

Results for First Quarter of FY3/09

**August 11, 2008 (Mon.)
Nippon Meat Packers, Inc.**



Contents

- 1. Consolidated Business Results for First Quarter of FY3/09**
- 2. Outlook for FY3/09**
- 3. Summary of Financial Results for First Quarter of FY3/09**

Consolidated Business Results for First Quarter of FY3/09

1. First Quarter of FY3/09: Business Results at a Glance
2. First Quarter of FY3/09: Results by Geographical Segment
3. First Quarter of FY3/09: Highlights of Business Results
4. Results by Operating Segment
5. Factor Analysis: Operating Income, Year-on-year Change and Comparison with Revised First Half and Full-term Forecast
6. Operating Segment Data: Processed Foods Business Division
7. Operating Segment Data: Fresh Meats Business Division
8. Operating Segment Data: Affiliated Business Division
9. Results in Major Overseas Markets

First Quarter of FY3/09: Business Results at a Glance

(¥ million, %)

Consolidated	FY3/08 results			FY3/09 results and forecasts					
	1st quarter	1st half	Full term	1st quarter	Difference	1st half	Difference	Full term	Difference
Net sales	248,834	506,448	1,032,291	266,820	7.2	535,000	5.6	1,075,000	4.1
Hams and sausages	30,561	64,131	132,820	30,674	0.4	64,500	0.6	133,500	0.5
Processed foods	45,989	92,387	185,734	47,142	2.5	94,500	2.3	189,500	2.0
Fresh meats	134,727	273,660	557,969	154,651	14.8	306,500	12.0	609,500	9.2
Beef	53,545	107,587	213,330	56,231	5.0	112,000	4.1	221,500	3.8
Pork	51,900	107,383	216,436	59,248	14.2	117,000	9.0	232,000	7.2
Poultry	24,011	48,148	106,669	33,930	41.3	67,000	39.2	134,000	25.6
Other fresh meats	5,271	10,542	21,534	5,242	(0.6)	10,500	(0.4)	22,000	2.2
Marine products	20,969	42,218	86,226	19,675	(6.2)	39,500	(6.4)	80,000	(7.2)
Dairy products	5,323	10,637	22,124	5,572	4.7	11,000	3.4	22,500	1.7
Others	11,265	23,415	47,418	9,106	(19.2)	19,000	(18.9)	40,000	(15.6)
Cost of goods sold	203,567	414,614	843,007	215,290	5.8				
Gross profit	45,267	91,834	189,284	51,530	13.8				
Gross profit ratio	18.2%	18.1%	18.3%	19.3%	1.1				
SG & A expenses	42,407	85,749	171,793	41,789	(1.5)				
Operating income	2,860	6,085	17,491	9,741	240.6	16,500	171.2	24,000	37.2
Income (loss) before income taxes	2,904	(429)	4,923	11,852	-	14,500	-	20,000	306.3
Net income (loss)	1,755	(2,229)	1,555	7,511	-	9,000	-	12,000	671.7

* Reclassified amounts that were originally calculated in accordance with US accounting standards.

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

* Year-on-year comparisons are expressed as % increases/decreases.

First Quarter of FY3/09: Results by Geographical Segment

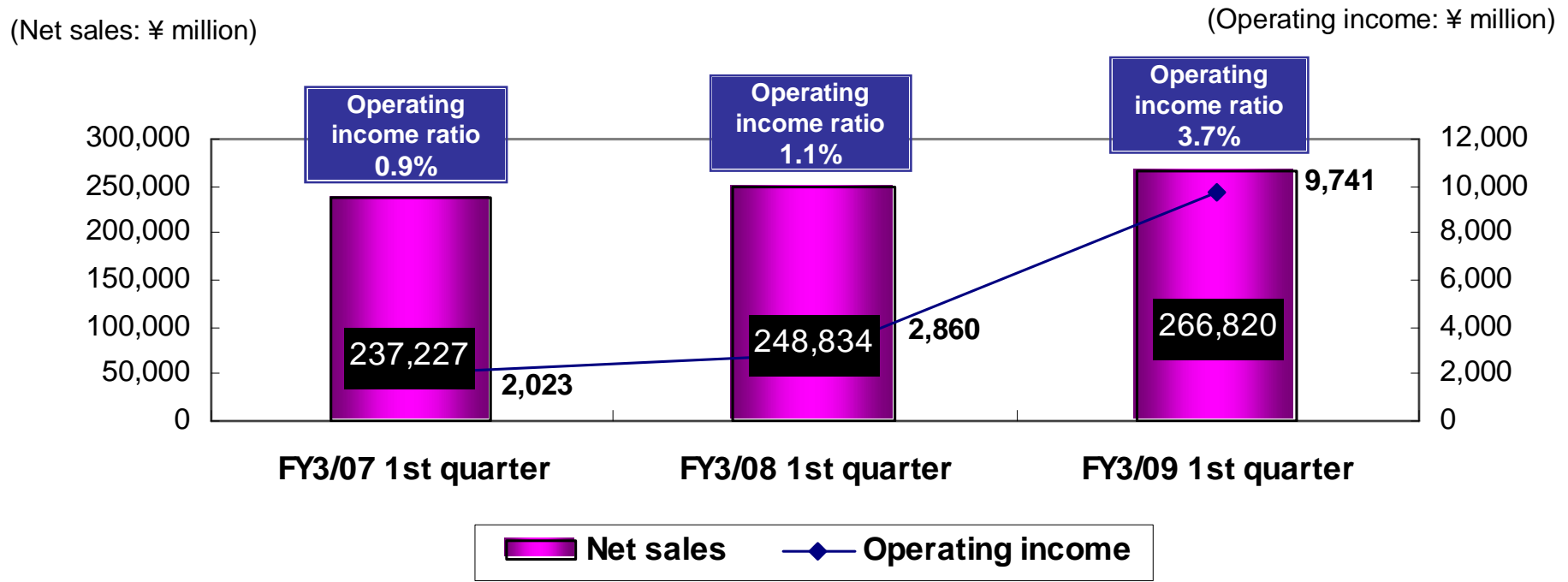
(¥ million, %)

Consolidated	FY3/08 results			FY3/09 results and forecasts					
	1st quarter	1st half	Full term	1st quarter	Difference	1st half	Difference	Full term	Difference
Domestic									
Net sales	224,082	455,741	936,855	241,406	7.7	483,500	2.8	978,000	2.8
Operating income	4,311	8,147	22,053	9,524	120.9	-	-	-	-
Operating income ratio	1.9%	1.8%	2.4%	3.9%	2.0	-	-	-	-
Overseas									
Net sales	48,038	97,865	187,876	46,512	(3.2)	99,500	1.7	192,000	2.2
Operating income (loss)	(1,727)	(2,318)	(4,722)	133	-	-	-	-	-
Operating income ratio	-	-	-	0.3%	-	-	-	-	-

* Sales by geographic segment are before intersegment elimination.

* Year-on-year comparisons are expressed as % increases/decreases.

Net sales and Operating income



Results by Operating Segment

Results by Operating Segment

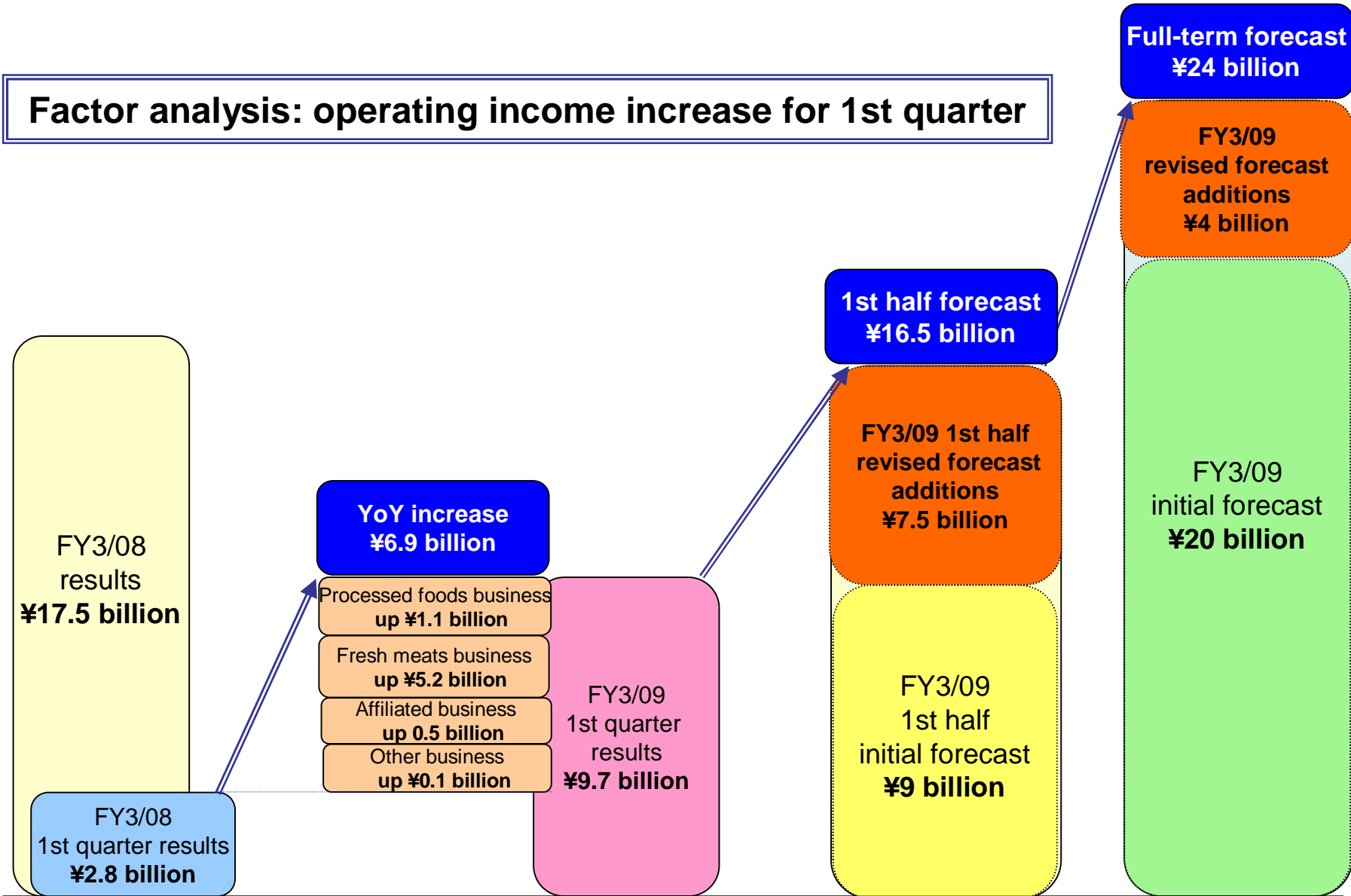
(¥ million, %)

	FY3/08 1st quarter results			FY3/09 1st quarter results		
	Net sales	Operating income (loss)	Operating income ratio	Net Ssles	Operating income	Operating income ratio
Processed foods business division	75,990	(251)	-	77,300	842	1.1
Fresh meats business division	169,480	3,267	1.9	184,888	8,422	4.6
Affiliated business division	32,294	(214)	-	32,222	307	1.0
Eliminations, adjustments and others	(28,930)	58	-	(27,590)	170	-
Total(Consolidated)	248,834	2,860	1.1	266,820	9,741	3.7

- * Sales per operating segment and sales values in Page 3 of this presentation (by category) do not necessarily correspond (due to intersegment transactions).
- * Sales for each segment include intersegment sales.
- * Previous-year results for each segment are restated to comply with changes in segmentation at certain subsidiaries.

Factor Analysis: Operating Income, Year-on-Year Change and Comparison with Revised First Half and Full-Term Forecast

Factor analysis: operating income increase for 1st quarter



Processed Foods Business Division

(¥ million, %)

	FY3/08 1st quarter results	FY3/09 1st quarter results	Difference	Difference (%)
Net sales	75,990	77,300	1,310	1.7
Operating income (loss)	(251)	842	1,093	-

Sales

· A price increase in September 2007 pushed down sales volumes for hams and sausages, and processed foods, but rising unit prices fueled a 1.7% year-on-year increase in total sales for processed foods.

Operating income

· Operating conditions remained difficult in the reporting first quarter due to soaring prices for raw material, secondary material and fuel costs.
 · Price increases and cost reduction measures caused a ¥1.1 billion year-on-year improvement in operating income/loss account in processed foods overall.

Fresh Meats Business Division

(¥ million, %)

	FY3/08 1st quarter results	FY3/09 1st quarter results	Difference	Difference (%)
Net sales	169,480	184,888	15,408	9.1
Operating income	3,267	8,422	5,155	157.8

Sales

- Poultry and pork market prices remained at a high level. Both domestically produced and imported poultry enjoyed steady sales.
- Overall sales in the fresh meats business increased 9.1% year on year.

Operating income

- Major increase in profit due to increased demand for domestically produced and imported poultry, and to improved profitability for imported beef
- Australian beef business showed improved profitability due to cost-reduction measures and productivity improvements.
- Overall operating income in the fresh meats business increased by a substantial ¥5.2 billion year on year.

Affiliated Business Division

(¥ million, %)

	FY3/08 1st quarter results	FY3/09 1st quarter results	Difference	Difference (%)
Net sales	32,294	32,222	(72)	(0.2)
Operating income (loss)	(214)	307	521	-

Sales

- In Marine Foods, total segment sales increased thanks to brisk sales of sushi toppings and fillings, despite a flat performance by China-sourced ingredients (eel) and the impact of a shortage of raw materials for processed marine products.
- HOKO saw sales rise due to a marketing focus on major customers, higher cheese selling prices and sales growth for frozen products made in Japan.
- As a result of rises in selling prices for established products to cope with soaring raw-materials prices, Nippon Luna suffered stagnant sales at retail stores and declining revenues.

Operating income

- All companies engaged in marine, dairy and other processed product businesses faced difficult operating conditions due to soaring raw-material prices, but the Affiliated Business Division overall improved operating income by approximately ¥500 million on selling price increases for processed marine products and cheese, and other measures to improve profitability.

Results in Major Overseas Markets

(¥ million, %)

	FY3/08 1st quarter results	FY3/09 1st quarter results	Difference	Difference (%)
Overseas sales	48,038	46,512	(1,526)	(3.2)
Australia	22,744	21,341	(1,403)	(6.2)
U.S.	19,193	18,338	(855)	(4.5)
Other regions	6,101	6,833	732	12.0

* Sales figures are before intersegment elimination.

* Australia and the US account for approximately 80% of overseas sales. Other overseas markets are in East Asia and Europe.

* The US includes Canadian and South American businesses.

Overseas sales by major region

- In Australia, sales declined 6.2% year on year due to lower unit sales after a revamp of our leather business.
- In United States, sales fell 4.5% due to sluggishness in market hog prices.

Operating income/loss by region

- Operations in Australia turned to black figures thanks to cost-reduction measures and productivity improvements.
- US operations continued to face difficult conditions, with soaring feed prices in pig farming more than offsetting rises in pork exports by volume.
- Overseas businesses return to profitability overall on ¥1.8 billion improvement in operating income.



Outlook for FY3/09

- 1. Processed Foods Business Division: Outlook**
- 2. Fresh Meats Business Division: Outlook**
- 3. Affiliated Business Division: Outlook**

Processed Foods Business Division: Outlook

Measures to increase sales

- Target for box-sets for summer gift-giving season
- Expand sales of major brands and new products
- Sales by channel

Issue 2: Forecast for increases in costs for raw materials and secondary ingredients

- Initial increase forecast: Full term: ¥6.6 billion



- New forecast as of 1st quarter-end : Full term: **¥9.1 billion**

Issue 3: Progress in measures to absorb costs (through selling price increases)

- Initial cost-reduction target: Full term: ¥8.3 billion



- Target as of 1st quarter-end : Full term: **¥9.3 billion**

Summer gift-giving season box-sets sold: FY3/08 and target for FY3/09

(thousands,%)

	Summer gift box-sets sold
FY3/08 results	1,601
FY3/09 target	1,700
Difference (%)	6%

1st quarter of FY3/09: year on year increase (decrease) of sales of major brand products

(1st quarter of FY3/08 = 100)

SCHAU ESSEN	106%	Chuka Meisai	90%
Mori no Kaori Wiener	121%	Ishigama Kobo	134%
Winy	102%	Prefried	97%
Korewa Benri	101%	Hamburgers and Meatballs	88%

1st quarter of FY3/09: Growth in sales by channel

(1st quarter of FY3/08 = 100)

	Consumer	Commercial-use	Total
Hams and sausages	103%	95%	100%
Processed foods	99%	111%	105%

(¥ billion)

	Initial forecast for FY3/09	New estimate as of 1st quarter-end	Actual rise in 1st quarter of FY3/09
Rise in costs of principal raw materials	2.2	4.1	1.1
Rise in secondary materials and logistics costs	4.4	5	0.9
Total	6.6	9.1	2

- Total cost increase for 1st quarter :

Approximately ¥2 billion

(¥ billion)

	Initial target for FY3/09	Targets as of 1st quarter-end	Results for 1st quarter of FY3/09
Production improvements	2.5	3.5	1.45
Price increases	4.7	4.7	1.1
Restructuring of marketing operations	0.7	0.7	0.2
Rationalization of product categories	0.4	0.4	0.05
Total	8.3	9.3	2.8

- Rising costs were fully absorbed through cost savings of **¥2.8 billion** in 1st quarter .

Fresh Meats Business Division: Outlook

Current status of overseas businesses

Current status of Australian businesses

Australian businesses turned to black figures in the reporting first quarter due to reduced production costs and improvement in the market conditions.

Current status of US businesses

US businesses faced difficult conditions in the first quarter as soaring feed grain prices failed to reflect in market hog prices.

Outlook for overseas businesses

Outlook for Australian businesses

- Benefits of cost reduction measures and improved profitability are now making themselves felt.
- There are signs of improvement in the market conditions too, as prices stabilize due to reduced competition in live cattle procurement and sales prices rise in beef on higher global demand.

Outlook for US businesses

- We expect feed prices to remain at a high level despite some volatility.
- Market hog prices in the US are rising, but we expect the remainder of the year to be difficult as this rise will not be enough to absorb soaring feed costs.

Current status of production in Japan

- Soaring feed prices
- Expansion of production volumes at farms in Japan
- Estimated future market prices

Outlook for production businesses in Japan

- We expect feed prices to rise further in the second half.
- We are considering increasing production (units) to meet a consumer preference for the “made-in-Japan” brand, particularly for poultry, for which demand is rising.
- We expect prices to remain high for the time being, but uncertain future prospects rule out complacency.

Current status of marine products business

- Sales of sushi toppings and fillings and imported raw materials to food processing companies in Japan will be robust, and profitability is also improving.

Outlook

- We expect raw-materials market prices to remain high in the second half, due to increased global demand for marine products and shortfalls in catches.
- Strengthen raw-material procurement capabilities by establishing tuna farms in Japan.
- Expand offshore trade, using marine raw materials produced in Russia and the EU countries.

Current status of dairy products business

- We see signs of improvement in sales and earnings on cheese products as price rises take effect.
- Yogurt products are expected to face a difficult operating environment due to shortage of major raw materials and soaring raw-materials prices.

Outlook

- We expect prices for dairy-product raw materials to rise again from the second half.
- We are considering further price increases in line with trends in raw-materials prices.
- Improve profitability of cheese and yogurt products by launching new products and developing large-lot customers and new marketing channels.

Forecast for rise in costs of raw materials and secondary ingredients

- Initial forecast: Full term: ¥1.7 billion
- Forecast as of 1st quarter end : Full term: **¥2.2 billion**

	Initial forecast for full term	Full-term forecast as of 1st quarter-end	Rise in 1st quarter
Rise in raw-materials prices (marine)	200	200	40
Rise in raw-materials prices (dairy)	1,500	2,000	930
Total	1,700	2,200	970

- The increase in 1st quarter was approximately

¥1 billion.



Summary of Financial Results for First Quarter of FY3/09

- 1. Selling, General and Administrative Expenses/
Other Income/ Other Expenses**
- 2. Balance Sheets/ Addition to property, plant and equipment/
Depreciation and amortization**

Summary of Financial Results for First Quarter of FY3/09 (Selling, General and Administrative Expenses/ Other Income/ Other Expenses)

(¥ million, %)

SG&A expenses	FY3/08 1st quarter results	1st quarter results	FY3/09	
			Difference (%)	Difference
Selling, general and administrative expenses	42,407	41,789	(1.5)	(618)
Personnel	18,942	17,652	(6.8)	(1,290)
Sales promotion	2,912	2,825	(3.0)	(87)
Logistics	8,380	8,726	4.1	346
Others	12,173	12,586	3.4	413

Major reasons for increases/declines

- SG&A expenses decreased by around ¥600 million year on year, the ratio of SG&A expenses to sales declined 1.3 points.
 - Personnel expenses: Due primarily to a decrease in the retirement benefit expenses at subsidiaries, personnel costs decreased by approximately ¥1.3 billion.
 - Logistics costs: Increased transportation costs due to soaring fuel prices caused logistics costs to rise approximately ¥300 million.

(¥ million, %)

Consolidated other income and other expenses	FY3/08 1st quarter results	1st quarter results	FY3/09	
			Difference (%)	Difference
Other income	1,484	3,362	126.5	1,878
Interest and dividends income	305	366	20.0	61
Foreign exchange gain	1,156	2,989	158.6	1,833
Others	23	7	(69.6)	(16)

Interest expense	719	683	(5.0)	(36)
Other expenses	721	568	(21.2)	(153)
Impairment loss of investment securities	47	1	(97.9)	(46)
Impairment loss of fixed assets	0	275	-	275
Special retirement allowances	542	110	(79.7)	(432)
Others	132	182	37.9	50

Major reasons for increases/declines

- Other income: Increase of approximately ¥1.9 billion year on year thanks to an increase in foreign exchange gain
- Other expenses: Reduction of approximately ¥200 million year on year due to a decrease in special retirement allowances, which more than offset an increase in impairment loss of fixed assets

Summary of Financial Results for First Quarter of FY3/09

(Balance Sheets/ Addition to property, plant and equipment/ Depreciation and amortization)

(¥ million, %)

Consolidated Balance Sheets	FY3/08 results	FY3/09 1st quarter results	% change from previous term-end	Change from previous term-end
Total assets	608,809	643,568	5.7	34,759
Cash and cash equivalents	44,249	60,543	36.8	16,294
Trade notes and accounts receivable	110,084	115,394	4.8	5,310
Inventories	112,218	124,004	10.5	11,786
Investments and non-current receivables	31,722	32,523	2.5	801
Property, plant and equipment				
- at cost, less accumulated depreciation	246,874	245,752	(0.5)	(1,122)
Deferred income taxes - non-current	12,954	12,691	(2.0)	(263)
Totals liabilities (including Minority interests)	321,352	349,999	8.9	28,647
Trade notes and accounts payable	87,296	102,370	17.3	15,074
Interest-bearing debt	183,539	194,127	5.8	10,588
Liability under retirement and severance program	14,299	13,897	(2.8)	(402)
Total shareholders' equity	287,457	293,569	2.1	6,112

Major reasons for increases/declines

- Inventories: An increase in fresh meat inventories from the previous term-end due mainly to seasonal factors
Reduction of ¥800 million year on year
- Trade notes and accounts receivable: Increase of ¥5.3 billion from the previous term-end due to increased sales
- Interest-bearing debt: ¥10.6 billion increase over the previous term-end due to increased short-term bank loans for working capital

(¥ million, %)

	FY3/08	FY3/09		Difference	FY3/09 forecast
	1st quarter results	1st quarter results	Difference (%)		
Addition to property, plant and equipment	4,144	4,705	13.5	561	21,000
Production facilities	1,732	1,791	3.4	59	8,400
Marketing and logistics facilities	314	882	180.9	568	3,400
Farms and processing facilities	785	346	(55.9)	(439)	2,900
Overseas operations facilities	497	717	44.3	220	2,600
Other facilities	816	969	18.8	153	3,700
Depreciation and amortization	5,764	5,879	2.0	115	24,000



Contact
Public & Investor Relations Department
Nippon Meat Packers, Inc.
14F ThinkPark Tower
2-1-1 Osaki, Shinagawa-ku, Tokyo 141-6014
Tel: 81-3-6748-8024 Fax: 81-3-6748-8189

Forward-looking statements

This presentation contains “forward-looking statements,” including statements concerning the Company’s outlook for fiscal 2009 and beyond; business plans and strategies and their anticipated results; and similar statements concerning anticipated future events and expectations that are not historical facts.

The forward-looking statements in this material are subject to numerous external risks and uncertainties, including the effects of economic conditions, market trends and currency rates, which could cause actual results to differ materially from those expressed in or implied by the statements herein.