(Translation)

May 18, 2007

BRIEF STATEMENTS OF ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2007

(Based on the accounting principles generally accepted in the United States)

Name of listed company:	Nippon Meat Packers, Inc.
Code number:	2282 (URL http://www.nipponham.co.jp)
Listing exchange:	First Section of the Tokyo Stock Exchange and First Section of the Osaka Securities Exchange
Representative:	Hiroshi Kobayashi President and Representative Director
Further inquiries:	Noboru Takezoe Director, Senior Executive Officer and General Manager of Corporate Planning Division

Scheduled date of the Ordinary General Meeting of Shareholders: June 27, 2007

Scheduled date of payment of dividends: June 6, 2007

Scheduled date of filing of securities report: June 28, 2007

1. Business results for the year ended March 31, 2007 (April 1, 2006 through March 31, 2007):

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

(1) Consolidated operating results

	Year ended March 31, 2007	Year ended March 31, 2006
Net sales:	¥977,296 million (1.4%)	¥963,664 million (3.1%)
Operating income:	¥16,422 million (63.0%)	¥10,074 million ((-) 63.0%)
Income before income taxes:	¥13,668 million (485.4%)	¥2,335 million ((-) 89.6%)
Net income:	¥11,386 million (- %)	¥952 million ((-) 92.0%)
Net income per share (basic):	¥49.89	¥4.17
Net income per share (diluted):	¥49.83	¥4.17
Ratio of net income to shareholders' equity:	3.9%	0.3%
Ratio of income before income taxes to total assets:	2.3%	0.4%
Ratio of operating income to net sales:	1.7%	1.0%

(For reference) Equity in earnings of associated companies:

Year ended March 31, 2007: (-) ¥233 million

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

(Note) Operating income is calculated based on Japanese accounting practices.

(2) Consolidated financial condition

	Year ended March 31, 2007	Year ended March 31, 2006
Total assets:	¥612,933 million	¥591,426 million
Shareholders' equity:	¥298,428 million	¥291,580 million
Ratio of shareholders' equity to total assets:	48.7%	49.3%
Shareholders' equity per share:	¥1,307.77	¥1,277.41

(Note) Based on the accounting principles generally accepted in the United States, the shareholders' equity, ratio of shareholders' equity to total assets and shareholders' equity per share are stated as previously applicable.

(3) State of consolidated cash flows

	Year ended March 31, 2007	Year ended March 31, 2006
Cash flows from operating activities:	¥33,364 million	(-) ¥21,207 million
Cash flows from investing activities:	(-) ¥19,740 million	(-) ¥16,661 million
Cash flows from financing activities:	(-) ¥6,322 million	(-) ¥1,745 million
Cash and cash equivalents at end of the year:	¥34,482 million	¥27,180 million

2. State of dividends

		Year ended March 31, 2006	Year ended March 31, 2007	Year ending March 31, 2008 (forecast)
Dividend per share:	Year-end	¥16.00	¥16.00	¥16.00
	Annual	¥16.00	¥16.00	¥16.00
Aggregate dividends (annual):		¥3,652 million	¥3,651 million	-
Dividend propensity (consolidated):		383.7%	32.1%	38.4%
Ratio of dividends to shareholders' equity (consolidated):		1.3%	1.2%	-

3. Forecast of consolidated business results for the year ending March 31, 2008 (April 1, 2007 through March 31, 2008):

(The percentages indicate the rates of increase or decrease from the six-month period or the whole-year period of the previous year, respectively)

	Six-month period	Whole-year period
Net sales:	¥495,000 million (2.0%)	¥1,000,000 million (2.3%)
Operating income:	¥8,500 million (42.1%)	¥21,000 million (27.9%)
Income before income taxes:	¥4,000 million ((-) 10.2%)	¥14,500 million (6.1%)
Net income:	¥2,500 million ((-) 1.3 %)	¥9,500 million ((-) 16.6 %)
Net income per share (basic):	¥10.95	¥41.62

4 Others

(1) Significant changes in subsidiaries (changes in specific subsidiaries associated with the scope of consolidation) during the year: No

(2) Changes in accounting principles, procedures, disclosure methods, etc., pertaining to preparation of consolidated financial statements (those to be stated as changes in the Important Matters Forming the Basis for Preparing Consolidated Financial Statements):

1) Changes associated with changes in accounting standards: Yes

2) Other changes: No

(Note) For more details, please refer to the "Important Matters Forming the Basis for Preparing Consolidated Financial Statements" on pages 27 and 28.

(3) Number of issued shares (shares of common stock):

1) Number of issued shares (including shares of treasury stock) as of the end of the fiscal year:

Year ended March 31, 2007:	228,445,350 shares
Year ended March 31, 2006:	228,445,350 shares

2) Number of shares of treasury stock as of the end of the fiscal year:

Year ended March 31, 2007:	249,927 shares
Year ended March 31, 2006:	186,792 shares

3) Average number of shares during the fiscal year:

Year ended March 31, 2007:	228,236,084 shares
Year ended March 31, 2006:	228,268,860 shares

(For reference) Summary of the non-consolidated business results

1. Non-consolidated business results for the year ended March 31, 2007 (April 1, 2006 through March 31, 2007):

(1) Non-consolidated operating results

(The percentages indicate the rates of increase or decrease from the previous year)

	Year ended March 31, 2007	Year ended March 31, 2006
Net sales	¥619,745 million ((-) 0.3%)	¥621,547 million (1.6%)
Operating income	¥1,334 million -	(-) ¥959 million -
Ordinary income	¥5,304 million (110.4%)	¥2,520 million ((-) 73.7%)
Net income	¥1,569 million -	(-) ¥3,699 million -
Net income per share	¥6.87	(-) ¥16.20
Net income per share after adjustment of potential stocks	¥6.86	-

(2) Non-consolidated financial position

	Year ended March 31, 2007	Year ended March 31, 2006
Total assets	¥379,849 million	¥375,756 million
Net assets	¥202,476 million	¥206,190 million
Net worth ratio	53.3%	54.9%
Net assets per share	¥886.84	¥903.32

(For reference)

Net worth:

Year ended March 31, 2007:	¥202,374 million
Year ended March 31, 2006:	-

2. Forecast of non-consolidated business results for the year ending March 31, 2008 (April 1, 2007 through March 31, 2008):

(The percentages indicate the rates of increase or decrease from the six-month period or the whole-year period of the previous year, respectively)

	Six-month period	Whole-year period
Net sales:	¥308,000 million (0.9%)	¥625,000 million (0.8%)
Operating income:	¥1,000 million (- %)	¥3,000 million (124.9 %)
Ordinary income:	¥8,000 million (403.8%)	¥11,000 million (107.4%)
Net income:	¥4,000 million (969.5 %)	¥5,000 million (218.7 %)
Net income per share:	¥17.53	¥21.91

* Explanation for the appropriate use of the forecast of business results and other special instructions

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 "I. OPERATING RESULTS: (2) Prospect for the next fiscal year" on pages 10 through 12.

I. OPERATING RESULTS

1. Analysis of operating results

(1) For the fiscal year under review

Overview of operating results in general

The Japanese economy during the fiscal year under review continued a stable expansion supported by steady capital investment, though private spending remained modest.

However, the food and fresh meats industry has been placed in a severe condition due to increased prices of raw meats on account of livestock illness 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 products, among others.

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 commenced on April 1, 2006.

To be specific, the Group, in its production sections, has continued its efforts to drastically reform its cost structure since the previous fiscal year. During the fiscal year under review, the Group restructured its production sites and production lines, including the closing of two factories of hams and sausages, and utilized its idle assets to reduce cost. In its marketing sections, the Group has exerted its efforts to revise prices of its processed products and processed foods and reformed its marketing system to make it more community-based. On the other hand, to make strategic moves toward global development, the Group has strengthened its supply sites for the Japanese market, and also improved its production systems in China and increased trades between foreign supply markets of fresh meats and marine products and third countries.

With regard to the improvement of qualities of products, to materialize the "Management for No. 1 Quality", one of the business policies under the Medium-Term Management Plan, the Group has directed its efforts to develop and improve products according to their features at its respective business divisions and group companies to ensure such qualities to satisfy and impress consumers in terms of security and safety. Additionally, the Group has continued its efforts to maintain and improve its quality auditing and monitoring systems, acquire more third-party certifications, including HACCP, ISO and SQF, and respond to the Positive List System for Agricultural Chemical Residues in Foods to cultivate its quality-oriented corporate culture.

To get one step further from compliance in management, the Group has promoted corporate social responsibility (CSR) unique to the Group, covering food education, support for sports, recycling-oriented agriculture and measures for anti-allergies food, among others.

Furthermore, the Group has focused on making all employees in management positions better aware of compliance, developing various systems and strengthening human resource development in response to internal control audits, to build up bases for group management.

As a result of these activities, net sales for the fiscal year under review amounted to ¥977,296 million, up 1.4% from the previous fiscal year.

In regard to profits, while the business environment remained difficult due to a rise in prices of raw meats, increased material costs and other factors, operating expenses decreased due to the reform of the cost structure in the processed foods business and special allowance benefits, which were included in expenses and others, decreased. Consequently, income before income taxes amounted to ¥13,668 million, up 485.4% from the previous fiscal year. Net income amounted to ¥11,386 million, up 1,096.0% due to a decrease in tax expenses as a consolidated taxation system will become applicable as from the next fiscal year.

Breakdown of consolidated net sales

	Year ended March 31, 2007 (April 1, 2006-March 31, 2007)		Year ended March 31, 2006 (April 1, 2005-March 31, 2006)		Rate of increase or decrease from the previous year
	Amount (millions of yen)	Component ratio (%)	Amount (millions of yen)	Component ratio (%)	(%)
Hams and sausages	131,987	13.5	134,045	13.9	(1.5)
Processed foods	184,320	18.9	184,751	19.2	(0.2)
Fresh meats	510,695	52.3	496,772	51.6	2.8
Seafood	83,353	8.5	82,497	8.6	1.0
Dairy products	21,832	2.2	21,707	2.2	0.6
Others	45,109	4.6	43,892	4.5	2.8
Total	977,296	100.0	963,664	100.0	1.4

Overview of segment information by business category

Fresh meat-related businesses

In the hams and sausages business, the Company revised prices in July 2006 to recover earnings. Consequently, the Company was temporarily placed in a difficult position in terms of sales quantity. However, partly due to thank-you sales in October 2006 for backing the Hokkaido Nippon Ham Fighters, Japanese professional baseball team, which got the pennant, sales of its consumer products, such as its main products "SCHAU ESSEN", expanded among other products. In addition, under such favorable conditions, the year-end gift blitz turned in favor of the Company. However, due to a transfer of business of an overseas subsidiary during the previous fiscal year, overall revenues of the hams and sausages business decreased.

In the processed foods business, while price competition was intensifying in the industry, the Company had difficulty in selling its existing products. However, the Company made a recovery by launching new products that fit consumer needs in spring and autumn. Specifically, sales of "Ishigama Kobo" series and prefried products increased strongly. The Company also endeavored to develop a new category of products that would not compete with its existing products. However, sales of products for industrial use were weak due to price competition with rival companies and cheaper imported processed products. The Company also focused its efforts on enhancing cooperation between the hams and sausages business and processed foods business to optimize management through joint purchase of materials and quality improvement.

In the fresh meats business, while sales volume of U.S. beef have continued to lag even since imports resumed, sales of domestic beef and pork, substitute therefor, increased among others. Specifically, with the sales force and marketing capabilities of its sales and marketing subsidiaries nationwide, the Company has focused its efforts on expanding trading volume of its key brand products produced at its own farms. The Company also has endeavored to keep a reasonable inventory level and improve productivity of its domestic processing factories to increase profits. On the other hand, the Company has expanded business of taking in swine in the United States and Japanese cattle in Japan. Business in Australia had a tough time due to a sharp rise in prices of feeder's cattle there, but registered tones of recovery in the second half of the fiscal year under review.

As a result, net sales and operating income of the fresh meats-related businesses amounted to ¥874,153 million, up 1.8% from the previous fiscal year, and ¥17,438 million, up 52.8%, respectively.

Other businesses

In the marine products business, material prices remained high due to decreased fish catches against the background of a decrease in fishery resources and higher oil prices, and higher demand in Europe, Russia and China. In these harsh market conditions, the Group has continued its efforts to revise prices and offer alternative products, and also expand a line of products by organizing teams respectively specializing in specific fish species and cultivate overseas markets. On the other hand, the Group has restructured its logistics system and reduced inventory to cut cost.

In the dairy products business, with regard to yogurts and lactic acid probiotic beverages, sales of "Vanilla Yogurt", its mainstay product, increased steadily. The Group has also focused its efforts on developing high value added products to meet consumer needs and cultivate a new market. With regard to cheese, the Group has endeavored to expand sales by placing top priority on gaining recognition of its brand "ROLF" and cultivate marketing channels for industrial use. However, overall sales did not do well.

As a result, net sales of the other businesses, including those of the food service and other businesses, amounted to ¥129,182 million, up 0.5% from the previous fiscal year. The Company made a profit turnaround by ¥108 million from the previous fiscal year but registered an operating loss of ¥1,153 million.

Overview of segment information by geographic area

(i) Japan

Sales of hams and sausages increased due to the price revisions and strong sales of consumer products and gift products partly on account of the thank-you sales for the Hokkaido Nippon Ham Fighters' getting the pennant. In the processed foods business, sales of "Ishigama Kobo" series and prefried products and other new products increased strongly. However, sales of products for industrial use were weak due to intensifying price competition. In the fresh meats business, sales increased as sales of pork, substitute for beef, increased. In addition, sales of marine products increased due to the price revisions and varied fish species.

As a result, net sales in Japan amounted to ¥883,837 million, up 0.7% from the previous fiscal year. Operating income increased due to a decrease in operating expenses arising from the reform of the cost structure, amounting to ¥16,864 million, up 53.1% from the previous fiscal year.

(ii) Other areas

Sales of hams and sausages decreased due to a transfer of business of an overseas subsidiary in Australia during the previous fiscal year. However, sales of fresh meats, among others, increased in the United States and other countries. Consequently, net sales in other areas amounted to ¥182,763 million, up 6.2% from the previous fiscal year. As for profits, business in Australia registered tones of recovery in the second half of the fiscal year under review. Consequently, operating loss improved by ¥400 million, amounting to ¥608 million.

(2) Prospect for the next fiscal year

The business environment is expected to continue to remain difficult during the next fiscal year. Based on compliance in management nurtured heretofore, the Company will promote the policies set forth in its "New Medium-Term Business Plan Part II" as concrete strategies in response to changes in the market and consumers for the purpose of expansion and growth of business.

In the processed foods business, prices of raw meats still remain high and will be factors to put pressure on profit. The Company will continue structural reforms to enhance cost competitiveness. The Company will also restructure its original logistics system to cut costs and enhance its competitive superiority. In addition, the Company will exert its efforts to revise its marketing system to strengthen its area marketing and expand sales of new-category products to meet consumer needs by marketing through its integrated production and marketing system, as well as products using raw meats procured from the farms of the Group in Japan.

In the fresh meats business, a sharp rise in feedstuff prices has caused higher cost in the production sections and the Company is expected to be placed in a difficult situation. In this situation, the Company will, by taking advantage of its integration system covering production at its own farms to marketing, further enhance cooperation within the Group and implement brand strategies. For example, the Company will encourage its sales promotion staff to make innovative proposals from the perspectives of consumers and make more serious inroads into mass-market and food service routes. In the production sections, on the other hand, the Company will endeavor to cut costs through improvement of productivity and expansion of scale.

In the marine products business, while the marine products market is continuing to rise, the Group will expand marketing channels and strengthen cooperation with its trading partners in and outside of Japan to cultivate new production centers and new products and differentiate itself from rival companies. The Group will also establish a system to supply domestic fresh fish and expand trading in fresh and processed marine products.

In the dairy products business, while prices of raw materials are rising, the Company will develop high value added products from the perspective of consumer satisfaction (CS), break into such marketing channels and routes to expand its business fields in the future and strengthen trading with its major clients to increase sales.

With regard to its efforts in quality enhancement, the Company will, in cooperation with all and any sections of the Group, carry out activities to maintain and enhance the safety and quality grades, make functional use of the advantage and technology of its integration system and aggressively develop such products and services that may be needed through communications with consumers and the market.

The Company will promote corporate social responsibility (CSR) on a near-at-hand level, such as community activities through food education and sports.

Thus, the environment surrounding the Group remains very difficult and problems lie in a heap. However, the Group will pursue "reforms" and "challenges" with an unflagging resolve to overcome such problems and complete the management target. The Group aims to become a "corporate group to get ahead of the global competition".

With regard to operating results for the next fiscal year, net sales are estimated to amount to ¥1,000 billion (up 2.3% from the previous fiscal year).

Forecast of net sales by product category

	Year ending March 31, 2008 (April 1, 2007-March 31, 2008)	Rate of increase or decrease from the previous year
	(billions of yen)	(%)
Hams and sausages	133.0	0.8
Processed foods	186.0	0.9
Fresh meats	527.0	3.2
Seafood	85.0	2.0
Dairy products	22.5	3.1
Others	46.5	3.1
Total	1,000.0	2.3

In regard to profits, operating income, income before income taxes and net income are estimated to amount to ¥21.0 billion (up 27.9% from the previous fiscal year), ¥14.5 billion (up 6.1% from the previous fiscal year) and ¥9.5 billion (down 16.6% from the previous fiscal year), respectively.

Cautionary notice on information about the future:

The plans, forecast of operating results and other prospects for the future described in this brief statements of accounts were calculated based on the currently available information and projections. The actual results in the future may materially differ from such prospects, depending on various factors including risk factors in business.

2. Analysis of the financial position

Total assets at the end of the year increased by 3.6% from the end of the previous fiscal year, accounting for ¥612,933 million. By item, with regard to current assets, inventories decreased by 2.0%, accounting for ¥114,638 million, while trade notes and accounts receivable increased by 13.0%, accounting for ¥116,248 million and cash and cash equivalents increased by 26.9%, accounting for ¥34,482 million. As a result, current assets increased by 7.9% from the end of the previous fiscal year, accounting for ¥292,510 million. Property, plant and equipment decreased by 0.8% from the end of the previous fiscal year, accounting for ¥257,591 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 increased by 52.3% from the end of the previous fiscal year, accounting for ¥13,394 million, principally as a consolidated taxation system will become applicable as from the next fiscal year.

With regard to liabilities, current liabilities increased by 2.4% from the end of the previous fiscal year, accounting for ¥201,724 million as trade notes and accounts payable increased by 6.7% from the end of the previous fiscal year, accounting for ¥94,201 million while short-term bank loans decreased by 9.1%, accounting for ¥65,306 million. Long-term debt increased by 9.8%, accounting for ¥95,174 million due to any increase in long-term loans payable. As a result, liabilities increased by 4.9% from the end of the previous fiscal year, accounting for ¥312,369 million.

Interest-bearing debt increased by ¥1,510 million from the end of the previous fiscal year to account for ¥171,211 million.

Shareholders' equity increased by 2.3% from the end of the previous fiscal year to account for ¥298,428 million due to an increase in net income. As a result, the ratio of shareholders' equity decreased by 0.6% from the end of the previous fiscal year to 48.7%.

The states and causes of cash flows are as follows:

(millions of yen)

	Year ended March 31, 2007	Year ended March 31, 2006	Increase or decrease
Cash flows from operating activities	33,364	(21,207)	54,571
Cash flows from investing activities	(19,740)	(16,661)	(3,079)
Cash flows from financing activities	(6,322)	(1,745)	(4,577)
Net increase (decrease) in cash and cash equivalents	7,302	(39,613)	46,915
Cash and cash equivalents at end of the year	34,482	27,180	7,302

With regard to operating activities, net income and trade notes and accounts payable increased, while depreciation and amortization decreased. As a result, net cash from operating activities amounted to ¥33,364 million (a negative ¥21,207 million for the previous fiscal year).

With regard to investing activities, net cash from investing activities amounted to a negative ¥19,740 million (a negative 16,661 million for the previous fiscal year) due to ¥16,544 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 ¥6,322 million (a negative ¥1,745 million for the previous fiscal year).

As a result, cash and cash equivalents at end of the year increased by ¥7,302 million in comparison with the end of the previous fiscal year, to amount to ¥34,482 million.

The trends in cash flow indices are as shown below:

	Year ended March 31, 2003	Year ended March 31, 2004	Year ended March 31, 2005	Year ended March 31, 2006	Year ended March 31, 2007
Ratio of shareholders' equity to total assets (%)	39.7	42.9	43.9	49.3	48.7
Ratio of shareholders' equity to total assets on a market value basis (%)	41.7	45.7	50.8	47.6	53.6
Years for debt redemption	5.4	5.1	4.8	-	5.1
Interest coverage ratio	11.9	12.2	13.0	-	11.4

* 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

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 number of issued shares, excluding the shares of treasury stock.

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. The Company's fundamental policy of profit allocation and dividends for the fiscal year under review and the next fiscal year

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.

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 under review.

4. Risk factors in business

There is no significant change in the "risk factors in business" in the Company's most recent securities report (filed on June 29, 2006). Hence, the description thereof is omitted herein.

II. STATE OF CORPORATE GROUP

There is no significant change in the "business organization chart (details of business)" and the "state of related companies" in the Company's most recent securities report (filed on June 29, 2006). Hence, the description thereof is omitted herein.

III. BUSINESS POLICY

1. The Company's fundamental business policy

The Group advocates, as two key factors 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, focused 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, which will consequently lead us to provide foods and services acceptable to consumers.

2. Target management indices

For the final fiscal 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 ¥1,020 billion, operating income of ¥33 billion and income before income taxes of ¥30 billion and attain the ROA (ratio of income before income taxes to 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.

3. The Company's medium- and long-range business strategies

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 three 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.

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 and specialization of its production lines, as well as abolition and consolidation of its line of products. 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, the Company will further enhance cooperation between its production and sales and marketing sections and develop new-category products and high value added products to expand sales and increase profits.

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 global purchase networks to further increase trading volumes and the market share.

With regard to marine products and dairy products, the Company will develop the business fields of marine products and dairy products for the Group's intended strategic diversification of business. In the marine products 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.

4. The Company's future challenges

(1) Improvement of group management in quality

(i) 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.

(ii) 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.

(iii) The Company will proactively utilize information technology (IT) to support operational activities and will also upgrade managerial information to materialize prompt-decision management.

(iv) 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

(i) 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.

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

(iii) 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.

IV. CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated Balance Sheets

(millions of yen)

	Year ended March 31, 2007 (as of March 31, 2007)	Year ended March 31, 2006 (as of March 31, 2006)	Increase or decrease
Assets			
Current assets:			
Cash and cash equivalents	34,482	27,180	7,302
Time deposits	6,630	4,507	2,123
Marketable securities	355	198	157
Trade notes (non-interest bearing) and accounts receivable	116,248	102,832	13,416
Allowance for doubtful receivables	(707)	(906)	199
Inventories	114,638	117,011	(2,373)
Deferred income taxes	5,509	4,832	677
Prepayments and other current assets	15,355	15,389	(34)
Total current assets	292,510	271,043	21,467
Investment and non-current receivables:			
Investment in associated companies	925	1,079	(154)
Other securities investments	24,118	26,792	(2,674)
Deposits and sundry investments	13,006	13,817	(811)
Total investments and non-current receivables	38,049	41,688	(3,639)
Property, plant, and equipment - at cost, less accumulated depreciation	257,591	259,727	(2,136)
Deferred income taxes - non-current	13,394	8,795	4,599
Other assets	11,389	10,173	1,216
Total	612,933	591,426	21,507

(millions of yen)

	Year ended March 31, 2007 (as of March 31, 2007)	Year ended March 31, 2006 (as of March 31, 2006)	Increase or decrease
Liabilities and shareholders' equity			
Current liabilities:			
Short-term bank loans	65,306	71,823	(6,517)
Current maturities of long-term debt	11,878	12,485	(607)
Trade notes (principally non-interest bearing) and accounts payable	94,021	88,141	5,880
Accrued income taxes	3,939	3,847	92
Deferred income taxes	1,287	723	564
Accrued expenses	14,824	14,342	482
Other current liabilities	10,469	5,552	4,917
Total current liabilities	201,724	196,913	4,811
Liability under retirement and severance program	12,919	10,743	2,176
Long-term debt, less current maturities	95,174	86,663	8,511
Deferred income taxes - non-current	2,552	3,577	(1,025)
Minority interests	2,136	1,950	186
Shareholders' equity:			
Common stock	24,166	24,166	-
Capital surplus	50,813	50,688	125
Retained earnings:			
Appropriated for legal reserve	6,802	6,741	61
Unappropriated	211,212	203,542	7,670
Accumulated other comprehensive income	5,737	6,664	(927)
Treasury stock, at cost	(302)	(221)	(81)
Total shareholders' equity	298,428	291,580	6,848
Total	612,933	591,426	21,507

(Note)

	Year ended March 31, 2007	Year ended March 31, 2006	Increase or Decrease
Accumulated other comprehensive income – breakdown:			
Net unrealized gains on securities available for sale	4,348	6,170	(1,822)
Net unrealized gains on derivative financial instruments	670	49	621
Minimum pension liability adjustment	-	(1,963)	1,963
Pension liability adjustment	(3,718)	-	(3,718)
Foreign currency translation adjustment	4,437	2,408	2,029

2. Statements of Consolidated Income

(millions of yen)

	Year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)	Year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)	Increase or decrease
Revenues:			
Net sales	977,296	963,664	13,632
Other	2,102	4,022	(1,920)
Total	979,398	967,686	11,712
Cost and expenses:			
Cost of goods sold	789,809	789,411	398
Selling, general and administrative expenses	171,065	187,732	(16,667)
Subsidy from the government on the transfer of the substitutional portion of the Employees' Pension Fund	-	(27,434)	27,434
Interest expense	2,928	2,496	432
Other	1,928	13,146	(11,218)
Total	965,730	965,351	379
Income from consolidated operations before income taxes:	13,668	2,335	11,333
Income taxes:			
Current	5,598	6,089	(491)
Deferred	(3,549)	(3,771)	222
Total	2,049	2,318	(269)
Income from consolidated operations	11,619	17	11,602
Equity in losses of associated companies - net (less applicable income taxes)	(233)	(16)	(217)
Net income before extraordinary item and cumulative effect of accounting change	11,386	1	11,385
Extraordinary gain on negative goodwill	-	555	(555)
Cumulative effect of accounting change	-	396	(396)
Net income	11,386	952	10,434

Operating income (based on Japanese accounting practices)	16,422	10,074	6,348

Note: 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 ".

(ii) 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.

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

(iv) 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 in operating income.

3. Statements of Consolidated Shareholders' Equity

For the year ended March 31, 2007 (April 1, 2006 through March 31, 2007) (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				11,386			11,386
Net unrealized losses on securities available for sale					(1,822)		(1,822)
Net unrealized gains on derivative financial instruments					621		621
Minimum Pension liability adjustment					2,062		2,062
Foreign currency translation adjustment					2,029		2,029
Adjustment to initially apply FASB Statement No. 158, net of tax					(3,817)		(3,817)
Cash dividends				(3,652)			(3,652)
Transfer to retained earnings appropriated for legal reserve			61	(61)			-
Treasury stock acquired						(93)	(93)
Stock options granted		134					134
Exercise of stock options		(9)		(3)		12	0
As of March 31, 2007	24,166	50,813	6,802	211,212	5,737	(302)	298,428

For the year ended March 31, 2006 (April 1, 2005 through 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 on securities available for sale					1,973		1,973
Net unrealized gains 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)			-
Treasury stock acquired						(27)	(27)
Stock options granted		135					135
As of March 31, 2006	24,166	50,688	6,741	203,542	6,664	(221)	291,580

STATEMENTS OF CONSOLIDATED CASH FLOWS

(millions of yen)

	Year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)	Year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)
Operating Activities:		
Net income	11,386	952
Adjustments to reconcile net income to net cash provided by operating activities:		
Cumulative effect of accounting change	-	(396)
Depreciation and amortization	23,774	24,452
Subsidy from the government on the transfer of the substitutional portion of the Employees' Pension Fund	-	(27,434)
Settlement loss from the transfer of the substitutional portion of the Employees' Pension Fund	-	20,799
Settlement loss from the restructuring of employees' benefit plans	-	2,754
Income taxes – deferred	(3,549)	(3,771)
Extraordinary gain on negative goodwill	-	(555)
Increase in trade notes and accounts receivable	(12,345)	(5,293)
Decrease (increase) in inventories	3,458	(20,494)
Decrease (increase) in current assets	280	(3,192)
Increase (decrease) in trade notes and accounts payable	5,805	(1,971)
Increase (decrease) in accrued income taxes	94	(1,578)
Increase (decrease) in accrued expenses and other current liabilities	3,878	(3,681)
Other – net	583	(1,799)
Net cash provided by (used in) operating activities	33,364	(21,207)
Investing Activities:		
Additions to property, plant and equipment	(16,544)	(19,809)
Proceeds from sales of property, plant and equipment	1,291	3,660
Increase in time deposits	(1,991)	(818)
Purchases of marketable securities and other securities investments	(687)	(1,102)
Proceeds from sales of marketable securities and other securities investments	119	3,669
Decrease in deposits and sundry investments	1,061	1,159
Other – net	(2,989)	(3,420)
Net cash used in investing activities	(19,740)	(16,661)
Financing Activities:		
Cash dividends	(3,676)	(3,669)
Decrease in short-term bank loans	(8,625)	(6,636)
Proceeds from long-term debt	19,278	36,780
Repayments of long-term debt	(13,413)	(28,193)
Others – net	114	(27)
Net cash used in financing activities	(6,322)	(1,745)
Net increase (decrease) in cash and cash equivalents	7,302	(39,613)
Cash and cash equivalents at beginning of the year	27,180	66,793
Cash and cash equivalents at end of the year	34,482	27,180

(millions of yen)

	Year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)	Year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)
Additional cash flow information:		
Interest paid	2,919	2,450
Income taxes paid	4,458	8,367
Capital lease obligations incurred	1,400	423

5. Important Matters Forming the Basis for Preparing Consolidated Financial Statements

(1) Matters concerning the scope of consolidation and application of equity method

i) Number of consolidated subsidiaries: 108 companies

ii) Number of equity-method companies: 11 companies

(2) Summary of principal accounting policies

i) Basis of preparation of consolidated financial statements:

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

ii) 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.

iii) 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. (Relevant unrealized gains (losses) are stated in shareholders' equity after taking into account a tax effect and cost of sale is calculated through the average method.)

iv) 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 are not amortized but subject to a test for impairment of value at least once a year).

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

In accordance with SFAS No. 87 "Employers' Accounting for Pensions" and SFAS No. 158 "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans", 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.

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

With regard to unrecognized actuarial differences, the portion thereof which exceeds the corridor charge (= 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 differences are incurred.

vi) Accounting treatment of consumption tax:

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

vii) Change in the accounting policies:

As from the fiscal year under review, SFAS No. 158 is applicable. Consequently, the Company has changed the accounting treatment previously required by SFAS No. 87 under which a minimum pension liability must be additionally accounted for in any retirement and severance program with accumulated benefit obligations exceeding the fair value of plan assets, and recognizes the overfunded or underfunded status of the benefit obligations as an asset or liability in its consolidated balance sheet. As a result, other assets decreased by ¥5,896 million, liability under retirement and severance program increased by ¥574 million and accumulated other comprehensive income after tax-effect adjustment decreased by ¥3,817 million.

The change has no effect on the income account.

6. NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(1) Segment Information

1) Segment information by business category:

For the year ended March 31, 2007 (April 1, 2006 through March 31, 2007):

(millions of yen)

Items	Fresh meat-related businesses	Other businesses	Total	Eliminations or group-wide	Consolidation
Net sales					
(1) Sales to outside customers	850,982	126,314	977,296	-	977,296
(2) Inter-segment sales	23,171	2,868	26,039	(26,039)	-
Total	874,153	129,182	1,003,335	(26,039)	977,296
Operating expenses	856,715	130,335	987,050	(26,176)	960,874
Operating income (loss)	17,438	(1,153)	16,285	137	16,422
Assets, depreciation and amortization and capital expenditure					
Assets	545,932	47,350	593,282	19,651	612,933
Depreciation and amortization	19,946	1,703	21,649	2,125	23,774
Capital expenditure	19,954	869	20,823	(784)	20,039

(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.

3. With regard to assets, group-wide assets, included in eliminations or group-wide items, amounted to ¥37,812 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, 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					
(2) 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 employees' 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.

2) Segment information by geographic area:

For the year ended March 31, 2007 (April 1, 2006 through March 31, 2007):

(millions of yen)

Items	Japan	Other areas	Total	Eliminations or group-wide	Consolidation
Net sales:					
(1) Sales to outside customers	882,952	94,344	977,296	-	977,296
(2) Inter-segment sales	885	88,419	89,304	(89,304)	-
Total	883,837	182,763	1,066,600	(89,304)	977,296
Operating expenses	866,973	183,371	1,050,344	(89,470)	960,874
Operating income (loss)	16,864	(608)	16,256	166	16,422
Assets	498,008	85,159	583,167	29,766	612,933

(Notes) 1. Countries and areas are categorized in accordance with their geographic nearness. However, any net sales and assets in any country or area other than Japan account for less than 10% of the total net sales and the total assets of all the segments, respectively. Hence, all the countries and areas other than Japan are indicated collectively as the "other areas".

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

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

3. With regard to assets, group-wide assets, included in eliminations or group-wide items, amounted to ¥37,812 million, principally comprising the parent company's time deposits, marketable securities and securities investments.

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
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 employees' 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.

3) Overseas sales:

As respective overseas sales for the years ended March 31, 2006 and March 31, 2007 did not amount to at least 10% of our consolidated net sales, presentation of overseas sales is omitted.

(2) Calculation of Net Income Per Share

Item	Year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)	Year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)
	(millions of yen)	
Net income (Numerator):		
Net income	11,386	952
	(thousands of shares)	
Shares (Denominator):		
Weighted average number of shares to calculate net income per share (basic)	228,236	228,269
Dilutive effect of stock options granted	255	155
Average number of shares to calculate net income per share (diluted)	228,491	228,424

(3) Significant Subsequent Events

For the year ended March 31, 2007 (from April 1, 2006 through March 31, 2007)

Not applicable.

For the year ended March 31, 2006 (from April 1, 2005 through March 31, 2006)

Not applicable.

(Omission of disclosure)

Disclosure of the notes on the lease transactions, related party transactions, tax effect accounting, marketable securities, derivative transactions, employee retirement benefits, stock options, etc. and business combinations, etc. is omitted as the necessity of disclosure thereof in this brief statements of accounts is not considered to be great.