Summary of Financial Statements for the Third Quarter of Fiscal 2009

January 30, 2009

Listed Company Name: Nisshin Seifun Group Inc. — Registered on Tokyo Stock Exchange and Osaka Securities Exchange
Securities Code: 2002
URL: http://www.nisshin.com
Representative: Ippei Murakami, President
Contact: Izumi Inagaki, Executive Officer and General Manager of Public Communications Department, General Administration Division
Tel.: +81-3-5282-6650
Date to submit the Quarterly Securities Report: February 12, 2009

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

1. Consolidated Financial Results for the Third Quarter of Fiscal 2009 (April 1, 2008 to December 31, 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	%
3Q Fiscal 2009	354,139	–	17,969	–	19,927	–
3Q Fiscal 2008	322,573	1.9	13,741	(3.1)	16,799	(0.5)

	Net income		Net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
3Q Fiscal 2009	10,870	–	43.75	43.74
3Q Fiscal 2008	9,918	16.2	39.26	39.25

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2008	381,529	288,168	67.7	1,039.74
March 31, 2008	381,795	289,839	67.9	1,043.53

(Reference) Equity capital: 3Q FY2009: ¥258,355 million; FY2008: ¥259,177 million.

2. Dividends

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

(Note) Revision of the above forecasts was not made in 3Q 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)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	475,000	10.0	19,500	1.6	22,200	0.1

	Net income		Net income per share
	Millions of yen	%	Yen
Full year	12,500	12.1	50.31

(Note) Revision of the above forecasts was not made in 3Q 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 7 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 7 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):

3Q Fiscal 2009:	251,535,448	Fiscal 2008:	251,535,448

2. Number of treasury shares as of the period-end

3Q Fiscal 2009:	3,054,753	Fiscal 2008:	3,170,042

3. Average number of shares outstanding

3Q Fiscal 2009:	248,446,815	3Q Fiscal 2008:	252,642,307

*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 pages 5 to 7.
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." According to the provision of Article 7, Paragraph 1-5, of the Additional Rules to the Cabinet Office Ordinance on Partial Revision of the Regulation for Terminology, Forms and Preparation of Financial Statements and Other Regulations (Cabinet Office Ordinance No. 50 on August 7, 2008), preparation of the consolidated financial statements complies with the revised quarterly consolidated financial accounting rules, effective from the second quarter of the fiscal year ending March 31, 2009.

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, including a 30% average rise in the government's sales prices for imported wheat in April 2008, followed by an additional 10% increase in October 2008. To counter the situation, the company worked to boost demand for the group's core products by launching new products and promoting aggressive advertising campaigns. Meanwhile, the construction of additional lines at the Higashinada Plant to boost capacity and increase productivity was completed in September 2008 and they have now started operation. Extensive cost-cutting efforts are also under way. However, the significant increase in procurement costs was more than could be absorbed internally, and the company had to revise its product prices upward.

As a result, consolidated net sales for the first nine months of the fiscal year ending March 2009 amounted to ¥354,139 million. The significant increase in procurement costs was covered by reinforced cost-cutting efforts across the group and product price revisions, enabling favorable profits for the period under review: ¥17,969 million in operating income, ¥19,927 million in ordinary income and ¥10,870 million in net income. This was largely attributable to the improved business performance of the Processed Food Segment as a result of aggressive efforts to boost profitability, such as reducing sales promotion costs.

[Business Overview by Segment]

(1) Flour Milling Segment

The company aggressively explored new markets by engaging in intensive efforts to create new demand, but the severe market environment, as represented by the industry's overall demand weakness, caused flour shipments to decrease below the previous year's level. In response to the rises of 30% in April 2008 and 10% in October 2008 in the government's sales prices for imported wheat, the company revised its commercial flour prices upward, securing a rise in the segment's sales from the same period of the previous fiscal year.

In production and distribution, the company achieved further cost reductions by carrying out measures to boost productivity and improve logistics, as the additional lines at the Higashinada Plant started full-scale operation in September 2008. 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. Recently stabilized wheat market prices helped improve earnings from the export of flour.

In overseas operations, the company endeavored to strengthen relationships with customers and carried out price revisions, which led to favorable sales.

As a result, net sales of the Flour Milling Segment were ¥150,874 million, and operating income was ¥9,364 million.

(2) Processed Food Segment

To counter the rising prices of materials, including wheat flour, the processed food business revised upward its prices for household-use flour and flour-processed food products in May and November 2008. Although the entire food industry suffered sluggish demand, the company launched 26 new items for household-use in August 2008 and initiated a new communications strategy called

PASTAism in October 2008 to promote the *Ma•Ma* brand products. As a result of these aggressive efforts to boost demand, the business had favorable sales. Profitability also increased owing to continued cost-cutting efforts by reviewing 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 a result of efforts to create demand through active product proposals.

Sales of the yeast business increased, as sluggish sales of yeast and bread improvers were more than offset by the favorable performance of butter creams, prepared dishes and mineral yeast. Sales in the biotechnology business also increased, reflecting favorable sales of biochemical, immunochemical and bionutritional products, despite the sluggish sales of laboratory animals and feed for fish farming.

Sales of the healthcare foods business remained unchanged from the previous year due to the continuing severe situation of coenzyme Q_{10}, although the company sought to expand sales of value-added products by introducing the *Yuki Aojiru* organic juice in October 2008 and the *plant lactobacillus Rie+β-glucan* in December 2008.

As a result, net sales of the Processed Food Segment were ¥175,473 million, and operating income was ¥6,746 million.

(3) Others Segment

The pet food business carried out upward product price revisions to counter rising procurement costs primarily due to a sharp rise in ingredient prices. Despite aggressive efforts to expand sales, including the launch of over-the-counter dry products of the *JP-Style* premium dog food brand in October 2008, the upward price revisions decreased the level of shipments, lowering the business sales.

The engineering business enjoyed an increase of revenue from equipment sales, but overall sales declined primarily due to intensified competition and suspended capital investments in the industries related to the mainstay plant engineering services.

Sales and income of the mesh cloths business were weak, as sales of not only the mainstay mesh cloths for screen-printing applications but also industrial-use materials and forming filters declined due to the weak demand and shrinkage of the market in the printed circuit board and automobile parts industries.

As a result, net sales of the Others Segment were ¥27,791 million, and operating income was ¥1,891 million.

2. Qualitative Information on Consolidated Financial Position

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

Current assets increased ¥14,170 million from the previous year-end to ¥181,012 million, reflecting increases in cash, inventories, and trade notes and accounts receivable, and a decrease in marketable securities. Fixed assets decreased ¥14,436 million to ¥200,517 million, mainly due to a decrease in investments and other assets. As a result, total assets declined ¥265 million from the previous year-end to ¥381,529 million. Meanwhile, current liabilities increased ¥5,160 million to ¥63,885 million, mostly due to an increase in notes and accounts payable, whereas long-term liabilities decreased ¥3,754 million to ¥29,476 million, primarily due to a reduction in deferred tax liabilities. As a result, total liabilities increased ¥1,405 million to ¥93,361 million. Net assets declined ¥1,671 million to

¥288,168 million, reflecting an increase due to net income for the period, a decrease due to the payment of dividends and a reduction in valuation and translation adjustments.

The company's consolidated cash flows for the first nine months 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 ¥19,414 million and depreciation and amortization of ¥11,367 million surpassed decreases in cash primarily due to income taxes paid of ¥8,265 million and payments of working capital, including inventories and trade notes and accounts receivable. As a result, net cash provided by operating activities during the first nine months of the fiscal year ending March 2009 was ¥12,159 million.

Cash flows from investing activities

Although payments for purchases of tangible and intangible fixed assets amounted to ¥10,144 million, proceeds from time deposits with terms exceeding three months and marketable securities surpassed payments thereof by ¥8,401 million, and there were proceeds from the dissolution of the joint pharmaceutical business. As a result, net cash provided by investing activities during the first nine months of the fiscal year ending March 2009 was ¥1,805 million.

Free cash flow, the sum of cash flows from operating and investing activities, amounted to an inflow of ¥13,964 million in the first nine months of the fiscal year ending March 2009.

Cash flows from financing activities

Primarily due to the payment of dividends to shareholders amounting to ¥4,472 million, net cash used in financing activities was ¥5,501 million.

As a result, consolidated cash and cash equivalents at the end of the third quarter of the fiscal year ending March 2009 increased ¥7,530 million from the previous year-end to ¥46,447 million.

3. Qualitative Information on Consolidated Performance Forecasts

The company enjoyed favorable business performance during the first nine months of the fiscal year ending March 2009. However, as the uncertainty of the future business environment is intensifying due to the possibility of abrupt changes in the market and economic situations, our performance forecasts for the full-year period remain unchanged from the original projections. The weakness of the entire world economy is increasingly severe, triggered by the worldwide financial crisis and the sharp decline of stock markets, which is rapidly decelerating the Japanese economy as well. Looking at the business environment of the Nisshin Seifun Group, its consolidated subsidiary NBC Inc. has made a substantial downward revision to its full-year performance forecasts, and the core flour milling and processed food businesses are expected to suffer weaker demand and an increased shift to lower-priced products, reflecting the repeated rises in the government's selling prices for imported wheat and the deteriorating economy.

To overcome these difficulties, 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 accelerate the expansion of our overseas businesses, as four of the group companies plan to start a joint business for bakery customers in April 2009. Efforts to enhance our quality assurance system will also be continued to meet the increasing public awareness of food safety and reliability.

Accordingly, the consolidated performance forecasts for the fiscal year ending March 2009 remain unchanged from our original projections: ¥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.”

According to the provision of Article 7, Paragraph 1-5, of the Additional Rules to the Cabinet Office Ordinance on Partial Revision of the Regulation for Terminology, Forms and Preparation of Financial Statements and Other Regulations (Cabinet Office Ordinance No. 50 on August 7, 2008), preparation of the consolidated financial statements complies with the revised quarterly consolidated financial accounting rules, effective from the second quarter of the fiscal year ending March 31, 2009.

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 during the first nine months of the fiscal year ending March 2009 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 during the first nine months of the fiscal year ending March 2009 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.

The effects of this adoption to the company's consolidated profit and income and segment information during the first nine months of the fiscal year ending March 2009 are negligible.

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2009 Third Quarter (As of December 31, 2008)	Fiscal 2008 Condensed Consolidated Balance Sheets (As of March 31, 2008)
Assets:		
Current assets:		
Cash	48,578	43,987
Trade notes and accounts receivable	65,040	58,000
Marketable securities	8,299	13,704
Inventories	47,124	40,313
Other	12,212	11,052
Allowance for doubtful accounts	(243)	(217)
Total current assets	**181,012**	**166,841**
Fixed assets:		
Property, plant and equipment, net:		
Buildings and structures, net	44,839	45,276
Machinery, equipment and vehicles, net	33,544	32,526
Land	32,983	33,187
Other, net	5,178	8,281
Total property, plant and equipment, net	116,545	119,272
Intangible assets	3,786	4,610
Investments and other assets:		
Investment securities	71,487	84,524
Other	8,884	6,806
Allowance for doubtful accounts	(186)	(260)
Total investments and other assets	80,185	91,071
Total fixed assets	**200,517**	**214,953**
Total assets	**381,529**	**381,795**

(Millions of yen)

	Fiscal 2009 Third Quarter (As of December 31, 2008)	Fiscal 2008 Condensed Consolidated Balance Sheets (As of March 31, 2008)
Liabilities:		
Current liabilities:		
Notes and accounts payable	28,411	23,875
Short-term debt	3,924	3,969
Income taxes payable	3,886	3,870
Allowance	161	214
Accrued expenses	12,948	13,600
Other	14,552	13,194
Total current liabilities	**63,885**	**58,724**
Long-term liabilities:		
Long-term debt	423	1,093
Allowance:		
Allowance for employees' retirement benefits	8,377	8,325
Other	1,757	1,300
Total allowance	10,135	9,625
Deferred tax liabilities	12,006	15,847
Other	6,910	6,663
Total long-term liabilities	**29,476**	**33,230**
Total liabilities	**93,361**	**91,955**
Net assets:		
Shareholders' equity:		
Common stock	17,117	17,117
Additional paid-in capital	9,446	9,446
Retained earnings	215,563	209,221
Less: Treasury stock, at cost	(3,169)	(3,263)
Total shareholders' equity	**238,957**	**232,521**
Valuation and translation adjustments:		
Unrealized holding gain on securities	20,382	26,115
Deferred losses on hedging transactions	(259)	(250)
Foreign currency translation adjustments	(724)	791
Total valuation and translation adjustments	**19,397**	**26,655**
Stock acquisition rights	**28**	**8**
Minority interests	**29,784**	**30,653**
Total net assets	**288,168**	**289,839**
Total liabilities and net assets	**381,529**	**381,795**

(2) Quarterly Consolidated Statements of Income

(For the Third Quarter of Fiscal 2009)

(Millions of yen)

	Fiscal 2009 Third Quarter （April 1, 2008 to December 31, 2008）
Net sales	354,139
Cost of sales	252,320
Gross profit	**101,818**
Selling, general and administrative expenses	83,849
Operating income	**17,969**
Non-operating income:	2,408
Interest income	319
Dividend income	1,087
Equity in earnings of affiliated companies	454
Other income	546
Non-operating expenses:	450
Interest expense	130
Foreign exchange loss	235
Other expenses	83
Ordinary income	**19,927**
Extraordinary income:	1,295
Gain on sale of property, plant and equipment	5
Gain on sale of investment securities	151
Gain on liquidation of affiliated companies	67
Gain on dissolution of the joint pharmaceutical business	1,065
Other	5
Extraordinary losses:	1,808
Loss on disposal of fixed assets	505
Loss on sale of investment securities	784
Loss on improvement to the production system	488
Other	29
Income before income taxes and minority interests	**19,414**
Income taxes	7,640
Minority interests	903
Net income	**10,870**

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2009 Third Quarter (April 1, 2008 to December 31, 2008)
I. Cash flows from operating activities:	
Income before income taxes and minority interests	19,414
Depreciation and amortization	11,367
Increase in allowance for employees' retirement benefits	61
Increase in prepaid pension cost	(2,064)
Interest and dividends income	(1,407)
Interest expense	130
Equity in earnings of affiliated companies	(454)
Gain on sale of investment securities	(152)
Increase in trade notes and accounts receivable	(7,488)
Increase in inventories	(7,471)
Increase in notes and accounts payable	4,483
Other	2,315
Subtotal	18,734
Interest and dividends received	1,816
Interest paid	(126)
Income taxes paid	(8,265)
Net cash provided by operating activities	**12,159**
II. Cash flows from investing activities:	
Payments for time deposits	(8,623)
Proceeds from repayment of time deposits	7,123
Payments for purchases of marketable securities	(2,798)
Proceeds from sale of marketable securities	12,700
Payments for purchases of fixed assets	(10,144)
Proceeds from sale of fixed assets	(208)
Payments for purchases of investment securities	(96)
Proceeds from sale of investment securities	216
Proceeds from dissolution of the joint pharmaceutical business	3,511
Payments for long-term loans receivable	(4)
Proceeds from collections of long-term loans receivable	7
Other	121
Net cash provided by investing activities	**1,805**
III. Cash flows from financing activities:	
Proceeds from short-term debt	263
Repayment of short-term debt	(242)
Repayment of long-term debt	(492)
Proceeds from sale of treasury stock	226
Payments for purchase of treasury stock	(139)
Cash dividends paid	(4,472)
Other	(644)
Net cash used in financing activities	**(5,501)**
IV. Effect of exchange rate changes on cash and cash equivalents	**(932)**
V. Increase in cash and cash equivalents	**7,530**
VI. Cash and cash equivalents at beginning of the term	**38,850**
VII. Cash and cash equivalents from newly consolidated subsidiaries	**66**
VIII. Cash and cash equivalents at end of the term	**46,447**

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."

According to the provision of Article 7, Paragraph 1-5, of the Additional Rules to the Cabinet Office Ordinance on Partial Revision of the Regulation for Terminology, Forms and Preparation of Financial Statements and Other Regulations (Cabinet Office Ordinance No. 50 on August 7, 2008), preparation of the consolidated financial statements complies with the revised quarterly consolidated financial accounting rules, effective from the second quarter of the fiscal year ending March 31, 2009.

(4) Notes on the premise of a going concern

None.

(5) Segment Information

[Business Segment Information]

The Third Quarter of Fiscal 2009 (April 1, 2008 to December 31, 2008)

(Millions of yen)

	Flour Milling	Processed Food	Others	Total	Eliminations / Corporate	Consolidated
Net sales						
(1) Sales to external customers	150,874	175,473	27,791	354,139	–	354,139
(2) Intersegment sales and transfers	19,546	416	1,928	21,891	(21,891)	–
Total	170,421	175,890	29,719	376,030	(21,891)	354,139
Operating income	9,364	6,746	1,891	18,002	(33)	17,969

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 household-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

The distribution of surplus for the first nine months of the fiscal year ending March 2009 is as follows. There are no other applicable notes.

(Dividends paid)

The following resolution was made at the Ordinary General Meeting of Shareholders held on June 26, 2008.

Dividends on common stock:

i) Total dividends to be paid: ¥2,235 million

ii) Dividend per share: ¥9

iii) Date of record: March 31, 2008

iv) Effective date: June 27, 2008

v) Source of dividends: Retained earnings

The following resolution was made at the meeting of the Board of Directors held on October 30, 2008.

Dividends on common stock:

i) Total dividends to be paid:	¥2,236 million
ii) Dividend per share:	¥9
iii) Date of record:	September 30, 2008
iv) Effective date:	December 5, 2008
v) Source of dividends:	Retained earnings

[Reference]

Financial Statements for the Third Quarter of Fiscal 2008

(1) Third Quarter Consolidated Statements of Income

(Millions of yen)

	Fiscal 2008 Third Quarter (April 1, 2007 to December 31, 2007)
Net sales	322,573
Cost of sales	222,185
Gross profit	**100,387**
Selling, general and administrative expenses	86,645
Operating income	**13,741**
Non-operating income:	3,403
Interest income	334
Dividend income	1,095
Equity in earnings of affiliated companies	1,205
Other income	768
Non-operating expenses:	345
Interest expense	125
Other expenses	219
Ordinary income	**16,799**
Extraordinary income:	1,999
Gain on sale of property, plant and equipment	653
Gain on sale of investment securities	255
Gain on liquidation of affiliated companies	1,035
Other	55
Extraordinary losses:	964
Loss on disposal of property, plant and equipment	364
Coenzyme Q_{10}-related loss	565
Other	34
Income before income taxes and minority interests	**17,835**
Income taxes – current	6,464
Minority interests	1,453
Net income	**9,918**

(2) Third Quarter Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2008 Third Quarter (April 1, 2007 to December 31, 2007)
I. Cash flows from operating activities:	
Income before income taxes and minority interests	17,835
Depreciation and amortization	10,030
Interest and dividends income	(1,303)
Equity in earnings of affiliated companies	(1,205)
Increase in trade notes and accounts receivable	(6,710)
Decrease in inventories	4,300
Decrease in notes and accounts payable	(293)
Increase in payments received for construction in process	700
Other	(818)
Subtotal	22,535
Interest and dividends received	1,949
Interest paid	(119)
Income taxes paid	(6,629)
Net cash provided by operating activities	**17,735**
II. Cash flows from investing activities:	
Proceeds from repayment of time deposits	77
Payments for purchases of marketable securities	(455)
Payments for purchases of fixed assets	(14,020)
Payments for purchases of investment securities	(1,748)
Other	1,684
Net cash used in investing activities	**(14,462)**
III. Cash flows from financing activities:	
Proceeds from repayment of time deposits	(3,807)
Payments for purchase of treasury stock	(5,616)
Cash dividends paid	(4,561)
Other	(382)
Net cash used in financing activities	**(14,367)**
IV. Effect of exchange rate changes on cash and cash equivalents	**116**
V. Decrease in cash and cash equivalents	**(10,977)**
VI. Cash and cash equivalents at beginning of the term	**48,452**
VII. Cash and cash equivalents at end of the term	**37,474**

(3) Segment Information

[Business Segment Information]

Third Quarter of Fiscal 2008 (April 1, 2007 to December 31, 2007)

(Millions of yen)

	Flour Milling	Processed Food	Others	Total	Eliminations / Corporate	Consolidated
Net sales						
(1) Sales to external customers	121,873	170,805	29,894	322,573	–	322,573
(2) Intersegment sales and transfers	13,862	605	2,687	17,155	(17,155)	–
Total	135,736	171,411	32,581	339,728	(17,155)	322,573
Operating expenses	128,262	167,496	29,710	325,469	(16,638)	308,831
Operating income	7,474	3,914	2,870	14,259	(517)	13,741

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 household-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