group will launch a new brand "Utsukushi-no-Kuni", hams solely made of pork produced by its group farms in Japan, and actively promote sales through TV commercials by featuring a new image character to expand sales. Furthermore, in preparation for product promotional exhibitions next year, the Group will develop new products to properly meet customer needs.

In the fresh meats business, some categories of fresh meats have been placed in difficult circumstances due to a reactionary fall in high prices and a decrease in demand. However, all the inventories bought by a high cost have been sold by sales promotional activities and profitability is expected to improve. While the deterioration in profits of its beef business in Australia has been prolonged, the Group will establish and promote sales of value-added brand fresh meats based on its integration system covering production to marketing. In addition, the Group will make an attempt on new business lines, including the establishment of a business model to take in and rear cattle and swine in and outside of Japan.

In the marine products business, prices of raw materials are expected to remain high for the second half of the fiscal year under review. In this situation, the Group will revise supply prices from time to time and continue its thorough marketing strategies by channel and development of high value-added products.

In the dairy products business, the Company will strengthen the development of highly functional products by taking consumer needs before others.

The Group has attached a brand statement "The Brilliance of People for the Future of Food" to its group brands. The Group takes on challenges in the various fields of foods. With the philosophy of contributing to the happy and healthy life of the people by engaging in business and duties from the customers' perspectives and providing the "Joy of Eating", all officers and employees of the Group are determined to confront the difficult situation, with "high quality" and "powerful sales & marketing efforts" characterized as its two main pillars of business.

With regard to operating results for the whole fiscal year, net sales are estimated to amount to ¥985.0 billion (up 2.2% from the previous fiscal year). Income before income taxes and net income are estimated to amount to ¥11.5 billion (up 392.5% from the previous fiscal year) and ¥7.5 billion (up 687.8% from the previous fiscal 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 fiscal year.

2. Financial position

Total assets at the end of the interim period of the year increased by 3.1% from the end of the previous fiscal year, accounting for ¥609,605 million. By item, with regard to current assets, trade notes and accounts receivable increased by 18.2%, accounting for ¥121,527 million. As a result, current assets increased by 7.8% from the end of the previous fiscal year, accounting for ¥292,165 million. Property, plant and equipment decreased by 0.7% from the end of the previous fiscal year, accounting for ¥257,848 million as additions to property, plant and equipment were made within the scope of the amount of depreciation and amortization.

With regard to liabilities, current liabilities increased by 3.4% from the end of the previous fiscal year, accounting for ¥203,671 million as trade notes and accounts payable increased by 7.0% from the end of the previous fiscal year, accounting for ¥94,332 million. Long-term debt increased by 15.2% from the end of the previous fiscal year, accounting for ¥99,877 million due to new debt. As a result, liabilities increased by 6.5% from the end of the previous fiscal year, accounting for ¥317,346 million.

Interest-bearing debt increased by ¥12,348 million from the end of the previous fiscal year to account for ¥182,049 million.

Shareholders' equity decreased by 0.5% from the end of the previous fiscal year to account for ¥290,188 million due to the payment of cash dividends, though the Company recorded net income ¥2,533 million. As a result, the ratio of shareholders' equity decreased by 1.7% from the end of the previous fiscal year to 47.6%.

The states and causes of cash flows are as follows:

(millions of yen)

	Six-month period ended September 30, 2006	Six-month period ended September 30, 2005	Increase or decrease	Year ended March 31, 2006
Cash flows from operating activities	976	(17,810)	18,786	(21,207)
Cash flows from investing activities	(8,200)	(10,120)	1,920	(16,661)
Cash flows from financing activities	5,990	3,200	2,790	(1,745)
Net increase (decrease) in cash and cash equivalents	(1,234)	(24,730)	23,496	(39,613)
Cash and cash equivalents at end of the interim period (year)	25,946	42,063	(16,117)	27,180

With regard to operating activities, trade notes and accounts receivable increased, while trade notes and accounts payable also increased. As a result, net cash from operating activities amounted to ¥976 million (a negative ¥17,810 million for the interim period of the previous fiscal year).

With regard to investing activities, net cash from investing activities amounted to a negative ¥8,200 million (a negative ¥10,120 million for the interim period of the previous fiscal year) due to ¥7,500 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 ¥5,990 million (¥3,200 million for the interim period of the previous fiscal year).

As a result, cash and cash equivalents at end of the interim period decreased by ¥1,234 million in comparison with the end of the previous fiscal year, to amount to ¥25,946 million.

The trends in financial indices are as shown below:

	Year ended March 31, 2003	Year ended March 31, 2004	Year ended March 31, 2005	Six-month period ended September 30, 2005	Year ended March 31, 2006	Six-month period ended September 30, 2006
Ratio of shareholders' equity to total assets (%)	39.7	42.9	43.9	46.1	49.3	47.6
Ratio of shareholders' equity to total assets on a market value basis (%)	41.7	45.7	50.8	45.6	47.6	49.7

* 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 fiscal year (interim period) multiplied by the total number of shares issued as of the end of each fiscal 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 fiscal 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, avian 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 engages in hedge transactions, including forward exchange contracts, among others. However, excessive fluctuations in exchange rates may affect the operating results.

(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-hike risk at all times.

Most of interest-bearing debt in the amount of ¥182.0 billion as of September 30, 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 September 30, 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 global spread of an infectious disease, such as avian flu

(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 reliance 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 INTERIM BALANCE SHEETS

	Six-month period ended September 30, 2006 (as of September 30, 2006)		Six-month period ended September 30, 2005 (as of September 30, 2005)		Year ended March 31, 2006 (as of March 31, 2006)	
	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%
Assets						
Current assets:						
Cash and cash equivalents	25,946	4.3	42,063	6.8	27,180	4.6
Time deposits	4,700	0.8	2,600	0.4	4,507	0.8
Marketable securities	352	0.1	1,112	0.2	198	0.0
Trade notes (non-interest bearing) and accounts receivable	121,527	19.9	99,999	16.3	102,832	17.4
Allowance for doubtful receivables	(687)	(0.1)	(920)	(0.1)	(906)	(0.2)
Inventories	118,797	19.5	123,835	20.1	117,011	19.8
Deferred income taxes	5,681	0.9	6,022	1.0	4,832	0.8
Prepayments and other current assets	15,849	2.6	15,133	2.4	15,389	2.6
Total current assets	292,165	48.0	289,844	47.1	271,043	45.8
Investment and non-current receivables:						
Investments in and advances to associated companies	1,087	0.2	1,086	0.2	1,079	0.2
Other securities investments	24,614	4.0	24,286	3.9	26,792	4.5
Deposits and sundry investments	13,713	2.2	13,958	2.3	13,817	2.3
Total investments and non-current receivables	39,414	6.4	39,330	6.4	41,688	7.0
Property, plant, and equipment - at cost, less accumulated depreciation	257,848	42.3	266,137	43.3	259,727	43.9
Deferred income taxes - non-current	9,090	1.5	11,630	1.9	8,795	1.5
Other assets	11,088	1.8	8,145	1.3	10,173	1.8
Total	609,605	100.0	615,086	100.0	591,426	100.0

	Six-month period ended September 30, 2006 (as of September 30, 2006)		Six-month period ended September 30, 2005 (as of September 30, 2005)		Year ended March 31, 2006 (as of March 31, 2006)	
	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%
Liabilities and shareholders' equity						
Current liabilities:						
Short-term bank loans	70,556	11.6	92,196	15.0	71,823	12.1
Current maturities of long-term debt	12,798	2.1	21,930	3.6	12,485	2.1
Trade notes (principally non-interest bearing) and accounts payable	94,332	15.5	97,018	15.8	88,141	15.0
Accrued income taxes	3,231	0.5	4,093	0.7	3,847	0.7
Deferred income taxes	545	0.1	852	0.1	723	0.1
Accrued expenses	14,391	2.3	19,920	3.2	14,342	2.4
Other current liabilities	7,818	1.3	5,543	0.9	5,552	0.9
Total current liabilities	203,671	33.4	241,552	39.3	196,913	33.3
Liability under retirement and severance program	10,355	1.7	22,578	3.7	10,743	1.8
Long-term debt, less current maturities	99,877	16.4	62,335	10.1	86,663	14.7
Deferred income taxes - non-current	3,443	0.6	3,478	0.5	3,577	0.6
Minority interests	2,071	0.3	1,860	0.3	1,950	0.3
Shareholders' equity:						
Common stock	24,166	4.0	24,166	3.9	24,166	4.1
Capital surplus	50,737	8.3	50,623	8.2	50,688	8.6
Retained earnings:						
Appropriated for legal reserve	6,802	1.1	6,741	1.1	6,741	1.1
Unappropriated	202,359	33.2	205,662	33.5	203,542	34.4
Accumulated other comprehensive income (loss)	6,350	1.0	(3,703)	(0.6)	6,664	1.1
Treasury stock, at cost	(226)	(0.0)	(206)	(0.0)	(221)	(0.0)
Total shareholders' equity	290,188	47.6	283,283	46.1	291,580	49.3
Total	609,605	100.0	615,086	100.0	591,426	100.0

CONSOLIDATED INTERIM STATEMENTS OF INCOME

	Six-month period ended September 30, 2006 (from April 1, 2006 to September 30, 2006)		Six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)		Year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)	
	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%
Revenues:						
Net sales	485,388	100.0	476,969	100.0	963,664	100.0
Other	758	0.2	1,538	0.3	4,022	0.4
Total	486,146	-	478,507	-	967,686	-
Cost and expenses:						
Cost of goods sold	395,588	81.5	391,930	82.2	789,411	81.9
Selling, general and administrative expenses	83,819	17.3	99,185	20.8	187,732	19.5
Subsidy from the government on the transfer of the substitutional portion of the Employees' Pension Fund	-	-	(27,434)	(5.8)	(27,434)	(2.8)
Interest expense	1,353	0.3	1,250	0.3	2,496	0.2
Other	933	0.2	9,507	2.0	13,146	1.4
Total	481,693	-	474,438	-	965,351	-
Income from consolidated operations before income taxes:	4,453	0.9	4,069	0.8	2,335	0.2
Income taxes:						
Current	2,675	0.6	3,556	0.7	6,089	0.6
Deferred	(808)	(0.2)	(1,620)	(0.3)	(3,771)	(0.4)
Total	1,867	0.4	1,936	0.4	2,318	0.2
Income from consolidated operations	2,586	0.5	2,133	0.4	17	0.0
Equity in earnings of associated companies - net (less applicable income taxes)	(53)	(0.0)	(12)	(0.0)	(16)	(0.0)
Net income before extraordinary item and cumulative effect of accounting change	2,533	0.5	2,121	0.4	1	0.0
Extraordinary gain on negative goodwill	-	-	555	0.1	555	0.1
Cumulative effect of accounting change	-	-	396	0.1	396	0.0
Net income for the interim period (year)	2,533	0.5	3,072	0.6	952	0.1

Note: For the six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005) and the year ended March 31, 2006 (from April 1, 2005 to March 31, 2006), 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 gain or loss upon the transfer of the substitutional portion of the Employees' Pension Fund is 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>

CONSOLIDATED INTERIM STATEMENTS OF INCOME

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

	Six-month period ended September 30, 2006 (from April 1, 2006 to September 30, 2006)		Six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)		Year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)	
	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%
Revenues:						
Net sales	485,388	100.0	476,969	100.0	963,664	100.0
Other	758	0.2	1,538	0.3	4,022	0.4
Total	486,146	-	478,507	-	967,686	-
Cost and expenses:						
Cost of goods sold	395,588	81.5	386,341	81.0	783,291	81.3
Selling, general and administrative expenses	83,819	17.3	83,975	17.6	170,299	17.7
Gain on transfer of the substitutional portion of the Employees' Pension Fund	-	-	(6,635)	(1.4)	(6,635)	(0.7)
Settlement loss from the restructuring of employees' benefit plans	-	-	-	-	2,754	0.3
Interest Expense	1,353	0.3	1,250	0.3	2,496	0.2
Other	933	0.2	9,507	2.0	13,146	1.4
Total	481,693	-	474,438	-	965,351	-
Income from consolidated operations before income taxes:	4,453	0.9	4,069	0.8	2,335	0.2
Income taxes:						
Current	2,675	0.6	3,556	0.7	6,089	0.6
Deferred	(808)	(0.2)	(1,620)	(0.3)	(3,771)	(0.4)
Total	1,867	0.4	1,936	0.4	2,318	0.2
Income from consolidated operations	2,586	0.5	2,133	0.4	17	0.0
Equity in earnings of associated companies - net (less applicable income taxes)	(53)	(0.0)	(12)	(0.0)	(16)	(0.0)
Net income before extraordinary item and cumulative effect of accounting change	2,533	0.5	2,121	0.4	1	0.0
Extraordinary gain on negative goodwill	-	-	555	0.1	555	0.1
Cumulative effect of accounting change	-	-	396	0.1	396	0.0
Net income for the interim period (year)	2,533	0.5	3,072	0.6	952	0.1

Operating income (based on Japanese accounting practices)	5,981	1.2	6,653	1.4	10,074	1.0

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Six-month period ended September 30, 2006 (from April 1, 2006 to September 30, 2006)

(millions of yen)

Items	Common stock	Capital surplus	Appropriated retained earnings for legal reserve	Unappropriated retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total shareholders' equity
As of March 31, 2006	24,166	50,688	6,741	203,542	6,664	(221)	291,580
Net income				2,533			2,533
Net unrealized gains (losses) on securities available for sale					(1,382)		(1,382)
Net unrealized gains (losses) on derivative financial instruments					528		528
Minimum pension liability adjustment							-
Foreign currency translation adjustment					540		540
Cash dividends				(3,652)			(3,652)
Transfer to retained earnings appropriated for legal reserve			61	(61)			0
Amount of acquisition of treasury stock						(17)	(17)
Stock options granted		58					58
Exercise of stock options		(9)		(3)		12	0
As of September 30, 2006	24,166	50,737	6,802	202,359	6,350	(226)	290,188

Six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)

(millions of yen)

Items	Common stock	Capital surplus	Appropriated retained earnings for legal reserve	Unappropriated retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total shareholders' equity
As of March 31, 2005	24,166	50,553	6,637	206,346	(18,887)	(194)	268,621
Net income				3,072			3,072
Net unrealized gains (losses) on securities available for sale					999		999
Net unrealized gains (losses) on derivative financial instruments					(3)		(3)
Minimum pension liability adjustment					12,272		12,272
Foreign currency translation adjustment					1,916		1,916

Cash dividends				(3,652)			(3,652)
Transfer to retained earnings appropriated for legal reserve			104	(104)			0
Amount of acquisition of treasury stock						(12)	(12)
Stock options granted		70					70
Exercise of stock options							-
As of September 30, 2005	24,166	50,623	6,741	205,662	(3,703)	(206)	283,283

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

(millions of yen)

Items	Common stock	Capital surplus	Appropriated retained earnings for legal reserve	Unappropriated retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total shareholders' equity
As of March 31, 2005	24,166	50,553	6,637	206,346	(18,887)	(194)	268,621
Net income				952			952
Net unrealized gains (losses) on securities available for sale					1,973		1,973
Net unrealized gains (losses) on derivative financial instruments					28		28
Minimum pension liability adjustment					20,052		20,052
Foreign currency translation adjustment					3,498		3,498
Cash dividends				(3,652)			(3,652)
Transfer to retained earnings appropriated for legal reserve			104	(104)			0
Amount of acquisition of treasury stock						(27)	(27)
Stock options granted		135					135
Exercise of stock options							-
As of March 31, 2006	24,166	50,688	6,741	203,542	6,664	(221)	291,580

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(millions of yen)

	Six-month period ended September 30, 2006 (from April 1, 2006 to September 30, 2006)	Six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)	Year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)
Operating Activities:			
Net income	2,533	3,072	952
Adjustments to reconcile net income to net cash provided by operating activities:			
Cumulative effect of accounting change	-	(396)	(396)
Depreciation and amortization	11,700	11,830	24,452
Subsidy from the government on the transfer of the substituional portion of the Employees' Pension Fund	-	(27,434)	(27,434)
Settlement loss from the transfer of the substituional portion of the Employees' Pension Fund	-	20,799	20,799
Settlement loss from the restructuring of employees' benefit plans	-	-	2,754
Income taxes - deferred	(808)	(1,620)	(3,771)
Extraordinary gain on negative goodwill	-	(555)	(555)
Increase in trade notes and accounts receivable	(18,502)	(2,435)	(5,293)
Increase in inventories	(1,589)	(27,278)	(20,494)
Decrease (increase) in current assets	554	(3,332)	(3,192)
Increase (decrease) in trade notes and accounts payable	6,691	7,235	(1,971)
Decrease in accrued income taxes	(599)	(1,054)	(1,578)
Increase (decrease) in accrued expenses and other current liabilities	1,497	2,707	(3,681)
Other – net	(501)	651	(1,799)
Net cash provided by (used in) operating activities	976	(17,810)	(21,207)
Investing Activities:			
Additions to property, plant and equipment	(7,500)	(12,192)	(19,809)
Proceeds from sales of property, plant and equipment	684	1,159	3,660
Decrease (increase) in time deposits	(310)	617	(818)
Purchases of marketable securities and other securities investment	(377)	(732)	(1,102)
Proceeds from sales of marketable securities and other securities investments	100	1,715	3,669
Decrease in deposits and other investments	389	1,018	1,159
Other – net	(1,186)	(1,705)	(3,420)
Net cash used in investing activities	(8,200)	(10,120)	(16,661)

	Six-month period ended September 30, 2006 (from April 1, 2006 to September 30, 2006)	Six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)	Year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)
Financing Activities:			
Cash dividends	(3,668)	(3,669)	(3,669)
Increase (decrease) in short-term bank loans	(2,721)	12,652	(6,636)
Proceeds from long-term debt	19,056	6,679	36,780
Repayments of long-term debt	(6,867)	(12,450)	(28,193)
Others - net	190	(12)	(27)
Net cash provided by (used in) financing activities	5,990	3,200	(1,745)
Net decrease in cash and cash equivalents	(1,234)	(24,730)	(39,613)
Cash and cash equivalents at beginning of the interim period (year)	27,180	66,793	66,793
Cash and cash equivalents at end of the interim period (year)	25,946	42,063	27,180
Additional cash flow information:			
Interest paid	1,373	1,180	2,450
Income taxes paid	2,499	4,116	8,367
Capital lease obligations incurred	885	-	423

BASIS FOR PREPARING CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Scope of consolidation

   (1) Number of consolidated subsidiaries: 109 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., Inter 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) 0 company

   (exclusion) 9 companies: 9 companies due to merger

2. Fiscal years of consolidated subsidiaries

Among the Company's consolidated subsidiaries, 12 companies have fiscal years ending on December 31. In preparing the consolidated financial statements, the financial statements in respect of each company's fiscal year are used. As for material transactions occurred during the period until the end of the consolidated fiscal year, any adjustments necessary for such consolidation are made.

3. Matters relating to application of equity method

   (1) Number of companies subject to equity method: 11 companies

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

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

   (4) Fiscal years:

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

4. Summary of Principal Accounting Policies

   (1) Basis of preparation of consolidated financial statements:

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

(2) Method and basis of evaluation of inventories:

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

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

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

Investments classified as Held-to-Maturity:	
	Stated at amortized cost.
Investments classified as Available-for-Sale:	
	Stated at market value using market prices on fiscal year end dates. (Valuation differences are reflected directly in shareholders' equity and cost of sale is calculated through the average method).

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

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

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

In accordance with SFAS No. 87 "Employers' Accounting for Pensions", to prepare for the payment of retirement and severance benefits to employees, the Company accounts for an amount based on benefit obligations and the fair value of plan assets as of the end of the fiscal 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.

Calculation Contents of Net Income Per Share

	Six-month period ended September 30, 2006 (from April 1, 2006 to September 30, 2006)	Six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)	Year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)
	(millions of yen)		
Net income (Numerator):			
Income available to shareholders	2,533	3,072	952
	(thousands of shares)		
Shares (Denominator):			
Average shares outstanding for basic earnings per share	228,256	228,275	228,269
Dilutive effect of stock options granted	230	128	155
Average shares outstanding for diluted earnings per share	228,486	228,403	228,424

SEGMENT INFORMATION

1. Segment information by business category:

For the six-month period ended September 30, 2006 (from April 1, 2006 to September 30, 2006):

(millions of yen)

Items	Fresh meat-related businesses	Other businesses	Total	Eliminations or group-wide	Consolidation
Net sales					
(1) Sales to outside customers	419,620	65,768	485,388	-	485,388
(2) Inter-segment sales	12,442	1,546	13,988	(13,988)	-
Total	432,062	67,314	499,376	(13,988)	485,388
Operating expenses	425,784	67,662	493,446	(14,039)	479,407
Operating income (loss)	6,278	(348)	5,930	51	5,981

(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 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	476,969	-	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 gain 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 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

(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 employees' benefit plans is included.

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, 2006 (from April 1, 2006 to September 30, 2006):

(millions of yen)

Items	Japan	Other areas	Total	Eliminations or group-wide	Consolidation
Net sales:					
(1) Sales to outside customers	438,416	46,972	485,388	-	485,388
(2) Inter-segment sales	401	44,182	44,583	(44,583)	-
Total	438,817	91,154	529,971	(44,583)	485,388
Operating expenses	432,527	91,386	523,913	(44,506)	479,407
Operating income (loss)	6,290	(232)	6,058	(77)	5,981

(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 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 gain 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 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 (loss)	11,013	(1,008)	10,005	69	10,074

(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 employees' benefit plans is included.

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, 2005, the year ended March 31, 2006 and the interim period ended September 30, 2006 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, 2006 (as of September 30, 2006):

(millions of yen)

Items	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Available-for-Sale:				
Equity securities	13,394	8,161	(61)	21,494
Debt securities	373	30	-	403
Held-to-Maturity	499	2	(1)	500
Total	14,266	8,193	(62)	22,397

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 year ended 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

(Translation)

November 15, 2006

BRIEF STATEMENTS OF INTERIM ACCOUNTS FOR THE YEAR ENDING MARCH 31, 2007 (NON-CONSOLIDATED)

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 15, 2006
Interim dividend payment date:	Not applicable
System of a unit of shares:	Yes (One unit: 1,000 shares)

1. Interim business results (April 1, 2006 through September 30, 2006):

(1) Business results:

(Figures of amounts 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, 2006	Six-month period ended September 30, 2005	Year ended March 31, 2006
Net sales:	305,288 million (- 0.6%)	¥307,187 million (0.2%)	¥621,547 million (1.6%)
Operating income:	- ¥1,351 million -	¥533 million (- 91.2%)	- ¥959 million -
Ordinary income:	¥1,588 million (- 47.2%)	¥3,005 million (- 59.9%)	¥2,520 million (- 73.7%)
Net income:	¥374 million -	- ¥1,505 million -	- ¥3,699 million -
Net income per share:	¥1.64	- ¥6.59	- ¥16.20

(Notes)

1) Average number of shares during each interim period (year):

Six-month period ended September 30, 2006:	228,255,519 shares
Six-month period ended September 30, 2005:	228,274,854 shares
Year ended March 31, 2006:	228,268,860 shares

2) Changes in accounting procedures: No

3) The percentages in the items of net sales, operating income, ordinary income and net income indicate the rates of increase or decrease from the corresponding interim (whole-year) period of the previous year.

(2) Financial condition:

	Six-month period ended September 30, 2006	Six-month period ended September 30, 2005	Year ended March 31, 2006
Total assets	¥382,110 million	¥376,070 million	¥375,756 million
Net assets	¥201,702 million	¥206,619 million	¥206,190 million
Net worth ratio	52.8%	54.9%	54.9%
Net assets per share	¥883.55	¥905.15	¥903.32

(Notes)

1) Number of issued shares outstanding at the end of the interim period (year):

Six-month period ended September 30, 2006:	228,255,898 shares
Six-month period ended September 30, 2005:	228,270,781 shares
Year ended March 31, 2006:	228,258,558 shares

2) Number of treasury shares at the end of the interim period (year):

Six-month period ended September 30, 2006:	189,452 shares
Six-month period ended September 30, 2005:	174,569 shares
Year ended March 31, 2006:	186,792 shares

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

	Whole year
Net sales:	¥625,000 million
Ordinary income:	¥3,500 million
Net income:	¥1,000 million

(For reference)
Forecast of net income per share for the year ending March 31, 2007 (whole-year period): ¥4.38

3. State of dividends

Cash dividends:

	Year ended March 31, 2006	Year ending March 31, 2007 (actual)	Year ending March 31, 2007 (expected)
Interim dividend per share	-	-	-
Year-end dividend per share	¥16.00	-	¥16.00
Annual dividend per share	¥16.00		¥16.00

* 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 12 hereof.

NON-CONSOLIDATED INTERIM FINANCIAL STATEMENTS, ETC.

INTERIM BALANCE SHEETS

	Six-month period ended September 30, 2006 (as of September 30, 2006)		Six-month period ended September 30, 2005 (as of September 30, 2005)		Year ended March 31, 2006 (as of March 31, 2006)	
Assets:	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%
I. Current assets:	217,262	56.9	203,185	54.0	207,101	55.1
Cash on hand and in banks	6,814		16,649		7,441	
Notes receivable - trade	952		851		852	
Accounts receivable - trade	81,471		72,906		73,867	
Marketable securities	200		310		10	
Inventories	51,066		56,993		51,492	
Deferred tax assets	1,888		3,861		2,035	
Short-term loans receivable from affiliated companies	70,753		46,902		65,342	
Other current assets	4,192		5,037		6,379	
Reserve for doubtful accounts	(74)		(324)		(317)	
II. Fixed assets:	164,848	43.1	172,885	46.0	168,655	44.9
1. Tangible fixed assets	68,029	17.8	72,278	19.2	69,960	18.6
Buildings	22,568		23,848		23,217	
Machinery and equipment	11,578		13,171		12,466	
Land	29,896		30,755		30,080	
Other tangible fixed assets	3,987		4,504		4,197	
2. Intangible fixed assets	4,037	1.0	3,285	0.9	3,550	1.0
3. Investments and other assets	92,782	24.3	97,322	25.9	95,145	25.3
Investment securities	20,961		20,797		22,968	
Capital stock of affiliated companies	30,842		30,304		30,487	
Long-term loans receivable	27,900		30,909		31,674	
Deferred tax assets	7,089		4,221		5,678	
Other investments, etc.	9,884		14,520		9,644	
Reserve for doubtful accounts	(3,894)		(3,429)		(5,306)	
Total Assets	382,110	100.0	376,070	100.0	375,756	100.0

	Six-month period ended September 30, 2006 (as of September 30, 2006)		Six-month period ended September 30, 2005 (as of September 30, 2005)		Year ended March 31, 2006 (as of March 31, 2006)	
Liabilities:	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%
I. Current liabilities:	107,519	28.1	130,837	34.8	112,753	30.0
Notes payable - trade	1,244		1,312		1,405	
Accounts payable - trade	72,813		79,925		71,128	
Short-term bank loans	4,000		2,000		9,000	
Long-term loans payable within one year	5,332		4,432		4,932	
Straight bonds redeemable within one year	-		10,000		-	
Accrued income taxes	342		431		407	
Other current liabilities	23,788		32,737		25,881	
II. Fixed liabilities:	72,889	19.1	38,614	10.3	56,813	15.1
Straight bonds	9,700		9,700		9,700	
Long-term loans payable	62,275		18,607		46,141	
Reserve for employee retirement benefits	710		10,047		712	
Long-term accounts payable	204		260		260	
Total Liabilities	180,408	47.2	169,451	45.1	169,566	45.1
Shareholders' equity:						
I. Capital:	-	-	24,166	6.4	24,166	6.4
II. Capital surplus:	-	-	43,084	11.5	43,084	11.5
Capital reserve	-		43,084		43,084	
III. Retained surplus:	-	-	135,325	36.0	133,131	35.4
Reserve out of income	-		6,041		6,041	
Voluntary reserve	-		124,302		124,302	
Unappropriated retained earnings at the end of the interim period (year)	-		4,982		2,788	
IV. Revaluation difference of other marketable securities:	-	-	4,250	1.1	6,030	1.6
V. Treasury shares:	-	-	(206)	(0.1)	(221)	(0.0)
Total Shareholders' Equity	-	-	206,619	54.9	206,190	54.9
Total Liabilities and Shareholders' Equity	-	-	376,070	100.0	375,756	100.0

	Six-month period ended September 30, 2006 (as of September 30, 2006)		Six-month period ended September 30, 2005 (as of September 30, 2005)		Year ended March 31, 2006 (as of March 31, 2006)	
Net assets						
I. Shareholders' equity	196,865	51.5	-	-	-	-
Capital	24,166	6.3	-	-	-	-
Capital surplus	43,084	11.3	-	-	-	-
Capital reserve	43,084		-		-	
Retained earnings	129,841	34.0	-	-	-	-
Reserve out of income	6,041		-		-	
Other retained earnings	123,800		-		-	
Reserve for loss of overseas investment, etc.	17		-		-	
Reserve for special depreciation	28		-		-	
Reserve for deferred income tax on fixed assets	620		-		-	
General reserve	115,000		-		-	
Net retained earnings forwarded	8,135		-		-	
Treasury stock	(226)	(0.1)	-	-	-	-
II. Revaluation and exchange differences, etc.	4,811	1.3	-	-	-	-
Revaluation difference of other marketable securities	4,778		-		-	
Deferred hedge income	33		-		-	
III. Stock acquisition rights	26	0.0	-	-	-	-
Total Net Assets	201,702	52.8	-	-	-	-
Total Liabilities and Net Assets	382,110	100.0	-	-	-	-

INTERIM STATEMENT OF INCOME

	Six-month period ended September 30, 2006 (from April 1, 2006 to September 30, 2006)		Six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)		Year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)	
	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%
I. Net sales:	305,288	100.0	307,187	100.0	621,547	100.0
II. Cost of goods sold:	272,274	89.2	269,201	87.6	547,298	88.1
Gross profit on sales	33,014	10.8	37,986	12.4	74,249	11.9
III. Selling, general and administrative expenses:	34,365	11.3	37,453	12.2	75,208	12.1
Operating income (loss)	(1,351)	(0.5)	533	0.2	(959)	(0.2)
IV. Non-operating income:	4,230	1.4	3,630	1.2	5,568	0.9
Interest and dividends received	2,805		2,402		3,242	
Other non-operating income	1,425		1,228		2,326	
V. Non-operating expenses:	1,291	0.4	1,158	0.4	2,089	0.3
Interest paid	479		323		655	
Other non-operating expenses	812		835		1,434	
Ordinary income	1,588	0.5	3,005	1.0	2,520	0.4
VI. Special income:	213	0.1	14,129	4.6	15,258	2.5
VII. Special loss:	1,789	0.6	14,052	4.6	17,697	2.9
Income before income taxes for the interim period (year)	12	0.0	3,082	1.0	81	0.0
Corporation taxes, inhabitant taxes and enterprise taxes	56	0.0	70	0.0	130	0.0
Adjustment corporation taxes, etc.	(418)	(0.1)	4,517	1.5	3,650	0.6
Net income (loss) for the interim period (year)	374	0.1	(1,505)	(0.5)	(3,699)	(0.6)
Retained earnings brought forward from the previous year	-		6,487		6,487	
Unappropriated retained earnings for the interim period (year)	-		4,982		2,788	

INTERIM STATEMENTS OF CHANGES OF SHAREHOLDERS' EQUITY, ETC.

For the six-month period ended September 30, 2006 (from April 1, 2006 through September 30, 2006)

(millions of yen)

	Shareholders' equity											
		Capital reserve		Retained earnings								
					Retained earnings, other							
	Capital	Capital surplus	Total capital reserve	Reserve out of income	Reserve for loss of overseas investment, etc.	Reserve for special depreciation	Reserve for deferred income tax on fixed assets	General reserve	Net retained earnings forwarded	Total retained earnings	Treasury shares	Total sharehold-ers' equity
Balance as of March 31, 2006	24,166	43,084	43,084	6,041	27	70	620	123,585	2,788	133,131	(221)	200,160
Changes during the period												
Reversal of reserve for loss of overseas investment, etc. (Note 1)					(10)				10	-		-
Addition to reserve for special depreciation (Note 2)						6			(6)	-		-
Reversal of reserve for special depreciation (Note 3)						(48)			48	-		-
Reversal of general reserve (Note 2)								(8,585)	8,585	-		-
Distribution of surplus (Note 2)									(3,652)	(3,652)		(3,652)
Net income									374	374		374
Acquisition of treasury shares										-	(17)	(17)
Disposition of treasury shares									(12)	(12)	12	0
Changes in items other than shareholders' equity during the period – net												-
Total changes during the period	-	-	-	-	(10)	(42)	-	(8,585)	5,347	(3,290)	(5)	(3,295)
Balance as of September 30, 2006	24,166	43,084	43,084	6,041	17	28	620	115,000	8,135	129,841	(226)	196,865

	Revaluation and exchange differences, etc.			Stock acquisition rights	Total net assets
	Revaluation difference of other marketable securities	Deferred hedge income	Total re-valuation and exchange differences, etc.		
Balance as of March 31, 2006	6,030	-	6,030	-	206,190
Changes during the period					
Reversal of reserve for loss of overseas investment, etc. (Note 1)					
Addition to reserve for special depreciation (Note 2)					-
Reversal of reserve for special depreciation (Note 3)					-
Reversal of general reserve (Note 2)					-
Distribution of surplus (Note 2)					-
Net income					(3,652)
Acquisition of treasury shares					374
Disposition of treasury shares					(17)
Changes in items other than shareholders' equity during the period – net					0
Total changes during the period	(1,252)	33	(1,219)	26	(1,193)
Balance as of September 30, 2006	(1,252)	33	(1,219)	26	(4,488)
Balance as of March 31, 2006	4,778	33	4,811	26	201,702

(Note 1) Of the reversed reserve for loss of overseas investment, etc., ¥7 million was an item for the appropriation of retained earnings at the Ordinary General Meeting of Shareholders of the Company held in June 2006.

(Note 2) This is an item for the appropriation of retained earnings at the Ordinary General Meeting of Shareholders of the Company held in June 2006.

(Note 3) Of the reversed reserve for special depreciation, ¥32 million was an item for the appropriation of retained earnings at the Ordinary General Meeting of Shareholders of the Company held in June 2006.

Matters forming the basis for preparation of interim financial statements

1. Basis and method of valuation of assets:

Finished goods and merchandise, raw materials, goods in process and stores:	At cost, determined by the moving average method.
Marketable securities:	
Securities to be held to maturity:	At cost, determined by the amortized cost method (straight line method).
Capital stocks of affiliated companies:	At cost, determined by the moving average method.
Other securities:	
Those with market value:	At market value, determined by market prices, etc. as of the closing of the interim period (Revaluation differences are all transferred directly to net assets. Selling costs are determined by the moving average method.)
Those without market value:	At cost, determined by the moving average method.

2. Method of depreciation of fixed assets:

Tangible fixed assets:	Declining balance method (but the straight line method in the case of Hyogo Plant, Tokushima Plant and part of the hired-out assets). Provided, however, that the straight line method applies to all buildings (except for their appurtenances) acquired on or after April 1, 1998.
Intangible fixed assets:	Straight line method. Depreciation of software for use by the Company is made by the straight line method based on the useful life (five years) within the Company.

3. Basis for providing reserves:

Reserve for doubtful accounts: By taking into consideration the actual loss rate in respect of general credits and the individual possibilities of collection in respect of specific credits, including possible non-performing credits, the Company provides an estimated uncollectible amount.

Reserve for employee retirement benefits: To meet the payment of retirement benefits to employees, the Company provides an amount as reserve for employee retirement benefits and prepaid pension expenses estimated to accrue at the end of the interim period under review, based on estimated retirement benefit obligations and plan assets as of the end of the fiscal year. Prior year service liabilities are treated as expenses based on the straight line method for a specific period of years (16 years) not exceeding the average remaining years of service of employees when such liabilities occur. Actuarial differences will be treated as expenses, effective from the following fiscal year, prorated based on the straight line method for a specific period of years (16 years or 13 years) not exceeding the average remaining years of service of employees when such differences occur during each fiscal year.

4. Method of treatment of lease transactions:

Any financial lease transaction other than those in which ownership of leased property is deemed to pass to its lessee is treated in the manner in which ordinary lease transactions are treated.

5. Method of hedge accounting:

(i) Method of hedge accounting:

Deferral hedge accounting is adopted in principle. Foreign-exchange trades payable with forward exchange contracts are translated into yen with forward exchange rate. Interest rate swaps that meet the criteria for the allocation method are accounted for by the allocation method.

(ii) Hedging instruments and hedged items:

a. Hedging instruments: Forward exchange contracts

Hedged items: Items of which cash flows are fixed to prevent fluctuations thereof

b. Hedging instruments: Interest rate swaps

Hedged items: Loans payable

(iii) Hedging policy:

Forward exchange contract transactions are carried out pursuant to the Company's internal regulations stipulating the transaction authority and the maximum transaction amount based on its foreign exchange exposure management policy.
The Company also trades interest rate swaps to eliminate exposure to interest rates.

(iv) Method of evaluating the effectiveness of a hedge:

The method of evaluating the effectiveness of a hedge is to confirm the compliance with the foreign exchange exposure management policy upon entering into a forward exchange contract. With regard to interest rate swaps, no evaluation is made as they are accounted for by the special method.

6. Other important fundamental matters for the preparation of interim financial statements:

Accounting treatment of consumption tax:

Consumption tax is treated for accounting purpose on a tax-excluded basis.

(Change in the other important fundamental matters for the preparation of interim financial statements)

(Accounting Standards for Presentation of Net Assets in the Balance Sheet)

The "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Corporate Accounting Standard No. 5 (December 9, 2005, the Accounting Standards Board of Japan (ASBJ))) and the "Implementation Guidance on the Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ Implementation Guidance No. 8 (December 9, 2005)) have become applicable as from the interim period of the fiscal year under review. The change has no effect on the income account.

The amount equivalent to the total shareholders' equity based on the previous accounting standard is ¥201,643 million.

As the Regulations Concerning Interim Financial Statements were amended, interim financial statements for the interim period of the current fiscal year are prepared pursuant to the regulations so amended.

(Accounting Standards for Share-Based Payment)

The "Accounting Standard for Share-Based Payment" (Corporate Accounting Standard No. 8 (December 27, 2005, ASBJ)) and the "Implementation Guidance on the Accounting Standard for Share-Based Payment" (ASBJ Implementation Guidance No. 11 (May 31, 2006)) have become applicable as from the interim period of the fiscal year under review.

As a result, operating loss increased by ¥26 million, and ordinary income and income before income taxes decreased by the same amount, respectively.

NOTES:

1. Figures of the above-listed amounts 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, 2006	Six-month period ended September 30, 2005
2.	Accumulated depreciation of tangible fixed assets:	¥82,609 million	¥81,310 million
3.	Guarantee obligations:	¥18,077 million	¥15,575 million
4.	Treatment of notes maturing at the end of the interim period:	Notes maturing at the end of the interim period are settled on a day on which clearing houses are open. The end of the interim period of the current fiscal year fell on a banking holiday, the following notes maturing at the end of the interim period were included in the notes outstanding as at the end of the interim period: Notes receivable: ¥114 million	-

5. Special income and loss

Special income

Gain on sale of fixed assets	¥197 million	¥208 million
Gain on sale of investment securities	¥16 million	¥815 million
Gain on return of substitutional portion of employees' pension fund liabilities	-	¥13,106 million

Special loss

Special retirement allowances	¥534 million	¥7,412 million
Loss on liquidation of affiliated companies	¥507 million	-
Revaluation loss of capital stock of affiliated companies	-	¥1,419 million
Loss on factory closure	¥321 million	-
Loss on impairment of fixed assets	¥153 million	¥4,280 million

6. Financial lease transactions other than those in which ownership of leased property is deemed to pass to its lessee:

1) Amounts equivalent to the acquisition prices, accumulated depreciation and balance at the end of the interim period, of leased property:

Six-month period ended September 30, 2006:

(millions of yen)

	Amount equivalent to the acquisition prices	Amount equivalent to accumulated depreciation	Amount equivalent to balance at the end of interim period
Vehicles and transportation equipment:	205	125	80
Tools, furniture and fixtures:	1,072	482	590
Total:	1,277	607	670

Six-month period ended September 30, 2005:

(millions of yen)

	Amount equivalent to the acquisition prices	Amount equivalent to accumulated depreciation	Amount equivalent to balance at the end of interim period
Vehicles and transportation equipment:	576	326	250
Tools, furniture and fixtures:	1,711	1,267	444
Total:	2,287	1,593	694

2) Amount equivalent to the balance of unearned rent at the end of the interim period:

	Six-month period ended September 30, 2006	Six-month period ended September 30, 2005
Lease within one year:	¥234 million	¥301 million
Lease exceeding one year:	¥436 million	¥393 million
Total:	¥670 million	¥694 million

3) Rent paid for the interim period and the amount equivalent to depreciation costs:

	Six-month period ended September 30, 2006	Six-month period ended September 30, 2005
Rent paid:	¥140 million	¥259 million
Amount equivalent to depreciation costs:	¥140 million	¥259 million

The amounts equivalent to the acquisition prices of leased property and to the balance of unearned rent at the end of the interim period are calculated by including interest paid, since the amount of the balance of unearned rent at the end of the interim period is insignificant.

7. Marketable securities (Shares of subsidiaries and associated companies):

During the current interim period and the interim period of the previous fiscal year, no shares of subsidiaries and associated companies had market value.

8. Losses on impairment of fixed assets:

The Company accounted for losses on impairment of the following asset groups:

(1) The six-month period ended September 30, 2006 (from April 1, 2006 to September 30, 2006)

1) Asset groups of which the Company accounted for losses on impairment, amounts thereof and assets by category:

(millions of yen)

Usage	Place	Land	Building /Structure	Others	Total
Assets for lease	Hiroshima City, Hiroshima	90	25	1	116
Idle assets	Tomakomai City, Hokkaido	11	25	1	37
Total		101	50	2	153

2) Grouping of the assets:

The Company groups its assets for business use based on its business category and its assets for lease and idle assets according to the units thereof.

3) Background of recognition of losses on impairment of fixed assets:

With regard to the assets for lease and idle assets the recoverable values of which have declined as a result of recent steep slide in land prices, the book values have been reduced to the recoverable values and special losses are accounted therefor.

4) Method of calculation of recoverable values:

For the purpose of calculating recoverable values, net sales values or values in use are applicable to the assets for lease and net sales values are applicable to the idle assets. The net sales values are evaluated mainly based on the assessments for inheritance tax purposes by road rating and the values in use are calculated by discounting expected future cash flows by 5.37%.

(2) The six-month period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)

1) Asset groups of which the Company accounted for losses on impairment, amounts thereof and assets by category:

(millions of yen)

Usage	Place	Land	Building /Structure	Others	Total
Assets for lease	Izumi-Sano City, Osaka and 14 other places	3,148	678	28	3,854
Idle assets	Sorachi-gun, Hokkaido and 8 other places	244	178	4	426
Total		3,392	856	32	4,280

* For the purpose of clarifying the explanations, the usages are categorized broadly.

2) Grouping of the assets:

The Company groups its assets for business use based on its business category and its assets for lease and idle assets according to the units thereof.

3) Background of recognition of losses on impairment of fixed assets:

With regard to the assets for lease and idle assets the recoverable values of which have declined as a result of recent steep slide in land prices, the book values have been reduced to the recoverable values and special losses are accounted therefor.

4) Method of calculation of recoverable values:

For the purpose of calculating recoverable values, net sales values or values in use are applicable to the assets for lease and net sales values are applicable to the idle assets. The net sales values are evaluated mainly based on the assessments for inheritance tax purposes by road rating and the values in use are calculated by discounting expected future cash flows by 4.9%.

9. Interim statement of changes in shareholders' equity, etc.

The six-month period ended September 30, 2006 (from April 1, 2006 to September 30, 2006)

Class of treasury shares and the number of shares

(thousand shares)

	Number of shares at the end of the previous fiscal year	Increased number of shares for the interim period	Decreased number of shares for the interim period	Number of shares at the end of the interim period of the current fiscal year
Treasury shares				
Common stock	187	12	10	189
Total	187	12	10	189

(Summary of the changes)

Increased number of shares:

Purchase of less-than-one-unit shares: 12 thousand shares

Decreased number of shares:

Exercise of stock options: 10 thousand shares