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Summary of Financial Statements for the Second Quarter of Fiscal 2009

October 30, 2008

Listed Company Name: Nisshin Seifun Group Inc. Registered on Tokyo Stock Exchange
 Securities Code: 2002 and Osaka Securities Exchange
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Date to submit the Quarterly Securities Report: November 13, 2008

Date to start distributing dividends: December 5, 2008

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

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

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
2Q Fiscal 2009	231,395	-	9,798	-	11,187	-
2Q Fiscal 2008	210,851	1.5	8,207	(8.4)	10,336	(5.4)

	Net income		Net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
2Q Fiscal 2009	5,395	-	21.72	21.71
2Q Fiscal 2008	6,237	15.5	24.62	24.61

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
September 30, 2008	380,653	292,666	69.0	1,057.02
March 31, 2008	381,795	289,839	67.9	1,043.53

(Reference) Equity capital: 2Q FY2009: ¥262,648 million; FY2008: ¥259,177 million.

2. Dividends

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

(Note) Revision of the above forecasts was not made in 2Q Fiscal 2009.

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

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

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

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

(Note) Revision of the above forecasts was not made in 2Q Fiscal 2009.

4. Other Information

- (1) Changes in important subsidiaries involving a change in the scope of consolidation during the period: None
- (2) Adoption of simplified accounting methods and specific methods for quarterly accounting: Yes
For details, see “4. Other Information” on page 8 under the heading of Qualitative Information/Financial Statements.
- (3) Changes in accounting policies and procedures and the method of presentation for preparing quarterly consolidated financial statements (those stated in “Changes in Basis of Presentation of Quarterly Consolidated Financial Statements”)
1. Changes associated with the revision of accounting standards: Yes
 2. Changes other than the above: Yes
- For details, see “4. Other Information” on page 8 under the heading of Qualitative Information/Financial Statements.
- (4) Number of shares issued and outstanding (common stock)
1. Number of shares issued and outstanding as of the period-end (including treasury shares):

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

2Q Fiscal 2009:	3,056,119	Fiscal 2008:	3,170,042
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 3. Average number of shares outstanding

2Q Fiscal 2009:	248,428,542	2Q Fiscal 2008:	253,334,138
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*Statement regarding the proper use of financial forecasts and other special remarks

1. The statements contained in this document are based on various assumptions and do not constitute any guarantee or definite promise that projections of future performance or related business policies will actually be realized. For details of assumptions for financial forecasts and other related matters, see pages 5 to 7.
2. Effective from the fiscal year ending March 31, 2009, the company adopted the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12) and Guidance on the Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14). The company prepares its quarterly consolidated financial statements in accordance with the “quarterly consolidated financial accounting rules.” According to the provision of Article 7, Paragraph 1-5, of the Additional Rules to the Cabinet Office Ordinance on Partial Revision of the Regulation for Terminology, Forms and Preparation of Financial Statements and Other Regulations (Cabinet Office Ordinance No. 50 on August 7, 2008), preparation of the consolidated financial statements for the second quarter of the fiscal year ending March 31, 2009, complies with the revised quarterly consolidated financial accounting rules.

Qualitative Information/Financial Statements

1. Qualitative Information on Consolidated Business Performance

[Overview of the Period under Review]

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

As a result, consolidated net sales for the first half of the fiscal year ending March 2009 increased from the same period of the previous fiscal year to ¥231,395 million. For the fiscal years ended March 2007 and 2008, the Processed Food Segment suffered stagnant profitability because product price revisions were not conducted swiftly enough to absorb increased procurement costs. For the period under review, however, the business performance of the Processed Food Segment improved, raising the company's consolidated operating income to ¥9,798 million and ordinary income to ¥11,187 million. However, net income decreased, reflecting a significant fall in extraordinary income from the same period of the previous fiscal year.

[Business Overview by Segment]

(1) Flour Milling Segment

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

In production and distribution, the company continued to carry out measures to boost productivity and improve logistics, as the construction of additional lines at the Higashinada Plant was completed and they started full-scale operation in September 2008. The company also continued to enhance the reliability and safety of its products.

The price of bran, a by-product of the milling process, enjoyed a steady increase owing to high grain market prices.

In overseas operations, the company endeavored to strengthen relationships with customers and carried out price revisions to counter high wheat market prices, which resulted in favorable sales.

As a result, net sales of the Flour Milling Segment were ¥98,358 million, and operating income was ¥5,227 million.

(2) Processed Food Segment

During the period under review, the processed food business revised upward its prices for household-use flour and flour-processed food products in May 2008 and for the imported pasta *De Cecco* series in September 2008. Although the entire food industry suffered sluggish demand, the company launched 26 new items for household-use in August 2008 and made continued efforts to

boost demand by carrying out aggressive promotional efforts, such as the *Ma•Ma Dinner Pasta* promotion. As a result, net sales for the business remained almost unchanged from the same period of the preceding fiscal year. Meanwhile, operating income increased owing to improved profitability, which had declined due to the delay of price revisions to absorb increased procurement costs, and cost-cutting efforts continued by reviewing sales promotion and other costs. In the prepared dishes and other prepared foods business, various measures to improve profitability were steadily implemented. The overseas business achieved favorable sales, as a result of efforts to create demand, including the launch of an R&D center in Thailand to enable active product proposals.

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

Sales of the healthcare foods business remained unchanged from the previous year due to the continuing severe situation of coenzyme Q₁₀, although the company sought to expand sales of value-added products by accelerating the launch of new products.

As a result, net sales of the Processed Food Segment were ¥114,235 million, and operating income was ¥3,288 million.

(3) Others Segment

The pet food business carried out upward product price revisions to counter rising procurement costs primarily due to a sharp rise in ingredient prices. Despite the effort to expand sales by aggressively launching new products, the upward price revisions decreased the level of shipments, holding sales in the pet food business at the previous year's level.

Sales of the engineering business declined primarily due to increased sluggishness in the capital expenditures of the industries related to the mainstay plant engineering services, although revenue from equipment sales and entrusted powder-processing services increased.

Sales and income of the mesh cloths business were weak, reflecting the sluggishness of mainstay mesh cloths for screen-printing applications and industrial-use materials for speaker grills, etc., despite strong sales of forming filters.

As a result, net sales of the Others Segment were ¥18,801 million, and operating income was ¥1,327 million.

2. Qualitative Information on Consolidated Financial Position

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

Current assets declined ¥3,141 million from the previous year-end to ¥163,699 million, mainly due to decreases in cash and marketable securities and an increase in inventories. Fixed assets increased ¥1,999 million to ¥216,953 million, mainly reflecting an increase in investments and other assets. As a result, total assets decreased ¥1,141 million from the previous year-end to ¥380,653 million. Meanwhile, current liabilities declined ¥4,767 million to ¥53,957 million, mostly due to a reduction in notes and accounts payable, whereas long-term liabilities increased ¥798 million to ¥34,028 million, primarily due to an increase in deferred tax liabilities. As a result, total liabilities

decreased ¥3,968 million to ¥87,986 million. Net assets increased ¥2,826 million to ¥292,666 million, reflecting an increase due to net income for the period, a decrease due to the payment of dividends and an increase in valuation and translation adjustments.

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

Cash flows from operating activities

Increases in cash mainly from income before income taxes and minority interests of ¥10,605 million and depreciation and amortization of ¥7,424 million were surpassed by decreases in cash primarily due to an increase in inventories of ¥15,025 million and income taxes paid of ¥3,853 million. As a result, net cash used in operating activities during the first half of the fiscal year ending March 2009 was ¥5,648 million.

Cash flows from investing activities

Although proceeds from time deposits with terms exceeding three months and marketable securities surpassed payments thereof by ¥6,400 million, payments for purchases of tangible and intangible fixed assets amounted to ¥7,213 million. As a result, net cash used in investing activities during the first half of the fiscal year ending March 2009 was ¥806 million.

Free cash flow, the sum of cash flows from operating and investing activities, amounted to an outflow of ¥6,454 million in the first half of the fiscal year ending March 2009.

Cash flows from financing activities

Primarily due to the payment of dividends to shareholders amounting to ¥2,235 million, net cash used in financing activities was ¥3,182 million.

As a result, consolidated cash and cash equivalents at the end of the second quarter of the fiscal year ending March 2009 decreased ¥10,374 million from the previous year-end to ¥28,542 million.

3. Qualitative Information on Consolidated Performance Forecasts

The company enjoyed favorable business performance during the first half of the fiscal year ending March 2009. However, there was an across-the-board 10% raise in the government's sales prices of imported wheat in October 2008 and the industry-wide level of shipments declined from the previous year in the markets associated with the company's major products in the Flour Milling and Processed Food segments. Moreover, the entire world economy is experiencing severe conditions, as represented by the worldwide financial crisis and the slump in stock markets stemming from the subprime loan crisis in the United States. Due to the increasing uncertainty of the future business environment, our performance forecasts for the full-year period remain unchanged from the original projections.

To overcome these difficulties, the group will step up advertising and promotional activities and focus on increasing shipments of high-value-added products, while continuing to promote cost reductions in all of its business fields. In addition, we will secure product prices commensurate with costs in all business segments, while promoting business expansion in areas with high growth potential, including the overseas business.

As concern for food safety is growing, the group will continue to reinforce its quality assurance system and promote environmental protection efforts, as represented by the group-wide acquisition of the ISO 14001 certification in September 2008.

(1) Flour Milling Segment

Under the increasingly severe flour market circumstances, the company will strive for greater market share by further strengthening customer relationships by creating demand through the development of products that swiftly and accurately reflect market changes and customer needs and offering marketing proposals. In production and distribution, the additional lines at the Higashinada Plant started full-scale operation in September 2008, contributing to cost reductions by boosting productivity. In addition, the company will continue to enhance the reliability and safety of its products.

Following the October 2008 across-the-board 10% raise in the government's prices for imported wheat, the company will begin to make upward price revisions for wheat flour in November 2008.

In overseas operations, the company will continue to promote business expansion in North America and Southeast Asia.

(2) Processed Food Segment

In the processed food business, the company, as a "mealtime solution provider," will continue to promote the development of new products based on the concepts of authenticity, convenience and good health, and enhance the image of its *Ma•Ma* brand, while carrying out cost-cutting measures. Beginning in November 2008, the company will make upward price revisions for household-use flour and flour-processed food products to reflect increases in the prices of wheat flour and other ingredients. The prepared dishes and other prepared foods business will continue to implement measures to improve profitability. For overseas operations, focused efforts will be directed toward the expansion of businesses in Southeast Asia and China.

The yeast business will seek sales expansion by offering a packaged deal of yeast, bread improvers and fermented liquids and the launch of new items of flour paste and butter cream, while carrying out product price revisions to counter increased ingredient and other prices. The biotechnology business will promote the launch of new biochemical and immunochemical products, while exploring a greater spectrum of laboratory animal and analysis businesses.

The healthcare foods business will revise its production and sales systems to deal with the lingering difficult conditions of the coenzyme Q₁₀ market, while stepping up efforts to develop new materials and products.

(3) Others Segment

The pet food business launched the first over-the-counter products of the *JP-Style* brand—a premium dog food made of selected domestic materials—in October 2008. The company will continue to exploit its advantages as a domestic manufacturer to develop new dog and cat food products differentiated by safety, health and taste, while making aggressive marketing efforts.

The engineering business is expected to suffer increasingly sluggish capital investments by related industries. However, the company will endeavor to secure orders for the mainstay plant engineering services, further expand the currently favorable sales of powder-processing machines and seek greater procurement cost reductions.

The mesh cloths business will continue to aggressively develop overseas markets, strengthen

domestic sales capabilities, enhance R&D systems and improve the efficiency of production and purchase departments.

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

4. Other Information

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

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

(Specific methods for quarterly accounting)

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

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

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

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

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

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

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

The effects of this change to the company’s consolidated profit and income and segment information during the first half of the fiscal year ending March 2009 are negligible.

3) Effective from the first quarter of the fiscal year ending March 2009, the company adopted Practical Issues Task Force No. 18, “Practical Solution on the Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (issued by the

ASBJ on May 17, 2006), and made necessary adjustments when preparing the quarterly financial statements.

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

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

2. Changes other than above

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

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

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

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2009 Second Quarter (As of September 30, 2008)	Condensed Consolidated Balance Sheets for Fiscal 2008 (As of March 31, 2008)
Assets:		
Current assets:		
Cash	37,674	43,987
Trade notes and accounts receivable	55,433	58,000
Marketable securities	3,299	13,704
Inventories	54,966	40,313
Other	12,530	11,052
Allowance for doubtful accounts	(203)	(217)
	-----	-----
Total current assets	163,699	166,841
Fixed assets:		
Property, plant and equipment, net:		
Buildings and structures, net	45,542	45,276
Machinery, equipment and vehicles, net	35,172	32,526
Land	33,054	33,187
Other, net	4,893	8,281
	-----	-----
Total property, plant and equipment, net	118,663	119,272
Intangible assets	4,017	4,610
Investments and other assets:		
Investment securities	86,160	84,524
Other	8,276	6,806
Allowance for doubtful accounts	(164)	(260)
	-----	-----
Total investments and other assets	94,272	91,071
Total fixed assets	216,953	214,953
Total assets	380,653	381,795

(Millions of yen)

	Fiscal 2009 Second Quarter (As of September 30, 2008)	Condensed Consolidated Balance Sheets for Fiscal 2008 (As of March 31, 2008)
Liabilities:		
Current liabilities:		
Notes and accounts payable	21,443	23,875
Short-term debt	3,997	3,969
Income taxes payable	4,218	3,870
Allowance	121	214
Accrued expenses	13,932	13,600
Other	10,243	13,194
Total current liabilities	53,957	58,724
Long-term liabilities:		
Long-term debt	532	1,093
Allowance:		
Allowance for employees' retirement benefits	8,280	8,325
Other	1,843	1,300
Total allowance	10,124	9,625
Deferred tax liabilities	16,666	15,847
Other	6,705	6,663
Total long-term liabilities	34,028	33,230
Total liabilities	87,986	91,955
Net assets:		
Shareholders' equity:		
Common stock	17,117	17,117
Additional paid-in capital	9,446	9,446
Retained earnings	212,326	209,221
Less: Treasury stock, at cost	(3,168)	(3,263)
Total shareholders' equity	235,722	232,521
Valuation and translation adjustments:		
Unrealized holding gain on securities	27,259	26,115
Deferred losses on hedging transactions	(197)	(250)
Foreign currency translation adjustments	(136)	791
Total valuation and translation adjustments	26,925	26,655
Stock acquisition rights	19	8
Minority interests	29,999	30,653
Total net assets	292,666	289,839
Total liabilities and net assets	380,653	381,795

(2) Quarterly Consolidated Statements of Income
(For the First Half of Fiscal 2009)

(Millions of yen)

	Fiscal 2009 Second Quarter (April 1, 2008 to September 30, 2008)
Net sales	231,395
Cost of sales	166,049

Gross profit	65,346
Selling, general and administrative expenses	55,547

Operating income	9,798
Non-operating income:	1,548
Interest income	211
Dividend income	622
Equity in earnings of affiliated companies	282
Other income	431
Non-operating expenses:	159
Interest expense	97
Other expenses	61

Ordinary income	11,187
Extraordinary income:	103
Gain on sale of property, plant and equipment	2
Gain on sale of investment securities	27
Gain on liquidation of affiliated companies	67
Other	5
Extraordinary losses:	685
Loss on disposal of fixed assets	341
Loss on production system reformation	280
Other	63

Income before income taxes and minority interests	10,605
Income taxes	4,525
Minority interests	684
Net income	5,395

(4) Quarterly Consolidated Statements of Cash Flows

	(Millions of yen)
	Fiscal 2009 Second Quarter (April 1, 2008 to September 30, 2008)
I. Cash flows from operating activities:	
Income before income taxes and minority interests	10,605
Depreciation and amortization	7,424
Decrease in allowance for employees' retirement benefits	(36)
Increase in prepaid pension cost	(1,606)
Interest and dividends income	(834)
Interest expense	97
Equity in earnings of affiliated companies	(282)
Gain on sale of investment securities	(28)
Decrease in trade notes and accounts receivable	2,367
Increase in inventories	(15,025)
Decrease in notes and accounts payable	(2,571)
Other	(3,032)

Subtotal	(2,922)
Interest and dividends received	1,224
Interest paid	(97)
Income taxes paid	(3,853)

Net cash used in operating activities	(5,648)
II. Cash flows from investing activities:	
Payments for time deposits	(6,623)
Proceeds from repayment of time deposits	3,123
Payments for purchases of marketable securities	(1,799)
Proceeds from sales of marketable securities	11,700
Payments for purchases of fixed assets	(7,213)
Proceeds from sales of fixed assets	(91)
Payments for purchases of investment securities	(86)
Proceeds from sales of investment securities	75
Payments for long-term loans receivable	(2)
Proceeds from collections of long-term loans receivable	5
Other	106

Net cash used in investing activities	(806)
III. Cash flows from financing activities:	
Proceeds from short-term debt	204
Repayments of short-term debt	(237)
Repayments of long-term debt	(492)
Proceeds from sale of treasury stock	196
Payments for purchase of treasury stock	(106)
Cash dividends paid	(2,235)
Other	(511)

Net cash used in financing activities	(3,182)
IV. Effect of exchange rate changes on cash and cash equivalents	(737)
V. Decrease in cash and cash equivalents	(10,374)
VI. Cash and cash equivalents at beginning of the term	38,850
VII. Cash and cash equivalents from newly consolidated subsidiaries	66
VIII. Cash and cash equivalents at end of the term	28,542

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

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

(4) Notes on the premise of a going concern

None.

(5) Segment Information

[Business Segment Information]

The First Half of Fiscal 2009 (April 1, 2008 to September 30, 2008)

(Millions of yen)

	Flour Milling	Processed Food	Others	Total	Eliminations / Corporate	Consolidated
Net sales						
(1) Sales to external customers	98,358	114,235	18,801	231,395	–	231,395
(2) Intersegment sales and transfers	12,557	286	1,151	13,994	(13,994)	–
Total	110,916	114,521	19,952	245,390	(13,994)	231,395
Operating income	5,227	3,288	1,327	9,844	(46)	9,798

Notes:

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

2. Primary products for each business segment:

Flour milling: Flour, bran

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

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

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

The distribution of surplus for the first half of the fiscal year ending March 2009 is as follows.

There are no other applicable notes.

(Dividends paid)

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

Dividends on common stock:

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

ii) Dividend per share: ¥9

iii) Date of record: March 31, 2008

iv) Effective date: June 27, 2008

v) Source of dividends: Retained earnings

[Reference]

Financial Statements for the Interim Period of Fiscal 2008

(1) Interim Consolidated Statements of Income

(Millions of yen)

	Fiscal 2008 Interim Period (April 1, 2007 to September 30, 2007)
Net sales	210,851
Cost of sales	145,161

Gross profit	65,690
Selling, general and administrative expenses	57,483

Operating income	8,207
Non-operating income:	2,377
Interest income	224
Dividend income	666
Equity in earnings of affiliated companies	964
Other income	522
Non-operating expenses:	248
Interest expense	92
Other expenses	156

Ordinary income	10,336
Extraordinary income:	1,679
Gain on sale of property, plant and equipment	602
Gain on liquidation of affiliated companies	1,035
Other	41
Extraordinary losses:	724
Loss on disposal of property, plant and equipment	291
Coenzyme Q ₁₀ related loss	392
Other	41

Income before income taxes and minority interests	11,291
Income taxes – current	4,083
Minority interests	969

Net income	6,237

(2) Interim Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2008 Interim Period (April 1, 2007 to September 30, 2007)
I. Cash flows from operating activities:	
Income before income taxes and minority interests	11,291
Depreciation and amortization	6,520
Decrease in allowance for employees' retirement benefits	(1,537)
Interest and dividends income	(891)
Interest expenses	92
Equity in earnings of affiliated companies	(964)
Loss on sale of investment securities	0
Increase in trade notes and accounts receivable	(270)
Increase in inventories	(1,541)
Increase in notes and accounts payable	596
Other	(874)
Subtotal	----- 12,421
Interest and dividends received	1,358
Interest paid	(85)
Income taxes paid	(2,867)
Net cash provided by operating activities	----- 10,827
II. Cash flows from investing activities:	
Payments for time deposits	(8,901)
Proceeds from repayment of time deposits	5,204
Payments for purchases of marketable securities	(10,756)
Proceeds from sales of marketable securities	8,901
Payments for purchases of fixed assets	(10,131)
Proceeds from sales of fixed assets	554
Payments for purchases of investment securities	(3,060)
Proceeds from sales of investment securities	1,033
Payments for long-term loans receivable	0
Proceeds from collections of long-term loans receivable	4
Other	1,052
Net cash used in investing activities	----- (16,099)
III. Cash flows from financing activities:	
Repayments of short-term debt	(3,619)
Proceeds from sale of treasury stock	73
Payments for purchase of treasury stock	(47)
Cash dividends paid	(2,280)
Other	(363)
Net cash used in financing activities	----- (6,238)
IV. Effect of exchange rate changes on cash and cash equivalents	365
V. Decrease in cash and cash equivalents	(11,144)
VI. Cash and cash equivalents at beginning of the term	48,452
VII. Cash and cash equivalents at end of the term	37,307

(3) Segment Information

[Business Segment Information]

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) Sales to external customers	78,817	111,879	20,154	210,851	–	210,851
(2) Intersegment 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
Operating 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

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