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Summary of Financial Statements for the First Quarter of Fiscal 2009

July 30, 2008

Listed Company Name: Nisshin Seifun Group Inc. Registered on Tokyo Stock Exchange
 Securities Code: 2002 and Osaka Securities Exchange
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Date to submit the Quarterly Securities Report: August 12, 2008

(Figures shown are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of Fiscal 2009 (April 1, 2008 to June 30, 2008)

(1) Consolidated Business Results (The percentages indicate the rates of increase or decrease compared with the preceding fiscal year.)

| | Net sales | | Operating income | | Ordinary income | |
|----------------|-----------------|-----|------------------|--------|-----------------|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| 1Q Fiscal 2009 | 114,936 | — | 5,198 | — | 6,452 | — |
| 1Q Fiscal 2008 | 106,243 | 1.5 | 4,072 | (10.5) | 5,622 | (1.0) |

| | Net income | | Net income per share | Diluted net income per share |
|----------------|-----------------|------|----------------------|------------------------------|
| | Millions of yen | % | Yen | Yen |
| 1Q Fiscal 2009 | 3,302 | — | 13.30 | 13.29 |
| 1Q Fiscal 2008 | 3,136 | 10.6 | 12.38 | 12.38 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| June 30, 2008 | 386,469 | 294,198 | 68.4 | 1,063.84 |
| March 31, 2008 | 381,795 | 289,839 | 67.9 | 1,043.53 |

(Reference) Equity capital: 1Q FY2009: ¥264,306 million; FY2008: ¥259,177 million.

2. Dividends

| (Record date) | Dividend per share | | | | |
|------------------------|--------------------|--------|--------|----------|--------|
| | 1Q End | 2Q End | 3Q End | Year-End | Annual |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal 2008 | — | 9.00 | — | 9.00 | 18.00 |
| Fiscal 2009 | — | — | — | — | — |
| Fiscal 2009 (forecast) | — | 9.00 | — | 9.00 | 18.00 |

(Note) Revision of the above forecasts was not made in 1Q Fiscal 2009.

3. Forecasts of Consolidated Business Results for the Year Ending March 31, 2009 (April 1, 2008 to March 31, 2009)

(The full-year percentages indicate the rates of increase or decrease compared with the preceding fiscal year; the percentages for the first half are comparisons with the same period of the preceding fiscal year.)

| | Net sales | | Operating income | | Ordinary income | |
|------------|-----------------|------|------------------|-----|-----------------|-----|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| First half | 233,000 | — | 8,300 | — | 9,700 | — |
| Full year | 475,000 | 10.0 | 19,500 | 1.6 | 22,200 | 0.1 |

| | Net income | | Net income per share |
|------------|-----------------|------|----------------------|
| | Millions of yen | % | Yen |
| First half | 5,000 | — | 20.13 |
| Full year | 12,500 | 12.1 | 50.32 |

(Note) Revision of the above forecasts was not made in 1Q Fiscal 2009.

4. Other Information

- (1) Changes in important subsidiaries involving a change in the scope of consolidation during the period: None
- (2) Adoption of simplified accounting methods and specific methods for quarterly accounting: Yes
For details, see "4. Other Information" on page 6 under the heading of Qualitative Information/Financial Statements.
- (3) Changes in accounting policies and procedures and the method of presentation for preparing quarterly consolidated financial statements (those stated in "Changes in Basis of Presentation of Quarterly Consolidated Financial Statements")
1. Changes associated with the revision of accounting standards: Yes
 2. Changes other than the above: Yes
For details, see "4. Other Information" on page 6 under the heading of Qualitative Information/Financial Statements.
- (4) Number of shares issued and outstanding (common stock)
1. Number of shares issued and outstanding as of the period-end (including treasury shares):

| | | | |
|-----------------|-------------|--------------|-------------|
| 1Q Fiscal 2009: | 251,535,448 | Fiscal 2008: | 251,535,448 |
|-----------------|-------------|--------------|-------------|
 2. Number of treasury shares as of the period-end

| | | | |
|-----------------|-----------|--------------|-----------|
| 1Q Fiscal 2009: | 3,088,778 | Fiscal 2008: | 3,170,042 |
|-----------------|-----------|--------------|-----------|
 3. Average number of shares outstanding

| | | | |
|-----------------|-------------|-----------------|-------------|
| 1Q Fiscal 2009: | 248,391,337 | 1Q Fiscal 2008: | 253,320,930 |
|-----------------|-------------|-----------------|-------------|

*Statement regarding the proper use of financial forecasts and other special remarks

1. The statements contained in this document are based on various assumptions and do not constitute any guarantee or definite promise that projections of future performance or related business policies will actually be realized. For details of assumptions for financial forecasts and other related matters, see page 5.
2. Effective from the fiscal year ending March 31, 2009, the company adopted the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12) and Guidance on the Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14). The company prepares its quarterly consolidated financial statements in accordance with the "quarterly consolidated financial accounting rules."

Qualitative Information/Financial Statements

1. Qualitative Information on Consolidated Business Performance

[Overview of the Period under Review]

During the period under review, we experienced continued increases in procurement costs due to a hike in raw materials and oil prices, including a 30% jump in the government's sales prices for imported wheat in April 2008. To counter the situation, the company worked to expand sales by developing and launching new products and promoting aggressive advertising campaigns to boost demand for the group's products, while making continued cost-cutting efforts. Meanwhile, the company revised its product prices because the significant increase in procurement costs was more than could be absorbed internally.

As a result, consolidated net sales for the first quarter of the fiscal year ending March 2009 increased from the same quarter of the previous fiscal year to ¥114,936 million. For the fiscal years ended March 2007 and 2008, the Processed Food Segment suffered stagnant profitability because product price revisions were not conducted swiftly enough to absorb increased procurement costs. For the period under review, however, the business performance of the Processed Food Segment improved, raising the company's consolidated operating income to ¥5,198 million, ordinary income to ¥6,452 million and net income to ¥3,302 million.

[Business Overview by Segment]

(1) Flour Milling Segment

The company aggressively explored new markets by promoting relationship-based marketing, but the severe market environment, as represented by the industry's overall demand weakness, caused flour shipments to decrease slightly below the previous year's level. In response to a 30% average rise in the government's sales prices for imported wheat in April 2008, the company revised its flour prices upward in the same month.

In production and distribution, the company continued to carry out measures to boost productivity, including the construction of additional lines that are scheduled to start full-scale operation this summer at the Higashinada Plant. The company also continued to enhance the reliability and safety of its products.

The price of bran, a by-product of the milling process, enjoyed a steady increase as the prices of various feed materials remained high owing to the soaring grain market prices.

In overseas operations, measures to strengthen relationships with customers and price revisions resulted in favorable sales.

As a result, net sales of the Flour Milling Segment were ¥48,205 million, and operating income was ¥2,467 million.

(2) Processed Food Segment

During the period under review, the processed food business suffered continued procurement cost increases as the prices of oil and raw materials remained high. However, the business net sales remained unchanged from the same quarter of the preceding fiscal year, as the company revised upward its domestic prices for flour and flour-processed food products in May 2008 and endeavored to boost demand by carrying out aggressive promotional efforts, such as the *Ma•Ma Dinner Pasta* promotion. The business enjoyed favorable income, owing to improved profitability, which had declined due to the delay of price revisions to absorb increased procurement costs, and successful

efforts to reduce sales promotion and other costs. In the prepared dishes and other prepared foods business, various measures to improve profitability were steadily implemented. The overseas business achieved favorable sales, as an R&D center was launched in January 2008 in Thailand to enable active product proposals, creating new demand.

Sales of the yeast business increased, as reductions in shipments of yeast and bread improvers were more than offset by the favorable performance of butter creams, prepared dishes and mineral yeast. Sales of the biotechnology business were almost unchanged from the same quarter of the previous fiscal year, because the excellent performance of diagnostic and immunochemical products was offset by sluggish performance of feed for laboratory animals, research support services and feed for fish farming.

Sales of the healthcare foods business were weak due to the continuing severe situation of coenzyme Q₁₀ ingredients. Amid this situation, the company sought to expand sales of value-added products, such as water-soluble coenzyme Q₁₀, by accelerating the launch of new consumer products.

As a result, net sales of the Processed Food Segment were ¥57,317 million, and operating income was ¥2,204 million.

(3) Others Segment

Sales of the pet food business increased, as a result of upward product price revisions to counter rising procurement costs primarily due to a sharp rise in ingredient prices, as well as implementation of aggressive sales expansion measures.

Sales of the engineering business declined primarily due to increased sluggishness in the capital expenditures of related industries and a reaction to the completion of a large-scale construction project in the previous year, although revenue from equipment sales and powder-processing services increased.

Sales of the mesh cloths business were weak, reflecting sluggishness of industrial-use materials, although sales of mainstay mesh cloths for screen-printing applications and chemical products were favorable.

As a result, net sales of the Others Segment were ¥9,413 million, and operating income was ¥670 million.

2. Qualitative Information on Consolidated Financial Position

The company's consolidated assets, liabilities and net assets at the end of the first quarter of the fiscal year ending March 2009 were as follows.

Current assets declined ¥3,063 million from the previous year-end to ¥163,778 million, mainly due to a decrease in cash and an increase in inventories. Fixed assets increased ¥7,737 million to ¥222,690 million, mainly reflecting an increase in investments and other assets. As a result, total assets increased ¥4,674 million from the previous year-end to ¥386,469 million. Meanwhile, current liabilities declined ¥2,976 million to ¥55,748 million, mostly due to a reduction in accrued expenses, whereas long-term liabilities increased ¥3,292 million to ¥36,523 million, primarily due to an increase in deferred tax liabilities. As a result, total liabilities increased ¥316 million to ¥92,271 million. Net assets increased ¥4,358 million to ¥294,198 million, reflecting an increase due to net income for the period, a decrease due to the payment of dividends and an increase in valuation and translation adjustments.

The company's consolidated cash flows for the first quarter of the fiscal year ending March 2009 were as follows.

Cash flows from operating activities

Increases in cash mainly from income before income taxes and minority interests of ¥6,366 million and depreciation and amortization of ¥3,599 million were surpassed by decreases in cash primarily due to an increase in inventories of ¥6,242 million and income taxes paid of ¥3,992 million. As a result, net cash used in operating activities during the first quarter was ¥682 million.

Cash flows from investing activities

Although payments for purchases of tangible and intangible fixed assets amounted to ¥3,497 million, proceeds from time deposits with terms exceeding three months and marketable securities surpassed payments thereof by ¥4,700 million. As a result, net cash provided by investing activities during the first quarter was ¥1,236 million.

Free cash flow, the sum of cash flows from operating and investing activities, amounted to an inflow of ¥554 million in the period under review.

Cash flows from financing activities

Primarily due to the payment of dividends to shareholders amounting to ¥2,235 million, net cash used in financing activities was ¥3,051 million.

As a result, consolidated cash and cash equivalents at the end of the first quarter of the fiscal year ending March 2009 decreased ¥3,369 million from the previous year-end to ¥35,547 million.

3. Qualitative Information on Consolidated Performance Forecasts

Although the company enjoyed favorable business performance during the first quarter of the fiscal year ending March 2009, the performance forecasts for the interim and full-year periods remain unchanged from our original projections. However, uncertainty of the future business performance prevails due to the decline in industry-wide level of shipments from the previous year in the markets associated with the company's major products in the Flour Milling and Processed Food segments and increasing uncertainty from higher oil prices and the resulting cost increases.

The group will step up advertising and promotional activities and focus on increasing shipments of high-value-added products, while continuing to promote cost reductions in all of its business fields. In addition, we will aggressively explore new markets by focusing management resources on the overseas business and other business areas with high growth potential.

Accordingly, the consolidated performance forecasts for the fiscal year ending March 2009 remain unchanged from those released in May 2008: ¥475.0 billion for net sales (10% year-on-year increase), ¥19.5 billion for operating income (1.6% increase), ¥22.2 billion for ordinary income (0.1% increase) and ¥12.5 billion for net income (12.1% increase).

4. Other Information

(1) Changes in important subsidiaries involving a change in the scope of consolidation during the period
None.

(2) Adoption of simplified accounting methods and specific methods for quarterly accounting

(Specific methods for quarterly accounting)

Tax expenses are calculated in accordance with Paragraph 12, “Method for Using the Statutory Effective Tax Rate,” of the Practical Guidelines on Tax-Effect Accounting for Preparation of Interim Financial Statements, pursuant to the provision of Paragraph 19 of the Guidance on the Accounting Standard for Quarterly Financial Reporting.

The amount of “Income taxes—deferred” is included in “Income taxes.”

(3) Changes in accounting policies and procedures and the method of presentation for preparing quarterly consolidated financial statements

1. Changes as a result of a revision to the accounting standards

1) Effective from the fiscal year ending March 2009, the company adopted the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12 issued on March 14, 2007) and Guidance on the Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14 issued on March 14, 2007). The company prepares its quarterly consolidated financial statements in accordance with the “quarterly consolidated financial accounting rules.”

2) Effective from the first quarter of the fiscal year ending March 2009, the company adopted the Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9 issued on July 5, 2006). As a result, the valuation standards and methodology for inventories have changed as follows: flour and bran are stated at cost—instead of at the lower of cost or market—with cost being determined by the retail cost method, and for their carrying amounts on the balance sheet, write-downs according to decreased profitability of assets are applied; other products are primarily stated at cost—instead of at the lower of cost or market—with cost being determined by the periodic average method, and for their carrying amounts on the balance sheet, write-downs according to decreased profitability of assets are applied; and raw materials are stated at cost, with cost being determined by the moving average method, and for their carrying amounts on the balance sheet, write-downs according to decreased profitability of assets are applied.

The effects of this change to the company’s consolidated profit and income and segment information are negligible.

3) Effective from the first quarter of the fiscal year ending March 2009, the company adopted Practical Issues Task Force No. 18, “Practical Solution on the Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (issued by the ASBJ on May 17, 2006), and made necessary adjustments when preparing the quarterly financial statements.

This adoption reduced fixed assets at the beginning of the fiscal year ending March 2009 by ¥120 million, retained earnings by ¥48 million and minority interests by ¥72 million.

The effects of this adoption to the company’s consolidated profit and income and segment information are negligible.

2. Changes other than above

Effective from the first quarter of the fiscal year ending March 2009, the company adopted the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, originally issued on June 17, 1993, by the First Committee of the Business Accounting Council and revised on March 30, 2007) and Guidance on the Accounting Standard for Lease Transactions (ASBJ Guidance No. 16, originally issued on January 18, 1994, by the Accounting System Committee of the Japanese Institute of Certified Public Accountants and revised on March 30, 2007). As a result, finance leases without transfer of ownership are accounted for as leased assets using the same methods as those used for ordinary sales transactions, instead of ordinary lease transactions. Depreciation expense is computed by the straight-line method over the useful life of the leased assets with a residual value of zero.

For finance leases without an ownership transfer for which the lease transaction had started before the fiscal year when this accounting standard was introduced, the conventional method was applied.

This adoption had no effect on the company's consolidated profit and income and segment information.

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

| | (Millions of yen) | |
|---|---|--|
| | Fiscal 2009 First Quarter (As of June 30, 2008) | Condensed Consolidated Balance Sheets for Fiscal 2008 (As of March 31, 2008) |
| Assets: | | |
| Current assets: | | |
| Cash | 36,182 | 43,987 |
| Trade notes and accounts receivable | 55,519 | 58,000 |
| Marketable securities | 13,496 | 13,704 |
| Articles for sale | 4,661 | 4,752 |
| Finished products | 21,494 | 18,227 |
| Raw materials | 15,350 | 12,906 |
| Work-in-process | 3,158 | 2,977 |
| Stored goods | 1,445 | 1,449 |
| Other | 12,671 | 11,052 |
| Allowance for doubtful accounts | (199) | (217) |
| | ----- | ----- |
| Total current assets | 163,778 | 166,841 |
| Fixed assets: | | |
| Property, plant and equipment, net: | | |
| Buildings and structures | 45,169 | 45,276 |
| Machinery, equipment and vehicles | 33,437 | 32,526 |
| Land | 33,031 | 33,187 |
| Other | 6,614 | 8,281 |
| | ----- | ----- |
| Total property, plant and equipment, net | 118,252 | 119,272 |
| Intangible assets | 4,371 | 4,610 |
| Investments and other assets: | | |
| Investment securities | 93,065 | 84,524 |
| Other | 7,223 | 6,806 |
| Allowance for doubtful accounts | (222) | (260) |
| | ----- | ----- |
| Total investments and other assets | 100,066 | 91,071 |
| Total fixed assets | 222,690 | 214,953 |
| Total assets | 386,469 | 381,795 |

(Millions of yen)

| | Fiscal 2009 First Quarter (As of June 30, 2008) | Condensed Consolidated Balance Sheets for Fiscal 2008 (As of March 31, 2008) |
|--|---|--|
| Liabilities: | | |
| Current liabilities: | | |
| Notes and accounts payable | 22,706 | 23,875 |
| Short-term debt | 4,002 | 3,969 |
| Income taxes payable | 2,386 | 3,870 |
| Allowance | 85 | 214 |
| Accrued expenses | 11,285 | 13,600 |
| Other | 15,283 | 13,194 |
| Total current liabilities | 55,748 | 58,724 |
| Long-term liabilities: | | |
| Long-term debt | 580 | 1,093 |
| Allowance: | | |
| Allowance for employees' retirement benefits | 8,353 | 8,325 |
| Other | 1,818 | 1,300 |
| Total allowance | 10,172 | 9,625 |
| Deferred tax liabilities | 19,143 | 15,847 |
| Other | 6,625 | 6,663 |
| Total long-term liabilities | 36,523 | 33,230 |
| Total liabilities | 92,271 | 91,955 |
| Net assets: | | |
| Shareholders' equity: | | |
| Common stock | 17,117 | 17,117 |
| Additional paid-in capital | 9,446 | 9,446 |
| Retained earnings | 210,235 | 209,221 |
| Less: Treasury stock, at cost | (3,180) | (3,263) |
| Total shareholders' equity | 233,619 | 232,521 |
| Valuation and translation adjustments: | | |
| Unrealized holding gain on securities | 31,179 | 26,115 |
| Deferred gains (losses) on hedging transactions | 55 | (250) |
| Foreign currency translation adjustments | (548) | 791 |
| Total valuation and translation adjustments | 30,686 | 26,655 |
| Subscription rights to shares | 11 | 8 |
| Minority interests | 29,880 | 30,653 |
| Total net assets | 294,198 | 289,839 |
| Total liabilities and net assets | 386,469 | 381,795 |

(2) Quarterly Consolidated Statements of Income
 (First Quarter of Fiscal 2009)

(Millions of yen)

| | Fiscal 2009 First Quarter (April 1, 2008 to June 30, 2008) |
|--|---|
| Net sales | 114,936 |
| Cost of sales | 81,568 |
| | ----- |
| Gross profit | 33,368 |
| Selling, general and administrative expenses | 28,169 |
| | ----- |
| Operating income | 5,198 |
| Non-operating income: | 1,333 |
| Interest income | 108 |
| Dividend income | 584 |
| Equity in earnings of affiliated companies | 340 |
| Other income | 300 |
| Non-operating expenses: | 79 |
| Interest expense | 43 |
| Other expenses | 36 |
| | ----- |
| Ordinary income | 6,452 |
| Extraordinary income: | 95 |
| Gain on sale of property, plant and equipment | 2 |
| Gain on sale of investment securities | 24 |
| Gain on liquidation of affiliated companies | 67 |
| Extraordinary losses: | 181 |
| Loss on disposal of fixed assets | 91 |
| Loss on production system reformation | 84 |
| Other | 4 |
| | ----- |
| Income before income taxes and minority interests | 6,366 |
| Income taxes | 2,577 |
| Minority interests | 485 |
| | ----- |
| Net income | 3,302 |

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

| | Fiscal 2009 First Quarter (April 1, 2008 to June 30, 2008) |
|--|---|
| I. Cash flows from operating activities: | |
| Income before income taxes and minority interests | 6,366 |
| Depreciation and amortization | 3,599 |
| Increase in allowance for employees' retirement benefits | 36 |
| Increase in prepaid pension cost | (692) |
| Interest and dividends income | (692) |
| Interest expense | 43 |
| Equity in earnings of affiliated companies | (340) |
| Gain on sale of investment securities | (26) |
| Decrease in trade notes and accounts receivable | 2,215 |
| Increase in inventories | (6,242) |
| Decrease in accounts payable | (1,035) |
| Other | (953) |
| Subtotal | 2,277 |
| Interest and dividends received | 1,071 |
| Interest paid | (38) |
| Income taxes paid | (3,992) |
| Net cash used in operating activities | (682) |
| II. Cash flows from investing activities: | |
| Payments for time deposits | (2,100) |
| Proceeds from repayment of time deposits | 3,100 |
| Payments for purchases of marketable securities | (1,799) |
| Proceeds from sales of marketable securities | 5,500 |
| Payments for purchases of fixed assets | (3,497) |
| Proceeds from sales of fixed assets | (29) |
| Payments for purchases of investment securities | (66) |
| Proceeds from sales of investment securities | 27 |
| Payments for long-term loans receivable | (2) |
| Proceeds from collections of long-term loans receivable | 3 |
| Other | 99 |
| Net cash used in investing activities | 1,236 |
| III. Cash flows from financing activities: | |
| Proceeds from short-term debt | 162 |
| Repayments of short-term debt | (117) |
| Repayments of long-term debt | (492) |
| Proceeds from sale of treasury stock | 94 |
| Payments for purchase of treasury stock | (15) |
| Cash dividends paid | (2,235) |
| Other | (446) |
| Net cash used in financing activities | (3,051) |
| IV. Effect of exchange rate changes on cash and cash equivalents | (872) |
| V. Decrease in cash and cash equivalents | (3,369) |
| VI. Cash and cash equivalents at beginning of the year | 38,850 |
| VII. Cash and cash equivalents from newly consolidated subsidiaries | 66 |
| VIII. Cash and cash equivalents at end of the term | 35,547 |

Effective from the fiscal year ending March 31, 2009, the company adopted the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12) and Guidance on the Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14). The company prepares its quarterly consolidated financial statements in accordance with the “quarterly consolidated financial accounting rules.”

(4) Notes on the premise of a going concern

None.

(5) Segment Information

[Business Segment Information]

First Quarter of Fiscal 2009 (April 1, 2008 to June 30, 2008)

(Millions of yen)

| | Flour Milling | Processed Food | Others | Total | Eliminations / Corporate | Consolidated |
|--------------------------------------|---------------|----------------|--------|---------|--------------------------|--------------|
| Net sales | | | | | | |
| (1) Sales to external customers | 48,205 | 57,317 | 9,413 | 114,936 | – | 114,936 |
| (2) Intersegment sales and transfers | 6,793 | 113 | 773 | 7,680 | (7,680) | – |
| Total | 54,998 | 57,431 | 10,187 | 122,617 | (7,680) | 114,936 |
| Operating income | 2,467 | 2,204 | 670 | 5,342 | (143) | 5,198 |

Notes:

1. Business segments were determined by considering similarities between product types.

2. Primary products for each business segment:

Flour milling: Flour, bran

Processed food: Prepared mix, flour for consumer use, pasta, pasta sauce, frozen food, chilled food, cake and bread ingredients, biochemical products, life science business, healthcare foods

Others: Pet food, engineering, mesh cloths, transport and storage

(6) Notes on a significant change in shareholders' equity

None.

[Reference]

Financial Statements for the First Quarter of Fiscal 2008

(1) Quarterly Consolidated Statements of Income (Condensed)

(Millions of yen)

| | Fiscal 2008 First Quarter (April 1, 2007 to June 30, 2007) |
|--|---|
| Net sales | 106,243 |
| Cost of sales | 73,049 |
| Gross profit | 33,193 |
| Selling, general and administrative expenses | 29,120 |
| Operating income | 4,072 |
| Non-operating income: | 1,640 |
| Interest income | 103 |
| Dividend income | 628 |
| Equity in earnings of affiliated companies | 553 |
| Other income | 355 |
| Non-operating expenses: | 90 |
| Interest expense | 43 |
| Other expenses | 46 |
| Ordinary income | 5,622 |
| Extraordinary income | 578 |
| Extraordinary losses | 297 |
| Income before income taxes and minority interests | 5,903 |
| Income taxes – current | 2,280 |
| Minority interests | 485 |
| Net income | 3,136 |

(2) Quarterly Consolidated Statements of Cash Flows (Condensed)

(Millions of yen)

| | Fiscal 2008 First Quarter (April 1, 2007 to March 31, 2007) |
|---|--|
| I. Cash flows from operating activities: | |
| Income before income taxes and minority interests | 5,903 |
| Depreciation and amortization | 3,248 |
| Interest balance and dividends income | (688) |
| Equity in earnings of affiliated companies | (553) |
| Increase in notes and accounts receivable | (1,271) |
| Decrease in inventories | 7,524 |
| Increase in accounts payable | 178 |
| Decrease in payments received for construction in process | (88) |
| Other | (903) |
| | ----- |
| Subtotal | 13,348 |
| Interest and dividends received | 1,217 |
| Interest paid | (40) |
| Income taxes paid | (3,348) |
| | ----- |
| Net cash provided by operating activities | 11,175 |
| II. Cash flows from investing activities: | |
| Payments for time deposits | (2,925) |
| Payments for purchases of marketable securities | (1,068) |
| Payments for purchases of fixed assets | (6,368) |
| Payments for purchases of investment securities | (1,032) |
| Other | 560 |
| | ----- |
| Net cash used in investing activities | (10,835) |
| III. Cash flows from financing activities: | |
| Decrease in debt | (3,506) |
| Cash dividends paid | (2,280) |
| Other | (346) |
| | ----- |
| Net cash used in financing activities | (6,134) |
| IV. Effect of exchange rate changes on cash and cash equivalents | 187 |
| V. Decrease increase in cash and cash equivalents | (5,605) |
| VI. Cash and cash equivalents at beginning of the year | 48,452 |
| VII. Cash and cash equivalents at end of the term | 42,846 |

(3) Segment Information

[Business Segment Information]

First Quarter of Fiscal 2008 (April 1, 2007 to June 30, 2007)

(Millions of yen)

| | Flour Milling | Processed Food | Others | Total | Eliminations / Corporate | Consolidated |
|--------------------------------------|---------------|----------------|--------|---------|--------------------------|--------------|
| Net sales | | | | | | |
| (1) Sales to external customers | 39,114 | 56,528 | 10,600 | 106,243 | – | 106,243 |
| (2) Intersegment sales and transfers | 4,254 | 192 | 462 | 4,909 | (4,909) | – |
| Total | 43,368 | 56,720 | 11,063 | 111,153 | (4,909) | 106,243 |
| Operating expenses | 41,019 | 55,774 | 10,198 | 106,992 | (4,822) | 102,170 |
| Operating income | 2,349 | 946 | 864 | 4,160 | (87) | 4,072 |

Notes:

1. Business segments were determined by considering similarities between product types.

2. Primary products for each business segment:

Flour milling: Flour, bran

Processed food: Prepared mix, flour for consumer use, pasta, pasta sauce, frozen food, chilled food, cake and bread ingredients, biochemical products, life science business, healthcare foods

Others: Pet food, engineering, mesh cloths, transport and storage