

Interim Report for Fiscal Year Ending March 2009

**November 11, 2008 (Tues.)
Nippon Meat Packers, Inc.**

Contents

- 1. First Half of FY3/09 (Consolidated): Summary of Business Results**
- 2. Outlook for Second Half of FY3/09**
- 3. Summary of Financial Results for First Half of FY3/09**

First Half of FY3/09 (Consolidated): Summary of Business Results

- 1. First Half of FY3/09: Business Results at a Glance**
- 2. First Half of FY3/09: Results by Geographical Segment**
- 3. First Half of FY3/09: Highlights of Business Results**
- 4. Results by Operating Segment**
- 5. Factor Analysis: Comparisons of First-Half Operating Income Figures with Initial Forecast, and of Revised Forecast Compared with Initial Forecast for the Full-Term**
- 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 Half of FY3/09: Business Results at a Glance

Consolidated	FY3/08 results			FY3/09 1st half results and revised 2nd half and full-term forecast					
	1st half	2nd half	Full term	1st half	Difference	Revised 2nd half forecast	Difference	Revised full- term forecast	Difference
Net sales	506,448	525,843	1,032,291	536,814	6.0	538,186	2.3	1,075,000	4.1
Hams and sausages	64,131	68,689	132,820	65,054	1.4	68,446	(0.4)	133,500	0.5
Processed foods	92,387	93,347	185,734	94,690	2.5	94,810	1.6	189,500	2.0
Fresh meats	273,660	284,309	557,969	308,373	12.7	301,127	5.9	609,500	9.2
Beef	107,587	105,743	213,330	113,950	5.9	107,550	1.7	221,500	3.8
Pork	107,383	109,053	216,436	116,537	8.5	115,463	5.9	232,000	7.2
Poultry	48,148	58,521	106,669	66,877	38.9	67,123	14.7	134,000	25.6
Other fresh meats	10,542	10,992	21,534	11,009	4.4	10,991	(0.0)	22,000	2.2
Marine products	42,218	44,008	86,226	41,438	(1.8)	38,562	(12.4)	80,000	(7.2)
Dairy products	10,637	11,487	22,124	10,936	2.8	11,564	0.7	22,500	1.7
Others	23,415	24,003	47,418	16,323	(30.3)	23,677	(1.4)	40,000	(15.6)
Cost of goods sold	414,614	428,393	843,007	431,978	4.2				
Gross profit	91,834	97,450	189,284	104,836	14.2				
Gross profit ratio	18.1%	18.5%	18.3%	19.5%	1.4				
SG & A expenses	85,749	86,044	171,793	84,561	(1.4)				
Operating income	6,085	11,406	17,491	20,275	233.2	3,725	(67.3)	24,000	37.2
Income (loss) before income taxes	(429)	5,352	4,923	11,032	-	8,968	67.6	20,000	306.3
Net income (loss)	(2,229)	3,784	1,555	6,476	-	5,524	46.0	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 Half of FY3/09: Results by Geographical Segment

(¥ million, %)

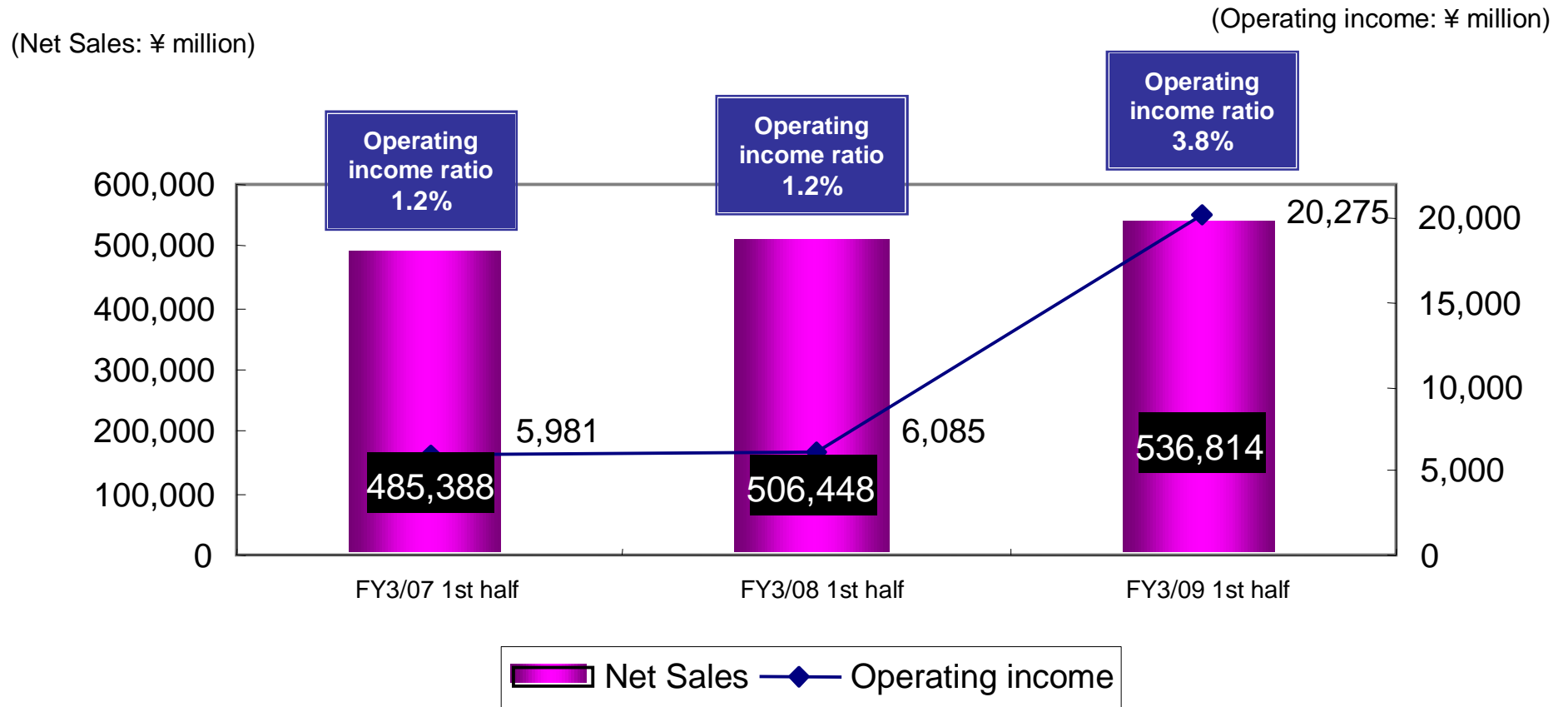
Consolidated	FY3/08 results			FY3/09 1st half results and revised 2nd half and full-term forecast					
	1st half	2nd half	Full term	1st half	Difference	Revised 2nd half forecast	Difference	Revised full-term forecast	Difference
Domestic									
Net sales	455,741	481,114	936,855	488,595	7.2	489,405	1.7	978,000	4.4
Sales to outside customers	455,351	480,717	936,068	488,098	7.2	-	-	-	-
Inter-segment sales	390	397	787	497	27.4	-	-	-	-
Operating income	8,147	13,906	22,053	19,730	142.2	-	-	-	-
Operating income ratio	1.8%	2.9%	2.4%	4.0%	2.2	-	-	-	-
Overseas									
Net sales	97,865	90,011	187,876	95,780	(2.1)	96,220	6.9	192,000	2.2
Sales to outside customers	51,097	45,126	96,223	48,716	(4.7)	-	-	-	-
Inter-segment sales	46,768	44,885	91,653	47,064	0.6	-	-	-	-
Operating income (loss)	(2,318)	(2,404)	(4,722)	573	-	-	-	-	-
Operating income ratio	-	-	-	0.6%	-	-	-	-	-

* Sales by geographic segment are before intersegment elimination.

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

* Taking into account the impact of foreign currency fluctuations,
net sales to outside customers of subsidiaries rose 1.3% year-on-year.

Net Sales and Operating Income (consolidated)



Results by Operating Segment (consolidated)

(¥ million, %)

	FY3/08 1st half results			FY3/09 1st half results		
	Sales	Operating income (loss)	Operating income	Sales	Operating income (loss)	Operating income
Processed foods business division	155,910	242	0.2	159,206	1,724	1.1
Fresh meats business division	341,748	6,616	1.9	368,079	17,900	4.9
Affiliated business division	65,313	(690)	(1.1)	65,467	305	0.5
Elimination and other adjustments	(56,523)	(83)	-	(55,938)	346	-
Total	506,448	6,085	1.2	536,814	20,275	3.8

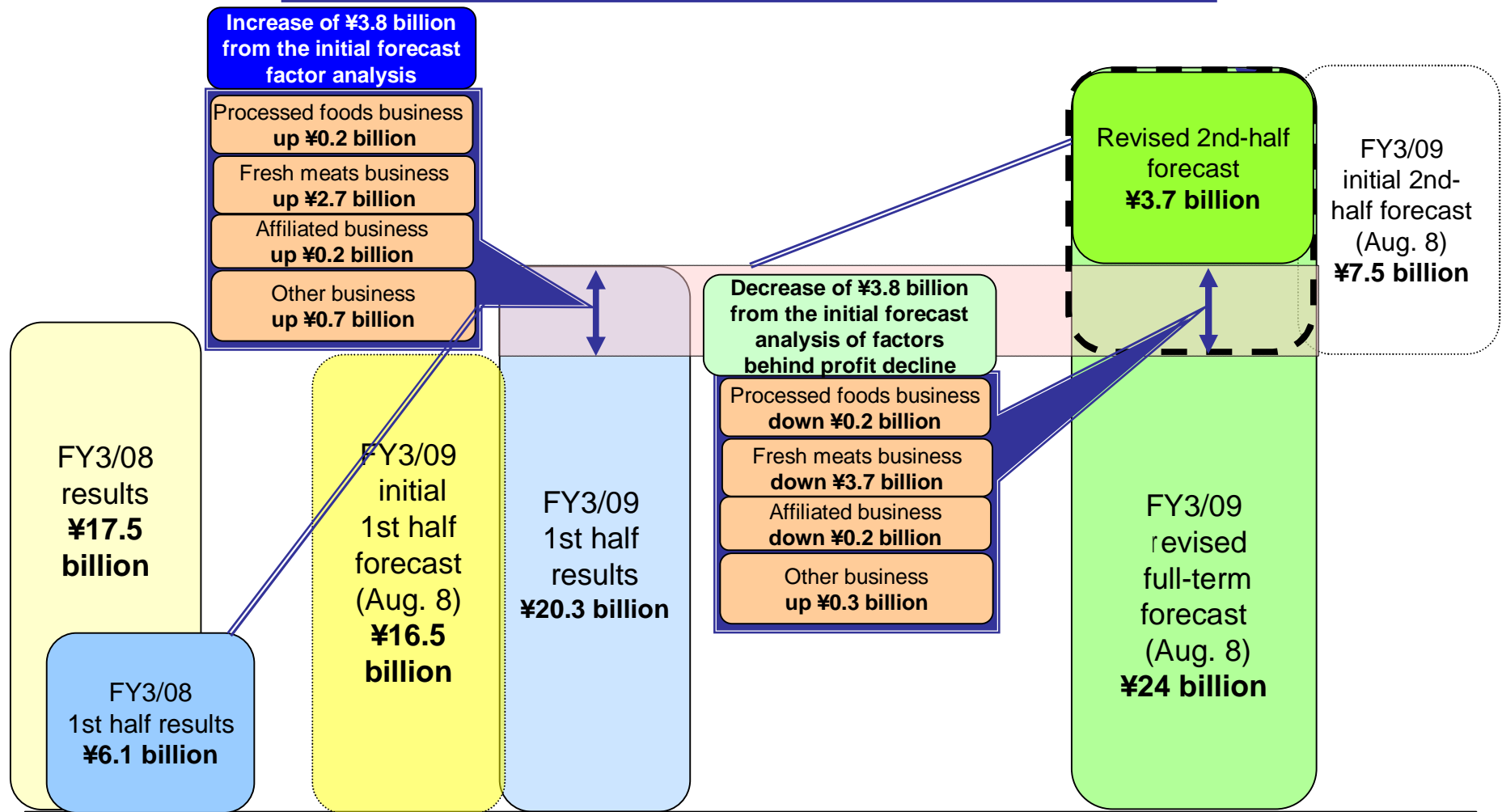
*Sales per operating segment and sales values in Page 3 of this presentation (by category) do not necessarily correspond (due to intersegment transactions).

*Sales for each segment are include intersegment sales.

*Previous-year results for each segment are restated to comply with changes in segmentation at certain subsidiaries.

Factor Analysis: Comparisons of First-Half Operating Income Figures with Initial Forecast, and of Revised Forecast Compared with Initial Forecast for the Full-Term

Factor analysis: operating income increase for 1st half



	1st half	2nd half	Full term (1st half + 2nd half)
Initial forecast (Aug. 8)	16.5	7.5	24
1st half results & revised 2nd half forecast	20.3	3.7	24
Difference	3.8	(3.8)	0

Processed Foods Business Division

(¥ million, %)

	FY3/08	FY3/09		
	1st half results	1st half results	Difference	Difference (%)
Sales	155,910	159,206	3,296	2.1
Operating income	242	1,724	1,482	612.4

Sales

- Sales volumes of hams, sausages, and processed foods declined on a year-on-year comparison as a result of the price increase implemented in September 2007 as well as reductions in certain processed food product sizes from June 2008. However, total sales of the Processed Foods Business Division edged up by 2.1% over the previous year, thanks to increased unit prices.

Operating income

- Amid persistent high prices for raw materials, materials and fuel, the processed food business division reported a ¥1.5 billion year-on-year increase in operating income.

Fresh Meats Business Division

(¥ million, %)

	FY3/08 1st half results	FY3/09 1st half results	Difference	Difference (%)
Sales	341,748	368,079	26,331	7.7
Operating income	6,616	17,900	11,284	170.6

Sales

- Market prices for meat were firm overall during the reporting first-half period, with both domestically produced and imported poultry prices remaining high level.
- Overall sales in the fresh meats business increased 7.7% year-on-year.

Operating income

- Profit for the Fresh Meats Business Division rose by ¥11.3 billion year-on-year, thanks to increased demand for domestically produced and imported poultry and improvement in the profitability of imported beef.

Affiliated Business Division

(¥ million, %)

	FY3/08	FY3/09		
	1st half results	1st half results	Difference	Difference (%)
Sales	65,313	65,467	154	0.2
Operating income(less)	(690)	305	995	-

Sales

- At Marine Foods Corporation, a sluggish performance by eel imported from China was offset by on-target sales of salmon and other fish products, with total sales posting a year-on-year increase.
- Hoko Co., Ltd. saw a sales increase due to 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-material costs, Nippon Luna Inc. suffered stagnant sales at retail stores and a substantial decline in revenues.

Operating income

- All companies engaged in marine, dairy and other processed product businesses faced difficult operating conditions due to soaring raw material costs, but the Affiliated Business Division overall improved operating income by approximately ¥1 billion 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 half results	FY3/09 1st half results	Difference	Difference (%)
Overseas sales	97,865	95,780	(2,085)	(2.1)
Australia	44,343	41,205	(3,138)	(7.1)
U.S.	39,833	39,759	(74)	(0.2)
Other regions	16,439	16,963	524	3.2

* Sales figures are prior to consolidation adjustments.

* 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, total sales declined by 7.1% year-on-year as a result of a lower number of live cattle shipped and a decline in the sales volume of our leather business.
- In the United States, sales fell 0.2% owing to sluggish unit prices for hogs.

Operating income/loss by region

- Operations in Australia posted an increase in operating income thanks to cost-reduction measures and productivity improvements.
- US operations posted a decline in earnings due to soaring feed prices in pig farming and weak selling prices.
- Operating income of ¥600 million was posted for our overall overseas operations, representing a year-on-year improvement of approximately ¥2.9 billion.



Outlook for Second Half of 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

● Targets for box-sets for year-end gift-giving season

-> Our sales target on an individual unit basis for the 2008 year-end gift-giving season: **4,820,000 units (Up 7% YoY)**

● Expand sales of major brands and new products

-> With the aim of expanding market share for our ham and bacon products, we launched a new roast ham product ,non-carbohydrate **“Zero”** on August 20. In September, we aired a new TV commercial for SCHAU ESSEN brand products.



● Sales by channel

-> In the Consumer segment, sales of hams & sausages, as well as processed food products exceeded previous-year levels. In the Commercial segment, sales of hams & sausages were sluggish, while processed food products exceeded previous-year levels.

● Forecast for increases in costs for raw materials and secondary ingredients

● Forecast as of Q1-end: Full term: **¥9.1 billion**



● Forecast as of Q2-end: **No change from Q1-end**

● Progress in measures to absorb costs (through selling price increases)

● Target as of Q1-end: Full term: **¥9.3 billion**



● Target as of Q2-end: **No change from Q1-end**

Gift-giving season box-sets sold in FY3/08 and summer FY/09, and the FY/09 year-end target

	FY3/08	FY3/09	YoY increase
Summer gift-giving season	1,601	1,696	106%
Year-end gift-giving season	4,512	4,820	107%
Total	6,113	6,516	107%

(*The figure for the 2008 year-end gift-giving season is a target.)

1st half of FY3/09: YoY increase (decrease) of sales of major brand products

SCHAU ESSEN	105%	Chuka Meisai	96%
Mori no Kaori Wiener	118%	Ishigama Kobo	131%
Winnie	102%	Prefried	99%
Korewa Benri	98%	Hamburgers and Meatballs	91%

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

	Consumer	Commercial-use	Total
Hams and sausages	104%	94%	101%
Processed foods	101%	108%	104%

Rise in costs for raw materials and secondary ingredients

	Estimate as of Q1-end	Actual rise in 1st half of FY3/09
Rise in costs of principal raw materials	4.1	2.0
Rise in secondary materials and logistics costs	5.0	2.0
Total	9.1	4.0

● Total cost increase for 1st half: **Approximately ¥4 billion**

	Targets as of Q1-end	Results for 1st half of FY3/09
Production improvements	3.5	2.5
Price increases	4.7	2.4
Restructuring of marketing operations	0.7	0.4
Rationalization of product categories	0.4	0.2
Total	9.3	5.5

● Rising costs were fully absorbed through cost savings of **¥5.5 billion** in 1st half.

Outlook for overseas businesses

◆ Outlook for Australian businesses

-> In Australia, demand will decline in reaction to the worsening condition of the global economy, making for a severe operating environment.

◆ Outlook for US businesses

-> The operating environment will remain severe, with no signs of improvement in market-hog prices due to an expected supply surplus.

Current status of overseas businesses

◆ Current status of Australian businesses

- **Beef**
Although the rapid depreciation of the Australian dollar against the yen was a positive factor for the Export Division, it was offset by the sharp decline in market prices on a local-currency basis resulting from decreased demand amid a global economic slowdown. As a result, our earnings and revenue forecasts remain unchanged.
- **Leather**
Demand weakened suddenly for leather for car seat upholstery and interior (furniture) applications in response to the global economic slowdown, resulting in a rapid decline in the market price.

◆ Current status of US businesses

- **Pig farming**
Although we had expected a decline in the number of hogs to be slaughtered, there was actually a slight increase in this figure. There is a prolonged downward trend in market-hog prices.
U.S. pork export volume declined as a result of weakened demand in China and Russia amid worsened economic conditions in these countries.
- **Pork production**
Although there has been a decline in the price of grains, this decline in grain feed costs will not be reflected in the cost of live hogs until the next fiscal year. Consequently, costs in the current period are expected to remain high.

Outlook for Japan businesses

◆ Outlook for production businesses in Japan

-> As a result of a shift to imported products, the pork and chicken markets will remain soft.
A severe operating environment will be highly likely amid continuing high production costs.

◆ Outlook for sales business in Japan

-> Dramatic changes in the supply and demand conditions for imported meat products in Japan will lead to a downtrend in prices, resulting in a severe operating environment. Demand for fresh meat products in the Japanese market is expected to remain strong.

Current status of Japan businesses

◆ Current status of production businesses in Japan

- Pig-farming
The amount of pork supplied exceeded our initial forecasts. There was a shift to imported pork products in reaction to high market prices in the first-half period.
-> Thus, the market price is expected to fall below our initial forecast.
- Poultry-farming
Prices declined in response to an increase in imported chicken.
The market price is expected to decline, a common phenomenon at the start of the new year as usual..
-> Thus, the market price is expected to fall below our initial forecast.
- Feed prices
As no decline is expected in the price of feed by the end of the current period, production costs will remain high.

◆ Current status of sales business in Japan

- Imported meat sales
The global economic slowdown has led to a weakening in demand and a sudden plunge in prices in overseas markets. There has been a surge in imports of meat products.
-> Sales prices fell from September onward, marking a dramatic change from the previous market condition, characterized by low import prices and high sales prices.

<Time lag between procurement and sales>
We are taking advantage of the yen's strength against other currencies. However, with regard to the second-half period, there is a time lag between procurement and sales, especially in the case of imported chicken and beef products. This factor results in losses due to a negative spread.
- Domestic meat sales
Domestic meat sales are expected to be firm.

●Current status of marine products business

- Sales of sushi toppings & fillings and imported raw materials to food processing companies in Japan have been robust thus far, and profitability has also improved thanks to price revisions and cost-cutting measures.

●Outlook

- Demand for and prices of marine products have held firm up to now, but a period of instability is foreseen due to weaker consumption caused by the worldwide economic deterioration, leading to harsh operating conditions.
- Tuna farms in Japan will be started using young fish caught offshore. Fish hauls should begin in the second half of fiscal 2009.

●Current status of dairy products business

- Improvement is being seen in sales and earnings on cheese products as price rises take effect.
- Although new yoghurt products are selling well, the business environment remains difficult due to shortages of the main raw materials and soaring raw materials prices.

●Outlook

- Milk prices had been expected to fall slightly, but lower costs for milk products will not be seen until the next fiscal year.
- To raise the profitability of the cheese and yoghurt business, new products will be put on sale, and efforts will be made to acquire major new customers and develop new marketing channels.

●Forecast for rise in costs of raw materials and secondary ingredients

- Forecast as of Q1-end: Full term: ¥2.2 billion



- Forecast as of Q2-end: **No change from Q1-end**

(¥ billion)

	Full-term forecast as of Q1-end	Rise in 1st half
Rise in raw -materials prices (marine)	0.2	0.9
Rise in raw -materials prices (dairy)	2.0	0.9
Total	2.2	1.8

- The increase in 1st half was **approximately ¥1.8 billion.**



3. Summary of Financial Results for First Half of FY3/09

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

Summary of Financial Results: Selling, General and Administrative Expenses/Other Income and Expenses

(¥ million, %)

SG&A expenses	FY3/08	FY3/09		
	1st half results	1st half results	Difference (%)	Difference
Selling, general and administrative expenses	85,749	84,561	(1.4)	(1,188)
Personnel	37,007	34,891	(5.7)	(2,116)
Sales promotion	6,594	6,597	0.0	3
Logistics	17,444	17,962	3.0	518
Other	24,704	25,111	1.6	407

Major reasons for increases/declines

- **SG&A expenses decreased by around ¥1.2 billion year on year, the ratio of SG&A expenses to sales declined 1.1 points.**
 - **Personnel expenses: Personnel costs decreased by approximately ¥2.1 billion as a result of staff transfers, workforce reductions, and a decrease in retirement benefit expenses at subsidiaries.**
 - **Logistics costs: Increased transportation costs due to soaring fuel prices caused logistics costs to rise by roughly ¥500 million.**

(¥ million, %)

Consolidated

Other income and expenses	FY3/08	FY3/09		
	1st half results	1st half results	Difference (%)	Difference
Other income	1,674	744	(55.6)	(930)
Interest and dividends income	469	608	29.6	139
Others	1,205	136	(88.7)	(1,069)
Interest expenses	1,409	1,377	(2.3)	(32)
Other expenses	6,779	8,610	27.0	1,831
Impairment loss of investment securities	121	260	114.9	139
Impairment loss of fixed assets	2,499	1,084	(56.6)	(1,415)
Special retirement allowances	3,107	1,720	(44.6)	(1,387)
Foreign exchange loss	0	5,162	-	5,162
Others	1,052	384	(63.5)	(668)

Major reasons for increases/declines

- **Other expenses: Despite a decline in impairment losses on tangible fixed assets and a decrease in special severance benefits, total other expenses increased by around ¥1.8 billion as a result of exchange losses caused by the sudden sharp appreciation of the yen.**

Summary of Financial Results: Balance Sheets/ Addition to property, plant and equipment/ Depreciation and amortization

Consolidated

Balance Sheets	FY3/08 results	FY3/09 1st half results	% change from previous term-end	Change from previous term-end
Total assets	608,809	635,764	4.4	26,955
Cash and cash equivalents	44,249	52,398	18.4	8,149
Trade receivables	110,084	118,542	7.7	8,458
Inventories	112,218	131,906	17.5	19,688
Investments and non-current receivables	31,722	31,266	(1.4)	(456)
Property, plant and equipment	246,874	240,217	(2.7)	(6,657)
Deferred income taxes	12,954	12,247	(5.5)	(707)
Totals liabilities (including Minority interests)	321,352	345,493	7.5	24,141
Trade notes and accounts payable	87,296	105,238	20.6	17,942
Interest-bearing debt	183,539	186,798	1.8	3,259
Liability under retirement and severance program	14,299	13,709	(4.1)	(590)
Total shareholders' equity	287,457	290,271	1.0	2,814

Major reasons for increases/declines

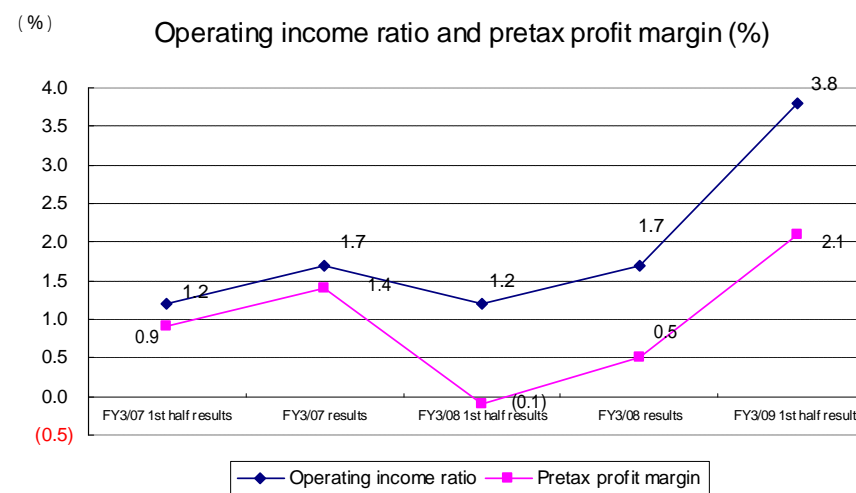
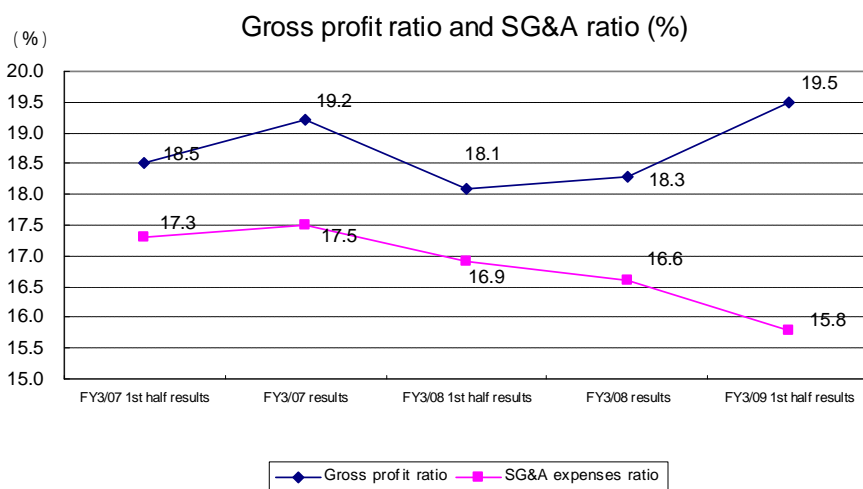
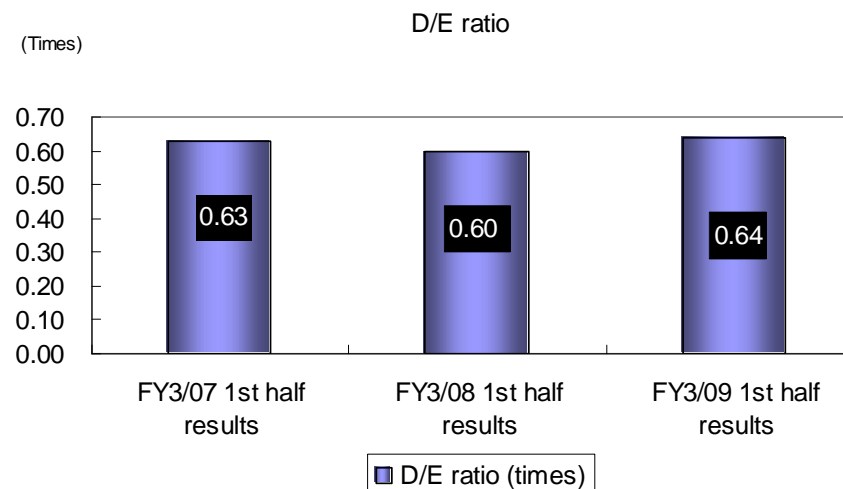
- **Inventories:** An increase in meat inventories due to seasonal factors pushed up total inventories by around ¥19.7 billion.
- **Trade receivables:** An increase of ¥8.4 billion was recorded, in line with increased sales.
- **Interest-bearing liabilities:** ¥3.3 billion increase over the previous term-end due to increased short-term borrowings for working capital.

(¥ million, %)

Capital expenditures and depreciation	FY3/08	FY3/09		Difference	FY3/09 forecast
	1st half results	1st half results	Difference (%)		
Capital expenditures	9,632	9,670	0.4	38	21,000
Production facilities	3,604	3,498	(2.9)	(106)	8,400
Marketing and logistics facilities	1,132	1,656	46.3	524	3,400
Farms and processing facilities	1,898	1,409	(25.8)	(489)	2,900
Overseas operations facilities	1,129	1,174	4.0	45	2,600
Other facilities	1,869	1,933	3.4	64	3,700
Depreciation and amortization	11,557	11,557	0.0	0	24,000

Summary of Financial Results for First Half of FY3/09: Index for Consolidated Results

Management index	FY3/07 1st half results	FY3/08 1st half results	FY3/09 Q2 results
Gross profit ratio (%)	18.5	18.1	19.5
Operating income ratio (%)	1.2	1.2	3.8
Income before income taxes ratio (%)	0.9	(0.1)	2.1
Return on sales (%)	0.5	(0.4)	1.2
Cost of good sold ratio (%)	81.5	81.9	80.5
SG&A expenses ratio (%)	17.3	16.9	15.8
Total assets (¥ million)	609,605	619,672	635,764
Total shareholders' equity (¥ million)	290,188	291,605	290,271
Total shareholders' equity ratio (%)	47.6	47.1	45.7
Total shareholders' equity per share (¥)	1,271.33	1,277.86	1,272.18
Earnings per share basic (¥)	11.10	(9.77)	28.38
D/E ratio (times)	0.63	0.60	0.64
Cash flows (¥ million)			
Net cash provided by operating activities	976	1,738	19,536
Net cash used in investing activities	(8,200)	(7,186)	(8,445)
Net cash provided by (used in) financing activities	5,990	(1,817)	(2,942)
Cash and cash equivalents at end of the period	25,946	27,217	52,398



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.