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

July 29, 2010

Listed Company Name: Nisshin Seifun Group Inc. Registered on Tokyo Stock Exchange
 Securities Code: 2002 and Osaka Securities Exchange
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Date to submit the Quarterly Securities Report: August 11, 2010

Date to start distributing dividends: —

Supplementary documents for this summary of financial statements: None

Explanation meeting for financial results: None

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

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

(1) Consolidated Business Results

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
1Q Fiscal 2011	105,780	(7.5)	7,243	16.3	8,181	13.3
1Q Fiscal 2010	114,372	(0.5)	6,229	19.8	7,222	11.9

	Net income		Net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
1Q Fiscal 2011	4,387	2.9	17.66	17.66
1Q Fiscal 2010	4,264	29.1	17.16	17.16

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
June 30, 2010	387,769	303,356	70.3	1,097.10
March 31, 2010	396,317	303,226	68.8	1,097.72

(Reference) Equity capital: 1Q FY2011: ¥ 272,635 million; FY2010: ¥ 272,755 million.

2. Dividends

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

(Note 1) Revision of the above forecasts was not made in 1Q Fiscal 2011.

(Note 2) The year-end dividend for fiscal 2010 consisted of a ¥10.00 ordinary dividend and a ¥2.00 commemorative dividend

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

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half	213,000	(6.1)	11,700	(4.0)	13,000	(4.9)
Full year	429,000	(3.3)	24,900	(6.3)	27,400	(6.6)

	Net income		Net income per share
	Millions of yen	%	Yen
First half	7,300	(12.8)	29.38
Full year	15,500	(8.0)	62.37

(Note) Revision of the above forecasts was made in 1Q Fiscal 2010.

4. Other Information (For details, please refer to “Other Information” on page 8 of the Attachment.)

(1) Changes in important subsidiaries during the period: None

Note: This refers to changes in specific subsidiaries involving a change in the scope of consolidation during the period under review.

(2) Adoption of simplified accounting methods and special accounting treatment: Yes

Note: This refers to whether the simplified accounting methods and special accounting treatment for preparing quarterly consolidated financial statements were adopted.

(3) Changes in accounting policies and procedure, method of presentation, etc.

1. Changes associated with the revision of accounting standards: Yes

2. Changes other than the above: None

Note: These refer to the changes in accounting policies and procedures and the method of presentation for preparing the quarterly consolidated financial statements stated in “Changes in Basis of Presentation of Quarterly Consolidated Financial Statements.”

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

1. Number of shares issued and outstanding as of the period-end (including treasury shares)

1Q Fiscal 2011	251,535,448	Fiscal 2010	251,535,448
1Q Fiscal 2011	3,030,849	Fiscal 2010	3,059,826
1Q Fiscal 2011	248,490,894	1Q Fiscal 2010	248,476,755

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

3. Average number of shares outstanding

Status of execution of the quarterly review of financial statements:

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

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

The statements contained in this document are based on various assumptions and do not constitute any guarantee or definite promise that projections of future performance or related business policies will actually be realized. The first-half and full-year forecasts shown in this document have been revised from those released on May 13, 2010. For details of assumptions for financial forecasts and other related matters, see “Qualitative Information on Consolidated Performance Forecasts” on page 7 of the Attachment.

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

(1) Qualitative Information on Consolidated Business Performance

[Overview of the Period under Review]

During the period under review, the Japanese economy picked up due to improved corporate performance and increased exports, although personal consumption was not yet on the path to full recovery and severe market environments continued. Under these circumstances, we executed efforts to increase shipments through the development and launch of new products and aggressive promotional activities, while engaging in extensive cost-cutting measures, including those to raise productivity and curtail fixed costs. Meanwhile, we revised downward our product prices to reflect an average 5% decline in the government's sales prices for five brands of imported wheat in April 2010.

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

As a result, consolidated net sales for the first quarter of the fiscal year ending March 2011 amounted to ¥105,780 million, or a 7.5% decrease from the same period of the previous fiscal year, due to the downward revision of product prices. However, profits increased due to increased shipments in the Flour Milling Segment and the Processed Food Segment, especially the yeast and biotechnology businesses, the stabilization of raw material prices for the yeast and biotechnology businesses, the recovery of earnings in the mesh cloth business and continued cost-cutting efforts. Operating income rose 16.3% to ¥7,243 million, ordinary income increased 13.3% to ¥8,181 million and net income advanced 2.9% to ¥4,387 million.

[Business Overview by Segment]

1) Flour Milling Segment

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

In production and distribution, the company continued to promote cost reduction mainly by enhancing productivity and slashing fixed expenditures, while reinforcing measures to secure the safety and reliability of its products.

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

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

As a result, net sales of the Flour Milling Segment decreased 16.3% from the same period of the previous year to ¥40,726 million, but operating income rose 14.3% to ¥3,388 million.

2) Processed Food Segment

In the Processed Food segment, we continued to develop and launch new processed food products that address increasingly diverse customer needs, while engaging in aggressive sales expansion measures. As a result, shipments of pasta, flour for household use, prepared mix products and frozen products performed well, but sales of the processed food business decreased from the previous year mainly due to the downward revision of prices on our flour-related products to reflect the reduction in the government's sales prices for imported wheat. For the prepared dishes and other prepared foods business, we sought sales expansion by, for example, launching a new product called "Ichiju Tasai" in April 2010, which was enabled by the company's accumulated bacteria control technology. We were

also committed to the expansion of overseas businesses, especially in the ever-growing Chinese and Southeast Asian markets, by making active product proposals to acquire new customers and other efforts.

Sales of the yeast business rose from the previous year chiefly due to increased shipments of yeast, flour paste, prepared dishes and bread improvers. Sales of the biotechnology business remained unchanged, as the favorable performance of diagnostic reagents, immunity testing services and serum and culture medium supply more than offset a revenue decline due to the transfer of the fish-farming feed business.

Sales of the healthcare foods business fell below the previous year under continually harsh market environments, despite intensive efforts to expand sales of consumer products.

In June 2010, the company entered into a business alliance contract with EUROGERM of France to further expand its overseas businesses, particularly bread improvers, for bakery customers in the booming Asian market.

As a result, net sales of the Processed Food Segment decreased 1.3% from the same period of the previous year to ¥56,403 million, whereas operating income jumped 19.8% to ¥3,463 million.

3) Others Segment

Sales of the pet food business decreased from the previous year due to the poor performance of cat food products, although the *JP-Style* premium dog food line performed well.

Sales of the engineering business declined from the previous year, affected by the completion of a large plant engineering project in the previous year, although the orders for commissioned powder processing and sales of machines were favorable.

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

As a result, net sales of the Others Segment increased 1.0% to ¥8,650 million. Operating income advanced 24.0% to ¥358 million.

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

(2) Qualitative Information on Consolidated Financial Position

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

Current assets decreased ¥5,930 million from the previous year-end to ¥190,675 million, reflecting decreases in cash and deposits and notes and accounts receivable—trade and an increase in short-term investment securities. Noncurrent assets declined ¥2,617 million to ¥197,093 million, mainly due to a decrease in investments and other assets. As a result, total assets shrunk ¥8,547 million from the previous year-end to ¥387,769 million. Meanwhile, current liabilities decreased ¥7,618 million to ¥54,518 million, mostly due to decreases in income taxes payable and accrued expenses, and noncurrent liabilities decreased ¥1,058 million to ¥29,894 million, primarily due to a decrease in deferred tax liabilities. As a result, total liabilities shrunk ¥8,677 million to ¥84,413 million. Net assets rose ¥129 million to ¥303,356 million, reflecting an increase due to net income for the period, a

decrease due to the payment of dividends and a decrease in valuation and translation adjustments.

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

Net cash provided by (used in) operating activities

An increase in cash and cash equivalents due to income before income taxes and minority interests of ¥7,999 million and depreciation and amortization of ¥3,237 million surpassed a decrease in cash and cash equivalents chiefly due to the ¥7,540 million payment of income taxes. This led to net cash provided by operating activities of ¥2,614 million for the period under review.

Net cash provided by (used in) investing activities

Payments for purchases of property, plant and equipment and intangible assets amounted to ¥2,413 million, whereas proceeds from repayment and maturity of time deposits with terms exceeding three months and short-term investment securities surpassed payments for them by ¥5,768 million. This led to net cash provided by investing activities of ¥2,225 million.

Free cash flow, the sum of cash flows from operating and investing activities, amounted to an inflow of ¥4,839 million in the first quarter of the fiscal year ending March 2011.

Net cash provided by (used in) financing activities

To further distribute profits to shareholders, the company increased the year-end ordinary dividend by ¥1 per share, to which it also added a commemorative dividend of ¥2 per share for celebrating the 110th anniversary. Therefore, the payment of dividends amounted to ¥2,982 million for the period, leading to net cash used in financing activities of ¥3,420 million.

As a result, consolidated cash and cash equivalents at the end of the first quarter of the fiscal year ending March 2011 advanced ¥1,572 million from the previous year-end to ¥31,547 million.

(3) Qualitative Information on Consolidated Performance Forecasts

Primarily due to overall steady shipments and the stability of raw material prices for the yeast and biotechnology businesses, the Nisshin Seifun Group enjoyed favorable business performance during the first quarter of the year ending March 31, 2011. However, the harsh employment environment and continued deflation will likely continue sluggish consumer spending, resulting in continued severe business conditions for all the company's business segments. Therefore, we expect the business performance for the second quarter and thereafter to be almost as originally projected. Under these circumstances, the group will continue aggressive advertising and promotional activities to expand shipments, engage in R&D efforts to develop new products that suit increasingly diverse consumer needs and explore new business opportunities at home and abroad to ensure the sustainable growth of the group. For further overseas development, the group will pursue the launch of new businesses, while strongly promoting the expansion of existing businesses.

Accordingly, the company has revised upward its income forecasts from the consolidated performance forecasts released on May 13, 2010, for the first half and the full year of the fiscal year ending March 2011. Details of the revision are shown below.

Today, the company released the "Notice of Commencing the Tender Offer for Shares of Oriental Yeast Co., Ltd., a Subsidiary of Nisshin Seifun Group Inc." and the "Notice of Commencing the Tender Offer for Shares of NBC Meshtec Inc., a Subsidiary of Nisshin Seifun Group Inc." The tender offers are designed to acquire 100% ownership of the said companies to achieve efficient and optimized business management on a group basis, thereby enhancing the corporate value of the group in the long term. The effect of these tender offers on the performance forecasts for the year ending March 31, 2011, is being examined currently. Any revision to the forecasts and/or any matters to be released in connection to the tender offers will be disclosed as soon as they occur.

(Revised Consolidated Performance Forecasts)

1) For the first half of the year ending March 31, 2011 (April 1, 2010, to September 30, 2010)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Forecast before revision (A)	213,000	10,700	12,000	6,700	26.96
Forecast after revision (B) (Comparison with the same period of the previous year, %)	213,000 (93.9)	11,700 (96.0)	13,000 (95.1)	7,300 (87.2)	29.38
Change (B – A)	–	1,000	1,000	600	–
Change (%)	–	9.3	8.3	9.0	–
(Reference) Actual results for the first half of the year ended March 31, 2010	226,878	12,182	13,664	8,370	33.69

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

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Forecast before revision (A)	429,000	23,900	26,400	14,900	59.97
Forecast after revision (B) (Comparison with the same period of the previous year, %)	429,000 (96.7)	24,900 (93.7)	27,400 (93.4)	15,500 (92.0)	62.37
Change (B – A)	–	1,000	1,000	600	–
Change (%)	–	4.2	3.8	4.0	–
(Reference) Actual results for the year ended March 31, 2010	443,728	26,576	29,327	16,839	67.77

2. Other Information

(1) Changes in Important Subsidiaries

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

None.

(2) Simplified Accounting Methods and Special Accounting Treatment

(Special accounting treatment for preparing quarterly consolidated financial statements)

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

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

(3) Changes in Accounting Policies and Procedures, Method of Presentation, etc.

1. Changes associated with the revision of accounting standards

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

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

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

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

2. Changes other than the above

None.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2011 First Quarter (As of June 30, 2010)	Fiscal 2010 Condensed Consolidated Balance Sheets (As of March 31, 2010)
Assets		
Current assets		
Cash and deposits	60,762	69,871
Notes and accounts receivable—trade	53,376	56,480
Short-term investment securities	24,599	21,648
Inventories	37,793	37,442
Other	14,378	11,452
Allowance for doubtful accounts	(234)	(288)
Total current assets	190,675	196,606
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	44,589	44,983
Machinery, equipment and vehicles, net	30,022	30,806
Land	33,654	33,167
Other, net	5,316	5,200
Total property, plant and equipment	113,583	114,158
Intangible assets	3,789	3,827
Investments and other assets		
Investment securities	69,991	72,325
Other	9,883	9,552
Allowance for doubtful accounts	(154)	(152)
Total investments and other assets	79,720	81,725
Total noncurrent assets	197,093	199,710
Total assets	387,769	396,317

(Millions of yen)

	Fiscal 2011 First Quarter (As of June 30, 2010)	Fiscal 2010 Condensed Consolidated Balance Sheets (As of March 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	21,073	22,274
Short-term loans payable	2,882	2,864
Income taxes payable	3,217	7,708
Provision	84	260
Accrued expenses	10,259	14,007
Other	17,002	15,021
	-----	-----
Total current liabilities	54,518	62,137
Noncurrent liabilities		
Long-term loans payable	286	271
Provision		
Provision for retirement benefits	9,153	9,113
Other provision	1,820	1,841
	-----	-----
Total provisions	10,973	10,955
Deferred tax liabilities	11,512	12,657
Other	7,121	7,068
	-----	-----
Total noncurrent liabilities	29,894	30,953
Total liabilities	84,413	93,090
Net assets		
Shareholders' equity		
Capital stock	17,117	17,117
Capital surplus	9,446	9,448
Retained earnings	232,066	230,661
Treasury stock	(3,157)	(3,187)
	-----	-----
Total shareholders' equity	255,473	254,040
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	18,475	20,303
Deferred gains or losses on hedges	(150)	105
Foreign currency translation adjustment	(1,162)	(1,693)
	-----	-----
Total valuation and translation adjustments	17,162	18,715
Subscription rights to shares	96	83
Minority interests	30,624	30,388
Total net assets	303,356	303,226
Total liabilities and net assets	387,769	396,317

(2) Quarterly Consolidated Statements of Income
(For the First Quarter of Fiscal 2011)

(Millions of yen)

	Fiscal 2010 First Quarter (April 1, 2009 to June 30, 2009)	Fiscal 2011 First Quarter (April 1, 2010 to June 30, 2010)
Net sales	114,372	105,780
Cost of sales	80,484	70,836
Gross profit	33,887	34,943
Selling, general and administrative expenses	27,658	27,699
Operating income	6,229	7,243
Non-operating income	1,070	1,097
Interest income	86	70
Dividends income	517	639
Equity in earnings of affiliates	245	177
Other	221	210
Non-operating expenses	77	158
Interest expenses	19	18
Foreign exchange losses	–	106
Other	58	33
Ordinary income	7,222	8,181
Extraordinary income	159	33
Gain on sales of noncurrent assets	2	–
Gain on liquidation of subsidiaries and affiliates	157	–
Compensation income for damage	–	33
Extraordinary loss	119	215
Loss on retirement of noncurrent assets	92	163
Impairment loss	–	45
Other	27	7
Income before income taxes and minority interests	7,262	7,999
Income taxes	2,720	3,159
Income before minority interests	–	4,840
Minority interests in income	278	452
Net income	4,264	4,387

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2010 First Quarter (April 1, 2009 to June 30, 2009)	Fiscal 2011 First Quarter (April 1, 2010 to June 30, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	7,262	7,999
Depreciation and amortization	3,680	3,237
Impairment loss	–	45
Increase (decrease) in provision for retirement benefits	96	37
Decrease (increase) in prepaid pension costs	160	(225)
Interest and dividends income	(603)	(709)
Interest expenses	19	18
Equity in (earnings) losses of affiliates	(245)	(177)
Decrease (increase) in notes and accounts receivable—trade	3,449	3,198
Decrease (increase) in inventories	4,528	(217)
Increase (decrease) in notes and accounts payable—trade	(239)	(1,266)
Other, net	(830)	(2,892)
Subtotal	17,278	9,047
Interest and dividends income received	943	1,125
Interest expenses paid	(26)	(18)
Income taxes paid	(4,599)	(7,540)
Net cash provided by (used in) operating activities	13,596	2,614
Net cash provided by (used in) investing activities		
Payments into time deposits	(38,913)	(31,538)
Proceeds from withdrawal of time deposits	17,600	36,319
Purchase of short-term investment securities	–	(3,012)
Proceeds from sales of short-term investment securities	800	4,000
Purchase of property, plant and equipment and intangible assets	(4,031)	(2,413)
Proceeds from sales of property, plant and equipment and intangible assets	(218)	(91)
Purchase of investment securities	(522)	(1,011)
Proceeds from sales of investment securities	0	0
Payments of long-term loans receivable	(0)	(2)
Collection of long-term loans receivable	1	12
Other, net	141	(37)
Net cash provided by (used in) investing activities	(25,142)	2,225
Net cash provided by (used in) financing activities		
Decrease in short-term loans payable	(25)	(0)
Repayment of long-term loans payable	–	(3)
Proceeds from sales of treasury stock	28	37
Purchase of treasury stock	(8)	(9)
Cash dividends paid	(2,236)	(2,982)
Other, net	(397)	(461)
Net cash provided by (used in) financing activities	(2,640)	(3,420)
Effect of exchange rate change on cash and cash equivalents	302	153
Net increase (decrease) in cash and cash equivalents	(13,883)	1,572
Cash and cash equivalents at beginning of period	40,339	29,975
Cash and cash equivalents at end of period	26,456	31,547

(4) Notes on the Premise of a Going Concern

None.

(5) Segment Information

[Business Segment Information]

First Quarter of Fiscal 2010 (April 1, 2009 to June 30, 2009)

(Millions of yen)

	Flour Milling	Processed Food	Others	Total	Eliminations / Corporate	Consolidated
Net sales						
(1) Sales to external customers	48,651	57,158	8,562	114,372	–	114,372
(2) Intersegment sales and transfers	5,867	125	775	6,769	(6,769)	–
Total	54,518	57,284	9,338	121,142	(6,769)	114,372
Operating income	2,964	2,890	288	6,144	85	6,229

Notes:

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

2. Primary products for each business segment:

Flour milling: Flour, bran

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

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

[Segment Information]

1. Description of reportable segments

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

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

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

Flour Milling: Flour, bran

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

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

First Quarter of Fiscal 2011 (April 1, 2010, to June 30, 2010)

(Millions of yen)

	Reportable Segments			Others (Note 1)	Total	Adjustment (Note 2)	Carried on Quarterly Statement of Income (Note 3)
	Flour Milling	Processed Food	Total				
Net sales							
Sales to external customers	40,726	56,403	97,129	8,650	105,780	–	105,780
Intersegment sales and transfers	4,961	125	5,086	618	5,705	(5,705)	–
Total	45,687	56,529	102,216	9,268	111,485	(5,705)	105,780
Segment profit	3,388	3,463	6,852	358	7,210	33	7,243

Notes:

1. The "Others" segment is a business segment, although not designated as a reportable segment, that includes the pet food, engineering, mesh cloth, transport and storage businesses.
2. The adjustment of ¥33 million in segment profit includes ¥32 million eliminated for inter-segment transactions.
3. Segment profit is presented so that the total reconciles with operating income on the quarterly statement of income.

(Additional Information)

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

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

The dividends from surplus for the first quarter of the fiscal year ending March 2011 are as follows. There are no other applicable notes.

(Dividends paid)

The following resolution was made at the Ordinary General Meeting of Shareholders held on June 25, 2010.

Dividends on common stock:

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

(7) Significant Subsequent Events

(Tender Offer for Shares of Common Stock of Oriental Yeast Co., Ltd.)

Nisshin Seifun Group Inc. resolved at a meeting of the Board of Directors on July 29, 2010, to purchase the common shares of Oriental Yeast Co., Ltd. (hereinafter “Oriental”), a consolidated subsidiary of the company, by way of a public tender offer (hereinafter the “Tender Offer”). The Tender Offer will begin on July 30, 2010.

1. Purpose of the Tender Offer

Oriental was established in 1929 by the founder of Nisshin Seifun Group Inc. and others as Japan’s first manufacturer of yeast for making bread. Subsequently, Oriental’s range of businesses expanded from the supply of food ingredients, including yeast, to feed and the bio-related business. Currently, the core businesses of Oriental are food and bio-technology, for which it has a firm presence in domestic markets.

With the growing need for the globalization of its business operations to counter the shrinking domestic markets due to the declining birthrate and the aging population, Oriental has focused on reinforcing the development and marketing of new technologies and products that achieve differentiation from competitors, while carrying out various measures in strong recognition of the importance of overseas strategies in the foreseeable future.

However, the worldwide economic downturn has led to continued sluggishness of consumer spending, making the economic conditions surrounding Oriental difficult. To address the severe market environment and build a long-term and sustainable earning base, it is essential to conduct management in a way to ensure the medium- and long-term expansion of businesses, without being excessively swayed by short-lived fluctuations in business performance. It is also essential to build closer and stronger cooperation between Oriental and Nisshin Seifun Group Inc., through joint engagement in the development of new products and technologies, reinforcement of the marketing alliance and utilization of Oriental’s enzyme technologies in the business operations of Nisshin Seifun Group. With these goals in mind, Oriental and Nisshin Seifun Group Inc. had repeated discussions and concluded that consolidating Oriental as a 100%-owned subsidiary of Nisshin Seifun Group Inc. best contributes to increasing the long-term corporate value of Oriental and thereby the corporate value of the whole group.

2. Profile of Oriental Yeast Co. Ltd.

- | | |
|------------------------------|--|
| (1) Name: | Oriental Yeast Co., Ltd. |
| (2) Location: | 6-10, Azusawa 3-chome, Itabashi-ku, Tokyo |
| (3) Representative: | Ryuji Nakamura, President |
| (4) Businesses: | Manufacturing and sale of cake and bread ingredients and biochemical products, and life science business |
| (5) Capital: | ¥2,617 million |
| (6) Establishment: | June 30, 1929 |
| (7) Number of shares issued: | 33,171,087 shares of common stock |

3. Outline of the Tender Offer

Nisshin Seifun Group Inc. decided at a meeting of the Board of Directors on July 29, 2010, to conduct the Tender Offer for all issued shares of the common stock of Oriental (excluding the shares of common stock already held by Nisshin Seifun Group Inc. and Oriental’s self-owned treasury

shares) to make it a 100%-owned consolidated subsidiary. Nisshin Seifun Group Inc. does not set the upper and lower limits for the number of shares to be purchased through the Tender Offer. Oriental's Board of Directors resolved at its meeting held on the same day to approve the Tender Offer and recommend that shareholders of Oriental subscribe to the Tender Offer.

- (1) Planned number of share certificates to be purchased: 18,635,624 shares of common stock
- (2) Tender Offer period: From July 30, 2010, to September 13, 2010
- (3) Tender Offer price: ¥800 per share of common stock
- (4) Tender Offer cost: ¥14,908 million
- (5) Commencement date of settlement: September 21, 2010

4. Policy for reorganization after the completion of the Tender Offer (matters regarding the so-called two-tiered offer)

As stated in the "Outline of the Tender Offer" above, Nisshin Seifun Group Inc. intends to make Oriental a 100%-owned consolidated subsidiary. Accordingly, Nisshin Seifun Group Inc. plans to acquire all issued and outstanding shares of Oriental (excluding the shares of common stock already held by Nisshin Seifun Group Inc. and Oriental's self-owned treasury shares) through the Tender Offer and subsequent procedures according to the Companies Act.

(Tender Offer for Shares of Common Stock of NBC Meshtec Inc.)

Nisshin Seifun Group Inc. resolved at a meeting of its Board of Directors on July 29, 2010, to purchase the common shares of NBC Meshtec Inc. (hereinafter "NBC"), a consolidated subsidiary of the company, by way of a public tender offer (hereinafter the "Tender Offer"). The Tender Offer will begin on July 30, 2010.

1. Purpose of the Tender Offer

Established in 1934 by the founder of Nisshin Seifun Group Inc. and others to achieve domestic production of mesh for sifting flour, NBC has continually sought the evolution and development of mesh technology and the commercialization of mesh products, expanding its business to include mesh cloths for screen-printing applications and forming filters by flexibly accommodating market needs. Currently, NBC provides several thousand products, including advanced mesh products using ultrafine monofilament yarns, which are produced with its unique, world-leading manufacturing technology.

The business environment surrounding NBC is severe, as the prolonged economic stagnation triggered by the global financial crisis has forced the print-circuit board industry, one of NBC's major customers, to restructure production by consolidating factories and other means to address declining demand. The automotive parts industry, another major customer, is also in a difficult situation on a worldwide basis, except for some special types of vehicles. As represented by largely fluctuating raw material and fuel costs and the declining birthrate and the aging population of Japan, NBC faces increasingly complex changes in the business and market environments. Under these circumstances, NBC focuses on R&D efforts, which will underpin its continued growth and propel business expansion into new fields, while promoting active overseas operations, reinforcing domestic marketing forces and making thorough cost cuts in production and distribution to increase profitability.

To achieve sustainable growth in these harsh business environments, however, it is essential to conduct management in a way to ensure the medium- and long-term expansion of businesses, without

being excessively swayed by short-lived fluctuations in business performance. It is also necessary to build closer and stronger cooperation between NBC and Nisshin Seifun Group Inc. to ensure that NBC is stably and timely accessible to management resources, including funds and people, to maintain and improve its world-leading technological and development abilities—a critical foundation for its businesses—and secure a competitive edge in the market. With these goals in mind, NBC and Nisshin Seifun Group Inc. had repeated discussions and concluded that consolidating NBC as a 100%-owned subsidiary of Nisshin Seifun Group Inc. best contributes to increasing the long-term corporate value of NBC and thereby the corporate value of the whole group.

2. Profile of NBC Meshtec Inc.

- (1) Name: NBC Meshtec Inc.
- (2) Location: 50-3, Toyoda 2 chome, Hino-shi, Tokyo
- (3) Representative: Akio Ishizuka, President
- (4) Businesses: Manufacturing and sale of mesh cloths and forming filters
- (5) Capital: ¥1,992 million
- (6) Establishment: November 6, 1934
- (7) Number of shares issued: 9,309,000 shares of common stock

3. Outline of the Tender Offer

Nisshin Seifun Group Inc. decided at a meeting of the Board of Directors on July 29, 2010, to conduct the Tender Offer for all issued shares of the common stock of NBC (excluding the shares of common stock already held by Nisshin Seifun Group Inc. and its fully owned subsidiaries Nisshin Associates Inc., Nisshin Engineering Inc. and Nisshin Trading Inc.—the four companies are collectively called the “Tender Offerors”—and NBC’s self-owned treasury shares) to make it a 100%-owned consolidated subsidiary of Nisshin Seifun Group Inc. The upper and lower limits are not set for the number of shares to be purchased through the Tender Offer. NBC’s Board of Directors resolved at its meeting held on the same day to approve the Tender Offer and recommend that shareholders of NBC subscribe to the Tender Offer.

- (1) Planned number of share certificates to be purchased: 4,591,786 shares of common stock
- (2) Tender Offer period: From July 30, 2010, to September 13, 2010
- (3) Tender Offer price: ¥1,395 per share of common stock
- (4) Tender Offer cost: ¥6,406 million
- (5) Commencement date of settlement: September 21, 2010

4. Policy for reorganization after the completion of the Tender Offer (matters regarding the so-called two-tiered offer)

As stated in the “Outline of the Tender Offer” above, Nisshin Seifun Group Inc. intends to make NBC a 100%-owned consolidated subsidiary. Accordingly, Nisshin Seifun Group Inc. plans to acquire all issued and outstanding shares of NBC (excluding the shares of common stock already held by the Tender Offerors and NBC’s self-owned treasury shares) through the Tender Offer and subsequent procedures according to the Companies Act.