Summary of Financial Statements for the Second Quarter of Fiscal 2011 [Japanese Standards]

October 29, 2010

Listed Company Name: Nisshin Seifun Group Inc. Registered on Tokyo Stock Exchange and Osaka Securities Exchange
Securities Code: 2002
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Date to submit the Quarterly Securities Report: November 12, 2010
Date to start distributing dividends: December 3, 2010
Supplementary documents for this summary of financial statements: Yes
Explanation meeting for financial results: Yes (for analysts and institutional investors)

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

1. Consolidated Financial Results for the Second Quarter of Fiscal 2011 (April 1, 2010 to September 30, 2010)

(1) Consolidated Business Results (The percentages indicate the rates of increase or decrease compared 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 six months of Fiscal 2011	209,161	(7.8)	12,384	1.7	13.691	0.2
First six months of Fiscal 2010	226,878	(2.0)	12,182	24.3	13,664	22.1

	Net income		Net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
First six months of Fiscal 2011	6,933	(17.2)	27.90	27.90
First six months of Fiscal 2010	8,370	55.1	33.69	33.68

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
September 30, 2010	379,793	282,197	71.9	1,098.85
March 31, 2010	396,317	303,226	68.8	1,097.72

(Reference) Equity capital: September 30, 2010: ¥ 273,081 million; March 31, 2010: ¥ 272,755 million

2. Dividends

	Dividend per share				
	1Q End	2Q End	3Q End	Year-End	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2010	–	10.00	–	12.00	22.00
Fiscal 2011	–	10.00			
Fiscal 2011 (forecasts)			–	10.00	20.00

(Note 1) Revision of the above forecasts was not made in 2Q Fiscal 2011.
(Note 2) The year-end dividend for fiscal 2010 consisted of a ¥10.00 ordinary dividend and a ¥2.00 commemorative dividend.

3. Forecasts of Consolidated Business Results for the Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(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	%
Full year	425,000	(4.2)	24,600	(7.4)	27,100	(7.6)

	Net income		Net income per share
	Millions of yen	%	Yen
Full year	14,500	(13.9)	58.35

(Note) Revision of the above forecasts was made in 2Q Fiscal 2010.

4. Other Information (For details, please refer to "Other Information" on page 10 of the Attachment.)

(1) Changes in important subsidiaries during the period: None
Note: This refers to changes in specific subsidiaries involving a change in the scope of consolidation during the period under review.

(2) Adoption of simplified accounting methods and special accounting treatment: Yes
Note: This refers to whether the simplified accounting methods and special accounting treatment for preparing quarterly consolidated financial statements were adopted.

(3) Changes in accounting policies and procedure, method of presentation, etc.
1. Changes associated with the revision of accounting standards: Yes
2. Changes other than the above: None
Note: These refer to the changes in accounting policies and procedures and the method of presentation for preparing the quarterly consolidated financial statements stated in "Changes in Basis of Presentation of Quarterly Consolidated Financial Statements."

(4) Number of shares issued and outstanding (common stock)

1. Number of shares issued and outstanding (including treasury shares)	September 30, 2010	251,535,448	March 31, 2010	251,535,448
2. Number of treasury shares	September 30, 2010	3,018,639	March 31, 2010	3,059,826
3. Average number of shares outstanding	First six months of Fiscal 2011	248,500,070	First six months of Fiscal 2010	248,487,292

Status of execution of the quarterly review of financial statements:
Because this Summary of Financial Statements is not subject to the review of quarterly financial statements under the Financial Instruments and Exchange Act, the procedures for said review were not complete at the moment of disclosing this summary.

Statement regarding the proper use of financial forecasts and other special remarks:
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. The full-year forecasts shown in this document have been revised from those released on July 29, 2010. For details of assumptions for financial forecasts and other related matters, see "Qualitative Information on Consolidated Performance Forecasts" on page 7 of the Attachment.

Contents of the Attachment

1. Qualitative Information on Consolidated Business Results, etc., during the Period under Review

(1) Qualitative Information on Consolidated Business Performance

[Overview of the Period under Review]

During the first six months of the fiscal year ending March 31, 2011, we faced adverse market conditions, including the sharp appreciation of the Japanese yen, a severe employment situation and continued deflation. Under these circumstances, we implemented measures to expand shipments through focused efforts to develop and launch new products and aggressive promotional activities, while engaging in extensive cost-cutting measures throughout our manufacturing and logistical processes. Meanwhile, we revised downward our product prices to reflect an average 5% decline in the government's sales prices for five brands of imported wheat in April 2010.

The efforts we initiated in April 2009 to achieve the goals set forth in "Nisshin Seifun Group Action Plan GO, 2010" are progressing steadily in all business segments.

During the period under review, we commenced tender offers for the shares of two of the company's consolidated subsidiaries, Oriental East Co., Ltd., and NBC Meshtec Inc., with the aim of acquiring 100% ownership of these companies to achieve efficient and optimized business management on a group basis, thereby enhancing the corporate value of the Group over the long term. After going through a set of procedures subsequent to the offers according to the Companies Act of Japan, we will acquire all the outstanding shares of these companies.

As a result, consolidated net sales for the first six months of the fiscal year ending March 2011 amounted to ¥209,161 million, or a 7.8% decrease from the same period of the previous fiscal year, as increased shipments of the Flour Milling Segment failed to offset the negative effect of the downward price revision following the decline in the government's sales prices for imported wheat. However, profits increased mainly due to an increase in shipments of the processed food, yeast and biotechnology businesses, as well as the recovery of earnings in the mesh cloth business. Operating income rose 1.7% to ¥12,384 million and ordinary income increased 0.2% to ¥13,691 million. Meanwhile, net income fell 17.2% to ¥6,933 million, chiefly due to an impairment loss recorded as an extraordinary loss, despite an extraordinary income arising from negative goodwill associated with the tender offers.

[Business Overview by Segment]

1) Flour Milling Segment

In the Flour Milling Segment, the company endeavored to create demand to expand the wheat flour market in addition to continued efforts to provide customers with ideas and proposals. As a result, commercial wheat flour shipments exceeded the level of the previous year. To reflect the average 5% decline in the government's sales prices for five brands of imported wheat in April 2010, we revised downward the prices of our commercial wheat flour in May 2010.

In production and distribution, the company promoted cost reduction mainly by enhancing productivity and slashing fixed expenditures, while carrying out continued efforts to secure the safety and reliability of its products.

The price of bran, a by-product of the milling process, remained low throughout the period.

In overseas operations, shipments increased from the same period of the previous year owing to aggressive promotional efforts.

As a result, net sales of the Flour Milling Segment decreased 15.3% from the same period of the previous year to ¥80,153 million, and operating income declined 11.1% to ¥5,736 million.

2) Processed Food Segment

The processed food business continued to suffer from a severe market environment in which consumers' willingness to buy has deteriorated due to the prolonged economic slump and uncertainty about the future. However, we engaged in aggressive sales expansion efforts by launching new processed food products that address increasingly diverse customer needs, including nine new and 16 renewed products in the category of room-temperature products for household use and nine new and 12 renewed products in the category of frozen food for household use in August 2010. However, sales of the processed food business declined from the same period of the previous year mainly due to the downward revision of prices on our wheat flour-related products in June 2010 to reflect the reduction in the government's sales prices for imported wheat in April 2010. For the prepared dishes and other prepared foods business, we sought sales expansion by, for example, launching a new product called "Ichiju Tasai" in April 2010, which was enabled by the company's accumulated antibacterial technology. For the overseas business, we reinforced the supply, product development and proposal-based marketing aspects of the premix business in Thailand through the completion of additional lines for capacity improvement in July 2010 and the expansion of the R&D Center in September 2010. We will remain committed to overseas sales expansion, especially in the ever-growing Chinese and Southeast Asian markets.

Sales of the yeast business rose from the same period of the previous year chiefly due to the favorable shipments of yeast, bread improvers and filling. Sales of the biotechnology business were down from the same period of previous year, affected by the transfer of the fish feed business in the previous fiscal year, although diagnostic reagents, base materials for culture media and the consignment production of antibodies and proteins performed well.

Sales of the healthcare foods business fell below the same period of the previous year given a continuing harsh market environment, despite intensive efforts to expand sales of consumer products, including the launch of a new mail-order product called "Protier" in July 2010.

In June 2010, the company entered into a business alliance contract with EUROGERM SA of France, with a partial equity in said company, to further expand its business for bakery customers in the booming Asian market.

As a result, net sales of the Processed Food Segment decreased 1.9% from the same period of the previous year to ¥111,195 million, whereas operating income jumped 13.7% to ¥5,573 million.

3) Others Segment

Sales of the pet food business decreased from the same period of the previous year due to the continuing harsh market environment and the poor performance of cat food products, although the JP-Style premium pet food line performed well.

Sales of the engineering business declined from the same period of the previous year, primarily as a reaction to a sales increase due to the completion of a large project of the mainstay plant engineering business in the previous year, although the orders for commissioned powder processing and sales of machines were favorable.

Sales of the mesh cloth business increased from the same period of the previous year, as overall sales of the products in this business, including the mainstay mesh cloths for screen-printing applications, industrial-use materials and forming filters, improved, reflecting a pickup in demand across the industries related to its customers, including automobile parts.

As a result, net sales of the Others Segment decreased 6.1% to ¥17,812 million. Operating income advanced 57.2% to ¥960 million.

Note: Notwithstanding the adoption of the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information, beginning with the first quarter of the fiscal year ending March 31, 2011, the methods for determining segments and measuring their sales and profit remain unchanged.

(2) Qualitative Information on Consolidated Financial Position

The company's consolidated assets, liabilities and net assets at the end of the second quarter of the fiscal year ending March 2011 were as follows.

Current assets decreased ¥8,319 million from the previous year-end to ¥188,286 million, reflecting a decrease in cash and deposits mainly resulting from the acquisition of the shares of two consolidated subsidiaries via tender offers, a decrease in notes and accounts receivable—trade, an increase in short-term investment securities and an increase in inventories primarily due to the purchase of raw materials ahead of the October introduction of a policy of immediately selling imported wheat. Noncurrent assets declined ¥8,204 million to ¥191,506 million due to a decrease in property, plant and equipment and investments and other assets. As a result, total assets shrunk ¥16,524 million from the previous year-end to ¥379,793 million. Meanwhile, current liabilities increased ¥6,952 million to ¥69,090 million, reflecting an increase in notes and accounts payable—trade corresponding to an increase in the purchase of raw materials and a decrease in income taxes payable. Noncurrent liabilities decreased ¥2,447 million to ¥28,505 million, primarily due to a decrease in deferred tax liabilities. As a result, total liabilities increased ¥4,505 million to ¥97,595 million. Net assets declined ¥21,029 million to ¥282,197 million, reflecting an increase due to net income for the period, a decrease due to the payment of dividends, a decrease in valuation and translation adjustments and a decrease in minority interests mostly due to the acquisition of the shares of two consolidated subsidiaries via tender offers.

The company's consolidated cash flows for the first six months of the fiscal year ending March 2011 were as follows.

Net cash provided by (used in) operating activities

An increase in cash and cash equivalents due to income before income taxes and minority interests of ¥13,371 million and depreciation and amortization of ¥6,627 million surpassed a decrease in cash and cash equivalents chiefly due to the ¥7,869 million payment of income taxes. This led to net cash provided by operating activities of ¥11,876 million for the period under review.

Net cash provided by (used in) investing activities

Proceeds from the repayment and maturity of time deposits with terms exceeding three months and short-term investment securities surpassed payments for them by ¥19,155 million, whereas ¥19,589 million payments for the purchase of the shares of two consolidated subsidiaries via tender offers, as well as property, plant and equipment and intangible assets, amounted to ¥5,372 million. This led to net cash used in investing activities of ¥5,498 million.

Free cash flow, the sum of cash flows from operating and investing activities, amounted to an inflow of ¥6,377 million in the first six months of the fiscal year ending March 2011.

Net cash provided by (used in) financing activities

To further distribute profits to shareholders, the company increased the year-end ordinary dividend for the year ended March 2010 by ¥1 per share, to which it also added a commemorative dividend of ¥2 per share for celebrating the 110th anniversary. Therefore, the payment of dividends amounted to ¥2,982 million for the period, leading to net cash used in financing activities of ¥3,594 million.

As a result, consolidated cash and cash equivalents at the end of the second quarter of the fiscal year ending March 2011 increased ¥2,681 million from the previous year-end to ¥32,656 million.

(3) Qualitative Information on Consolidated Performance Forecasts

Although the business performance was favorable for the first six months of the year ending March 31, 2011, the earnings environment became increasingly severe in the three months from July to September 2010 when earnings declined partly due to the extremely hot weather. The high unemployment rates and deflationary pressures are expected to continue for the foreseeable future, which will likely result in continued sluggish consumer spending. The prices of bran and various raw materials are unpredictable due to the uncertain movement of their international market prices, continuing the severe business conditions for all the Group's business segments.

Under these circumstances, the Group companies will pursue the expansion of shipments by aggressively conducting advertising and other promotional activities in all business segments. As a national brand manufacturer, we will focus on R&D efforts to develop products that are valuable to consumers, while exploring new business opportunities at home to ensure the sustainable growth of the Group. For further overseas development, we will pursue the launch of new businesses, while strongly promoting the expansion of existing businesses.

1) Flour Milling Segment

The company will continue to pursue sales expansion by creating demand through product development and sales promotion based on the swift and accurate recognition of customer needs, while reinforcing relationships with customers. The company will also secure earnings by continuing cost-cutting measures, including the enhancement of productivity as represented by the closure of the Kitami Plant in November 2010, while reinforcing measures to enhance the reliability and safety of its products.

Effective from October 2010, the Japanese government has introduced a policy of immediately selling imported wheat without storing it for a specified period as it traditionally did. This policy transfers the responsibility for storing imported wheat from the government to the private sector, but the cost for storage is covered by the government, causing no impact on business results. To reflect the rise in the government's sales prices by an average of 1% for five brands of imported wheat on October 1, 2010, the company will revise its prices for commercial wheat flour effective from January 2011.

For overseas operations, the capacity enhancement of a plant in Canada have been completed and were put into full-scale operation in October 2010. The company will continue to expand sales in overseas markets.

2) Processed Food Segment

For the processed food business, the company, as a "mealtime solution provider," will promote the development of new products and advertising activities based on the concepts of enabling authentic dishes in an easy way and achieving good health, thereby boosting demand, while continuing to carry out cost-reduction measures across the business processes, including production, purchasing and distribution. In the prepared dishes and other prepared foods business, the company will seek further sales expansion by developing and proposing new menus that meet customers' needs and reinforcing partnerships with mass retailers. Overseas, the company will continue to promote the expansion of businesses mainly by focusing on active product proposals to acquire new customers for its premix business particularly in the ever-growing Chinese and Southeast Asian markets.

The yeast business will continue to promote proposal-based marketing efforts to reinforce the development of high-value-added products, while tapping into new markets that are not related to bread making and seeking sales expansion in overseas markets. The biotechnology business will actively provide consistent services that support the research and development of new drugs, promote the launch of new products, chiefly diagnostic reagents, and expand the food analysis business, including tests for allergens and residual pesticides.

For the healthcare foods business, the company will continue efforts to improve productivity and reinforce its sales system, and, as a healthcare foods manufacturer distinguished by an emphasis on a scientific approach, focus on exploring new materials and developing new products, while seeking increased sales of consumer products chiefly through the mail-order business.

3) Others Segment

In the pet food business, the company will continue to expand its premium food business with a focus on safety, reliability and health by leveraging its advantages as a domestic manufacturer, and to promote efforts associated with its LIFE20 program for supporting the longevity of pets, while engaging in aggressive marketing activities.

For the engineering business, the company will focus its resources on areas in which it has an advantage in the severe environment for the capital investment of related industries. In particular, it will concentrate on expanding orders for plant engineering services in the field of food manufacturing and on generating orders for commissioned powder processing and sales of machines.

Although the future of the industries related to its customers remains uncertain, the mesh cloths business will continue to implement cost-cutting measures aimed at fundamental strengthening, while endeavoring to increase shipments by reinforcing marketing abilities for overseas markets and actively exploring new customers.

Reflecting the aforementioned situations and extraordinary income and losses during the first six months of the fiscal year ending March 2011, the company has revised downward its consolidated performance forecasts released in July 2010 to net sales of ¥425,000 million, or a year-over-year decrease of 4.2%, operating income of ¥24,600 million, or a year-over-year decrease of 7.4%, ordinary income of ¥27,100 million, or a year-over-year decrease of 7.6%, and net income of ¥14,500 million, or a year-over-year decrease of 13.9%.

(Revised Consolidated Performance Forecasts)

For the full fiscal year ending March 31, 2011 (April 1, 2010, to March 31, 2011)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Forecast before revision (A)	429,000	24,900	27,400	15,500	62.37
Forecast after revision (B) (Comparison with the same period of the previous year, %)	425,000 (95.8)	24,600 (92.6)	27,100 (92.4)	14,500 (86.1)	58.35
Change (B – A)	(4,000)	(300)	(300)	(1,000)	–
Change (%)	(0.9)	(1.2)	(1.1)	(6.5)	–
(Reference) Actual results for the year ended March 31, 2010	443,728	26,576	29,327	16,839	67.77

2. Other Information

(1) Changes in Important Subsidiaries

(Changes in specific subsidiaries involving a change in the scope of consolidation)

None.

(2) Simplified Accounting Methods and Special Accounting Treatment

(Special accounting treatment for preparing quarterly consolidated financial statements)

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, Method of Presentation, etc.

1. Changes associated with the revision of accounting standards

1) Effective from April 1, 2010, the company applied the Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16, released on March 10, 2008) and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (PITF No. 24, released on March 10, 2008). There was no effect of this application on the profits and losses during the period under review.

2) Effective from April 1, 2010, the company applied the Accounting Standard for Asset Retirement Obligations (ASBJ Statement No. 18, released on March 31, 2008) and the Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21, released on March 31, 2008). The effect of this application on the profits and losses during the period under review was immaterial.

3) Effective from April 1, 2010, the company applied the Accounting Standard for Business Combinations (ASBJ Statement No. 21, released on December 26, 2008), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, released on December 26, 2008), partial amendments to the Accounting Standard for Research and Development Costs (ASBJ Statement No. 23, released on December 26, 2008), the revised Accounting Standard for Business Divestitures (ASBJ Statement No. 7, revised on December 26, 2008), the revised Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16, revised on December 26, 2008) and the revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, revised on December 26, 2008).

Accordingly, the company applied full market value accounting, in place of partial market value accounting, for the valuation of the assets and liabilities of its consolidated subsidiaries. There was no effect of this application on profits and losses during the period under review.

2. Changes other than the above

None.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2011 Second Quarter (As of September 30, 2010)	Fiscal 2010 Condensed Consolidated Balance Sheets (As of March 31, 2010)
Assets		
Current assets		
Cash and deposits	46,443	69,871
Notes and accounts receivable—trade	53,035	56,480
Short-term investment securities	26,545	21,648
Inventories	50,827	37,442
Other	11,630	11,452
Allowance for doubtful accounts	(196)	(288)
Total current assets	**188,286**	**196,606**
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	42,764	44,983
Machinery, equipment and vehicles, net	29,261	30,806
Land	32,908	33,167
Other, net	5,157	5,200
Total property, plant and equipment	110,090	114,158
Intangible assets	3,855	3,827
Investments and other assets		
Investment securities	67,591	72,325
Other	10,127	9,552
Allowance for doubtful accounts	(159)	(152)
Total investments and other assets	77,559	81,725
Total noncurrent assets	**191,506**	**199,710**
Total assets	**379,793**	**396,317**

(Millions of yen)

	Fiscal 2011 Second Quarter (As of September 30, 2010)	Fiscal 2010 Condensed Consolidated Balance Sheets (As of March 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	35,066	22,274
Short-term loans payable	2,866	2,864
Income taxes payable	5,225	7,708
Provision	134	260
Accrued expenses	13,528	14,007
Other	12,268	15,021
Total current liabilities	**69,090**	**62,137**
Noncurrent liabilities		
Long-term loans payable	206	271
Provision		
Provision for retirement benefits	9,238	9,113
Other provision	1,869	1,841
Total provisions	11,107	10,955
Deferred tax liabilities	10,430	12,657
Other	6,760	7,068
Total noncurrent liabilities	**28,505**	**30,953**
Total liabilities	**97,595**	**93,090**
Net assets		
Shareholders' equity		
Capital stock	17,117	17,117
Capital surplus	9,447	9,448
Retained earnings	234,612	230,661
Treasury stock	(3,143)	(3,187)
Total shareholders' equity	**258,034**	**254,040**
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	16,942	20,303
Deferred gains or losses on hedges	(100)	105
Foreign currency translation adjustment	(1,794)	(1,693)
Total valuation and translation adjustments	**15,047**	**18,715**
Subscription rights to shares	**110**	**83**
Minority interests	**9,005**	**30,388**
Total net assets	**282,197**	**303,226**
Total liabilities and net assets	**379,793**	**396,317**

(2) Quarterly Consolidated Statements of Income

(Millions of yen)

	First six months of Fiscal 2010 (April 1, 2009 to September 30, 2009)	First six months of Fiscal 2011 (April 1, 2010 to September 30, 2010)
Net sales	226,878	209,161
Cost of sales	159,248	141,106
Gross profit	**67,629**	**68,054**
Selling, general and administrative expenses	55,447	55,669
Operating income	**12,182**	**12,384**
Non-operating income	1,645	1,542
Interest income	156	123
Dividends income	542	689
Equity in earnings of affiliates	580	388
Other	366	341
Non-operating expenses	163	234
Interest expenses	47	39
Foreign exchange losses	—	136
Other	116	58
Ordinary income	**13,664**	**13,691**
Extraordinary income	1,169	3,123
Gain on sales of noncurrent assets	3	1,157
Gain on sales of investment securities	1,007	24
Gain on negative goodwill	—	1,908
Gain on liquidation of subsidiaries and affiliates	157	—
Other	—	33
Extraordinary loss	419	3,443
Loss on retirement of noncurrent assets	324	294
Impairment loss	—	3,090
Other	94	58
Income before income taxes and minority interests	**14,414**	**13,371**
Income taxes	5,452	5,634
Income before minority interests	—	**7,736**
Minority interests in income	591	802
Net income	**8,370**	**6,933**

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	First six months of Fiscal 2010 (April 1, 2009 to September 30, 2009)	First six months of Fiscal 2011 (April 1, 2010 to September 30, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	14,414	13,371
Depreciation and amortization	7,491	6,627
Impairment loss	—	3,090
Increase (decrease) in provision for retirement benefits	97	124
Decrease (increase) in prepaid pension costs	66	(412)
Interest and dividends income	(699)	(812)
Interest expenses	47	39
Equity in (earnings) losses of affiliates	(580)	(388)
Loss (gain) on sales of investment securities	(1,001)	(24)
Gain on negative goodwill	—	(1,908)
Decrease (increase) in notes and accounts receivable—trade	3,590	3,393
Decrease (increase) in inventories	6,752	(13,424)
Increase (decrease) in notes and accounts payable—trade	(1,622)	12,787
Other, net	1,444	(3,885)
Subtotal	30,001	18,578
Interest and dividends income received	1,057	1,210
Interest expenses paid	(53)	(42)
Income taxes paid	(4,881)	(7,869)
Net cash provided by (used in) operating activities	**26,123**	**11,876**
Net cash provided by (used in) investing activities		
Payments into time deposits	(68,156)	(42,130)
Proceeds from withdrawal of time deposits	55,421	57,296
Purchase of short-term investment securities	(1,017)	(3,843)
Proceeds from sales of short-term investment securities	800	7,832
Purchase of property, plant and equipment and intangible assets	(7,223)	(5,372)
Proceeds from sales of property, plant and equipment and intangible assets	(106)	1,476
Purchase of investment securities	(739)	(1,193)
Proceeds from sales of investment securities	1,464	73
Purchase of stocks of subsidiaries and affiliates	—	(19,589)
Payments of long-term loans receivable	(2)	(3)
Collection of long-term loans receivable	3	14
Other, net	(294)	(57)
Net cash provided by (used in) investing activities	**(19,850)**	**(5,498)**
Net cash provided by (used in) financing activities		
Decrease in short-term loans payable	(124)	(54)
Repayment of long-term loans payable	—	(10)
Proceeds from sales of treasury stock	51	80
Purchase of treasury stock	(14)	(37)
Cash dividends paid	(2,236)	(2,982)
Other, net	(466)	(590)
Net cash provided by (used in) financing activities	**(2,790)**	**(3,594)**
Effect of exchange rate change on cash and cash equivalents	**380**	**(101)**
Net increase (decrease) in cash and cash equivalents	**3,863**	**2,681**
Cash and cash equivalents at beginning of period	**40,339**	**29,975**
Cash and cash equivalents at end of period	**44,203**	**32,656**

(4) Notes on the Premise of a Going Concern

None.

(5) Segment Information

[Business Segment Information]

First six months of Fiscal 2010 (April 1, 2009 to September 30, 2009)

(Millions of yen)

	Flour Milling	Processed Food	Others	Total	Eliminations / Corporate	Consolidated
Net sales						
(1) Sales to external customers	94,596	113,322	18,959	226,878	–	226,878
(2) Intersegment sales and transfers	11,029	279	1,747	13,056	(13,056)	–
Total	105,626	113,602	20,706	239,935	(13,056)	226,878
Operating income	6,451	4,901	610	11,963	218	12,182

Notes:

1. Business segments were determined by considering similarities between product types.
2. Primary products for each business segment:
   - Flour milling: Wheat flour, bran
   - Processed food: Prepared mix, wheat 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

[Segment Information]

1. Description of reportable segments

The Nisshin Seifun Group's reportable segments and the other businesses are components of the group, for which discrete financial information is available and the operating results are regularly reviewed by the company's Board of Directors to make decisions about resources to be allocated to and assess the performance of the segments.

The company, as the holding company of the Group, plans and determines group strategies for, allocates resources to and assesses the performance of each of its businesses, which are classified by type of products and services in Flour Milling, Processed Food and others.

The Group designates the Flour Milling and Processed Food segments as its reportable segments. Major products of the reportable segments are as follows.

Flour Milling: Wheat flour, bran

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

2. Net sales and profit (loss) by reportable segment

First six months of Fiscal 2011 (April 1, 2010, to September 30, 2010)

(Millions of yen)

	Reportable Segments			Others (Note 1)	Total	Adjustment (Note 2)	Carried on Quarterly Statement of Income (Note 3)
	Flour Milling	Processed Food	Total				
Net sales							
Sales to external customers	80,153	111,195	191,348	17,812	209,161	–	209,161
Intersegment sales and transfers	9,308	265	9,574	1,303	10,877	(10,877)	–
Total	89,462	111,460	200,922	19,115	220,038	(10,877)	209,161
Segment profit	5,736	5,573	11,309	960	12,270	113	12,384

Notes:

1. The "Others" segment is a business segment, although not designated as a reportable segment, that includes the pet food, engineering, mesh cloth, transport and storage businesses.
2. The amount of adjustment in segment profit represents an amount eliminated primarily for inter-segment transactions.
3. Segment profit is presented so that the total reconciles with operating income on the quarterly statement of income.

(Additional Information)

Effective from April 1, 2010, the company applied the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17 released on March 27, 2009) and the Implementation Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20 released on March 21, 2008). The methods for segmentation and measurement of segment results that were used to present the conventional business segment information are identical with the management approach–based methods of segmentation and measurement of segment results.

(6) Notes on a Significant Change in Shareholders' Equity

The dividends from surplus for the first six months of the fiscal year ending March 2011 are 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 25, 2010.

Dividends on common stock:

i) Total dividends to be paid:	¥2,982 million
ii) Dividend per share:	¥12
iii) Date of record:	March 31, 2010
iv) Effective date:	June 28, 2010
v) Source of dividends:	Retained earnings