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

January 31, 2011

Listed Company Name: Nisshin Seifun Group Inc. Registered on Tokyo Stock Exchange and Osaka Securities Exchange
Securities Code: 2002
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Date to submit the Quarterly Securities Report: February 10, 2011
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 Third Quarter of Fiscal 2011 (April 1, 2010 to December 31, 2010)

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First nine months of Fiscal 2011	319,700	(6.4)	20,555	(4.2)	22,754	(4.6)
First nine months of Fiscal 2010	341,386	(3.6)	21,450	19.4	23,859	19.7

	Net income		Net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
First nine months of Fiscal 2011	12,668	(11.4)	50.98	50.98
First nine months of Fiscal 2010	14,303	31.6	57.56	57.55

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2010	385,771	286,021	71.8	1,114.31
March 31, 2010	396,317	303,226	68.8	1,097.72

(Reference) Equity capital: December 31, 2010: ¥ 276,889 million; March 31, 2010: ¥ 272,755 million

2. Dividends

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

(Note 1) Revision of the above forecasts was not made in 3Q Fiscal 2011.
(Note 2) The year-end dividend for fiscal 2010 consisted of a ¥10.00 ordinary dividend and a ¥2.00 commemorative dividend.

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

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	425,000	(4.2)	24,600	(7.4)	27,100	(7.6)

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

(Note) Revision of the above forecasts was not made in 3Q Fiscal 2011.

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 (including treasury shares)	December 31, 2010	251,535,448	March 31, 2010	251,535,448
2. Number of treasury shares	December 31, 2010	3,048,967	March 31, 2010	3,059,826
3. Average number of shares outstanding	First nine months of Fiscal 2011	248,501,147	First nine months of Fiscal 2010	248,492,589

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. 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]

As a result of the government's economic measures, there were signs of a recovery in personal consumption in some sectors during the period under review, but the effects of deflation meant that the food industry continued to face a severe market environment. Against this background, we promoted measures to expand sales in all business segments. For example, in the mainstay Processed Food Segment, we utilized our technology to develop and sell new products that offer value-added, and carried out aggressive advertising campaigns. We are also working to cut costs in all business segments. In addition, we revised our product prices downwards in May to reflect the average 5% price cut in the government's sales prices for imported wheat in April 2010. We later revised our product prices in January 2011 to reflect the average 1% hike in the government's sales prices for imported wheat in October 2010. The government also introduced a new method of selling imported wheat to flour milling firms immediately after it is imported last October.

During the period under review, we commenced tender offers for the shares of two of the company's consolidated subsidiaries, Oriental East Co., Ltd., and NBC Meshtec Inc., with the aim of acquiring 100% ownership of these companies to achieve efficient and optimized business management on a group basis, thereby enhancing the corporate value of the Group over the long term. We subsequently acquired all voting rights in the two companies by completing the procedures required under the Companies Act.

Despite increased shipments in the Flour Milling and Processed Food segments, consolidated results for the first nine months of the fiscal year ending March 2011 were affected by product price revisions triggered by the government's cut in imported wheat prices. As a result, net sales fell 6.4% year-on-year to ¥319,700 million. On the profit side, weak bran prices and sales promotion expenses resulted in operating income of ¥20,555 million (4.2% decrease year-on-year), ordinary income of ¥22,754 million (4.6% decrease), and net income of ¥12,668 million (11.4% decrease).

[Business Overview by Segment]

1) Flour Milling Segment

In the Flour Milling Segment, the company worked to create demand in order to expand the wheat flour market and channeled effort into providing customers with ideas and proposals. As a result, commercial wheat flour shipments exceeded the previous year's levels. In May 2010, we revised our prices for commercial wheat flour downwards to reflect the government's 5% cut in the average sales prices of five brands of imported wheat in April. We subsequently revised our product prices in January 2011 to reflect the average 1% hike in the government's sales prices for imported wheat in October 2010.

Effective October 2010, the Japanese government changed its traditional policy of storing imported wheat for a specific period before selling it, adopting a new policy of selling it immediately instead.

In production and distribution, the company promoted cost reduction mainly by enhancing productivity and slashing fixed expenditures.

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

Overseas, we finished work on expanding production capacity at a subsidiary in Canada in October 2010, and increased shipments year-on-year mainly through proactive sales promotion efforts.

As a result, net sales of the Flour Milling Segment decreased 12.9% from the same period of the previous year to ¥121,961 million, and operating income declined 19.8% to ¥8,996 million.

2) Processed Food Segment

Although the processed food business continued to face a severe environment because of sluggish personal consumption, we persisted with our efforts to satisfy consumers' diversifying needs and growing preference for cooking at home. As a result of our campaign to stimulate demand through proactive advertising and publicity using TV commercials, plus the launch of new products to be prepared at home and stronger sales promotion efforts in August 2010, shipments of prepared mixes and frozen food did very well. However, sales of the processed food business fell year-on-year because we revised prices for our wheat flour-related products downwards following the government's cuts in sales prices for imported wheat in April 2010. In the prepared dishes and other prepared foods business, we made steady progress in implementing various measures to improve our entire operating base. Overseas, we increased our premix production capacity in Thailand in July 2010 and expanded our R&D Center in September 2010 as part of our efforts to reinforce the supply, product development and proposal-based marketing aspects.

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

Despite proactive efforts to expand sales of consumer products centered on mail-order items, sales of the healthcare foods business fell year-on-year because the market environment remained harsh.

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

As a result, net sales of the Processed Food Segment decreased 0.6% from the same period of the previous year to ¥170,259 million, whereas operating income jumped 14.3% to ¥9, 713 million.

3) Others Segment

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

Sales of the engineering business declined from the same period of the previous year, primarily as a reaction to a sales increase due to the completion of a large project of the mainstay plant engineering business in the previous year, although the orders for commissioned powder processing and sales of machines were favorable. In November 2010, we acquired shares in Hosokawa Micron Corporation, and have concluded a Memorandum of Understanding on future discussions concerning the building of a cooperative business relationship.

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

As a result, net sales of the Others Segment decreased 8.7% to ¥27,480 million. Operating income advanced 15.0% to ¥1,667 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 third quarter of the fiscal year ending March 2011 were as follows.

Current assets fell by ¥4,818 million year-on-year to ¥191,787 million. The company posted increases in notes and accounts receivable, securities, and inventories following the introduction of a method of selling imported wheat immediately after it is imported, but cash and deposits fell because it acquired shares in consolidated subsidiaries through tender offers. Noncurrent assets decreased ¥5,727 million to ¥193,983 million, primarily due to a decrease in property, plant and equipment. As a result, total assets shrunk ¥10,545 million from the previous year-end to ¥385,771 million. Meanwhile, current liabilities increased ¥8,314 million to ¥70,452 million, reflecting an increase in notes and accounts payable—trade corresponding to an increase in the purchase of raw materials and a decrease in income taxes payable. Noncurrent liabilities decreased ¥1,655 million to ¥29,298 million, primarily due to a decrease in deferred tax liabilities. As a result, total liabilities increased ¥6,659 million to ¥99,750 million. Net assets declined ¥17,205 million to ¥286,021 million, reflecting an increase due to net income for the period, a decrease due to the payment of dividends, a decrease in valuation and translation adjustments and a decrease in minority interests mostly due to the acquisition of the shares of two consolidated subsidiaries via tender offers.

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

Net cash provided by (used in) operating activities

An increase in cash and cash equivalents due to income before income taxes and minority interests of ¥22,734 million and depreciation and amortization of ¥10,089 million surpassed a decrease in cash and cash equivalents chiefly due to the ¥13,552 million payment of income taxes. This led to net cash provided by operating activities of ¥21,277 million for the period under review.

Net cash provided by (used in) investing activities

Proceeds from the repayment and maturity of time deposits with terms exceeding three months and short-term investment securities surpassed payments for them by ¥15,968 million, whereas ¥19,673 million payments for the purchase of the shares of two consolidated subsidiaries via tender offers, as well as property, plant and equipment and intangible assets, amounted to ¥8,699 million. This led to net cash used in investing activities of ¥12,998 million.

Free cash flow, the sum of cash flows from operating and investing activities, amounted to an inflow of ¥8,278 million in the first nine months of the fiscal year ending March 2011.

Net cash provided by (used in) financing activities

To further distribute profits to shareholders, the company increased the year-end ordinary dividend for the year ended March 2010 by ¥1 per share, to which it also added a commemorative dividend of ¥2 per share for celebrating the 110th anniversary. Therefore, the payment of dividends amounted to ¥5,468 million for the period, leading to net cash used in financing activities of ¥6,227 million.

As a result, consolidated cash and cash equivalents at the end of the third quarter of the fiscal year ending March 2011 increased ¥1,864 million from the previous year-end to ¥31,839 million.

(3) Qualitative Information on Consolidated Performance Forecasts

Although there are hopes that the domestic economy will recover mainly as economic conditions overseas improve, we expect the current severe employment conditions and the consumer preference for lower-priced goods to continue, and forecast that the environment facing the Group will remain uncertain for the foreseeable future. The Nisshin Seifun Group will continue to work on increasing its shipments in all its businesses through aggressive sales promotion activities, including advertising and publicity. As a national brand manufacturer, we will endeavor to create demand and expand our markets by developing and selling original new products that satisfy customers' wishes. We will also push ahead with all necessary measures to strengthen our business base at home and overseas with a view to enabling the Nisshin Seifun Group to achieve sustainable growth.

The company has therefore left its October 2010 consolidated performance forecasts for the fiscal year ending March 2011 unchanged as follows: ¥425,000 million for net sales (4.2% decrease year-on-year), ¥24,600 million for operating income (7.4% decrease), ¥27,100 million for ordinary income (7.6% decrease), and ¥14,500 million for net income (13.9% decrease).

In the Flour Milling Segment, we closed the Kitami Plant in November 2010 because its small scale made production costs relatively expensive. We have also decided to construct a new plant at Suzaki Wharf in Fukuoka City in spring 2014, and to close down the plants at Tosu and Chikugo at the same time. We will realize productivity improvements by concentrating production in the best possible locations.

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 Third Quarter (As of December 31, 2010)	Fiscal 2010 Condensed Consolidated Balance Sheets (As of March 31, 2010)
Assets		
Current assets		
Cash and deposits	50,683	69,871
Notes and accounts receivable—trade	61,247	56,480
Short-term investment securities	24,670	21,648
Inventories	44,235	37,442
Other	11,165	11,452
Allowance for doubtful accounts	(215)	(288)
Total current assets	**191,787**	**196,606**
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	42,915	44,983
Machinery, equipment and vehicles, net	28,317	30,806
Land	33,260	33,167
Other, net	5,317	5,200
Total property, plant and equipment	**109,811**	**114,158**
Intangible assets	3,775	3,827
Investments and other assets		
Investment securities	70,296	72,325
Other	10,251	9,552
Allowance for doubtful accounts	(151)	(152)
Total investments and other assets	80,397	81,725
Total noncurrent assets	**193,983**	**199,710**
Total assets	**385,771**	**396,317**

(Millions of yen)

	Fiscal 2011 Third Quarter (As of December 31, 2010)	Fiscal 2010 Condensed Consolidated Balance Sheets (As of March 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	36,469	22,274
Short-term loans payable	2,860	2,864
Income taxes payable	2,913	7,708
Provision	191	260
Accrued expenses	11,898	14,007
Other	16,119	15,021
Total current liabilities	**70,452**	**62,137**
Noncurrent liabilities		
Long-term loans payable	194	271
Provision		
Provision for retirement benefits	9,252	9,113
Other provision	1,920	1,841
Total provisions	11,173	10,955
Deferred tax liabilities	10,986	12,657
Other	6,943	7,068
Total noncurrent liabilities	**29,298**	**30,953**
Total liabilities	**99,750**	**93,090**
Net assets		
Shareholders' equity		
Capital stock	17,117	17,117
Capital surplus	9,447	9,448
Retained earnings	237,861	230,661
Treasury stock	(3,175)	(3,187)
Total shareholders' equity	**261,251**	**254,040**
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	17,845	20,303
Deferred gains or losses on hedges	(98)	105
Foreign currency translation adjustment	(2,109)	(1,693)
Total valuation and translation adjustments	**15,638**	**18,715**
Subscription rights to shares	**124**	**83**
Minority interests	**9,006**	**30,388**
Total net assets	**286,021**	**303,226**
Total liabilities and net assets	**385,771**	**396,317**

(2) Quarterly Consolidated Statements of Income

(Millions of yen)

	First nine months of Fiscal 2010 (April 1, 2009 to December 31, 2009)	First nine months of Fiscal 2011 (April 1, 2010 to December 31, 2010)
Net sales	341,386	319,700
Cost of sales	236,664	215,020
Gross profit	**104,721**	**104,680**
Selling, general and administrative expenses	83,271	84,124
Operating income	**21,450**	**20,555**
Non-operating income	2,589	2,486
Interest income	227	171
Dividends income	891	1,183
Equity in earnings of affiliates	917	549
Other	552	581
Non-operating expenses	180	287
Interest expenses	64	53
Foreign exchange losses	—	135
Other	115	98
Ordinary income	**23,859**	**22,754**
Extraordinary income	1,441	3,517
Gain on sales of noncurrent assets	25	1,157
Gain on sales of investment securities	1,011	24
Gain on negative goodwill	—	2,099
Gain on liquidation of subsidiaries and affiliates	157	203
Other	246	33
Extraordinary loss	568	3,537
Loss on retirement of noncurrent assets	430	365
Impairment loss	—	3,090
Other	137	81
Income before income taxes and minority interests	**24,732**	**22,734**
Income taxes	9,276	9,031
Income before minority interests	—	**13,703**
Minority interests in income	1,152	1,035
Net income	**14,303**	**12,668**

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	First nine months of Fiscal 2010 (April 1, 2009 to December 31, 2009)	First nine months of Fiscal 2011 (April 1, 2010 to December 31, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	24,732	22,734
Depreciation and amortization	11,223	10,089
Impairment loss	—	3,090
Increase (decrease) in provision for retirement benefits	532	139
Decrease (increase) in prepaid pension costs	(25)	(597)
Interest and dividends income	(1,119)	(1,354)
Interest expenses	64	53
Equity in (earnings) losses of affiliates	(917)	(549)
Loss (gain) on sales of investment securities	(1,002)	(24)
Gain on negative goodwill	—	(2,099)
Decrease (increase) in notes and accounts receivable—trade	(5,318)	(4,861)
Decrease (increase) in inventories	6,707	(6,867)
Increase (decrease) in notes and accounts payable—trade	5,142	14,245
Other, net	4,232	(869)
Subtotal	44,251	33,129
Interest and dividends income received	1,466	1,753
Interest expenses paid	(71)	(53)
Income taxes paid	(8,869)	(13,552)
Net cash provided by (used in) operating activities	**36,776**	**21,277**
Net cash provided by (used in) investing activities		
Payments into time deposits	(100,327)	(64,428)
Proceeds from withdrawal of time deposits	76,644	79,651
Purchase of short-term investment securities	(12,837)	(11,835)
Proceeds from sales of short-term investment securities	800	12,580
Purchase of property, plant and equipment and intangible assets	(10,320)	(8,699)
Proceeds from sales of property, plant and equipment and intangible assets	(168)	1,461
Purchase of investment securities	(749)	(2,298)
Proceeds from sales of investment securities	1,479	74
Purchase of stocks of subsidiaries and affiliates	—	(19,673)
Payments of long-term loans receivable	(2)	(4)
Collection of long-term loans receivable	5	20
Other, net	257	152
Net cash provided by (used in) investing activities	**(45,218)**	**(12,998)**
Net cash provided by (used in) financing activities		
Decrease in short-term loans payable	(125)	(53)
Repayment of long-term loans payable	—	(13)
Proceeds from sales of treasury stock	80	81
Purchase of treasury stock	(79)	(71)
Cash dividends paid	(4,722)	(5,468)
Other, net	(666)	(703)
Net cash provided by (used in) financing activities	**(5,513)**	**(6,227)**
Effect of exchange rate change on cash and cash equivalents	**92**	**(186)**
Net increase (decrease) in cash and cash equivalents	**(13,863)**	**1,864**
Cash and cash equivalents at beginning of period	**40,339**	**29,975**
Cash and cash equivalents at end of period	**26,476**	**31,839**

(4) Notes on the Premise of a Going Concern

None.

(5) Segment Information

[Business Segment Information]

First nine months of Fiscal 2010 (April 1, 2009 to December 31, 2009)

(Millions of yen)

	Flour Milling	Processed Food	Others	Total	Eliminations / Corporate	Consolidated
Net sales (1) Sales to external customers	139,965	171,306	30,114	341,386	−	341,386
(2) Intersegment sales and transfers	16,085	445	2,191	18,722	(18,722)	−
Total	156,050	171,752	32,306	360,109	(18,722)	341,386
Operating income	11,211	8,500	1,450	21,162	288	21,450

Notes:
1. Business segments were determined by considering similarities between product types.
2. Primary products for each business segment:

Flour milling:	Wheat flour, bran
Processed food:	Prepared mix, wheat flour for household-use, pasta, pasta sauce, frozen food, chilled food, cake and bread ingredients, biochemical products, life science business, healthcare foods
Others:	Pet food, engineering, mesh cloths, transport and storage

[Segment Information]

1. Description of reportable segments

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

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

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

Flour Milling: Wheat flour, bran

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

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

First nine months of Fiscal 2011 (April 1, 2010, to December 31, 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	121,961	170,259	292,220	27,480	319,700	ー	319,700
Intersegment sales and transfers	14,024	389	14,413	2,104	16,518	(16,518)	ー
Total	135,985	170,648	306,634	29,584	336,219	(16,518)	319,700
Segment profit	8,996	9,713	18,710	1,667	20,377	177	20,555

Notes:

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

(Additional Information)

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

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

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

(Dividends paid)

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

Dividends on common stock:

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

(Dividends paid)

The following resolution was made at the meeting of the Board of Directors held on October 29, 2010.

Dividends on common stock:

i) Total dividends to be paid:	¥2,485 million
ii) Dividend per share:	¥10
iii) Date of record:	September 30, 2010
iv) Effective date:	December 3, 2010
v) Source of dividends:	Retained earnings