

To Shareholders

Business Report 2006

(April 1, 2005 to March 31, 2006)



A Message from the Management

C O N T E N T S

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* The financial data in this report are prepared from the financial statements issued for domestic reporting purpose in accordance with the provisions set forth in the Japanese Securities and Exchange Law and accounting principles generally accepted in Japan.



Osamu Shoda
Chairman

Hiroshi Hasegawa
President

We are pleased to report to you that our efforts to increase shipments during the year by actively conducting sales promotions and developing new sales channels resulted in net sales increasing 1.2% over the previous year to ¥421,359 million, on a consolidated basis. We made strategic expenditures on these sales promotions as well as on new product launches in pursuit of growth, and continued to invest in measures to ensure the reliability and safety of our products. For this reason, ordinary income decreased by 1.4% to ¥24,774 million and net income edged down 0.4% to ¥13,541 million.

In order to distribute even more of this profit to our shareholders, we increased our per-share dividend by 4 yen, which put the total cash dividend for the year at 18 yen. We acquired 2 million shares of treasury common stock worth ¥2,296 million and, on November 18, 2005 executed a 1.1-for-1 stock split on our common stock. In addition, we lowered the trading unit from 1,000 shares to 500 shares on October 3, 2005 in order to improve the liquidity of our stock and provide investment opportunities to a broader range of individuals.

Turning to the performance of the Japanese economy, there was a recovery in corporate earnings underpinned by strong economies overseas and revitalized demand in Japan, and the economy began to free itself from the grips of deflation as capital investment accelerated and consumer spending expanded at a steady pace. Our business climate, however, remained challenging due to surging crude oil prices, slumping demand brought on by unseasonable autumn weather, and the tendency of consumers to focus on inexpensive products, which has continued to afflict the food products industry.

Going forward, the Japanese economy is expected to continue its steady recovery and corporate capital investment will likely remain firm, but we anticipate that the business climate will continue to pose difficulties due to higher crude oil prices putting upward pressure on the cost of raw materials, slow demand in the processed foods market overall, which is partially the result of

Japan's aging society, and consumers' continuing preference for low-priced processed foods.

Responding to this challenge, we are aiming to put each of our group businesses on a tangible growth track. We will be guided in this effort by our second medium-term business plan, which was initiated last year and has further group growth as its basic theme. While the engines for driving achievement of the plan's targets will be overseas operations and prepared dishes and other prepared foods, we will also strengthen our research and development system to create new, next-generation products and technologies, strengthen quality assurance through initiatives to acquire ISO 22000 certification, and carry out cost-cutting measures with creative new ideas. In addition, we will actively implement policies for rebuilding our internal control system and reinforcing compliance throughout the Group, as well as for food safety, environmental protection and other areas.

With our holding company, the Nisshin Seifun Group, playing a central role, each group company will promote these activities and accommodate the changes to be brought about by World Trade Organization (WTO) negotiations on agriculture and regulatory reforms in Japan. In addition, group companies will devote themselves to further expanding their business operations as we strive to maximize corporate value and ensure the Group remains highly regarded by customers, shareholders and all other stakeholders.

We thank you again for your ongoing encouragement and support.

正田 修
長谷川 浩嗣

Osamu Shoda
Chairman

Hiroshi Hasegawa
President

June 2006

Interview with the President

President Hasegawa was interviewed on the Group's progress in carrying out its second medium-term business plan, which started in the year under review (fiscal year ended March 2006), and on the Company's outlook and business strategies going forward.

Start of the Second Medium-Term Business Plan and Business Performance for the Year (ended March 2006)

Q The year under review marked the first year of the Company's second medium-term business plan, which covers through the fiscal year ending March 2008. How well did the Company perform financially in this initial year of the plan?



Our second medium-term business plan seeks to facilitate the growth of the Group by building on the strong corporate foundation established under the first medium-term plan (fiscal year ended March 2003 to the year ended March 2005), through which we bolstered our cost structure and reformed our business portfolio. In order to achieve growth, we are aggressively carrying out sales promotions and making strategic expenditures. Overseas operations and prepared dishes and other prepared foods, in particular, have been designated as the engines that will drive this growth. To accomplish the goals of the second medium-term business plan, the entire Group is making concerted efforts to also expand business operations in areas other than these. We will actively engage in sales promotions and develop new markets and sales channels for our other businesses as well.

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Consolidated business performance in the year ended March 2006, the initial year of our second medium-term business plan, was affected by stagnant demand in the markets for flour, dry processed foods and other mainstay products as well as by a continuing low price orientation among consumers. In these challenging circumstances, both net sales and ordinary income fell short of the plan's goals. While sales did increase thanks to each business increasing shipments with the aim of growth, income declined because it was not enough to offset the strategic expenditures we made.

Despite the challenging business environment, we were able to implement a number of policies in pursuit of growth. For example, we established the "Nisshin Seifun Group Endowed Chair, Department of Search for Higher Functionality Foods" at the University of Shizuoka in October 2005 in order to enable efficient research into new ingredients for the healthcare food business. Joint research at the university is already under way. New product development is indispensable for the sustained growth of a company, so we are working to developed new, next-generation

President Nakamura of Nisshin Pharma receives a certificate of appreciation from Governor Ishikawa of Shizuoka Prefecture for establishing an endowed chair at the University of Shizuoka.



products that are not merely enhancements of existing ones. We believe that steady efforts like this will translate into future benefits. For the pet food business, we launched mail-order sales in February 2006 of a premium dog food made primarily with ingredients produced in Japan. As more and more people have

begun keeping pets indoors and as their pets have aged, there has been a greater interest in reliability and safety for pet food as well. Developing new markets like this is attended by obstacles that must be overcome over the short term, but we believe that taking these steps is necessary to increase corporate value in the long run.

Outlook and Business Strategies

Q What are your forecasts for the Company's business performance in the coming year (fiscal year ending March 2007)?

A Looking at our business performance in the fiscal year ended 2006 quarter-by-quarter shows that we botched out in the third quarter due to the impact of unseasonable weather and other reasons, and have been improving since then.

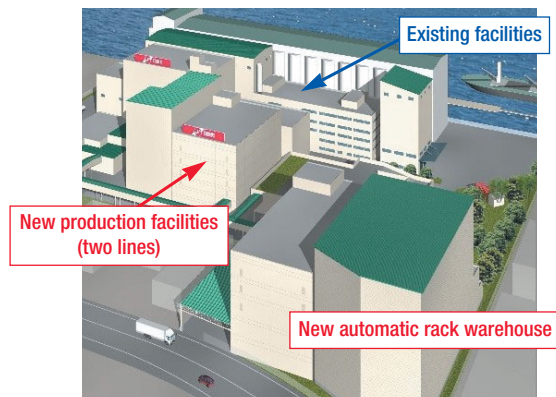
Our basic policy for the coming fiscal year is to quickly put areas in which we did not achieve our goals back on a recovery track. Specifically, we will promote the expansion of overseas operations and prepared dishes and other prepared foods, enhance infrastructure for these areas, and make further improvements to our business portfolio. The necessary personnel and other management resources will be committed to relevant businesses and departments in order to accomplish these objectives. We are forecasting a limited increase in income as a result of continuing to make strategic expenditures, but we expect to set record highs in both net sales and ordinary income.

Q There has been movement in the direction of reforming wheat policy in Japan and abroad. What will be the impact of these reforms on the flour milling business and what is the Company doing to prepare?

A Japan's Law for Stabilization of Supply, Demand and Prices of Staple Food was amended after the direction for the future development of wheat policy in the country had been set in November 2005. The coming year is extremely important because the government will decide on the design of specific programs based on the amended law. For our part, we plan to cooperate in helping bolster the international competitiveness of the Japanese flour milling industry. In particular, the price the government sells wheat to flour milling companies is substantially higher than international prices, so we will pressure the government to continue to lower its price in order to reduce this gap. An international trend, World Trade Organization (WTO) negotiations on agriculture have fallen behind their initial schedule due to the opposing interests of the countries involved, but the end of

Interview with the President

Representation of the Higashinada Plant after completion of the new production lines



2006 has been set as the deadline for a final agreement. We will of course stay abreast of developments.

In view of the coming system changes, the flour milling business intends to increase its share of the domestic market while making innovations to substantially reduce costs. One such project that is expected to further boost productivity is currently underway at the Higashinada Plant. State-of-the-art flour milling equipment is being installed on two new production lines, with an estimated completion date of 2008. Our overseas strategy calls for ramping up to full operations at our new Canadian flour milling plant, which began full-fledged production last year, and at the same time taking advantage of new business opportunities around the Pacific Rim.

Q What are your strategies for processed food and other businesses?

A The processed food business is responsible for driving the growth of the Group. We will continue to develop new

products around the concept of genuinely easy-to-use and healthy food, and strive to increase our share by promoting sales in the commercial market, which is undergoing a consumer shift away from home-cooked food. In addition, we intend to establish a foundation for growth for overseas operations and prepared dishes and other prepared foods. Overseas, in order to accommodate an increasingly strong performance from prepared mix manufactured and sold in China, we are moving forward with the construction of a new plant, which will double our production capacity there. Operations are planned to commence in December of this year. In the prepared dishes and other prepared foods business, our strategy has been delayed somewhat, but we will implement corrective measures to get back on track as soon as possible. Efforts are being made in the processed food business to bolster cost competitiveness in line with these growth strategies. A new large-capacity pasta manufacturing line is being added to the Utsunomiya Plant of our pasta manufacturing subsidiary, Ma•Ma-Macaroni Co., Ltd. It is scheduled to go online in November of this year.

The healthcare foods business and Oriental Yeast's biotechnology business hold major promise from a long-term viewpoint that goes beyond the time horizon of our second medium-term business plan. We intend to invest management resources to develop these areas into core group businesses as quickly as possible to go alongside flour milling and processed food.

Our other business areas, which include pet food, engineering, and NBC's mesh cloth, are expected to further expand their operations by launching promising new products on the market.

Distributing Profit to Shareholders

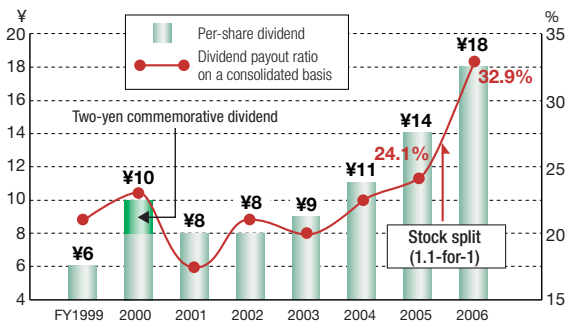
Q Finally, the Company increased its per-share dividend by 4 yen this year. What is your policy on distributing profit to shareholders?

A The Company's basic policy is to distribute at least 30% on a consolidated basis while taking into account current and future profitability of the business and financial position.

The Company has a long history that dates back over 100 years but as I have outlined here, we are currently in the midst of implementing reforms. So, in a certain sense, we are a developing company in that we are making aggressive investments for the sake of growth. Retained earnings and cash flows from operating activities generated every year are largely allocated for strategically investing in growth opportunities. This will result in earnings growth and higher corporate value in the future. At the same time, we intend to strike a balance with the pace of growth, and meet the expectations of shareholders by distributing profit while comprehensively considering dividends, stock splits and treasury common stock acquisition.

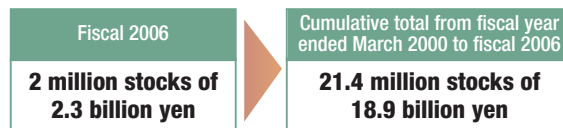
We decided to raise our per-share dividend for the year by 4 yen to 18 yen, in order to return even more profit to shareholders. This represents an increase of 10 yen per share over a period of 4 years, compared to the 8 yen per share paid in the fiscal

Per-share Dividend and Dividend Payout Ratio on a Consolidated Basis



Note: 1.1-for-1 stock split executed on November 18, 2005

Flexible Acquisition of Treasury Common Stock



year ended March 2002.

In addition, we executed a 1.1-for-1 stock split on November 18, 2005, and acquired 2 million shares of treasury common stock during the term at a cost of ¥2,296 million. We have acquired a total of 21,439,000 shares of treasury common stock at a cost of ¥18,882 million since the year ended March 2000. As a result, the year's dividend payout ratio on a consolidated basis improved 8.8 percentage points over the previous year to 32.9%.

We intend to actively tackle management issues in order to continue to distribute a satisfactory level of profits to our shareholders.

Environmental Initiatives of the Nisshin Seifun Group

The Nisshin Seifun Group has actively worked to fulfill its corporate social responsibilities in order for the Group to continue to be truly valuable to society. As a part of this commitment, we promote activities for protecting the environment, and more specifically, we seek to reduce carbon dioxide (CO₂) emissions and cut down on waste discharge. Some of our activities in these areas are introduced below.

Reducing CO₂ Emissions

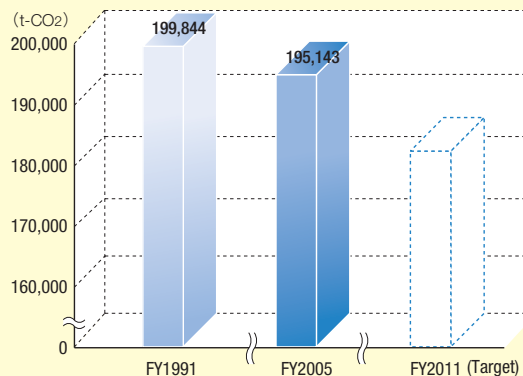
Since we established the Energy Conservation Promotion Committee in 1980, when environmental problems were becoming increasingly serious, the Group has endeavored to reduce the amount of energy it uses. A Basic Environmental Policy was formulated for the Group in 1999, and it clearly positioned environmental protection as a management issue of the utmost importance. Currently, of all our environmental initiatives, the Group as a whole is most focused on reducing CO₂ emissions to help prevent global warming.

With the Kyoto Protocol going into force in February 2005, we revised the Group's management indicators for CO₂ emissions to match the reduction targets established by the government. We have set a voluntary target of reducing CO₂ emissions by 8.6% by the fiscal year



◀ The Group working together to achieve its target

Actual and Target CO₂ Emissions



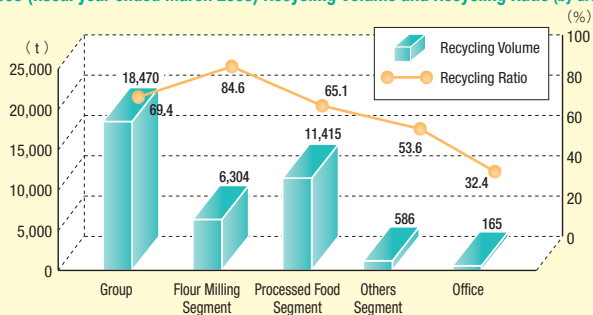
ending March 2011, compared to the year ended March 1991, and are working hard toward its achievement.

As a part of this process, in June 2005, we expanded the scope of data gathering to include all consolidated subsidiaries and implemented controls for reducing CO₂ emissions. Data is also gathered from logistics divisions. As to specific initiatives, we are converting the fuel used in our boilers to gas, installing co-generation systems and other measures.

Initiatives for Reduction of Waste and Recycling

Along with sorting waste products, we administer a database of discharged materials on the Group's intranet and manage the amounts discharged and recycled. We are endeavoring toward zero emissions, which involves coming as close to recycling 100% of waste materials as possible. The recycling rate for the Group as a whole currently stands at 69.4%.

Fiscal 2005 (fiscal year ended March 2005) Recycling Volume and Recycling Ratio (by Group Segment)



Development of Environmentally Conscious New Products

Adequate consideration must be given to the impact of corporate activities on the environment. For this reason, we are striving to reduce the environmental burden at various stages—raw material procurement, manufacturing, packaging, and sales—as well as from the perspective of new product development.

Materials



Zippered Nisshin Flour Pack
(Nisshin Foods)

Reducing the weight of packaging materials by switching from paper to plastic (polyethylene) packaging served to reduce CO₂ emissions by 45%.

CO₂
Reduction



Ma-Ma Salad Macaroni
(Nisshin Foods)

Making the macaroni 0.1 mm thinner resulted in reducing CO₂ emissions during preparation by 0.02 kg per 100 g thanks to a shorter cooking time.

Recycling



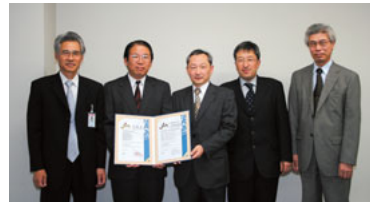
Water-Soluble Q10
(Nisshin Pharma)

We switched the container for Water-Soluble Q10 from a colored bottle that was difficult to reuse to a clear bottle with a simple coating that is easy to reuse.

Nisshin Flour Milling Acquires ISO 22000 Certification at 12 Domestic Plants

In November 2005, Nisshin Flour Milling acquired ISO 22000 certification, which is for food safety management systems. Acquiring certification served as a mechanism when it became the first Japanese manufacturer to integrate the production systems at its headquarters and 12 domestic plants. Nisshin Flour Milling has long engaged in food safety initiatives at each of its plants, acquiring ISO 9001 certification for quality management systems and instituting HACCP systems, for example. But in order to respond to mounting concern with respect to food safety among consumers, the company formed a new body two years ago in spring, the Food Safety Team, which is made up of members from its headquarters and plants, integrated the production systems at its headquarters and 12 domestic plants, and built a food safety management system to pursue product safety at every stage—from raw materials to flour milling and shipping. The company has also strengthened its inspection system, introducing voluntary inspections in which the plants monitor one another and internal audits of plants conducted by internal auditors. Going forward, Nisshin Flour Milling intends to continue to bolster its initiatives for ensuring food safety.

Nisshin Flour Milling acquires ISO 22000 certification for its 12 domestic plants



Nisshin Foods Holds Events and Sales Promotions for the 50th Anniversary of the Ma•Ma Pasta Brand

Ever since the creation of the Ma•Ma pasta brand in 1955, we have pursued the ideal of delicious pasta as the leading brand on the Japanese market and have brought smiles to generations of families. Spaghetti, macaroni and other varieties of pasta have become an indispensable part of the Japanese diet.

Nisshin Foods conducted the following commemorative events and sales promotions in 2005 for the 50th anniversary of the Ma•Ma brand.

● “Ma•Ma Happy 50th Birthday!” Events

In 2005, the 50th anniversary of the Ma•Ma pasta brand, Nisshin Foods worked to invigorate the pasta market through mass media advertising on television and in newspapers and magazines, consumer campaigns, sales promotions at stores, and cooking classes.

● Ma•Ma Pasta Cooking Classes

Ma•Ma pasta cooking classes were held with popular food specialists Nahomi Edamoto and Reiko Yamamoto. The classes provided an opportunity to interact with lovers of the company’s products through Ma•Ma and helped further increase awareness of the Ma•Ma brand.



Event commemorating
“Ma•Ma Happy 50th Birthday!”



● 50th Anniversary Commercial Broadcast Nationwide

The commercial, which ran from April 1 of last year, featured the Ma•Ma doll, which has been the mascot of the brand since it was first went on the market in 1955. The reasons why the long cherished Ma•Ma pasta brand is so delicious were expressed through a heartwarming dialogue among Ma•Ma, Bo•Koo and other cartoon characters.

Nisshin Foods intends to continue to create Ma•Ma pasta brand products that inspire consumers with new lifestyle options.

Initio Foods Completes Construction on Prepared Foods Plant in Shiraoka, Saitama Prefecture

On September 2 2005, Initio Foods, which is involved in the prepared dishes and other prepared foods business, completed construction on a prepared foods plant in an industrial park of Shiraoka in Saitama Prefecture and began supplying products to the Kanto region. Located in the corner of a rural greenbelt, the surrounding areas are a source of fresh vegetables and other ingredients. The new plant controls the temperature for each process and adopts HACCP specifications that divide the plant into sanitary zones and non-sanitary zones. Cross-contamination by people and goods is prevented by this strict zoning. The plant also pursues stronger quality control by using positive pressure management in the sanitary zone and conducting UV sterilization in all zones. A distribution warehouse is connected to the plant, which has made it possible to construct a flexible delivery system. The plant further features a test kitchen, so products can be commercialized in a timely manner and the time from development to sales can be shortened. Initio Foods intends to continue to provide products with an emphasis on reliability, safety and health.

Initio Foods' Shiraoka Plant



Nisshin Pharma Finishes Construction on a Production Line for Water-Soluble Coenzyme Q10 Powder at its Ueda Plant

In November 2005, Nisshin Pharma shifted processes in-house for making coenzyme Q₁₀ water-soluble, built a new production line for water-soluble coenzyme Q₁₀ (Aqua Q₁₀) powder at its Ueda Plant, and initiated full-fledged operations.

Aqua Q₁₀ is a product developed by Nisshin Pharma in 2002 on the basis of proprietary technology. It makes coenzyme Q₁₀ easy to absorb even when taken on an empty stomach and has allowed Q₁₀ products to be developed in a wide variety of formats, including drinks and jellies.

With the establishment of a new production line for Aqua Q₁₀, Nisshin Pharma has now integrated the processes from the manufacturing of coenzyme Q₁₀ to the manufacturing of Aqua Q₁₀. The new production line gives the company the capacity to supply Aqua Q₁₀ powder even if its market grows fivefold in the future.



Nisshin Pharma's Ueda Plant

Nisshin Petfood Launches JP-Style Dog Food

Nisshin Petfood invited some 70 members of the mass media to Limapuluh, a dog-friendly café in Tokyo's Minami-Aoyama district, and held an event on January 17 2006, celebrating the February 1 mail-order market launch of JP-Style Dog Food, a premium dog food made primarily with ingredients produced in Japan.

This new product is a semi-moist premium dog food variety that eliminates the use of preservatives, colorants and fragrances and takes into consideration breed, age, preferences, and health in order to accommodate the needs of dog owners. It is manufactured on order and delivered directly from the plant to the customer in around 15 days. Nisshin Petfood has R&D facilities and production sites in Japan, and the company intends to continue to provide healthy lifestyles to pets and owners living in Japan by leveraging its advantages as a domestic manufacturer.

An event celebrating the launch of JP-Style Dog Food by Nisshin Petfood



Outline of the Nisshin Seifun Group

The Nisshin Seifun Group comprises the holding company, the Flour Milling Segment, the Processed Food Segment, and Others Segment. In addition to Nisshin Seifun Group Inc., the Group includes 48 subsidiaries and 15 affiliated companies. Nisshin Seifun Group Inc. and other principal companies are presented in the organizational diagram below.

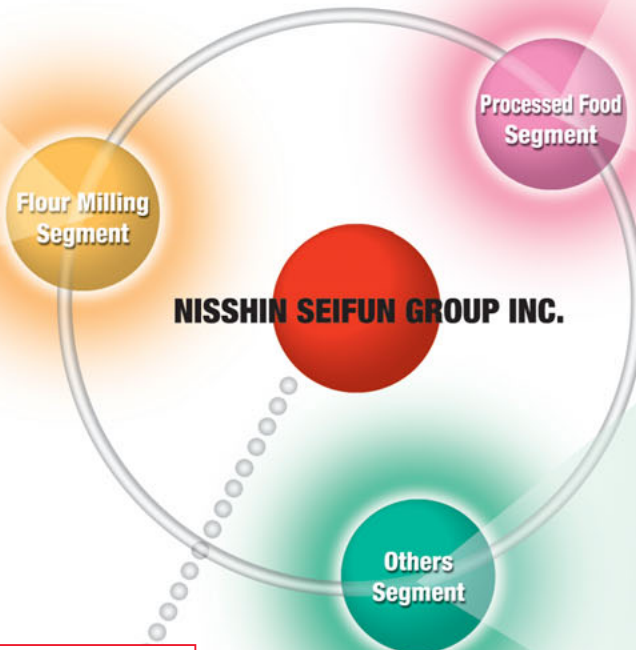
Employees (as of March 31, 2006)	
Flour Milling Segment	1,269
Processed Food Segment	2,928
Others Segment	658
Nisshin Seifun Group Inc.	246
Total	5,101

Organization of Nisshin Seifun and its Group Companies (as of March 31, 2006)

Flour Milling Segment

◆ Nisshin Flour Milling Inc.

- ◆ Fresh Food Service Co., Ltd.
- ◆ Yamajo Shoji Co., Ltd.
- ◆ Rogers Foods Ltd. (Canada)
- ◆ Nisshin-STC Flour Milling Co., Ltd. (Thailand)
- ◆ NSTC Trading Co., Ltd. (Thailand)
- ◆ Ishikawa Co., Ltd.
- ◆ Four Leaves Pte. Ltd. (Singapore)



- ◆ Nisshin ISL Inc.
- ◆ Nisshin Real Estate Inc.*

- ◆ Jinzhu (Yantai) Food Research and Development Co., Ltd. (China)

- ◆ Consolidated subsidiaries
- ◆ Subsidiaries and affiliated companies accounted for by the equity method

* Nisshin Real Estate Inc. changed its name to Nisshin Associates Inc. on June 1, 2006.

Processed Food Segment

◆ Nisshin Foods Inc.

- ◆ Ma-Ma-Macaroni Co., Ltd.
- ◆ Initio Foods Inc.
- ◆ Daisen Ham Co., Ltd.

- ◆ Medallion Foods Inc. (U.S.A.)
- ◆ Food Master (PNW) Corp. (U.S.A.)
- ◆ Thai Nisshin Seifun Co., Ltd. (Thailand)

- ◆ Thai Nisshin Technomic Co., Ltd. (Thailand)
- ◆ Qingdao Nisshin Seifun Foods Co., Ltd. (China)
- ◆ Shin Nisshin Seifun Foods (Qingdao) Co., Ltd. (China)

◆ Oriental Yeast Co., Ltd.

- ◆ Pany Delica Co., Ltd.
- ◆ Pany Foods Net Co., Ltd.
- ◆ SK Foods Co., Ltd.
- ◆ Nihon Bioresearch Center Co., Ltd.

- ◆ Kitayama Labes Co., Ltd.
- ◆ Oriental Bio-Service Co., Ltd.
- ◆ Oriental Bio-Service Kanto Co., Ltd.
- ◆ KBT Oriental Co., Ltd.

- ◆ OYC International, Inc. (U.S.A.)
- ◆ Oriental Service Co., Ltd.

◆ Nisshin Pharma Inc.

- ◆ Nisshin Kyorin Pharmaceutical Co., Ltd.

Others Segment

◆ Nisshin Petfood Inc.

◆ Nisshin Engineering Inc.

◆ NBC Inc.

- ◆ NBC Hinet Inc.
- ◆ CNK Inc.

- ◆ P.T. NBC Indonesia (Indonesia)
- ◆ Dynamesh Inc. (U.S.A.)

- ◆ NBC (Shanghai) Mesh Co., Ltd. (China)
- ◆ Thainak Industries Co., Ltd. (Thailand)

◆ Marubeni Nisshin Feed Co., Ltd.

- ◆ Nisshin Grain Silo Inc.
- ◆ Shinwa Development Co., Ltd.

- ◆ Japan Logistic Systems Corp.
- ◆ Hanshin Silo Co., Ltd.

- ◆ Chiba Grain Handling Center, Ltd.

Review of Operations

Flour Milling Segment

<Business Results>

Nisshin Flour Milling worked to promote sales through relationship-based marketing with trusted business partners, but with the domestic flour market underperforming compared with the previous fiscal year as demand stagnated, shipments were unchanged year on year. In response to these challenges, Nisshin Flour Milling strove to expand flour demand by using flour in new ways to add value, an example being the August 2005 launch of its Maison Kayser Traditional premium flour for manufacturing use.

In production and distribution, the company continued to promote low-cost operations while working to produce high-quality flour efficiently. In quality control, meanwhile, in November 2005 Nisshin Flour Milling was the first Japanese manufacturer to win certification under ISO 22000 (the ISO standard for food safety management) for its entire manufacturing system including the headquarters and 12 domestic manufacturing plants.

<Prospects for the Next Fiscal Year>

Domestic demand for flour is unlikely to increase, due partly to the demographic trend towards fewer children and more seniors, but also because of an increased inflow of overseas products such as preparations of wheat flour. Intensified sales competition between manufacturers is therefore a cause for concern. Against this backdrop, Nisshin Flour Milling will strive to create new markets and further increase its market share by stepping up efforts to deepen relationships with its customers. To achieve this, Nisshin Flour Milling will incorporate a rapid and accurate grasp of market trends and customer needs into its product development, as well as make proposals to promote sales.

Moreover, as wheat policy reform progresses both in Japan and abroad, Nisshin Flour Milling will act to pare down costs in all operations, including purchasing, production, distribution and sales. This will be achieved by improving operational efficiency through developments such as the May 2006 completion of the automatic rack warehouse at the Higashinada Plant. Through such measures Nisshin Flour Milling will work to secure its profitability in preparation for the deregulated

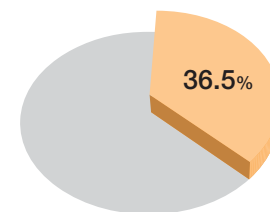
In March 2006, Nisshin Flour Milling lowered prices for its flour products in response to the Japanese government's February reduction of the price of wheat, the raw material for flour; this was the first reduction in two years.

The price of bran, a by-product of the milling process, remained strong due to high demand for animal feed products within Japan.

In overseas operations, the capacity utilization rate increased steadily at Rogers Foods Ltd.'s new flour milling plant in Canada. While working to increase overall flour shipments, the plant has also commenced sales to the U.S. west coast.

Flour Milling Segment Net Sales

¥153,850 million



wheat market of the future.

In overseas operations, Nisshin Flour Milling will continue to pursue a Pacific Rim strategy focusing on three regions: Japan, the west coast of North America, and Thailand.



Nisshin Flour Milling
Participating in the California Raisin and
American Cheese Baking Seminar



Nisshin Flour Milling
Automatic rack warehouse at the
Higashinada Plant

Processed Food Segment

<Business Results>

During the period under review, the operating environment for Nisshin Foods was challenging: continued sluggish demand and a consumer propensity for low prices throughout the food industry were compounded by sharply increased raw material procurement costs due to the rise in the price of crude oil and other factors. Against this backdrop, Nisshin Foods implemented aggressive marketing and sales promotion activities centering on the campaign marking the 50th anniversary of the Ma•Ma pasta brand. As a result, shipments of pasta, pasta sauces, prepared mix and frozen foods were higher than a year earlier. In February 2006, the company introduced 13 new products and 22 updated products in home-use room-temperature foods. In home-use frozen foods, the company also introduced 5 new products and 5 updated products. In prepared dishes and other prepared foods, September 2005 saw the completion of a new manufacturing plant for prepared dishes in Shiraoaka, Saitama. The following month saw the merger of subsidiaries Initio Foods and SANKO Co., Ltd. However, this and other measures designed to bolster the operational base, did not achieve the initial targets due to delayed progress with business plans. The overseas strategy of the business made a significant contribution to increased operating results, with all three operational bases — North America, Thailand and China — achieving steady business expansion. In light of its strong performance, the Chinese prepared mix business started work to double manufacturing capacity, targeting further penetration of the Chinese market.

At Oriental Yeast, May 2005 saw completion of the P&B Center, which combines R&D

<Prospects for the Next Fiscal Year>

As a “mealtime solution provider,” Nisshin Foods will pursue the development of new products with an emphasis on reliability, safety and health. These efforts are directed at enhancing its product lineup, including the range of Ma•Ma pasta products, which currently boast the leading market share. In addition, the company will further reinforce its quality control system in response to the May 2006 introduction of the positive list system for agricultural chemical residues in foods. On the production front, Nisshin Foods will target enhanced cost competitiveness with measures such as the establishment of a new large-scale pasta production line at the Utsunomiya Plant of pasta manufacturing subsidiary Ma•Macaroni. The production line is slated to come on line in November 2006. In prepared dishes and other prepared foods, Initio Foods will work towards further expansion of its operating base through development of unique products and reinforcement of its links with volume retailers. Overseas development entails steadily increasing the number of operational bases in the Pacific Rim region, including the planned doubling of production capacity in the Chinese prepared mix business. The newly expanded capacity is slated to become operational in December 2006.

In the processed food division of Oriental Yeast, plans call for measures to expand market share and stimulate demand through collaboration with customers. This will be achieved by further improving, and making even better use of, the P&B Center constructed in 2005. In its biotechnology-related division, the company will target expansion, particular-

functions with facilities for presentations to customers on new products and recipes. Since then, the company has been making good use of the center. In the processed foods division, sales were higher than a year earlier, due in part to growth in shipments of bread-making ingredients, including mainstay yeast and flour paste products, as well as mineral yeasts. Another contributor was the start of business at SK Foods following the July 2005 takeover of operations from Sankyo Foods Co., Ltd. In the biotechnology-related division, sales were roughly on a par with the previous year, with steady growth in shipments of bionutritional products offset by sluggish performances in feed products supplied to fish farms and other feed contracts.

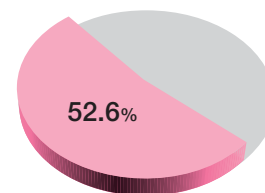
Nisshin Pharma concentrated resources on bolstering the supply network and extending market penetration for its value-added products. For the company's mainstay coenzyme Q10 product, it established a new manufacturing line for concentrated water-soluble coenzyme Q10 at its Ueda Plant in November 2005. In addition, the company focused on bolstering the lineup of finished products for the retail market and undertook a range of promotional activities, successfully increasing consumer awareness of its products.

ly in the range of contract-based pharmaceutical R&D support services it offers. At the same time, the company will grow sales by bringing to market new products including biochemicals and immunochemicals.

At Nisshin Pharma, full-scale operations will be started at the Ueda Plant's newly established manufacturing line for concentrated water-soluble coenzyme Q10. In addition, in the fiscal year ending March 31, 2007, the company will commence sales and promote market penetration of Aqua Q10 P40, an ingredient product made from concentrated coenzyme Q10. Meanwhile, the company will implement concerted advertising and sales promotion activities on an ongoing basis with regard to consumer-oriented products. In addition, it will channel resources into new product development and discovery of new ingredients with an emphasis on treating lifestyle-related illnesses.

Processed Food Segment Net Sales

¥221,571 million



Nisshin Seifun Group
Exhibiting at FOODEX Japan 2006



Nisshin Pharma
Exhibiting water-soluble coenzyme
Q10 at Hi/S-tec Japan 2005

Review of Operations

Others Segment

<Business Results>

Nisshin Petfood undertook aggressive sales promotion activities. In cat food, it posted significantly higher sales, particularly of mixed-type dried products and retort pouch products. Dog food sales also rose. In February 2006, the company launched mail order sales of JP-Style, a premium dog food product developed with a focus on good health and food safety.

Nisshin Engineering benefited from recovery in corporate capital expenditures accompanying the expansionary trend in the Japanese economy. Sales grew significantly with the successful completion of large contracts in the plant engineering division.

<Prospects for the Next Fiscal Year>

Nisshin Petfood will work to enhance its market presence and awareness of its products in the premium pet food market. JP-Style, the premium dog food product which went on sale in February 2006, will be central to this initiative. In established business domains, also, the company will push ahead with new product development, expand and revamp its product lineup, and pursue an aggressive marketing strategy.

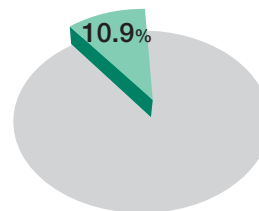
Nisshin Engineering will continue working to secure new contracts as well as actively boost sales in powder-processing services and sales of related equipment.

NBC plans to aggressively drive forward market launches of value-added products based on new technology. At the same time, it will target continuous growth in world markets to increase market shares for ultra-fine mesh cloths.

NBC recorded overall growth in sales with mainstay mesh cloths for screen-printing applications posting steadily increased sales both domestically and overseas, while sales of industrial-use mesh cloths and forming filters also grew significantly. In November 2005, NBC took action to expand and upgrade production facilities by establishing a new plant in Kikugawa, Shizuoka prefecture.

Others Segment Net Sales

¥45,938 million



Nisshin Petfood
Exhibiting the new JP-
Style Dog Food at
Tokyo Pet Show 2006



Nisshin Engineering
Exhibiting at POWTEX Osaka 2005

New Products

• Ma-Ma Lively and Fresh Pasta Series

(Nisshin Foods: Frozen foods)

This much talked-about fresh pasta series features a lively, chewy texture. The tagliolini-style (wide pasta that go well with rich sauces) Carbonara comes with luxurious ingredients and a rich, creamy sauce. The series has been enhanced with the launch of Japanese-style Cod Roe Small Ligaments of Scallop as well as Mushroom and Bacon in Soy Sauce, which both use fresh linguini pasta (pasta with an elliptical cross-section that go well with light sauces). Another product in the series, Nine Vegetables and Beans in Ripe Tomato Sauce, has also been revamped.

(Launched on the market in February 2006)



• Ma-Ma Al Dentino

(Nisshin Foods: Microwavable pasta)

The Ma-Ma Al Dentino series of microwavable pasta has sold well since its quality and packaging were completely overhauled in the fall of 2005. The lineup was enhanced by introducing Carbonara, a cream sauce pasta especially popular with women, in an effort to further invigorate the market.

(Launched on the market in February 2006)



• Grotto Azzurra Chef's Collection

(Nisshin Foods: Pasta sauce)

The Grotto Azzurra Chef's Collection series of exceptional pasta sauces, which was developed in collaboration with some of Japan's leading chefs of Italian cuisine, has proven popular, so we marketed a new Four Cheese and Red Sweet Pepper Pomodoro, which we had developed jointly with Italian chef Daisuke Yamane. This series features a number of creative innovations, like combining two sauces with differing methods of preparation, to faithfully deliver the kind of high-quality, authentic-tasting pasta sauces that can only come from master chefs.

(Launched on the market in February 2006)



• Ma-Ma Dressing Pasta Sauce

(Nisshin Foods: Pasta sauce)

The Dressing Pasta Sauce series has primarily featured Japanese-style products, but with the market for pasta sauces growing, we enhanced its lineup by launching two Western-style sauces, Pepperoncini and Basil Sauce. In conjunction with these new products going on the market, we also totally updated the packaging for the series and created a design that is more appealing to customers.

(Launched on the market in February 2006)



• Water-Soluble Q10

(Nisshin Pharma: Coenzyme Q10)

This hard capsule delivers a dense, water-soluble form of coenzyme Q10 that was developed with the cutting-edge technology of Nisshin Pharma. The small, easy-to-swallow pill contains 30 mg of coenzyme Q10 and can be taken at any time because it is easily absorbed even on an empty stomach.

(Launched on the market in January 2005)



• Carat Kaiseki 2 dish

(Nisshin Petfood: Dry cat food)

This gourmet cat food gives cats the pleasure of two delicious tastes in one box thanks to toppings of premium marine products from select locations. Also, we have been meticulous about maintaining freshness by using deoxidants and subdivided packets. Four types are available in the lineup, Taste of the Sea, Bounty of the Sea, Fur Ball Cleansing, and Fur Ball Cleansing for Older Cats, all of which give consideration to both taste and health.

(Launched on the market in September 2005)



Consolidated Financial Highlights

* The accompanying financial data are prepared for the sole purpose of domestic reporting purpose.

Consolidated Financial Highlights (Years ended March 31)

	2002	2003	2004	2005	2006	Change	% change
Results of operations							
Net sales (¥ million)	397,173	402,313	434,125	416,222	421,359	+ 5,136	+ 1.2%
Operating income (¥ million)	15,593	17,706	21,756	22,896	22,169	(726)	(3.2%)
Ordinary income (¥ million)	17,467	19,937	22,893	25,120	24,774	(345)	(1.4%)
Net income (¥ million)	9,334	10,575	11,575	13,597	13,541	(56)	(0.4%)
Profit ratio							
Operating income to net sales (%)	3.9%	4.4%	5.0%	5.5%	5.3%	(0.2%)	
Ordinary income to net sales (%)	4.4%	5.0%	5.3%	6.0%	5.9%	(0.1%)	
Net income to net sales (%)	2.4%	2.6%	2.7%	3.3%	3.2%	(0.1%)	
Return on equity (%)	4.2%	5.0%	5.2%	5.8%	5.4%	(0.4%)	
Financial position							
Total assets (¥ million)	340,637	316,330	359,820	372,968	399,899	+ 26,930	+ 7.2%
Shareholders' equity (¥ million)	215,354	211,197	230,555	241,282	264,535	+ 23,252	+ 9.6%
Shareholders' equity ratio (%)	63.2%	66.8%	64.1%	64.7%	66.2%	+ 1.5%	
Per share data							
Net income per share (¥)	38.40	44.29	49.16	58.06	52.80	(5.26)	
Shareholders' equity per share (¥)	904.15	904.80	996.59	1,042.92	1,046.00	+ 3.08	
Cash dividends per share (¥)	8	9	11	14	18	+ 4	

* Net income per share in fiscal year ended March 2006 decreased substantially, but this was primarily due to executing a 1.1-for-1 stock split on November 18, 2005.

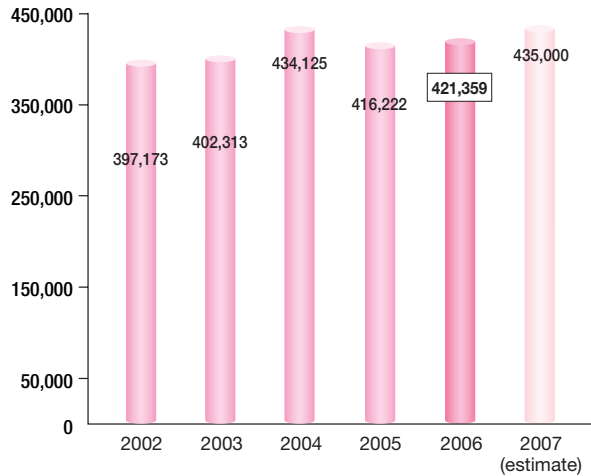
Forecast for Consolidated Business Performance

Forecast for Consolidated Business Performance in Fiscal 2007

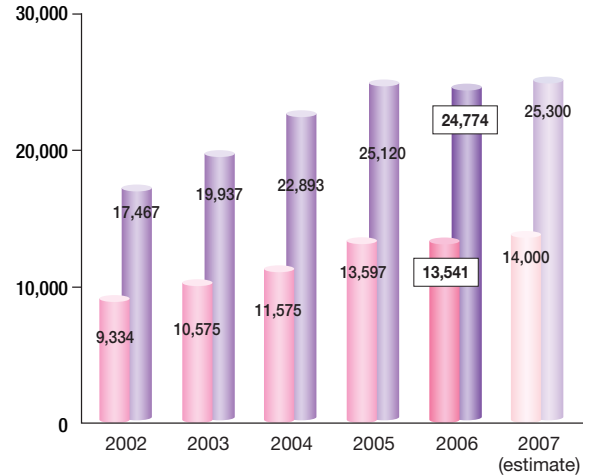
	2006	2007 (estimate)	Change	% change
Net sales (¥ million)	421,359	435,000	+ 13,641	+ 3.2%
Ordinary income (¥ million)	24,774	25,300	+ 526	+ 2.1%
Net income (¥ million)	13,541	14,000	+ 459	+ 3.4%

Note: The contents of this report are based on various premises and do not constitute a promise or guarantee of the realization of the planned results or policies described herein.

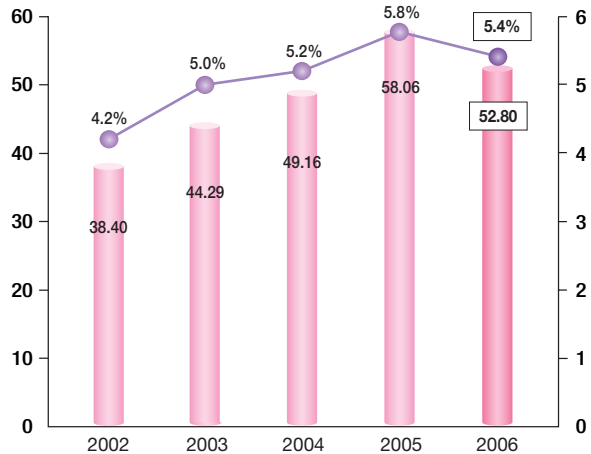
■ **Net Sales** (¥ million)



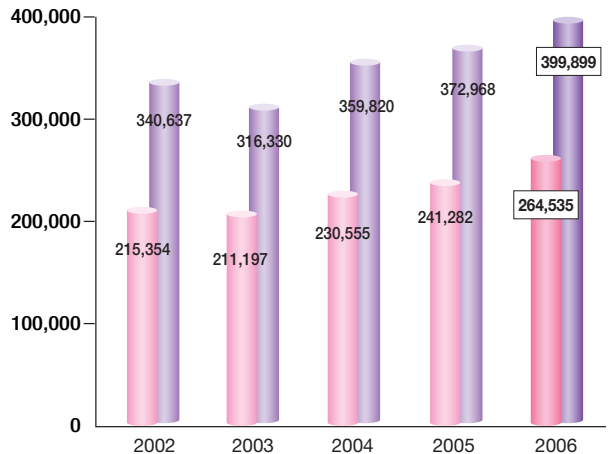
■ **Ordinary Income** ■ **Net Income** (¥ million)



■ **Net Income per Share** (¥)
■ **Return on Equity (ROE)** (%)



■ **Total Assets**
■ **Shareholders' Equity** (¥ million)



* Net income per share in fiscal year ended March 2006 decreased substantially, but this was primarily due to executing a 1.1-for-1 stock split on November 18, 2005.

Note: The contents of this report are based on various premises and do not constitute a promise or guarantee of the realization of the planned results or policies described herein.

Consolidated Financial Statements

Consolidated Balance Sheets

As of March 31, 2005 and 2006

(¥ million)

Items	2005	2006	Change
Assets			
Current assets	170,349	172,870	2,520
Fixed assets	202,618	227,029	24,410
Total assets	372,968	399,899	26,930
Liabilities			
Current liabilities	67,380	64,530	(2,849)
Non-current liabilities	37,545	43,334	5,789
Total liabilities	104,925	107,865	2,940
Minority interests			
Minority interests	26,760	27,498	737
Shareholders' equity			
Common stock	17,117	17,117	—
Capital surplus	9,452	9,483	31
Retained earnings	190,699	200,487	9,788
Unrealized holding gain on securities	26,688	40,835	14,146
Foreign currency translation adjustments	(1,216)	(212)	1,003
Treasury common stock	(1,459)	(3,176)	(1,717)
Total shareholders' equity	241,282	264,535	23,252
Total liabilities, minority interests and shareholders' equity	372,968	399,899	26,930

Note: The amounts recorded are rounded down to the nearest one million yen.

Fixed assets, Non-current liabilities and Unrealized holding gain on securities

Due to the impact of the strong stock market in Japan, market valuations of investment securities held by the Group increased, which caused substantial increases in investment in securities (fixed assets), deferred tax liability (non-current liabilities) and unrealized holding gain on securities.

Treasury common stock

The Company has traditionally exercised flexibility in its acquisition of treasury common stock. In the year under review, it acquired 2 million shares of treasury stock at a cost of ¥2,296 million.

Consolidated Statements of Income

For the years ended March 31, 2005 and 2006

(¥ million)

Items	2005	2006	Change
Net sales	416,222	421,359	5,136
Cost of sales	283,455	285,910	2,454
Gross profit	132,766	135,449	2,682
Selling, general and administrative expenses	109,870	113,279	3,409
Operating income	22,896	22,169	(726)
Non-operating income	3,358	3,437	79
Non-operating expenses	1,134	833	(301)
Ordinary income	25,120	24,774	(345)
Extraordinary income	1,397	1,224	(172)
Extraordinary losses	1,455	898	(557)
Income before income taxes and minority interests	25,062	25,101	38
Income taxes—current	8,525	8,869	343
Income taxes—deferred	890	676	(214)
Minority interests	2,048	2,014	(34)
Net income	13,597	13,541	(56)

Note: The amounts recorded are rounded down to the nearest one million yen.

Net sales

The Company commenced its second medium-term business plan with the basic aim of growth and under the plan worked to increase shipments by actively conducting sales promotions and developing new sales channels in each of its businesses. As a result, net sales exceeded the previous year.

Ordinary income

While the Company had success in increasing shipments in each of its businesses, ordinary income was down compared to the preceding year due to making strategic expenditures on sales promotions and new product launches for the sake of growth and also to continuing to invest in reliability and safety.

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheets

As of March 31, 2005 and 2006

(¥ million)

Items	2005	2006	Change
Assets			
Current assets	35,689	39,004	3,315
Fixed assets	175,051	196,543	21,491
Total assets	210,741	235,548	24,806
Liabilities			
Current liabilities	3,638	3,666	27
Non-current liabilities	14,827	22,260	7,433
Total liabilities	18,466	25,926	7,460
Shareholders' equity			
Common stock	17,117	17,117	—
Capital surplus	9,452	9,500	47
Retained earnings	146,430	153,847	7,416
Unrealized holding gain on securities	20,680	32,277	11,597
Treasury common stock	(1,406)	(3,122)	(1,715)
Total shareholders' equity	192,274	209,621	17,346
Total liabilities and shareholders' equity	210,741	235,548	24,806

Note: The amounts recorded are rounded down to the nearest one million yen.

Non-Consolidated Statements of Income

For the years ended March 31, 2005 and 2006

(¥ million)

Items	2005	2006	Change
Operating revenues	19,138	20,940	1,801
Operating expenses	11,164	10,993	(171)
Operating income	7,973	9,947	1,973
Non-operating income	1,052	1,051	(0)
Non-operating expenses	79	117	38
Ordinary income	8,946	10,881	1,934
Extraordinary income	1,204	566	(638)
Extraordinary losses	195	—	(195)
Income before income taxes	9,955	11,448	1,492
Income taxes—current	28	17	(11)
Income taxes—deferred	534	362	(172)
Net income	9,392	11,068	1,676
Unappropriated retained earnings brought forward	24,017	24,122	105
Loss on disposal of treasury stock	—	16	16
Interim dividend	1,274	1,611	337
Unappropriated retained earnings	32,135	33,563	1,427

Note: The amounts recorded are rounded down to the nearest one million yen.

Appropriation of Retained Earnings

(¥ million)

Items	2005	2006	Change
Unappropriated retained earnings	32,135	33,563	1,427
Reversal of special depreciation provision	14	9	(4)
Reversal of reserve for advanced depreciation of fixed assets	40	63	23
Reversal of special reserve for advanced depreciation of fixed assets	49	—	(49)
Total	32,240	33,636	1,396
This was appropriated as follows.			
Dividends	1,968	2,785	816
	Ordinary dividend of ¥8.5 per share	Ordinary dividend of ¥11 per share	
Directors' bonuses	55	55	—
Reserve for advanced depreciation of fixed assets	93	66	(27)
Reserve	6,000	6,000	—
Earnings carried forward to the following year	24,122	24,729	607

Notes:

- The amounts recorded are rounded down to the nearest one million yen.
- On December 15, 2005 an interim dividend of 1,611 million yen (7 yen per share) was distributed.
- The special depreciation provision, special account for advanced depreciation of fixed assets, and reserve for special account for advanced depreciation of fixed assets are based on the Special Taxation Measures Law and other pertinent laws and ordinances.

Consolidated Statements of Retained Earnings

For the years ended March 31, 2005 and 2006

(¥ million)

Items	2005	2006	Change
Capital surplus			
Capital surplus at beginning of the year	9,446	9,452	5
Increase in capital surplus	5	31	25
Capital surplus at end of the year	9,452	9,483	31
Retained earnings			
Retained earnings at beginning of the year	179,241	190,699	11,457
Increase in retained earnings	14,376	13,541	(834)
Decrease in retained earnings	2,918	3,753	834
Retained earnings at end of the year	190,699	200,487	9,788

Note: The amounts recorded are rounded down to the nearest one million yen.

Consolidated Statements of Cash Flows

For the years ended March 31, 2005 and 2006

(¥ million)

Items	2005	2006	Change
Cash flows from operating activities	21,567	21,054	(512)
Cash flows from investing activities	(17,590)	(25,297)	(7,707)
Cash flows from financing activities	(4,317)	(7,274)	(2,957)
Effect of exchange rate changes on cash and cash equivalents	21	272	250
Decrease in cash and cash equivalents	(317)	(11,244)	(10,926)
Cash and cash equivalents at beginning of the year	54,154	54,047	(107)
Increase in cash and cash equivalents due to merger of consolidated subsidiaries	210	—	(210)
Cash and cash equivalents at end of the year	54,047	42,803	(11,244)

Note: The amounts recorded are rounded down to the nearest one million yen.

Cash and cash equivalents at end of the year

In addition to making strategic expenditures in equipment, we have appropriated the increase in cash flows from operating activities to return more profit to all our shareholders by increasing dividends and to acquire treasury common stock. Also, with regard to standby funds for future strategic investments, we have made expenditures on the operation of time deposits and securities in order to improve the operating efficiency of our cash flow. As a result, the balance of cash and cash equivalents at end of the year was lower compared with the previous fiscal year.

Stock Information (As of March 31, 2006)

Total number of issuable shares:

932,856,000 shares

Total number of shares issued and outstanding:

256,535,448 shares

* A 1.1-for-1 stock split executed on November 18, 2005 increased the total number of shares issued and outstanding by 23,321,404 shares.

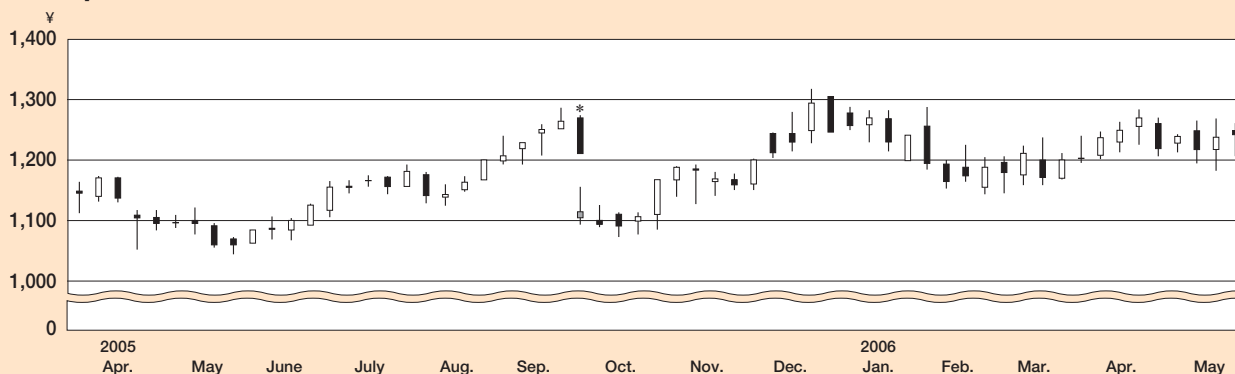
Number of shareholders:

14,785 (a increase of 1,457 shareholders from the end of the previous fiscal year)

Major shareholders (top 10):

Name	Number of Shares Held (thousand)	Ratio of Share Holdings (%)
Nippon Life Insurance Company	15,022	5.8
Yamazaki Baking Co., Ltd.	14,040	5.4
Japan Trustee Services Bank, Ltd. (Trust Account)	12,187	4.7
Mizuho Corporate Bank, Ltd.	9,943	3.8
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,933	3.8
Mitsubishi Corporation	6,982	2.7
Mizuho Bank, Ltd.	5,804	2.2
Sumitomo Corporation	5,034	1.9
Sumitomo Mitsui Banking Corporation	4,616	1.7
The Norinchukin Bank	4,489	1.7

Stock prices



* A 1.1-for-1 stock split was executed on shares held by shareholders registered in the final register of shareholders and register of beneficial shareholders as of September 30, 2005.

Composition of Shareholders

Shareholders by Type

Type	Number of Shareholders	Number of Shares	Percentage of Shares
Financial institutions (123)*		118,602,000	(46.2%)
Other institutions	(367)*	46,954,000	(18.3%)
Individuals and other	(13,998)*	40,894,000	(16.0%)
Foreign institutions, etc.	(266)*	46,505,000	(18.1%)
Securities companies	(31)*	3,578,000	(1.4%)

Shareholders by Number of Shares Held

Number of Shares Held	Number of Shareholders	Number of Shares	Percentage of Shares
500,000 shares and over (82)*		184,390,000	(71.9%)
50,000 shares and over (199)*		32,434,000	(12.7%)
5,000 shares and over (2,172)*		24,462,000	(9.5%)
500 shares and over (8,985)*		14,731,000	(5.7%)
Less than 500 shares (3,347)*		516,000	(0.2%)

* Number of shareholders

Corporate Data

Corporate name: Nisshin Seifun Group Inc.
Head office: 25, Kanda-Nishiki-cho 1-chome,
Chiyoda-ku, Tokyo
Foundation: October 1900
Paid-in capital: ¥17,117,856,746 (As of March 31, 2006)
Main business:

1. Control and management of the operations of segments in the following industries through stock ownership
 - Flour Milling Segment
 - Processed Food Segment
 - Others Segment (Pet foods, Engineering, Mesh cloths, others)
2. Research and Development, Surveys
3. Leasing and management of real estate
4. Industrial Property Rights Acquisition, Preservation, Management, Usage Management and Assignment

Board of Directors: (As of June 28, 2006)

Chairman: Osamu Shoda

President: Hiroshi Hasegawa

Managing director: Ippei Murakami

Managing director: Ryuji Nakamura

Managing director: Masaru Nakamura

Director: Masami Ohta

Director: Yuki Yoshi Yamada

Director: Yasutaka Miyauchi

Director: Masuro Yamazaki

Director: Kazuo Ikeda

Director: Ariyoshi Okumura

Senior Corporate auditor: Takeo Ito

Corporate auditor: Kimio Ohishi

Corporate auditor: Akira Takeuchi

Corporate auditor: Akio Mimura

Offices and Laboratories:

Head Office: Chiyoda-ku, Tokyo

Institutes and Laboratories: Fujimino, Saitama Prefecture

Technical Research Laboratory
Fundamental Research Laboratory
QE Center

Investor Information

Fiscal year:
April 1 to March 31 of the following year

Date of record for year-end dividends (profit dividends) on surplus funds:
March 31

Date of record for interim dividends:
September 30

Ordinary general meeting of shareholders:
June

Method of public notice:

The Company posts notices via electronic notification on its website at <http://www.nisshin.com>.

(However, if electronic notification is not possible due to an accident or other unavoidable circumstances, notices will be published in the Nihon Keizai Shimbun newspaper.)

Share trading unit:

500 shares

* The share trading unit was changed from 1,000 shares to 500 shares as of October 3, 2005.

Custodian of shareholder register:

The Chuo Mitsui Trust and Banking Company, Ltd.
3-33-1 Shiba, Minato-ku, Tokyo Japan

Transfer agent:

The Chuo Mitsui Trust and Banking Company, Ltd.

Stock Transfer Agency Department
2-8-4 Izumi, Suginami-ku, Tokyo
168-0063, Japan
Tel: 0120-78-2031 (toll-free)

Transfer agent's handling office:

The Chuo Mitsui Trust and Banking Company, Ltd., branches throughout Japan
Japan Securities Agents, Ltd., Head office and branches

Notice:

1. To request forms for a change of address, for purchasing shares in less than the allotted trading unit, for transferring shares, or for designating an account for dividends to be remitted, please contact the custodian of the shareholder register toll-free in Japan at 0120-87-2031 or go to the website http://www.chuomitsui.co.jp/person/p_06.html. Requests taken 24 hours a day.
2. The Company has implemented a system whereby shares numbering less than the trading unit can be purchased. Shareholders with shares numbering less than the trading unit (less than 500) can apply to purchase the number of shares required to bring the number held up to the trading unit. Please contact the custodian of the shareholder register for applications. (If using the central depository system, please contact the securities company handling the trade.)
3. For shareholders wishing to receive their dividend payment by way of transfer to a (regular) postal savings account (payment via transfer to a bank account is already available), please contact the custodian of the shareholder register toll-free at 0120-87-2031 to request a form for this purpose and apply via the form.

NISSHIN SEIFUN GROUP INC.

25, Kanda-Nishiki-cho 1-chome, Chiyoda-ku, Tokyo
URL <http://www.nisshin.com>