Disclaimer: This is a Japanese-English translation of the summary of financial statements of the company produced for your convenience. Since no auditor audited this report, officially only the Japanese version is assumed to be the summary of financial statements of the company. This summary does not constitute any guarantee and will not compensate any losses and/or damage stemming from actions taken based on these statements. In the case that there is any discrepancy between the Japanese and English versions, the Japanese version is assumed to be correct.

Summary of Financial Statements for the Interim Period of Fiscal 2008

November 9, 2007

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, General Manager of Public Communications Department, General Administration Division
Tel.: +81-3-5282-6650

Date to submit the Semiannual Securities Report: December 14, 2007
Date to start distributing dividends: December 10, 2007

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

1. Consolidated Financial Results for the Interim Period of Fiscal 2008 (April 1, 2007 to September 30, 2007)

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen		Millions of yen	%	Millions of yen	%
Interim Fiscal 2008	210,851	1.5	8,207	(8.4)	10,336	(5.4)	6,237	15.5
Interim Fiscal 2007	207,802	(1.9)	8,958	(12.7)	10,925	(5.8)	5,398	(13.6)
Full-Year Fiscal 2007	418,190	–	19,184	–	22,815	–	12,303	–

	Net income per share	Diluted net income per share
	Yen	Yen
Interim Fiscal 2008	24.62	24.61
Interim Fiscal 2007	21.36	21.34
Full-Year Fiscal 2007	48.66	48.63

(Reference) Equity in earnings of affiliated companies: FY2008 Interim: ¥964 million; FY2007 Interim: ¥707 million; FY2007: ¥1,574 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
September 30, 2007	404,372	302,161	67.2	1,073.18
September 30, 2006	401,891	292,652	65.9	1,046.77
March 31, 2007	408,437	300,306	66.3	1,069.71

(Reference) Equity capital: FY2008 Interim: ¥271,892 million; FY2007 Interim: ¥ 264,657 million; FY2007: ¥270,974 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Interim Fiscal 2008	10,827	(16,099)	(6,238)	37,307
Interim Fiscal 2007	12,505	(11,086)	(3,561)	40,722
Full-Year Fiscal 2007	17,469	(6,961)	(5,225)	48,452

2. Dividends

	Dividend per share		
(Record date)	Interim	Year-end	Annual
	Yen	Yen	Yen
Fiscal 2007	9.00	9.00	18.00
Fiscal 2008	9.00	–	18.00
Fiscal 2008 (forecast)	–	9.00	

3. Forecasts of Consolidated Business Results for the Year Ending March 31, 2008 (April 1, 2007 to March 31, 2008)

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

	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
Full-Year Fiscal 2008	428,000	2.3	18,500	(3.6)	22,100	(3.1)	12,000	(2.5)	47.69

4. Other Information

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

(2) Any changes in accounting policies and procedures and/or the method of presentation for preparing consolidated financial statements (as stated in the "Changes in Basis of Presentation of Consolidated Financial Statements")

1. Changes associated with the revision of accounting standards: Yes
2. Changes other than the above: None

Note: For details, see page 27, "Changes in accounting policies" under "Basis of Presentation of Consolidated Financial Statements."

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

1. Number of shares issued and outstanding as of the period-end (including treasury shares):
FY2008 Interim: 256,535,448 FY2007 Interim: 256,535,448 FY2007: 256,535,448
2. Number of treasury shares as of the year-end: FY2008 Interim: 3,183,525 FY2007 Interim: 3,703,864 FY2007: 3,220,188

Note: For the number of shares based on which to compute consolidated net income per share for the interim or the year, see page 38, "Per Share Information."

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Interim Period of Fiscal 2008 (April 1, 2007 to September 30, 2007)

(1) Non-Consolidated Business Results (The percentages indicate the rates of increase or decrease compared with the preceding interim period.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen		Millions of yen	%	Millions of yen	%
Interim Fiscal 2008	13,100	(20.5)	7,361	(32.7)	8,298	(30.2)	9,248	(19.2)
Interim Fiscal 2007	16,473	5.5	10,934	8.7	11,895	12.9	11,451	8.8
Full-Year Fiscal 2007	22,246	–	10,930	–	12,480	–	13,312	–

	Net income per share
	Yen
Interim Fiscal 2008	36.50
Interim Fiscal 2007	45.21
Full-Year Fiscal 2007	52.56

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
September 30, 2007	249,573	221,446	88.7	873.83
September 30, 2006	247,217	216,517	87.6	854.68
March 31, 2007	242,434	217,245	89.6	857.38

(Reference) Equity capital: FY2008 Interim: ¥221,444 million; FY2007 Interim: ¥ 216,517 million; FY2007: ¥217,245 million.

2. Forecasts of Non-Consolidated Business Results for the Year Ending March 31, 2008 (April 1, 2007 to March 31, 2008)

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

	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
Full year	18,500	(16.8)	6,200	(43.3)	8,200	(34.3)	9,800	(26.4)	38.94

Decreases in net sales, and operating, ordinary and net income are forecast for the year ending March 31, 2008, but with little impact on the consolidated business results. That is because the company is a holdings company and much of the decreases will be canceled out by consolidated accounting.

*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. The full-year forecasts of consolidated business results have been revised from those released on July 26, 2007, which were unchanged from those released on May 11, 2007. For details of assumptions for financial forecasts and other related matters, see pages 5, 6 and 8.
2. A resolution to acquire treasury shares was made at the meeting of the Board of Directors held on November 9, 2007. This acquisition of treasury shares is reflected in computing the net income per share in the forecasts of consolidated and non-consolidated business results.

1. Business Performance

(1) Analysis of Business Performance

① Overview of the Interim Period under Review

As harsh marketing competition continued during the interim period of the fiscal year ending March 2008, each of the Group's businesses worked to expand sales by launching new products and endeavoring to boost market share, while making continued cost-cutting efforts. In response to a 1.3% average rise in the government's prices for imported wheat in April 2007, the company revised its prices for commercial wheat flour in May 2007. In addition to wheat, the cost for procuring other raw materials and products also rose, due to market appreciation and a weaker yen, to a level that cannot be absorbed solely by cost-reduction efforts. The company therefore initiated efforts to revise its prices for processed food and other products to secure reasonable profits.

As a result, net sales for the interim period of the fiscal year ending March 2008 increased 1.5% compared with the same period of the preceding year to ¥210,851 million. However, operating income fell 8.4% to ¥8,207 million, and ordinary income declined 5.4% to ¥10,336 million, primarily due to increased procurement costs and lower selling prices. Net income for the interim period rose 15.5% to ¥6,237 million owing to an increase in extraordinary income.

【Business Overview by Segment】

(1) Flour Milling Segment

With the government introducing a variable wheat sales price system for imported wheat in April 2007 that resulted in an average 1.3% increase in the government's prices for imported wheat, the company revised its prices for commercial flour on May 10, 2007. Despite the severe business environment characterized by an ongoing demand shift toward lower-priced products, the company increased flour shipments above the previous year's level by moving ahead with relationship-based marketing to strengthen relations with customers, along with the price revision for flour. In addition, in July of this year the company launched five new commercial flour products designed to create a new market.

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 operation next year at the Higashinada Plant. The company also promoted 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 for various feed materials remained high due to the historic rise of grain prices.

Overseas, active business measures were carried out to boost sales. In Canada, the operating rate gradually increased, and in Thailand efforts were made to promote exports to neighboring countries.

As a result, the Flour Milling Segment's sales increased 2.6% to ¥78,817 million, whereas operating income decreased 3.1% to ¥4,655 million.

(2) Processed Food Segment

Increased procurement costs and intensifying sales competition made it difficult to increase profitability in the processed food business. As a result of aggressive promotion efforts, however, sales of pasta, frozen food, *okonomiyaki* flour, fry batter flour and rehydratable noodles surpassed the previous year's levels. In addition, in August 2007, the company introduced 18 new products and 15 updated products in home-use room-temperature foods, and 11 new products and one updated product in home-use frozen foods. To counter rising procurement costs, the company revised prices for the *De Cecco Pasta* and *Ma•Ma Pasta Sauce* products in September 2007. Meanwhile, Nisshin Foods Inc. and Ma•Ma Macaroni Co., Ltd., acquired the ISO 22000 certification in July 2007 to further strengthen the system for ensuring the reliability and safety of products. In the prepared dishes and other prepared foods business, improvement measures are being steadily implemented, along with efforts to expand sales. In the overseas business, sales of prepared mix products surpassed the previous year's level, as a new prepared mix plant in China began full-scale operation, stabilizing the supply of products.

In the yeast business, the company revised its yeast prices in April 2007 and flour paste and mayonnaise prices in September 2007, in response to a rise in material prices. Sales of yeast-related and flour paste products exceeded the previous year's levels, whereas those of mayonnaise and prepared dishes decreased from the preceding year. In the biotechnology-related business, sales of diagnostic product materials, bionutritional products, feed for fish farming and the feed-related entrusted business surpassed the previous year's levels, but sales of feed for laboratory animals and research support operations came in below the previous year's results. Overall sales of the yeast and biotechnology business increased from the previous year.

The healthcare foods business suffered a decline in sales from a year earlier due to a change in the demand-supply balance, which was caused by the relaxing of the boom in demand for coenzyme Q_{10} products and an increase in production capacity at our competitors. Amid these conditions, the company sought to expand sales of consumer products: In April 2007, two varieties were added to the *rachic Diet* brand of diet foods; and in July 2007 *Sardine Peptide Drink* was launched as a designated health food for people who have high blood pressure.

As a result, the Processed Food Segment's sales increased 0.7% to ¥111,879 million, although operating income declined 16.7% to ¥1,918 million, primarily due to increased procurement costs.

(3) Others Segment

Facing a rise in procurement costs caused by higher ingredient prices, the pet food business worked to secure reasonable profits and carried out aggressive promotional efforts. As a result, sales of both dog and cat food products surpassed results for the previous year. In June 2007, the *JP-Style Breath Freshening Toothbrush Gum* premium dog products went on sale by mail order. In September 2007, 12 new dog food products, nine new cat food products and seven updated products were introduced.

In the engineering business, sales remained almost unchanged from a year earlier, as large contract completions declined mainly due to the adjustment of capital expenditures in related industries.

In the mesh cloths business, sales of the mainstay mesh cloths for screen-printing applications were flat year over year, as forming filters saw steady growth in sales for automotive filters and industrial-use mesh cloths recorded significantly improved sales, driving overall results higher than a year earlier.

As a result, the Others Segment's sales advanced 1.3% to ¥20,154 million, whereas operating income decreased 5.1% to ¥1,975 million.

② Business Outlook for the Full Year

To counter rising procurement costs primarily due to higher grain prices and yen depreciation, the company will seek to improve business performance by securing earnings commensurate with the rising costs, while continuing to increase productivity and expand market shares. In response to a significant rise in October 2007 in the government's prices for imported wheat, the company revised its prices for commercial flour in November 2007 and will revise prices for other products in the processed food business according to the increased costs of purchasing flour and other materials.

(1) Flour Milling Segment

In the flour milling business, the company will further strengthen customer relationships through product development and sales promotion recommendations based on swift and accurate recognition of changing market needs. The company will also work to increase shipments and secure profits by promoting the market penetration of the five new flour products introduced in July 2007. In the areas of production and distribution, the company will move forward with steps anticipating the 2008 startup of the Higashinada Plant's new lines to establish an operating base that will increase productivity and garner greater market share, while continuing to reinforce measures to enhance the safety and reliability of products.

In the face of the continued rise of grain prices, the company revised its prices for commercial flour on November 5, 2007, for the second time this year, in response to a significant average rise of 10% in government prices for imported wheat in October 2007.

In overseas operations, the company will take appropriate measures against the high wheat prices to promote its Pacific Rim strategy, while continuing to expand operations in Canada and Thailand.

(2) Processed Food Segment

For the processed food business, the company, as a "mealtime solution provider," will promote the development of new brands that are practical and based on the concepts of true simplicity and good health, enhance offerings under its market-leading *Ma•Ma* brand and other brands, and work to increase productivity. To counter a rise in prices for flour, secondary ingredients, packaging materials, etc., the company will raise its prices for flour, pasta and flour-processed products for home use on November 15, 2007. In the prepared dishes and other prepared foods business, increasing sales will be sought by developing and proposing new menus. Overseas, aggressive efforts will be made to expand business operations in China and Thailand.

In the yeast business, the company will continue to revise prices for flour paste and mayonnaise products. At the same time, the company will strive to expand sales of the mainstay yeast products, as well as flour paste and oil-processed products, by developing new products and enhancing the ability to make proposals to customers. In the biotechnology-related business, the company will launch new products and promote sales of existing products in the biochemical and immunity fields. Meanwhile, the company will continue to expand the range of businesses in the fields of feed for laboratory animals and research support by adding a line for feed production at the traceability-enhanced Chiba plant and reinforcing the husbandry facilities at Oriental Bio-Service Co., Ltd.

In the healthcare foods business, as continued difficult market conditions are expected for coenzyme Q_{10} raw materials, their production and sales systems will be revised. The company will launch new consumer products for both retail-store and mail-order sales distribution, along with continued marketing efforts to deepen the penetration of products already on the market.

(3) Others Segment

In the pet food business, the company will apply the advantages it enjoys as a domestic manufacturer to expand its product line by developing new dog and cat food products differentiated by safety, reliability and good nutrition, while moving forward with aggressive sales activities. At the same time, appropriate measures will be taken to secure profits, amid an increase in procurement costs chiefly due to rising raw material prices.

In the engineering business, the company will secure orders for mainstay plant engineering services, despite the move to adjust capital expenditures in related industries. The company will also strive to increase sales of the entrusted powder processing business, which is proceeding favorably.

In the mesh cloths business, the company will aggressively develop overseas markets, strengthen domestic sales capabilities and push ahead with introductions of new products in high-value-added product markets through measures such as enhancing the R&D system.

The company will carry out these measures to improve business performance, but it is expected to see a temporary decline in sales volume due to revised product prices. Accordingly, the company has downwardly revised the previously released forecasts for the full year to ¥428,000 million, or a 2.3% increase from the previous period, in net sales; ¥18,500 million, or a 3.6% decrease, in operating income; ¥22,100 million, or a 3.1% decrease, in ordinary income; and ¥12,000 million, or a 2.5% decrease, in net income.

(2) Analysis on Financial Position

1. Overview of the Interim Period under Review

The status of assets, liabilities and net assets on a consolidated basis at the end of the interim period of the fiscal year ending March 2008 was as follows.

Current assets declined ¥4.5 billion from the previous year-end to ¥174 billion, mainly due to a decrease in cash on hand in banks. Fixed assets increased ¥0.5 billion to ¥230.2 billion, reflecting an increase in property, plant and equipment and a decrease in investments and other assets. As a result, total assets declined ¥4.0 billion to ¥404.3 billion. Meanwhile, current liabilities fell ¥2.0 billion to ¥65.2 billion mostly due to a reduction in short-term debt, and long-term decreased ¥3.9 billion to ¥36.9 billion, primarily due to a decline in deferred tax liabilities. As a result, total liabilities decreased ¥5.9 billion to ¥102.2 billion. Net assets increased ¥1.8 billion to ¥302.1 billion, reflecting an increase due to net income for the interim period, a decrease due to payment of dividends and a decrease in valuation and translation adjustments.

The status of consolidated cash flows for the interim period of the fiscal year ending March 2008 was as follows.

Cash flows from operating activities

Income before income taxes and minority interests amounted to ¥11,291 million, and depreciation and amortization amounted to ¥6,520 million. However, the payment of income taxes and other factors resulted in net cash provided by operating activities of ¥10,827 million.

Cash flows from investing activities

Capital investments to extend and upgrade production capacity amounted to ¥10,131 million, and investments in time deposits with terms exceeding three months and marketable securities amounted to ¥5,552. As a result, net cash used in investing activities was ¥16,099 million.

Free cash flow, the sum of cash flows provided by operating and investing activities, amounted to an outflow of ¥5,272 million in the interim period under review.

Cash flows from financing activities

Primarily due to the payment of dividends to shareholders amounting to ¥2,280 million and the repayment of debt amounting to ¥3,619 million, net cash used in financing activities was ¥6,238 million.

As detailed above, in the interim period under review, an amount of capital that exceeds the cash inflow from consolidated operating activities was allocated mostly to strategic capital spending, the payment of dividends as returns to shareholders and the repayment of debt. In addition, funds earmarked for future strategic investments were invested in time deposits with terms exceeding three months and marketable securities to raise the efficiency of cash on hand utilization. As a result, consolidated cash and cash equivalents at the end of the interim period of the fiscal year ending March 2008 totaled ¥3,737 million, which represents a decrease of ¥11,144 million from the previous year-end or a decrease of ¥3,415 million from the end of the previous interim period.

2. Outlook for the Full Year

The company forecasts an increase in cash due to net income of ¥12.0 billion in the fiscal year ending March 31, 2008. The company expects to use this cash for strategic capital spending in excess of depreciation; the distribution of earnings to shareholders, including the acquisition of treasury shares slated for the second half of the fiscal year; and allocation to working capital to deal with wheat price revisions. As a result, the balance of consolidated cash and cash equivalents at March 31, 2008, is forecast to remain around the same level as at September 30, 2007.

3. Cash-Flow Indicators

The main cash-flow indicators for the Nisshin Seifun Group are shown in the table below.

	Interim period ended September 30, 2006	Interim period ended September 30, 2007	Fiscal year ended March 31, 2006	Fiscal year ended March 31, 2007
Equity ratio (%)	65.9	67.2	66.2	66.3
Market value–based equity ratio (%)	77.5	67.7	76.0	74.4
Ratio of interest-bearing debt to operating cash flow (years)	0.4	0.2	0.4	0.5
Interest coverage ratio (times)	161.3	126.7	127.9	100.7

Notes:

Equity ratio = Equity capital / Total assets

Market value–based equity ratio = Market capitalization / Total assets

Ratio of interest-bearing debt to operating cash flow = Interest-bearing debt / Operating cash flow

(The figures of operating cash flow for the interim period are doubled to annualize them.)

Interest coverage ratio = Operating cash flow / Interest expense

1. All of the above cash-flow indicators are calculated on a consolidated basis.
2. Market capitalization is calculated by multiplying the closing share price on the final trading day of the fiscal year by the total number of outstanding shares (excluding treasury common stock) as of the corresponding fiscal year-end.
3. Operating cash flow equals net cash provided by operating activities as stated in the Consolidated Statements of Cash Flows. Interest-bearing debt refers to bonds and debt as stated in the Consolidated Balance Sheets. Interest expense is equal to interest payments as stated in the Consolidated Statements of Cash Flows.

(3) Basic Policy on Profit Distribution and Dividends for FY2008

The company aims to meet the expectations of shareholders to distribute profits, based on the current and future profitability of the business and the financial position, in addition to targeting a payout ratio of at least 30% on a consolidated basis.

For the year ending March 31, 2008, the company intends to maintain the same level of annual dividend as the preceding year at ¥18 per share. The company intends to pay an interim dividend of ¥9 per share.

With the aim of raising future enterprise value, the company prioritizes the use of retained earnings for strategic investments in areas of growth opportunity so that return on capital is maximized from a long-term perspective. The company also adopts a dynamic posture on shareholder returns. The company has decided to acquire up to 5 million treasury shares amounting up to ¥6 billion in the fiscal year ending March 2008.

Furthermore, the company operates a system of special privileges for shareholders. Under this system, shareholders may request the delivery of certain products of the Nisshin Seifun Group.

(4) Business Risks

Risks that could have an impact on the business performance, share price and financial position of the Nisshin Seifun Group are as stated in the most recent Securities Report filed on June 27, 2007. The performance of the Nissin Seifun Group might be adversely affected should price revisions for flour and processed food products not be made appropriately to counter the increased costs of procuring materials and products caused mainly by a significant rise in the government’s prices for imported wheat in October 2007.

II. Business Group Performance

The Nisshin Seifun Group consists of 45 subsidiaries and 15 affiliates. The following is a description of the businesses of the group and the relationships among the subsidiaries and affiliates within their respective business segments. The business operations are grouped by business segment.

(1) Flour Milling Segment

Nisshin Flour Milling Inc., a consolidated subsidiary, produces flour and bran, a by-product, and sells them through sales agents. Fresh Food Service Co., Ltd., a consolidated subsidiary, primarily sells frozen foods and their ingredients and operates restaurants serving food using flour-based commercial ingredients. It purchases flour and other ingredients from Nisshin Flour Milling. Yamajo Shoji Co., Ltd., a consolidated subsidiary, and Ishikawa Co., Ltd., an affiliate accounted for by the equity method, are Nisshin Flour Milling sales agents. Ishikawa also sells packaging materials to Nisshin Flour Milling.

Rogers Foods Ltd. in Canada and Nisshin-STC Flour Milling Co., Ltd., in Thailand, both consolidated subsidiaries, produce flour and sell it in the North American and Asian markets, respectively. Four Leaves Pte. Ltd., an affiliate accounted for by the equity method, operates bakeries, primarily in Singapore.

(2) Processed Food Segment

Nisshin Foods Inc., a consolidated subsidiary, produces and sells prepared mix and other processed food products. It sells flour for household use purchased from Nisshin Flour Milling and frozen foods and other processed foods procured from companies outside the Nisshin Seifun Group. Ma•Ma-Macaroni Co., Ltd., a consolidated subsidiary, produces pasta whose primary ingredient is flour produced by Nisshin Flour Milling and sells the pasta through Nisshin Foods. Initio Foods Inc., a consolidated subsidiary, produces and sells frozen and prepared dishes and also directly operates concessions in stores including department stores. Daisen Ham Co., Ltd., also a consolidated subsidiary, produces and sells processed meat products.

Medallion Foods Inc., a consolidated subsidiary in the United States, produces pasta and Thai Nisshin Seifun Co., Ltd., a consolidated subsidiary in Thailand, produces pasta sauce and frozen food products. Nisshin Foods is the primary importer and seller of these products in Japan. Thai Nisshin Technomic Co., Ltd., a consolidated subsidiary, manufactures prepared mix and sells it in Southeast Asia. Shin Nisshin Seifun Foods (Qingdao) Co., Ltd., a consolidated subsidiary in China, manufactures prepared mix and sells it in mainland China. (Qingdao Nisshin Seifun Foods Co., Ltd., a consolidated subsidiary, was merged into Shin Nisshin Seifun Foods (Qingdao) Co., Ltd., in June 2007.)

Oriental Yeast Co., Ltd., a consolidated subsidiary, manufactures and sells cake and bread ingredients and biochemical products, as well as operating a life science business.

Nisshin Pharma Inc., a consolidated subsidiary, manufactures and sells healthcare foods and pharmaceuticals. Nisshin Kyorin Pharmaceutical Co., Ltd., an affiliate accounted for by the equity method, manufactures and sells pharmaceuticals. Nisshin Kyorin Pharmaceutical Co., Ltd., a joint venture between Kyorin Pharmaceutical Co., Ltd., and Nisshin Pharma Inc., will merge into Kyorin Pharmaceutical Co., Ltd., in October 2008, which will exclude Nisshin Kyorin Pharmaceutical from the group.

(3) Others Segment

Nisshin Petfood Inc., a consolidated subsidiary, manufactures and sells pet foods.

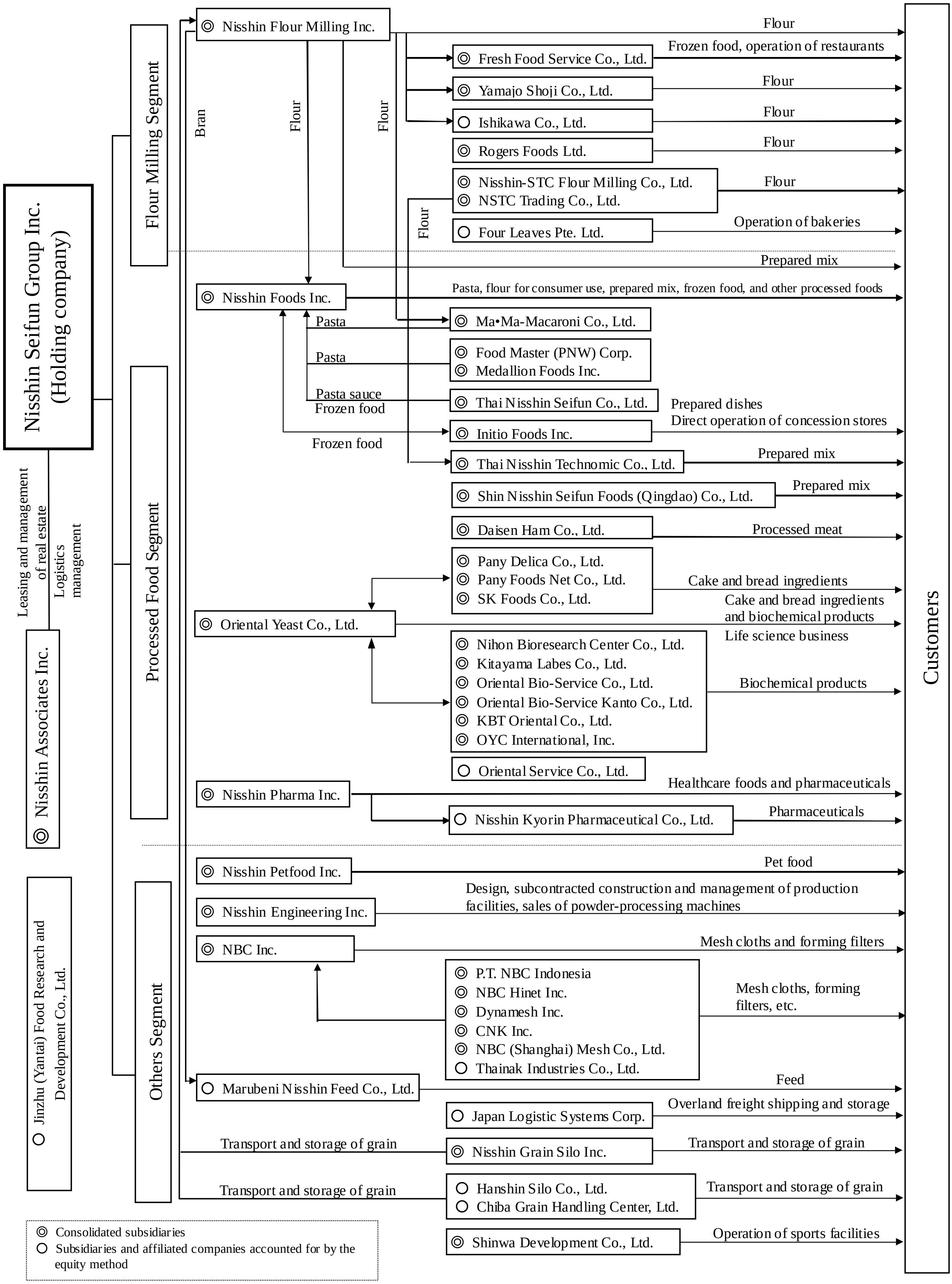
Nisshin Engineering Inc., a consolidated subsidiary, undertakes design, subcontracted construction and management of production and processing facilities for grain, food products and chemical products. In addition, it manufactures and sells powder-processing machines and engages in powder-processing, as well as engaging in subcontracted construction for some Nisshin Seifun Group companies.

NBC Inc., a consolidated subsidiary, manufactures and sells mesh cloths and forming filters.

Marubeni Nisshin Feed Co., Ltd., an affiliate accounted for by the equity method, manufactures and sells compound feed.

Japan Logistic Systems Corp., an affiliate accounted for by the equity method, is engaged in overland freight shipping and storage. It ships and stores some of the group’s products. Nisshin Grain Silo Inc., a consolidated subsidiary, Hanshin Silo Co., Ltd., and Chiba Grain Handling Center, Ltd., affiliates accounted for by the equity method, are engaged in transport and storage operations for grain. Shinwa Development Co., Ltd., a consolidated subsidiary, operates sports facilities.

The diagram on the following page illustrates the structure of the Nisshin Seifun Group.


Nisshin Seifun Group Inc.
(Holding company)
Flour Milling Segment
Processed Food Segment
Others Segment
Leasing and management of real estate
Logistics management
◎ Nisshin Associates Inc.
○ Jinzhu (Yantai) Food Research and Development Co., Ltd.
Bran
Flour
◎ Nisshin Flour Milling Inc.
◎ Fresh Food Service Co., Ltd.
◎ Yamajo Shoji Co., Ltd.
○ Ishikawa Co., Ltd.
◎ Rogers Foods Ltd.
◎ Nisshin-STC Flour Milling Co., Ltd.
◎ NSTC Trading Co., Ltd.
○ Four Leaves Pte. Ltd.
Frozen food, operation of restaurants
Operation of bakeries
Prepared mix
◎ Nisshin Foods Inc.
Pasta, flour for consumer use, prepared mix, frozen food, and other processed foods
Pasta
Pasta sauce
Frozen food
◎ Ma•Ma-Macaroni Co., Ltd.
◎ Food Master (PNW) Corp.
◎ Medallion Foods Inc.
◎ Thai Nisshin Seifun Co., Ltd.
◎ Initio Foods Inc.
Prepared dishes
Direct operation of concession stores
◎ Thai Nisshin Technomic Co., Ltd.
◎ Shin Nisshin Seifun Foods (Qingdao) Co., Ltd.
◎ Daisen Ham Co., Ltd.
Processed meat
◎ Pany Delica Co., Ltd.
◎ Pany Foods Net Co., Ltd.
◎ SK Foods Co., Ltd.
Cake and bread ingredients
◎ Oriental Yeast Co., Ltd.
Cake and bread ingredients and biochemical products
Life science business
◎ Nihon Bioresearch Center Co., Ltd.
◎ Kitayama Labes Co., Ltd.
◎ Oriental Bio-Service Co., Ltd.
◎ Oriental Bio-Service Kanto Co., Ltd.
◎ KBT Oriental Co., Ltd.
◎ OYC International, Inc.
Biochemical products
○ Oriental Service Co., Ltd.
◎ Nisshin Pharma Inc.
Healthcare foods and pharmaceuticals
○ Nisshin Kyorin Pharmaceutical Co., Ltd.
Pharmaceuticals
◎ Nisshin Petfood Inc.
Pet food
◎ Nisshin Engineering Inc.
Design, subcontracted construction and management of production facilities, sales of powder-processing machines
◎ NBC Inc.
Mesh cloths and forming filters
◎ P.T. NBC Indonesia
◎ NBC Hinet Inc.
◎ Dynamesh Inc.
◎ CNK Inc.
◎ NBC (Shanghai) Mesh Co., Ltd.
○ Thainak Industries Co., Ltd.
Mesh cloths, forming filters, etc.
○ Marubeni Nisshin Feed Co., Ltd.
Feed
○ Japan Logistic Systems Corp.
Overland freight shipping and storage
Transport and storage of grain
◎ Nisshin Grain Silo Inc.
○ Hanshin Silo Co., Ltd.
○ Chiba Grain Handling Center, Ltd.
◎ Shinwa Development Co., Ltd.
Operation of sports facilities
Customers
◎ Consolidated subsidiaries
○ Subsidiaries and affiliated companies accounted for by the equity method

Subsidiaries and Affiliates

Name	Location	Paid-in capital	Main business
Consolidated subsidiaries		Millions of yen	
Nisshin Flour Milling Inc.	Chiyoda-ku, Tokyo	14,875	Production and sales of flour and prepared mix
Nisshin Foods Inc.	Chiyoda-ku, Tokyo	5,000	Sales of pasta, flour for consumer use, frozen foods, other products Production and sales of prepared mix
Ma•Ma-Macaroni Co., Ltd.	Utsunomiya-shi, Tochigi	350	Production and sales of pasta
Initio Foods Inc.	Chiyoda-ku, Tokyo	450	Production and sales of frozen and prepared dishes Direct operation of concessions in department stores, etc.
Oriental Yeast Co., Ltd.	Itabashi-ku, Tokyo	2,617	Production and sales of cake and bread ingredients and biochemical products, life science business
Nisshin Pharma Inc.	Chiyoda-ku, Tokyo	2,550	Production and sales of healthcare foods and pharmaceuticals
Nisshin Petfood Inc.	Chiyoda-ku, Tokyo	1,315	Production and sales of pet foods
Nisshin Engineering Inc.	Chuo-ku, Tokyo	107	Design, subcontracted construction and management of production facilities, sales of powder-processing machines
NBC Inc.	Hino-shi, Tokyo	1,992	Manufacturing and sales of mesh cloths and forming filters
28 other consolidated subsidiaries			
Subsidiaries and affiliated companies accounted for by the equity method			
Marubeni Nisshin Feed Co., Ltd.	Chuo-ku, Tokyo	5,500	Production and sales of feed
Japan Logistic Systems Corp.	Shinagawa-ku, Tokyo	3,145	Freight shipping and storage
8 other companies			

Notes: 1. Nisshin Flour Milling, Inc., Nisshin Foods Inc., Oriental Yeast Co., Ltd., Nisshin Pharma, Inc., NBC Inc., Nisshin-STC Flour Milling Co., Ltd., and P.T. NBC Indonesia are special-purpose subsidiaries of Nisshin Seifun Group Inc. Nisshin-STC Flour Milling Co., Ltd., and P.T. NBC Indonesia are included in other consolidated subsidiaries.

2. The following companies are listed on stock exchanges in Japan:

Subsidiaries: Oriental Yeast Co., Ltd. (Second Section of the Tokyo Stock Exchange)
NBC Inc. (Second Section of the Tokyo Stock Exchange)

Affiliated company accounted for by the equity method: Japan Logistic Systems Corp. (JASDAQ)

III. Business Policies

(1) Basic Business Policy

Nisshin Seifun Group Inc. espouses two corporate philosophies: “the basis of business is built on trust” and “in tune with the changing climate.” In combination with the principle “to contribute to a healthy and fruitful life for all,” these philosophies have formed the foundation for the company to achieve continued growth and expansion of its businesses. In addition, the company has adopted “Delivering Good Health and Reliability” as its corporate slogan. This expresses the commitment that every Nisshin Seifun Group member firm should strive to deliver products and services that contribute positively to health and build consumer trust.

Based on this philosophy, in its role as the holding company of the Nisshin Seifun Group, the company specifies long-term maximization of enterprise value as the key business goal. Group management prioritizes the investment of resources in core operations and businesses with growth potential. Regarding the Nisshin Seifun Group’s business development, the primary energies driving growth will be turned toward overseas business expansion, in light of the low birthrate and aging issues facing Japan. Within Japan, attention will be focused on gaining greater market share and improving the profit structure. Furthermore, business development efforts in Japan will target remaining growth sectors, with the aim of securing high profitability. At the same time as it advances these management strategies, the company promotes internal reform while fulfilling its corporate social responsibilities in terms of restructuring its internal control system, legal and regulatory compliance, food safety, environmental protection and social contributions. The Nisshin Seifun Group is fully committed to gaining the support of all stakeholders, including shareholders, customers, business partners, employees and local communities.

(2) Medium- to Long-Term Business Strategy and Target Indicators

Steps are being taken to ensure that the group’s earnings will bottom out in the fiscal year ending March 2008 and its ordinary income will reach a record high in the foreseeable future. Moreover, continued efforts will be made to establish a revenue-generating base to enable consecutive record-breaking figures in ordinary income and to reinforce the group’s reputation for the safety and reliability of products that it has acquired through many years of efforts.

Domestically, the company will strive to cut costs even further and bring the resources of the entire Nisshin Seifun Group to bear on carrying out price revisions commensurate with rising procurement costs. In particular, the group has responded to the 10% increase in October 2007 in the government prices for imported wheat, which reflected internationally high wheat market prices, by pushing forward with price revisions of its related products in the flour milling and processed food businesses. The flour milling business will gain even greater capability to deal with deregulation once the new lines at the Higashinada Plant, one of our most productive plants in Japan, are completed in 2008, and will boost shipments significantly. The processed foods business is aiming to achieve major increases in productivity for both home-use and industrial-use products, and to accelerate the development of next-generation products. The prepared dishes and other prepared foods business will undertake improvement measures in an effort to achieve targets in original plans as soon as possible and will work to expand sales at department stores, volume retailers and other retail outlets. Meanwhile, in the healthcare foods business, a demand-supply imbalance for coenzyme Q_{10} raw materials has resulted in ongoing market conditions that make it impossible to expect a short-term recovery, so production and sales systems will be revamped and development of consumer products will be accelerated.

Overseas, the prepared mix operation in China has started up a new plant and will strive to achieve additional sales increases as it takes new steps forward. The North American flour milling business is pushing ahead with measures to strengthen its cost and sales competitiveness, and shipments of flour into the Chinese market from the Thai flour milling plant will be increased to contribute to increases in consolidated earnings.

To realize medium- to long-term growth for the Nisshin Seifun Group along with a near-term earnings recovery, productivity and market shares will be increased for the flour milling and processed food businesses, which represent the core of domestic operations, and the prepared dishes and other prepared foods business, with earnings increases over the coming years, will be developed into a prepared foods business that has broad sales channels and is distinguished by its accumulated technical capabilities and quality assurance. Overseas operations will be positioned as the main target for growth, and efforts will be directed toward accelerating business expansion. The Nisshin Seifun Group, working from a foundation of advanced production technology, will move ahead with North American and Southeast Asian expansion focused on flour milling and prepared mix operations, which are where the company can make the most of its competitive advantages. In China, the company will pursue business development that is cognizant of the risks involved. These initiatives will be arranged in a schedule and the Nisshin Seifun Group's presence in the Pacific Rim will be enhanced. In addition, continued efforts will be made to enhance the group's quality assurance systems to earn customers' trust in the safety of its products and make it an important advantage of the group.

Through the implementation of such strategies, the company aims to achieve sustained growth in earnings per share (EPS) over the long term, while also raising sales, ordinary income, net income and return on equity (ROE: defined as net income divided by shareholders' equity).

(3) Prospective Challenges for the Company

The company plans to invest in three areas as core businesses: flour milling ("the best in the world"), processed food ("a growth business"), and healthcare and biotechnology ("good prospects for the future"). It will pursue management appropriate for a growing company group, which includes having a strong presence in other businesses.

1) Segmental Overview of Business Strategy

In the flour milling business, the company will further upgrade marketing initiatives to create entirely new market segments, such as by proposing products that accurately reflect customer needs, while ensuring that changes in wheat purchase prices are appropriately reflected in the prices for flour. Furthermore, to develop a dominant competitive position in the Japanese market ahead of the anticipated deregulation of the wheat market, the company is continuing with the ongoing construction of state-of-the-art flour milling equipment on two new production lines at the Higashinada Plant, with a view to completion by 2008. Based on the significant improvements in production efficiency and productivity due to these initiatives, the company will gain additional market share.

In the processed food business, new product development will be energetically advanced across all temperature ranges. While carrying out appropriate price revisions to reflect rising costs of procuring flour and other materials, the company will enhance cost competitiveness through leaps in productivity such as the November 2006 startup of a new large-scale pasta production line and the November 2007 decision to add a prepared mix line that is planned to start operations in 2009. With regard to the chilled products business, in particular, the company will add personnel, devote even more management resources to marketing and quality management, and pursue operational improvements in sales, development, production and all other areas of the company. As examples of what is intended, the company will develop menus including prepared dishes using JAS-certified organic vegetables and launch new products based on its proprietary technologies.

With an aging Japanese society and generally heightened awareness of health issues, the company continues to channel resources into the development of the healthcare and biotechnology business, which is projected to grow going forward. The goal in this sector is to develop this business to the point where it provides a third source of core earnings, on a par with flour milling and processed food. Oriental Yeast Co., Ltd., which is involved in the yeast and biotechnology business, aims to become a leader in the development of original yeast-based technology, an area with almost infinite possibilities. The firm is developing new products and technologies to support enhanced longevity and health. In particular, Oriental Yeast forms the nucleus of the Nisshin Seifun Group's biotech research strategy, which is expected to yield results across a variety of fields. Nisshin Pharma Inc., which is involved in the healthcare foods business, is reviewing its production and sales structure in line with the market environment, while, as a healthcare foods manufacturer distinguished by its emphasis on a scientific approach, it is focusing on research into new ingredients and the development of original products. The firm continues to develop new sales channels in order to raise awareness levels of its consumer products. The group reviews its business portfolio to identify the areas of business on which to concentrate its resources for further growth. As part of such efforts, the group will merge Nisshin Kyorin Pharmaceutical Co., Ltd., a joint venture between Kyorin Pharmaceutical Co., Ltd., and Nisshin Pharma Inc., which conducts the pharmaceutical business as an affiliate accounted for by the equity method, with Kyorin Pharmaceutical Co., Ltd., in October 2008.

In other businesses, which include pet food, engineering and mesh cloths, the company aims to develop a significant presence within each industry, either through self-growth or through a strategy based on alliances inside and outside the group.

2) Global Development Strategy

To accelerate progress and build operational scale as quickly as possible, the company is focusing international business development efforts primarily in three regions in addition to Japan: the west coast of North America, Southeast Asia and China. International operations are managed as a single unit to ensure a cohesive Nisshin Seifun Group business strategy across the entire Pacific Rim, utilizing functional divisions between each base to exploit maximum synergy. The company, which is the holding company for the Nisshin Seifun Group, assigns a number of its own local staff to the west coast of North America, Southeast Asia and China to accelerate overseas business development. Working in close cooperation, these personnel and their counterparts in Japan are moving ahead with analyses of future investment opportunities that take advantage of the Nisshin Seifun Group's strengths in areas like flour milling and processed food.

3) R&D Strategy and Cost Strategy

The development of next-generation products and new business models to complement and drive the growth of existing businesses is another important goal for the Nisshin Seifun Group. High-value-added, next-generation products that are characterized by novelty and uniqueness and can win customer support will be developed in succession. In support of that effort, the Nisshin Seifun Group will further promote industry-government-academic ties and apply advanced technologies in key research fields with the ultimate aim of commercialization. During the fiscal year ending March 2008, the flour milling business introduced five new varieties of commercial flour to create demand, and the processed food business has accelerated the launch of new products based on new ideas and technologies. These new products are expected to contribute to earnings in the foreseeable future.

Furthermore, the Nisshin Seifun Group, in all of its business areas, will revamp systems from new perspectives to achieve the lowest costs possible throughout, and move ahead with initiatives aimed at securing earnings commensurate with rising costs.

4) Measures Addressing Wheat Policy Reforms

Though developments concerning World Trade Organization (WTO) negotiations on agriculture, as well as bilateral free trade agreements (FTAs) and economic partnership agreements (EPAs), are moving along more slowly than anticipated, it is expected that the outcomes of these negotiations could have major consequences for the Nisshin Seifun Group's flour milling and processed food business and for wheat-flour-related industries. In the area of domestic wheat policy, the April 2007 implementation of the government's variable wheat sales price system based on the revised Law for Stabilization of Supply, Demand and Prices of Staple Food will mean enormous change for the wheat flour industry, which had been largely insulated from international market price movements. Under the new system, the government's sales price for imported wheat will be calculated by adding an annual fixed markup (imported wheat transaction margin) to the average purchase price paid by the government over a certain period in the past. As a result of this pricing revision, the government's wheat sales price was raised by an average of 1.3% in April 2007, and a significant rise of 10% was subsequently enforced in October 2007. To accurately reflect the wheat price revision in wheat flour prices, the Nisshin Seifun Group is briefing secondary processors that use flour about the system and gaining their understanding. The company will also work to have the government (Ministry of Agriculture, Forestry and Fisheries) help strengthen the foundation for the international competitiveness of the wheat flour industry, particularly by steadily reducing its price markup included in the government's wheat sales price. At the same time, the company plans to increase the pace of structural reforms and its global business development program in order to accelerate the evolution of the Nisshin Seifun Group into a strong, globally competitive enterprise.

5) Corporate Social Responsibility (CSR)

Besides making steady progress on these strategic business issues, the Nisshin Seifun Group has fulfilled its responsibilities as a corporate citizen in all its business activities, with the aim of retaining its status as a corporate entity that plays an essential role in society. To this end, the company established a committee to study and develop group operating companies' basic attitudes as well as their actions with regard to all their stakeholders. Thus, the company and all group operating companies have focused on developing enhanced compliance procedures to ensure all business activities are legal and appropriate. Other specific programs—all of which are ongoing—include the strengthening of quality control systems to improve traceability and quality assurance (QA) procedures from a consumer perspective, alongside a range of environmental protection measures such as the reduction of waste and carbon dioxide emissions. As part of these programs, the company is also actively working to obtain certification under international management standards. Recently, we have seen various cases that could shake our belief in food safety. To ensure the safety and high quality of its products, the Nisshin Seifun Group is taking various measures at all business stages from material procurement and manufacturing to selling, and sparing no expense for that purpose on a continuing basis. Recognizing the need for active efforts to prevent global warming, the company has drawn up a plan for achieving Kyoto Protocol emission targets. The voluntary target the company is working to achieve under the plan is an 8.6% reduction in carbon dioxide emissions between the fiscal year ended March 1991 and the fiscal year ending March 2011. The company's environmental protection activities have clearly been positioned among its most important management concerns, and their management system and ongoing pursuit, including thorough implementation throughout the group, as well as their enhancement, have won high praise for the company in various surveys.

In addition, with the passage of the Company Law and the Financial Instruments and Exchange Law, companies are required to establish internal controls. To further strengthen its internal control system, the company, which is the holding company for the group, established an Internal Control Department in September 2005. That department examined the state and operation of existing internal controls and undertook efforts to revise and strengthen them, and has implemented revised internal controls a year ahead of the requirement by the Financial Instruments and Exchange Law. The group is involved in an extensive range of social contribution activities. In particular, the company supports the activities of the UN World Food Programme for eradication of hunger and poverty in the world through a dedicated internal office to fulfill its social responsibilities as a food supplier for solutions to the world's food problem.

The Nisshin Seifun Group has received plaudits from independent evaluation organizations, media-related institutions and other bodies for the actions taken to fulfill corporate social responsibilities. The company plans to continue such actions going forward.

IV. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(As of September 30, 2007)

(Millions of yen)

	Fiscal 2007 Interim Period(As of September 30, 2006)	Fiscal 2007 (As of March 31, 2007)	Fiscal 2008 Interim Period(As of September 30, 2007)	Change	
				Compared with the end of previous interim period	Compared with the end of previous fiscal year
Assets:					
Current assets:					
Cash and cash equivalents	43,086	45,649	38,277	(4,808)	(7,371)
Trade notes and accounts receivable	60,046	60,093	60,535	488	442
Marketable securities	24,325	15,913	17,729	(6,596)	1,816
Inventories	38,600	44,647	46,493	7,892	1,846
Deferred tax assets	4,474	4,811	4,927	452	116
Other	7,497	7,748	6,330	(1,167)	(1,418)
Allowance for doubtful accounts	(246)	(214)	(219)	26	(4)
Total current assets	**177,785**	**178,649**	**174,074**	**(3,711)**	**(4,574)**
Fixed assets:					
Property, plant and equipment, net					
Buildings and structures	44,194	44,224	44,426	231	201
Machinery, equipment and vehicles	33,359	33,596	33,794	434	197
Land	30,742	30,851	33,411	2,668	2,559
Construction in progress	2,501	3,194	5,352	2,850	2,157
Other	2,908	2,833	2,812	(96)	(21)
Property, plant and equipment, net	113,706	114,701	119,796	6,090	5,095
Intangible assets	7,334	6,527	5,573	(1,760)	(953)
Investments and other assets:					
Investment securities	97,234	103,612	99,711	2,477	(3,900)
Long-term loans receivable	109	99	95	(14)	(4)
Deferred tax assets	3,096	2,304	2,616	(480)	311
Other	2,919	2,830	2,758	(160)	(71)
Allowance for doubtful accounts	(295)	(287)	(254)	41	33
Total investments and other assets	103,064	108,559	104,927	1,862	(3,632)
Total fixed assets	**224,105**	**229,788**	**230,298**	**6,192**	**509**
Total assets	**401,891**	**408,437**	**404,372**	**2,481**	**(4,064)**

(Millions of yen)

	Fiscal 2007 Interim Period (As of September 30, 2006)	Fiscal 2007 (As of March 31, 2007)	Fiscal 2008 Interim Period (As of September 30, 2007)	Change	
				Compared with the end of previous interim period	Compared with the end of previous fiscal year
Liabilities:					
Current liabilities:					
Notes and accounts payable	27,284	28,439	29,187	1,902	748
Short-term debt	7,517	7,491	4,026	(3,491)	(3,465)
Income taxes payable	3,840	3,527	3,529	(311)	2
Accrued expenses	13,598	12,910	13,138	(460)	227
Other	16,654	14,936	15,403	(1,250)	467
Total current liabilities	**68,896**	**67,304**	**65,285**	**(3,611)**	**(2,019)**
Long-term liabilities:					
Long-term debt	1,460	1,330	1,244	(215)	(86)
Deferred tax liabilities	20,398	22,270	19,980	(417)	(2,289)
Allowance for employees' retirement benefits	11,205	9,863	8,331	(2,873)	(1,532)
Allowance for directors' retirement benefits	278	314	246	(31)	(67)
Allowance for repairs	847	877	899	51	21
Guaranteed deposits received	5,566	5,481	5,580	13	98
Other	587	688	643	56	(45)
Total long-term liabilities	**40,342**	**40,827**	**36,926**	**(3,416)**	**(3,901)**
Total liabilities	**109,239**	**108,131**	**102,211**	**(7,027)**	**(5,920)**
Net assets:					
Shareholders' equity:					
Common stock	17,117	17,117	17,117	–	–
Additional paid-in capital	9,477	9,779	9,779	301	(0)
Retained earnings	202,924	207,550	211,507	8,582	3,957
Treasury stock	(3,094)	(3,010)	(2,985)	108	25
Total shareholders' equity	**226,426**	**231,436**	**235,419**	**8,993**	**3,982**
Valuation, translation adjustments and other:					
Unrealized holding gain on securities	38,362	39,102	35,382	(2,979)	(3,719)
Deferred gains on hedging transactions	83	41	(30)	(114)	(71)
Foreign currency translation adjustments	(215)	394	1,120	1,335	726
Total valuation, translation adjustments and other	**38,230**	**39,537**	**36,472**	**(1,757)**	**(3,065)**
New share subscription rights	**–**	**–**	**2**	**2**	**2**
Minority interests	**27,995**	**29,331**	**30,267**	**2,271**	**935**
Total net assets	**292,652**	**300,306**	**302,161**	**9,509**	**1,855**
Total liabilities and net assets	**401,891**	**408,437**	**404,372**	**2,481**	**(4,064)**

(2) Consolidated Statements of Income

（April 1, 2007 to September 30, 2007）

(Millions of yen)

	Fiscal 2007 Interim Period (April 1, 2006 to September 30, 2006)	Fiscal 2008 Interim Period (April 1, 2007 to September 30, 2007)	Change	Fiscal 2007 (April 1, 2006 to March 31, 2007)
Net sales	207,802	210,851	3,049	418,190
Cost of sales	141,504	145,161	3,656	285,598
Gross profit	**66,297**	**65,690**	**(607)**	**132,591**
Selling, general and administrative expenses	57,338	57,483	144	113,407
Operating income	**8,958**	**8,207**	**(751)**	**19,184**
Non-operating income:	2,226	2,377	151	4,234
Interest income	93	224	131	259
Dividend income	658	666	8	1,150
Equity in earnings of affiliated companies	707	964	257	1,574
Other income	768	522	(246)	1,251
Non-operating expenses:	260	248	(11)	603
Interest expense	88	92	4	181
Other expenses	171	156	(15)	422
Ordinary income	**10,925**	**10,336**	**(589)**	**22,815**
Extraordinary income:	69	1,679	1,610	3,776
Gain on sale of property, plant and equipment	46	602	555	290
Gain on sale of investment securities	–	–	–	2,047
Gain on liquidation of affiliated companies	–	1,035	1,035	1,415
Other	22	41	19	22
Extraordinary losses:	531	724	193	2,547
Loss on disposal of property, plant and equipment	531	291	(239)	910
Coenzyme Q_{10} related loss	–	392	392	1,533
Other	–	41	41	103
Income before income taxes and minority interests	**10,464**	**11,291**	**826**	**24,044**
Income taxes—current	4,090	4,083	(6)	7,875
Income taxes—deferred	–	–	–	1,494
Minority interests	975	969	(5)	2,371
Net income	**5,398**	**6,237**	**839**	**12,303**

(3) Consolidated Statement of Changes in Shareholders' Equity

Interim Period of Fiscal 2007 (April 1, 2006 to September 30, 2006)

(Millions of yen)

	Shareholders' Equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balances as of March 31, 2006	17,117	9,483	200,487	(3,176)	223,912
Changes during the interim period					
Dividends from retained earnings*			(2,785)		(2,785)
Directors' bonuses*			(175)		(175)
Net income			5,398		5,398
Purchases of treasury stock				(39)	(39)
Disposition of treasury stock		(5)		121	115
Net change in items other than shareholders' equity for the interim period					
Total change for the interim period	–	(5)	2,437	82	2,513
Balances as of September 30, 2006	17,117	9,477	202,924	(3,094)	226,426

	Valuation, translation adjustments and other				Minority interests	Total net assets
	Unrealized holding gain on securities	Deferred gains on hedging transactions	Foreign currency translation adjustments	Total valuation, translation adjustments and other		
Balances as of March 31, 2006	40,835	–	(212)	40,622	27,498	292,033
Changes during the interim period						
Dividends from retained earnings*						(2,785)
Directors' bonuses*						(175)
Net income						5,398
Purchases of treasury stock						(39)
Disposition of treasury stock						115
Net change in items other than shareholders' equity for the interim period	(2,473)	83	(2)	(2,392)	497	(1,895)
Total change for the interim period	(2,473)	83	(2)	(2,392)	497	618
Balances as of September 30, 2006	38,362	83	(215)	38,230	27,995	292,652

Note: Items marked with an asterisk were approved for allocation of retained earnings at the Ordinary General Meeting of Shareholders held in June 2006.

Interim Period of Fiscal 2008 (April 1, 2007 to September 30, 2007)

(Millions of yen)

	Shareholders' Equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balances as of March 31, 2007	17,117	9,779	207,550	(3,010)	231,436
Changes during the interim period					
Dividends from retained earnings			(2,280)		(2,280)
Net income			6,237		6,237
Purchases of treasury stock				(47)	(47)
Disposition of treasury stock		(0)		73	73
Net change in items other than shareholders' equity for the interim period					
Total change for the interim period	–	(0)	3,957	25	3,982
Balances as of September 30, 2007	17,117	9,779	211,507	(2,985)	235,419

	Valuation, translation adjustments and other				New share subscription rights	Minority interests	Total net assets
	Unrealized holding gain on securities	Deferred gains on hedging transactions	Foreign currency translation adjustments	Total valuation, translation adjustments and other			
Balances as of March 31, 2007	39,102	41	394	39,537	–	29,331	300,306
Changes during the interim period							
Dividends from retained earnings							(2,280)
Net income							6,237
Purchases of treasury stock							(47)
Disposition of treasury stock							73
Net change in items other than shareholders' equity for the interim period	(3,719)	(71)	726	(3,065)	2	935	(2,127)
Total change for the interim period	(3,719)	(71)	726	(3,065)	2	935	1,855
Balances as of September 30, 2007	35,382	(30)	1,120	36,472	2	30,267	302,161

Year ended March 31, 2007 (April 1, 2006 to March 31, 2007)

(Millions of yen)

	Shareholders' Equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balances as of March 31, 2006	17,117	9,483	200,487	(3,176)	223,912
Changes during the fiscal year					
Dividends from retained earnings*			(2,785)		(2,785)
Interim dividends from retained earnings			(2,279)		(2,279)
Directors' bonuses*			(175)		(175)
Net income			12,303		12,303
Purchases of treasury stock				(86)	(86)
Disposition of treasury stock		296		251	547
Net change in items other than shareholders' equity for the fiscal year					
Total changes for the fiscal year	–	296	7,062	165	7,524
Balances as of March 31, 2007	17,117	9,779	207,550	(3,010)	231,436

	Valuation, translation adjustments and other				Minority interests	Total net assets
	Unrealized holding gain on securities	Deferred gains on hedging transactions	Foreign currency translation adjustments	Total valuation, translation adjustments and other		
Balances as of March 31, 2006	40,835	–	(212)	40,622	27,498	292,033
Changes during the fiscal year						
Dividends from retained earnings*						(2,785)
Interim dividends from retained earnings						(2,279)
Directors' bonuses*						(175)
Net income						12,303
Purchases of treasury stock						(86)
Disposition of treasury stock						547
Net change in items other than shareholders' equity for the fiscal year	(1,732)	41	606	(1,084)	1,833	748
Total changes for the fiscal year	(1,732)	41	606	(1,084)	1,833	8,272
Balances as of March 31, 2007	39,102	41	394	39,537	29,331	300,306

Note: Items marked with an asterisk were approved for allocation of retained earnings at the Ordinary General Meeting of Shareholders held in June 2006.

(4) Consolidated Statements of Cash Flows

(April 1, 2007 to September 30, 2007)

(Millions of yen)

	Fiscal 2007 Interim Period (April 1, 2006 to September 30, 2006)	Fiscal 2008 Interim Period (April 1, 2007 to September 30, 2007)	Fiscal 2007 (April 1, 2006 to March 31, 2007)
I. Cash flows from operating activities:			
Income before income taxes and minority interests	10,464	11,291	24,044
Depreciation and amortization	6,038	6,520	12,565
Decrease in allowance for employees' retirement benefits	(1,410)	(1,537)	(2,756)
Interest and dividend income	(751)	(891)	(1,409)
Interest expenses	88	92	181
Equity in earnings of affiliated companies	(707)	(964)	(1,574)
Gain (loss) on sale of investment securities	(300)	0	(2,348)
Increase in trade notes and accounts receivable	(2,341)	(270)	(2,256)
(Increase) decrease in inventories	1,041	(1,541)	(4,782)
Increase in accounts payable	1,313	596	2,490
Other	2,894	(874)	456
Subtotal	16,330	12,421	24,612
Interest and dividends received	1,335	1,358	2,753
Interest paid	(77)	(85)	(173)
Income taxes paid	(5,083)	(2,867)	(9,723)
Net cash provided by operating activities	**12,505**	**10,827**	**17,469**
II. Cash flows from investing activities:			
Payments for time deposits	(10,355)	(8,901)	(12,173)
Proceeds from repayment of time deposits	9,317	5,204	19,326
Payments for purchases of marketable securities	(7,914)	(10,756)	(12,141)
Proceeds from sales of marketable securities	5,400	8,901	13,500
Payments for purchases of fixed assets	(8,097)	(10,131)	(14,096)
Proceeds from sales of fixed assets	150	554	298
Payments for purchases of investment securities	(29)	(3,060)	(5,813)
Proceeds from sales of investment securities	342	1,033	1,990
Payments for long-term loans receivable	(2)	0	(2)
Proceeds from collections of long-term loans receivable	24	4	35
Other	77	1,052	2,114
Net cash used in investing activities	**(11,086)**	**(16,099)**	**(6,961)**
III. Cash flows from financing activities:			
Proceeds from short-term debt	145	–	239
Repayments of short-term debt	(521)	(3,619)	(779)
Repayments of long-term debt	–	–	(5)
Proceeds from sale of treasury stock	115	73	1,259
Payments for purchase of treasury stock	(39)	(47)	(86)
Cash dividends paid	(2,785)	(2,280)	(5,065)
Other	(474)	(363)	(787)
Net cash used in financing activities	**(3,561)**	**(6,238)**	**(5,225)**
IV. Effect of exchange rate changes on cash and cash equivalents	**62**	**365**	**366**
V. Net (decrease) increase in cash and cash equivalents	**(2,080)**	**(11,144)**	**5,648**
VI. Cash and cash equivalents at beginning of year	**42,803**	**48,452**	**42,803**
VII. Cash and cash equivalents at end of fiscal period	**40,722**	**37,307**	**48,452**

(5) Basis of Presentation of Consolidated Financial Statements

1. Scope of consolidation

(1) Consolidated subsidiaries: 37

- Names of principal subsidiaries: Nisshin Flour Milling Inc., Nisshin Foods Inc., Ma•Ma-Macaroni Co., Ltd., Initio Foods Inc., Oriental Yeast Co., Ltd., Nisshin Pharma Inc., Nisshin Petfood Inc., Nisshin Engineering Inc., NBC Inc.
- Of the remaining subsidiaries, Nisshin Managerial Technology Center Co., Ltd., and 7 other companies are not consolidated. The assets, net sales, net income and retained earnings of each non-consolidated subsidiary are small, and the aggregate effect on the consolidated financial statements for the interim period under review is immaterial.

(2) Changes in the scope of consolidation

Newly excluded subsidiary: 1

- Qingdao Nisshin Seifun Foods Co., Ltd., which was a consolidated subsidiary until the fiscal year ended March 31, 2007, was merged into Shin Nisshin Seifun Foods (Qingdao) Co., Ltd., in June 2007. The statements of income, changes in shareholders' equity and cash flows for Qingdao Nisshin Seifun Foods Co., Ltd., in the period prior the merger have been consolidated.

2. Scope of the equity method

(1) Equity-method subsidiaries and affiliates: 10 (one non-consolidated subsidiary and nine affiliates)

- Names of principal equity-method subsidiaries and affiliates: Marubeni Nisshin Feed Co., Ltd., Japan Logistic Systems Corp.
- The contributions to consolidated net income and consolidated retained earnings of each of the seven non-consolidated subsidiaries and six affiliates not accounted for by the equity method are negligible and immaterial in the aggregate.

(2) The financial statements for the accounting period of the company concerned are used in the cases of those equity-method subsidiaries and affiliates whose accounting period differs from the consolidated accounting period.

3. Accounting periods of consolidated subsidiaries

The consolidated subsidiaries listed below have accounting periods that differ from the consolidated accounting period. Since the interim period's end of each of these companies is within three months of the end of the consolidated interim period, the current financial statements at the interim period's end of each consolidated subsidiary are used. However, necessary adjustments are made for material transactions that occurred during the period between the subsidiary's end of interim period and the end of the consolidated interim period.

Company name	End of interim period
Rogers Foods Ltd.	July 31
Thai Nisshin Seifun Co., Ltd., and 10 others	June 30

4. Significant accounting principles

(1) Valuation standards and methodology for material assets

a. Securities

Held-to-maturity debt securities are stated at amortized cost.

Other securities:

Securities with a readily determinable market value are stated at fair market value based on the quoted market price at the end of the interim period (with any unrealized gains or losses being reported directly as a component of shareholders' equity and the cost of any securities sold being computed by the moving average method).

Securities with no readily determinable market value are stated at cost, with cost being determined by the moving average method.

b. Derivatives:

Derivative financial instruments are stated at fair market value.

c. Inventories:

Flour and bran are stated at the lower of cost or market, cost being determined by the retail cost method; other products are stated at the lower of cost or market, cost being determined by the periodic average method.

Raw materials are stated at cost, with cost being determined by the moving average method.

(2) Depreciation methods for material depreciable assets

a. Property, plant and equipment

Depreciation on property, plant and equipment owned by the company and domestic consolidated subsidiaries is computed principally by the declining-balance method. However, the straight-line method is applied for buildings (excluding building fixtures) acquired on or after April 1, 1998.

Foreign consolidated subsidiaries generally use the straight-line method.

(Changes in accounting policies)

From the interim period under review, the company and its domestic consolidated subsidiaries adopted the depreciation method in accordance with the latest amendment to the corporation tax law for property, plant and equipment acquired on or after April 1, 2007.

This adoption decreased operating income, ordinary income, and income before income taxes and minority interests by ¥49 million, respectively, compared with the results that would have been obtained if said accounting had not been adopted.

(Additional information)

For depreciation of assets acquired on or before March 31, 2007, the company and its domestic consolidated subsidiaries, from the consolidated fiscal year that follows the year when their depreciable amounts reach 5% of their acquisition costs, write off the difference between the amount that equals to 5% of their acquisition costs and their memorandum prices in equal installments over five years, pursuant to the latest amendment to the corporation tax law.

The adoption of this depreciation method decreased operating income, ordinary income, and income before income taxes and minority interests by ¥345 million, respectively, compared with the results that would have been obtained if said accounting had not been adopted.

b. Intangible assets

Depreciation is computed by the straight-line method. Software used in-house is depreciated over its estimated useful life (five years) based on the straight-line method.

(3) Basis of material allowances

a. Allowance for doubtful accounts

The company and domestic consolidated subsidiaries provide for possible credit losses stemming from trade notes and accounts receivable. Estimates of irrecoverable amounts are based on historical loan-loss ratios for general receivables, and on a consideration of feasibly recoverable amounts in individual cases of suspected bad debt or other specific dubious accounts. Specific claims are generally deemed irrecoverable in the case of foreign consolidated subsidiaries.

b. Allowance for employees' retirement benefits

The company and domestic consolidated subsidiaries provide for employees' retirement benefits based on the estimated amounts of projected benefit obligation and the fair value of the pension plan assets at the consolidated interim fiscal year-end. Prior service cost is amortized on a straight-line basis over a period equaling the average remaining service period of employees expected to receive pension benefits as of the consolidated fiscal year-end. Actuarial differences are amortized on a straight-line basis from the following fiscal year over a period equaling the average remaining service period of employees expected to receive pension benefits as of the consolidated fiscal year-end.

c. Allowance for directors' retirement benefits

Seven domestic consolidated subsidiaries provide for the payment of retirement benefits to directors in accordance with internal regulations, based on projected benefits as of the end of the interim period.

(4) Significant lease transactions

Finance leases other than those that transfer ownership of the leased assets to the lessee are accounted for using the same methods as those used for ordinary lease transactions.

(5) Significant hedging transactions

a. Basis of accounting

Hedging transactions are accounted for on a deferred basis. However, the contracted exchange rates are applied in the case of any financial claims denominated in foreign currencies with assigned foreign currency forwards or other hedging instruments.

b. Hedging methods

The company uses derivative transactions (including forward exchange contracts and currency call options) to hedge currency risk exposure for all planned trading transactions that are denominated in foreign currencies.

c. Hedging policy

The company employs derivative financial instruments purely to manage fluctuations in foreign currency exchange rates. Company policy prohibits the use of derivative financial instruments for trading purposes.

d. Hedging evaluation

Since hedging methods and the target of each hedging transaction share the same conditions that apply at the start of hedging activities and throughout subsequent periods, the company’s hedging approach enables exchange rate fluctuations to be offset completely. Hence, the company considers its hedging method to be highly effective.

(6) Consumption tax

All accounting transactions are booked exclusive of any national or local consumption taxes.

5. Cash and cash equivalents

Cash and cash equivalents as stated in the Consolidated Statements of Cash Flows consist of cash on hand, readily available deposits and any short-term liquid investments with a maturity not exceeding three months at the time of purchase whose value is not subject to significant fluctuation risk.

(6) Notes to Consolidated Financial Statements

(Consolidated Balance Sheets)

1. All amounts have been rounded down to the nearest million yen.
2. Accumulated depreciation of property, plant and equipment

Interim Period FY2007	FY2007	Interim Period FY2008
¥195,649 million	¥199,698 million	¥203,816 million

3. Accumulated accelerated depreciation of property, plant and equipment purchased with government subsidy

Interim Period FY2007	FY2007	Interim Period FY2008
¥264 million	¥264 million	¥264 million

4. Assets pledged as collateral

	Interim Period FY2007	FY2007	Interim Period FY2008
Buildings and structures	¥1,378 million	¥1,395 million	¥1,437 million
Machinery and equipment	¥795 million	¥772 million	¥746 million
Land	92 million	92 million	92 million
Others	¥— million	¥144 million	¥150 million

5. Warranty liabilities

Interim Period FY2007	FY2007	Interim Period FY2008
¥955 million	¥1,054 million	¥1,150 million

6. Notes matured at the end of the interim period are settled as of their clearing date.
   Because the end of the interim period under review was a bank holiday, matured notes in the following amounts are included in the balance of the respective notes as of September 30, 2007.

	Interim Period FY2007	FY2007	Interim Period FY2008
Notes receivable	¥656 million	¥590 million	¥534 million
Notes payable	¥19 million	¥19 million	¥8 million

(Consolidated Statements of Income)

1. All amounts have been rounded down to the nearest million yen.
2. A simplified method is generally used for calculation of tax expenses during the interim period under review. Therefore, the amount of "income taxes—deferred" is included in "income taxes—current."

(Consolidated Statement of Changes in Shareholders' Equity)

All amounts have been rounded down to the nearest million yen.

Interim Period of Fiscal 2007 (April 1, 2006 to September 30, 2006)

1. Type and number of issued shares of common stock and treasury common stock

(Thousands of shares)

	Number of shares at end of previous fiscal year	Increase in shares during the interim period	Decrease in shares during the interim period	Number of shares at end of the interim period
Shares issued Common stock	256,535	—	—	256,535
Treasury stock Common stock	3,800	31	128	3,703

Notes:

1. Portion of the increase in common stock accounted for by treasury common stock
   31 thousand shares, as a result of repurchasing less-than-one-unit shares
2. Portion of the decrease in common stock accounted for by treasury common stock
   4 thousand shares, as a result of selling less-than-one-unit shares, and
   123 thousand shares, as a result of the exercise of stock options

2. Dividends

(1) Dividends paid

The following resolution was made at the Ordinary General Meeting of Shareholders held on June 28, 2006.

- Dividends on common stock:

i)	Total dividends to be paid	¥2,785 million
ii)	Dividend per share	¥11
iii)	Date of record	March 31, 2006
iv)	Effective date	June 29, 2006

(2) Dividends for which the record date came during the interim period ended September 30, 2006, but for which the effective date will come after said period

The following resolution was made at the meeting of the Board of Directors held on November 10, 2006.

- Dividends on common stock:

i)	Total dividends to be paid	¥2,279 million
ii)	Source of dividend	Retained earnings
iii)	Dividend per share	¥9
iv)	Date of record	September 30, 2006
v)	Effective date	December 8, 2006

Interim Period of Fiscal 2008 (April 1, 2007 to September 30, 2007)

1. Type and number of issued shares of common stock and treasury common stock

(Thousands of shares)

	Number of shares at end of previous fiscal year	Increase in shares during the interim period	Decrease in shares during the interim period	Number of shares at end of the interim period
Shares issued Common stock	256,535	—	—	256,535
Treasury stock Common stock	3,220	40	77	3,183

Notes:

1. Portion of the increase in common stock accounted for by treasury common stock
 40 thousand shares, as a result of repurchasing less-than-one-unit shares
2. Portion of the decrease in common stock accounted for by treasury common stock
 6 thousand shares, as a result of selling less-than-one-unit shares, and
 70 thousand shares, as a result of the exercise of stock options

2. New share subscription rights and subscription rights to new treasury shares

Category	Composition of new share subscription rights	Nature of shares	Number of shares				Balance at end of the interim period (millions of yen)
			At end of previous fiscal year	Increase during the interim period	Decrease during the interim period	At end of the interim period	
The company (parent company)	New share subscription rights as stock options	—					2
Total		—					2

3. Dividends

(1) Dividends paid

The following resolution was made at the Ordinary General Meeting of Shareholders held on June 27, 2007.

- Dividends on common stock:
  - i) Total dividends to be paid ¥2,280 million
  - ii) Dividend per share ¥9
  - iii) Date of record March 31, 2007
  - iv) Effective date June 28, 2007

(2) Dividends for which the record date came during the interim period ended September 30, 2007, but for which the effective date will come after said period

The following resolution was made at the meeting of the Board of Directors held on November 9, 2007.

- Dividends on common stock:
  - i) Total dividends to be paid ¥2,280 million
  - ii) Source of dividend Retained earnings
  - iii) Dividend per share ¥9
  - iv) Date of record September 30, 2007
  - v) Effective date December 10, 2007

Year Ended March 31, 2007 (April 1, 2006 to March 31, 2007)

1. Type and number of issued shares of common stock and treasury common stock

(Thousands of shares)

	Number of shares at end of previous fiscal year	Increase in shares during fiscal year	Decrease in shares during fiscal year	Number of shares at end of current fiscal year
Shares issued Common stock	256,535	—	—	256,535
Treasury stock Common stock	3,800	70	650	3,220

Notes:

1. Portion of the increase in common stock accounted for by treasury common stock
   70 thousand shares, as a result of repurchasing less-than-one-unit shares
2. Portion of the decrease in common stock accounted for by treasury common stock
   9 thousand shares, as a result of selling less-than-one-unit shares,
   206 thousand shares, as a result of the exercise of stock options, and
   434 thousand shares of treasury stock, which were sold by consolidated subsidiaries and attributable to the company

2. Dividends

(1) Dividends paid

The following resolution was made at the Ordinary General Meeting of Shareholders held on June 28, 2006.

- Dividends on common stock:

i)	Total dividends to be paid	¥2,785 million
ii)	Dividend per share	¥11
iii)	Date of record	March 31, 2006
iv)	Effective date	June 29, 2006

The following resolution was made at the meeting of the Board of Directors held on November 10, 2006.

- Dividends on common stock:

i)	Total dividends to be paid	¥2,279 million
ii)	Dividend per share	¥9
iii)	Date of record	September 30, 2006
iv)	Effective date	December 8, 2006

(2) Dividends for which the record date came during the year ended March 31, 2007, but for which the effective date will come after said period

The following resolution was made at the Ordinary General Meeting of Shareholders held on June 27, 2007.

- Dividends on common stock:

i)	Total dividends to be paid	¥2,280 million
ii)	Source of dividend	Retained earnings
iii)	Dividend per share	¥9
iv)	Date of record	March 31, 2007
v)	Effective date	June 28, 2007

(Consolidated Statements of Cash Flows)

1. All amounts have been rounded down to the nearest million yen.

2. The reconciliation between the end-of-period balance of cash and cash equivalents and amounts stated in Consolidated Statements of Cash Flows is as follows.

(Millions of yen)

	Interim Period FY2007	Interim Period FY2008	FY2007
Cash and cash equivalents	43,086	38,277	45,649
Marketable securities	24,325	17,729	15,913
Total	67,412	56,007	61,562
Fixed deposits with periods greater than three months	(9,360)	(4,967)	(1,194)
Bonds with redemption periods greater than three months at time of purchase	(17,329)	(13,732)	(11,916)
Balance of cash and cash equivalents at end of period	40,722	37,307	48,452

(Segment information)

(1) Business Segment Information

Interim Period of Fiscal 2007 (April 1, 2006 to September 30, 2006)

(Millions of yen)

	Flour Milling	Processed Food	Others	Total	Eliminations / Corporate	Consolidated
Net sales						
(1) Net sales to external customers	76,826	111,087	19,888	207,802	–	207,802
(2) Internal sales and transfers	8,446	428	2,660	11,535	(11,535)	–
Total	85,273	111,515	22,549	219,338	(11,535)	207,802
Cost and Expenses	80,470	109,213	20,467	210,151	(11,308)	198,843
Operating Income	4,802	2,301	2,081	9,186	(227)	8,958

Interim Period of Fiscal 2008 (April 1, 2007 to September 30, 2007)

(Millions of yen)

	Flour Milling	Processed Food	Others	Total	Eliminations / Corporate	Consolidated
Net sales						
(1) Net sales to external customers	78,817	111,879	20,154	210,851	–	210,851
(2) Internal sales and transfers	8,672	415	2,348	11,436	(11,436)	–
Total	87,489	112,294	22,503	222,288	(11,436)	210,851
Cost and Expenses	82,834	110,376	20,527	213,739	(11,094)	202,644
Operating Income	4,655	1,918	1,975	8,548	(341)	8,207

Year Ended March 31, 2007 (April 1, 2006 to March 31, 2007)

(Millions of yen)

	Flour Milling	Processed Food	Others	Total	Eliminations / Corporate	Consolidated
Net sales						
(1) Net sales to external customers	154,722	220,545	42,922	418,190	–	418,190
(2) Internal sales and transfers	17,253	795	4,278	22,327	(22,327)	–
Total	171,976	221,340	47,200	440,517	(22,327)	418,190
Cost and Expenses	162,236	216,062	42,485	420,784	(21,778)	399,006
Operating Income	9,740	5,278	4,714	19,732	(548)	19,184

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
3. Changes in accounting policies, etc.

(Changes in accounting policies)

From the interim period under review, the company and its domestic consolidated subsidiaries adopted the depreciation method in accordance with the latest amendment to the corporation tax law for property, plant and equipment acquired on or after April 1, 2007, as stated in “Changes in accounting policies” under “Basis of Presentation of Consolidated Financial Statements.” This adoption decreased “Cost and Expenses” by ¥17 million for Flour Milling, ¥18 million for Processed Food, ¥14 million for Others and ¥1 million for Eliminations/Corporate, and decreased “Operating Income” by the corresponding amounts for Flour Milling, Processed Food and Others, while increasing “Operating Income” for Eliminations/Corporate by the corresponding amount, compared with the results that would have been obtained if said accounting had not been adopted.

(Additional Information)

For depreciation of assets acquired on or before March 31, 2007, the company and its domestic consolidated subsidiaries, from the consolidated fiscal year that follows the year when their depreciable amounts reach 5% of their acquisition costs, write off the difference between the amount that equals to 5% of their acquisition costs and their memorandum prices in equal installments over five years, pursuant to the latest amendment to the corporation tax law. The adoption of this depreciation method increased “Cost and Expenses” by ¥169 million for Flour Milling, ¥125 million for Processed Food and ¥49 million for Others, and decreased “Operating Income” by the corresponding amounts.

(2) Geographical segment information

Because sales of the domestic segment account for more than 90% of the total sales of all segments, geographical segment information is omitted.

(3) Overseas sales

Because overseas sales account for less than 10% of the consolidated net sales, overseas sales are omitted.

(Securities)

1. Held-to-maturity debt securities with readily determinable market value

(Millions of yen)

	As of September 30, 2006			As of March 31, 2007			As of September 30, 2007		
	Carrying amount	Fair Market value	Difference	Carrying amount	Fair Market value	Difference	Carrying amount	Fair Market value	Difference
1. Government and municipal bonds	2,997	2,998	0	2,997	2,997	(0)	1,997	1,997	0
2. Corporate bonds	300	300	0	–	–	–	–	–	–
3. Other	–	–	–	–	–	–	–	–	–
Subtotal	3,297	3,298	0	2,997	2,997	(0)	1,997	1,997	0

2. Other securities with readily determinable market value

(Millions of yen)

	As of September 30, 2006			As of March 31, 2007			As of September 30, 2007		
	Acquisition cost	Carrying amount	Difference	Acquisition cost	Carrying amount	Difference	Acquisition cost	Carrying amount	Difference
1. Equity securities	8,371	73,643	65,271	13,746	80,199	66,453	16,763	76,840	60,076
2. Debt securities:									
Government and municipal bonds	14,398	14,402	3	7,603	7,604	0	2,498	2,499	0
Corporate bonds	6,625	6,625	0	5,310	5,311	0	13,235	13,232	(2)
Other	–	–	–	–	–	–	–	–	–
3. Other	–	–	–	–	–	–	–	–	–
Total	29,396	94,671	65,275	26,660	93,114	66,454	32,498	92,571	60,073

3. Principal securities not carried at market value

(Millions of yen)

	As of September 30, 2006	As of March 31, 2007	As of September 30, 2007
	Carrying amount	Carrying amount	Carrying amount
Other securities:			
Non-listed equity securities	5,374	5,707	4,706

(Per Share Information)

(Yen)

	Interim Period Ended September 30, 2006	Fiscal Year Ended March 31, 2007	Interim Period Ended September 30, 2007
Net assets per share	1,046.77	1,069.71	1,073.18
Net income per share	21.36	48.66	24.62
Fully diluted net income per share	21.34	48.63	24.61

(Notes)

1. The basis of calculation for net assets per share

Item	Interim Period Ended September 30, 2006	Fiscal Year Ended March 31, 2007	Interim Period Ended September 30, 2007
Total net assets, as stated on the Consolidated Balance Sheets (millions of yen)	292,652	300,306	302,161
Net assets associated with common stock (millions of yen)	264,657	270,974	271,892
Major components of the difference (millions of yen): New share subscription rights Minority interests	 – 27,995	 – 29,331	 2 30,267
Number of common stock shares issued and outstanding (shares)	256,535,448	256,535,448	256,535,448
Number of treasury shares of common stock (shares)	3,703,864	3,220,188	3,183,525
Number of common stock shares used in the calculation of net assets per share (shares)	252,831,584	253,315,260	253,351,923

2. The basis of calculation for net income per share and fully diluted net income per share

Item	Interim Period Ended September 30, 2006	Fiscal Year Ended March 31, 2007	Interim Period Ended September 30, 2007
Net income, as stated on Consolidated Statements of Income (millions of yen)	5,398	12,303	6,237
Amounts not attributable to owners of common stock (millions of yen)	–	–	–
Net income associated with common stock (millions of yen)	5,398	12,303	6,237
Average number of shares of common stock during the period (shares)	252,773,326	252,865,907	253,334,138
Adjustment to net income (millions of yen)	–	–	–
Main components of increase in number of shares of common stock used in calculation of fully diluted net income per share (shares) New share subscription rights	166,591	145,454	83,491
Details of shares not included in calculation of fully diluted net income per share due to non-dilutive effect	–	–	New share subscription rights Date of resolution at General Meeting of Shareholders: June 27, 2007 (89 subscription rights) (161 subscription rights)

(Significant Subsequent Events)

Interim Period of FY2007 (April 1, 2006 to September 30, 2006)	Interim Period of FY2008 (April 1, 2007 to September 30, 2007)	FY2007 (April 1 2006, to March 31, 2007)
―――	The company resolved, at the meeting of the Board of Directors held on November 9, 2007, to acquire its treasury shares according to the provisions of the Articles of Incorporation as provided for by Article 459, Clause 1, of the Corporation Law. 1. Reason for the acquisition of treasury shares To allow implementation of flexible capital policies according to changes in business environments. 2. Details of acquisition (1) Nature of shares acquired The company's common stock (2) Maximum number of shares acquired 5 million shares (3) Maximum cost of acquisition ¥6 billion (4) Acquisition period From November 12, 2007, to December 28, 2007 (5) Method of acquisition Market purchase	―――

(Omission of Disclosure)

The disclosure of notes as to lease transactions, derivatives, stock options and business combinations is omitted because it is less meaningful to disclose such information in this interim summary of financial statements.

V. Non-consolidated Financial Statements
(1) Non-consolidated Balance Sheets

(As of September 30, 2007)

(Millions of yen)

	Fiscal 2007 Interim Period (As of September 30, 2006)	Fiscal 2007 (As of March 31, 2007)	Fiscal 2008 Interim Period (As of September 30, 2007)	Change	
				Compared with the end of previous interim period	Compared with the end of previous fiscal year
Assets:					
Current assets:					
Cash and cash equivalents	23,086	16,531	17,324	(5,761)	792
Trade notes and accounts receivable	298	237	190	(107)	(46)
Marketable securities	21,028	12,915	15,731	(5,296)	2,815
Prepaid expenses	97	128	121	23	(7)
Deferred tax assets	513	473	473	(39)	–
Other	2,195	2,977	1,840	(354)	(1,136)
Total current assets	**47,219**	**33,264**	**35,682**	**(11,537)**	**2,417**
Fixed assets:					
Property, plant and equipment, net:					
Buildings	7,585	7,531	7,369	(215)	(161)
Structures	284	273	262	(22)	(11)
Machinery and equipment	555	536	702	146	165
Vehicles	3	2	2	(1)	(0)
Tools, fixtures and furnishings	544	490	436	(108)	(54)
Land	10,770	10,758	10,745	(24)	(13)
Construction in progress	393	1,491	2,597	2,203	1,106
Property, plant and equipment, net	20,137	21,085	22,116	1,978	1,030
Intangible assets:					
Leasehold tenant rights	402	402	402	–	–
Software	1,136	933	731	(405)	(201)
Other	70	71	70	(0)	(1)
Total intangible assets	1,610	1,407	1,204	(405)	(202)
Investments and other assets:					
Investment securities	58,166	63,063	59,885	1,719	(3,177)
Equity in affiliated companies	89,224	92,679	92,679	3,455	–
Investments in capital	440	440	419	(21)	(21)
Investments in capital of affiliated companies	458	458	458	–	–
Long-term loans to employees	97	88	84	(12)	(3)
Long-term loans to affiliated companies	29,531	29,609	36,692	7,160	7,082
Long-term prepaid expenses	12	31	27	14	(4)
Other	450	443	440	(9)	(2)
Allowance for doubtful accounts	(130)	(137)	(117)	13	20
Total investments and other assets	178,250	186,677	190,570	12,320	3,893
Total fixed assets	**199,997**	**209,170**	**213,891**	**13,893**	**4,721**
Total assets	**247,217**	**242,434**	**249,573**	**2,356**	**7,139**

(Millions of yen)

	Fiscal 2007 Interim Period (As of September 30, 2006)	Fiscal 2007 (As of March 31, 2007)	Fiscal 2008 Interim Period (As of September 30, 2007)	Change	
				Compared with the end of previous interim period	Compared with the end of previous fiscal year
Liabilities:					
Current liabilities:					
Current portion of long-term debt	6	6	6	(0)	(0)
Other payables	859	659	301	(557)	(358)
Accrued expenses	1,225	1,337	1,122	(102)	(214)
Deposits received	7,729	1,472	7,409	(319)	5,937
Reserve for directors' bonuses	27	55	26	(1)	(28)
Other	264	49	25	(239)	(24)
Total current liabilities	**10,112**	**3,580**	**8,891**	**(1,220)**	**5,311**
Long-term liabilities:					
Long-term debt	89	80	77	(11)	(3)
Deferred tax liabilities	18,140	19,618	17,709	(431)	(1,909)
Allowance for employees' retirement benefits	1,975	1,526	1,065	(909)	(460)
Other	382	382	382	–	–
Total long-term liabilities	**20,586**	**21,608**	**19,235**	**(1,351)**	**(2,373)**
Total liabilities	**30,699**	**25,189**	**28,127**	**(2,572)**	**2,938**
Net assets:					
Shareholders' equity:					
Common stock	17,117	17,117	17,117	–	–
Additional paid-in capital	9,500	9,500	9,500	–	–
Legal capital surplus	9,500	9,500	9,500	–	–
Retained earnings	162,452	162,024	168,991	6,539	6,967
Legal retained surplus	4,379	4,379	4,379	–	–
Other retained earnings	158,073	157,644	164,612	6,539	6,967
Provision of reserve for dividends	2,000	2,000	2,000	–	–
Reserve for special depreciation	7	2	2	(4)	–
Reserve for advanced depreciation of fixed assets	1,119	1,002	1,002	(117)	–
Provision for reserves	118,770	118,770	126,770	8,000	8,000
Retained earnings brought forward	36,175	35,869	34,836	(1,338)	(1,032)
Treasury common stock	(3,039)	(3,003)	(2,977)	62	25
Total shareholders' equity	**186,030**	**185,638**	**192,632**	**6,601**	**6,993**
Valuation, translation adjustments and other:					
Unrealized holding gain on securities	30,486	31,606	28,812	(1,674)	(2,794)
Total valuation, translation adjustments and other	**30,486**	**31,606**	**28,812**	**(1,674)**	**(2,794)**
New share subscription rights	–	–	**2**	**2**	**2**
Total net assets	**216,517**	**217,245**	**221,446**	**4,929**	**4,201**
Total liabilities and net assets	**247,217**	**242,434**	**249,573**	**2,356**	**7,139**

(2) Non-consolidated Statements of Income

(April 1, 2007 to September 30, 2007)

(Millions of yen)

	Fiscal 2007 Interim Period (April 1, 2006 to September 30, 2006)	Fiscal 2008 Interim Period (April 1, 2007 to September30, 2007)	Change	Fiscal 2007 (April 1, 2006 to March 31, 2007)
Operating revenues	16,473	13,100	(3,372)	22,246
Operating expenses	5,539	5,739	200	11,315
Operating income	**10,934**	**7,361**	**(3,573)**	**10,930**
Non-operating income:	971	954	(17)	1,595
Interest income	281	383	102	587
Dividend income	324	416	91	664
Other	365	154	(211)	343
Non-operating expenses:	10	16	6	45
Interest expenses	2	10	7	10
Other	8	6	(1)	35
Ordinary income	**11,895**	**8,298**	**(3,596)**	**12,480**
Extraordinary income:	44	1,479	1,434	1,692
Gain on sale of fixed assets	44	626	581	289
Gain on sale of investment securities	–	–	–	21
Gain on liquidation of affiliated companies	–	852	852	1,381
Extraordinary losses:	45	35	(10)	91
Loss on disposal of fixed assets	45	35	(10)	91
Income before income taxes and minority interests	**11,894**	**9,743**	**(2,151)**	**14,081**
Income taxes—current	443	495	52	768
Net income	**11,451**	**9,248**	**(2,203)**	**13,312**

(3) Non-consolidated Statement of Changes in Shareholders' Equity

Interim Period of Fiscal 2007 (April 1, 2006 to September 30, 2006)

(Millions of yen)

	Shareholders' equity									
	Common stock	Additional paid-in capital		Retained earnings						
					Other retained earnings					Total retained earnings
		Legal capital surplus	Total additional paid-in capital	Legal retained earnings	Provision of reserve for dividends	Reserve for special depreciation	Reserve for advanced depreciation of fixed assets	Provision for reserves	Retained earnings brought forward	
Balances as of March 31, 2006	17,117	9,500	9,500	4,379	2,000	17	1,117	112,770	33,563	153,847
Changes during the interim period										
Reversal of reserve for special depreciation*						(9)			9	–
Provision of reserve for advanced depreciation of fixed assets*							66		(66)	–
Reversal of reserve for advanced depreciation of fixed assets*							(63)		63	–
Provision for reserves*								6,000	(6,000)	–
Dividends from retained earnings*									(2,785)	(2,785)
Directors' bonuses*									(55)	(55)
Net income									11,451	11,451
Purchase of treasury stock										
Disposition of treasury stock									(5)	(5)
Net change in items other than shareholders' equity for the interim period										
Total changes for the interim period	–	–	–	–	–	(9)	2	6,000	2,611	8,604
Balances as of September 30, 2006	17,117	9,500	9,500	4,379	2,000	7	1,119	118,770	36,175	162,452

Note: Items marked with an asterisk were approved for allocation of retained earnings at the Ordinary General Meeting of Shareholders held in June 2006.

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock, at cost	Total shareholders' equity	Unrealized holding gain on securities	Total valuation and translation adjustments	
Balances as of March 31, 2006	(3,122)	177,343	32,277	32,277	209,621
Changes during the interim period					
Reversal of reserve for special depreciation*		–			–
Provision of reserve for advanced depreciation of fixed assets*		–			–
Reversal of reserve for advanced depreciation of fixed assets*		–			–
Provision for reserves*		–			–
Dividends from retained earnings*		(2,785)			(2,785)
Directors' bonuses*		(55)			(55)
Net income		11,451			11,451
Purchase of treasury stock	(39)	(39)			(39)
Disposition of treasury stock	121	115			115
Net change in items other than shareholders' equity for the interim period			(1,791)	(1,791)	(1,791)
Total changes for the interim period	82	8,687	(1,791)	(1,791)	6,895
Balances as of September 30, 2006	(3,039)	186,030	30,486	30,486	216,517

Note: Items marked with an asterisk were approved for allocation of retained earnings at the Ordinary General Meeting of Shareholders held in June 2006.

Interim Period of Fiscal 2008 (April 1, 2007 to September 30, 2007)

(Millions of yen)

	Shareholders' equity									
	Common stock	Additional paid-in capital		Retained earnings						
		Legal capital surplus	Total additional paid-in capital	Legal retained earnings	Other retained earnings					Total retained earnings
					Provision of reserve for dividends	Reserve for special depreciation	Reserve for advanced depreciation of fixed assets	Provision for reserves	Retained earnings brought forward	
Balances as of March 31, 2007	17,117	9,500	9,500	4,379	2,000	2	1,002	118,770	35,869	162,024
Changes during the interim period										
Provision for reserves								8,000	(8,000)	–
Dividends from retained earnings									(2,280)	(2,280)
Net income									9,248	9,248
Purchase of treasury stock										–
Disposition of treasury stock									(0)	(0)
Net change in items other than shareholders' equity for the interim period										
Total changes for the interim period	–	–	–	–	–	–	–	8,000	(1,032)	6,967
Balances as of September 30, 2007	17,117	9,500	9,500	4,379	2,000	2	1,002	126,770	34,836	168,991

(Millions of yen)

	Shareholders' equity		Valuation ,translation adjustments and other		New share subscription rights	Total net assets
	Treasury stock, at cost	Total shareholders' equity	Unrealized holding gain on securities	Total valuation, translation adjustments and other		
Balances as of March 31, 2007	(3,003)	185,638	31,606	31,606	–	217,245
Changes during the interim period						
Provision for reserves		–				–
Dividends from retained earnings		(2,280)				(2,280)
Net income		9,248				9,248
Purchase of treasury stock	(47)	(47)				(47)
Disposition of treasury stock	73	73				73
Net change in items other than shareholders' equity for the interim period			(2,794)	(2,794)	2	(2,791)
Total changes for the interim period	25	6,993	(2,794)	(2,794)	2	4,201
Balances as of September 30, 2007	(2,977)	192,632	28,812	28,812	2	221,446

Year ended March 31, 2007 (April 1, 2006 to March 31, 2007)

(Millions of yen)

	Shareholders' equity									
	Common stock	Additional paid-in capital		Retained earnings						
		Legal capital surplus	Total additional paid-in capital	Legal retained earnings	Other retained earnings					Total retained earnings
					Provision of reserve for dividends	Reserve for special depreciation	Reserve for advanced depreciation of fixed assets	Provision for reserves	Retained earnings brought forward	
Balances as of March 31, 2006	17,117	9,500	9,500	4,379	2,000	17	1,117	112,770	33,563	153,847
Changes during the fiscal year										
Reversal of reserve for special depreciation*						(9)			9	–
Reversal of reserve for special depreciation						(4)			4	–
Provision of reserve for advanced depreciation of fixed assets*							66		(66)	–
Reversal of reserve for advanced depreciation of fixed assets*							(63)		63	–
Reversal of reserve for advanced depreciation of fixed assets							(117)		117	–
Provision for reserves*								6,000	(6,000)	–
Dividends from retained earnings*									(2,785)	(2,785)
Dividends from retained earnings (Interim)									(2,279)	(2,279)
Directors' bonuses*									(55)	(55)
Net income									13,312	13,312
Purchase of treasury stock										
Disposition of treasury stock									(15)	(15)
Net change in items other than shareholders' equity for the fiscal year										
Total changes for the fiscal year	–	–	–	–	–	(14)	(114)	6,000	2,305	8,176
Balances as of March 31, 2007	17,117	9,500	9,500	4,379	2,000	2	1,002	118,770	35,869	162,024

Note: Items marked with an asterisk were approved for allocation of retained earnings at the Ordinary General Meeting of Shareholders held in June 2006.

(Millions of yen)

	Shareholders' equity		Valuation, translation adjustments and other		Total net assets
	Treasury stock, at cost	Total shareholders' equity	Unrealized holding gain on securities	Total valuation, translation adjustments and other	
Balances as of March 31, 2006	(3,122)	177,343	32,277	32,277	209,621
Changes during the fiscal year					
Reversal of reserve for special depreciation*		–			–
Reversal of reserve for special depreciation		–			–
Provision of reserve for advanced depreciation of fixed assets*		–			–
Reversal of reserve for advanced depreciation of fixed assets*		–			–
Reversal of reserve for advanced depreciation of fixed assets		–			–
Provision for reserves*		–			–
Dividends from retained earnings*		(2,785)			(2,785)
Dividends from retained earnings (Interim)		(2,279)			(2,279)
Directors' bonuses*		(55)			(55)
Net income		13,312			13,312
Purchase of treasury stock	(86)	(86)			(86)
Disposition of treasury stock	205	189			189
Net change in items other than shareholders' equity for the fiscal year			(671)	(671)	(671)
Total changes for the fiscal year	118	8,295	(671)	(671)	7,624
Balances as of March 31, 2007	(3,003)	185,638	31,606	31,606	217,245

Note: Items marked with an asterisk were approved for allocation of retained earnings at the Ordinary General Meeting of Shareholders held in June 2006.

(Significant Subsequent Events)

Interim Period of FY2007 (April 1, 2006 to September 30, 2006)	Interim Period of FY2008 (April 1, 2007 to September 30, 2007)	FY2007 (April 1, 2006 to March 31, 2007)
	The company resolved, at the meeting of the Board of Directors held on November 9, 2007, to acquire its treasury shares according to the provisions of the Articles of Incorporation as provided for by Article 459, Clause 1, of the Corporation Law. 1. Reason for the acquisition of treasury shares To allow implementation of flexible capital policies according to changes in business environments. 2. Details of acquisition (1) Nature of shares acquired The company's common stock (2) Maximum number of shares acquired 5 million shares (3) Maximum cost of acquisition ¥6 billion (4) Acquisition period From November 12, 2007, to December 28, 2007 (5) Method of acquisition Market purchase	