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Summary of Financial Statements for the First Quarter of Fiscal 2013 [Japanese Standards]

July 26, 2012

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Date to submit the Quarterly Securities Report: August 13, 2012

Date to start distributing dividends: —

Supplementary documents for this summary of financial statements: Yes

Results briefing for financial results: None

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

1. Consolidated Financial Results for the First Quarter of Fiscal 2013 (April 1, 2012 to June 30, 2012)

(1) Consolidated Business Results

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three months of Fiscal 2013	110,750	2.0	5,156	(24.1)	6,279	(19.7)	3,871	(15.0)
First three months of Fiscal 2012	108,570	2.6	6,791	(6.2)	7,824	(4.4)	4,552	3.8

(Note) Comprehensive income: First three months of Fiscal 2013 ¥1,191 million (down 74.5%)

First three months of Fiscal 2012 ¥4,666 million (up 35.5%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
First three months of Fiscal 2013	15.58	—
First three months of Fiscal 2012	18.32	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2012	420,355	297,132	68.9
March 31, 2012	431,956	298,798	67.5

(Reference) Equity capital: June 30, 2012: ¥289,635 million March 31, 2012: ¥291,390 million

2. Dividends

	Dividend per share				
	1Q End	2Q End	3Q End	Year-End	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2012	—	10.00	—	10.00	20.00
Fiscal 2013	—	—	—	—	—
Fiscal 2013 (forecast)	—	10.00	—	10.00	20.00

(Note) Revision to the latest forecast of dividends: None

3. Forecast of Consolidated Business Results for the Year Ending March 31, 2013 (April 1, 2012 to March 31, 2013)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	224,600	4.7	10,600	1.7	11,900	0.1	7,100	6.3	28.57
Full year	459,100	3.9	23,500	1.7	26,300	0.6	14,600	9.6	58.76

(Note) Revision to the forecast of business results: None

* Notes

(1) Changes in important subsidiaries during the period under review (changes in specified subsidiaries involving a change in the scope of consolidation): None

(2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements: Yes

Note: For details, please refer to “Matters Concerning Summary Information (Notes)” on page 5 of the Attachment.

(3) Changes in accounting policies, changes in accounting estimates and revisions restated

1) Changes in accounting policies associated with the revisions of accounting standards, etc.: Yes

2) Changes in accounting policies other than the above: None

3) Changes in accounting estimates: Yes

4) Revisions restated: None

Note: This section provides information stipulated in Article 10-5 of the Regulations for the Terminology, Forms and Presentation Methods for Quarterly Consolidated Financial Statements. For details, please refer to “Matters Concerning Summary Information (Notes)” on page 5 of the Attachment.

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

1) Number of shares issued and outstanding (including treasury shares)	As of June 30, 2012	251,535,448	As of March 31, 2012	251,535,448
2) Number of treasury shares	As of June 30, 2012	3,063,355	As of March 31, 2012	3,062,310
3) Average number of shares outstanding	First three months of Fiscal 2013	248,472,679	First three months of Fiscal 2012	248,491,842

* 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 are not completed at the time 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, Please refer to “Qualitative Information on Consolidated Performance Forecasts” on page 4 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 first three months of the year ending March 31, 2013, the Japanese economy began recovering slowly owing to the reconstruction demand, policy effects and other factors after the Great East Japan Earthquake. However, the business environment was severe, as consumers' restrained spending patterns continued against a background of lingering deflation and concerns over the European economy. Despite this environment, the company made aggressive promotional efforts to boost shipments such as consumer campaigns in the Processed Food Segment, and pursued cost-reduction efforts on a group-wide basis. In May 2012, the company began the construction of a state-of-the-art flour milling plant in the oceanfront area of Fukuoka, one of its future-oriented projects to ensure cost competitiveness in the long run. The government reduced its sales prices for five brands of imported wheat by an average of 15% in April 2012 and, accordingly, we revised our prices for commercial wheat flour on July 10, 2012.

In April 2012, with the aim of ensuring long-term growth, we launched the medium-term management plan "NNI-120, Speed, Growth and Expansion," which positions the expansion of the top line (net sales) and overseas businesses as the priority strategies.

As a result, consolidated net sales for the first three months of the year ending March 31, 2013 increased 2.0% year on year to ¥110,750 million. Meanwhile, profits decreased year on year mainly due to the input of active sales promotion expenses in the Processed Food Segment and a high level of shipments to accommodate a surge of demand after the Great East Japan Earthquake in the same period of the previous year. Specifically, operating income decreased 24.1% to ¥5,156 million, ordinary income declined 19.7% to ¥6,279 million and net income fell 15.0% to ¥3,871 million, although these results were mostly as projected.

[Business Overview by Segment]

1) Flour Milling Segment

In the flour milling business, we engaged in aggressive sales promotion measures, including those aimed at enhancing relationships with customers. However, commercial wheat flour shipments fell below the level of a year earlier, reflecting demand fluctuations due to the government's imported wheat price revisions and the hike in demand caused by the Great East Japan Earthquake during the same period of the previous year.

From the perspectives of production and distribution, we continued to carry out measures to enhance productivity and reduce fixed and other costs. Meanwhile, we promoted our commitment to food safety by acquiring the FSSC 22000 certification* at all of our domestic milling plants and the company headquarters as a unit—a first for a Japanese flour milling company.

The price of bran, a byproduct of the milling process, remained favorable throughout the period.

In overseas operations, we were committed to enhancing customer relations and implemented active sales expansion measures. For Miller Milling Company, LLC, which we acquired in March 2012, we are working on an increase of its production capacity and other measures to enlarge the scale of its business operations.

As a result, net sales of the Flour Milling Segment increased 3.2% from the same period of the previous year to ¥43,428 million, but operating income declined 10.8% to ¥2,105 million.

* FSSC 22000 (Food Safety System Certification 22000) is an international certification scheme for food safety management systems that is recognized by the Global Food Safety Initiative (GFSI), a collaboration between some of the world's leading retailers and suppliers associated with the food supply chain.

2) Processed Food Segment

For the processed food business, we promoted the launch of new products to accommodate the diversifying needs of consumers, as well as various sales promotion efforts, including the consumer campaign titled "I LOVE NIPPON—the power of wheat to energize Japan—." However, net sales of the processed food business decreased from the same period of the previous year, reflecting the severe market environment due to sluggish personal consumption and consumers' restrained spending patterns, and as a reaction from the high level of shipments a year earlier primarily due to the rise of demand after the Great East Japan Earthquake. Sales of the prepared dishes and other prepared foods business advanced from the same period of the previous year as a result of active sales expansion measures. Sales of the overseas business increased from a year earlier, owing to aggressive product proposals to obtain new customers mainly in the ever-growing Chinese and Southeast Asian markets.

Sales of the yeast business achieved a year-on-year increase, as the sluggish performance of flour paste, bread improvers and others were more than offset by the growth of filling and others. Sales of the biotechnology business advanced from the same period of the previous year primarily due to the favorable performance of culture medium and coenzyme.

Sales of the healthcare foods business fell below the level of a year earlier due to a continuously severe market environment, although we engaged in aggressive promotional efforts, including the launch of new consumer products through the mail-order channel.

As a result, net sales of the Processed Food Segment increased 0.2% from the same period of the previous year to ¥58,204 million, but operating income declined 36.7% to ¥2,460 million.

3) Others Segment

Sales of the pet food business increased from a year earlier due to favorable sales of premium lines of pet food, including the *JP-Style* brand, and the input of active sales promotion expenses.

Regarding the engineering business, sales exceeded the previous year's level due to favorable results in the mainstay plant engineering business.

Sales of the mesh cloth business surpassed the previous year's level owing to growth in sales of forming filters in response to the recovery of the automotive parts industry.

As a result, net sales of the Others Segment increased 8.7% to ¥9,117 million, but operating income declined 9.8% to ¥554 million.

(2) Qualitative Information on Consolidated Financial Position

The company's consolidated assets, liabilities and net assets at the end of the period under review are as follows.

Current assets decreased ¥6,399 million from the previous year-end to ¥207,031 million, as an increase in short-term investment securities was more than offset by decreases in cash and deposits, inventories, etc. Noncurrent assets declined ¥5,201 million to ¥213,323 million, primarily due to a fall in investments and other assets. As a result, total assets decreased ¥11,601 million from the previous year-end to ¥420,355 million. Meanwhile, current liabilities shrank ¥7,853 million to ¥84,434 million, mainly reflecting a decrease in notes and accounts payable—trade. Noncurrent liabilities decreased ¥2,081 million to ¥38,788 million, primarily due to a decline in deferred tax liabilities. As a result, total liabilities diminished ¥9,934 million from the previous year-end to ¥123,223 million. Net assets decreased ¥1,666 million to ¥297,132 million, chiefly reflecting an increase due to net income for the period, a decrease due to the payment of dividends and a drop in accumulated other comprehensive income.

(3) Qualitative Information on Consolidated Performance Forecasts

The Japanese economy is expected to suffer continued concerns over the effects of the European debt crisis, and lingering deflation and severe employment conditions will likely continue the gravitation of consumers toward lower-priced products and savings. Factors like these will result in a severe business environment for the Nisshin Seifun Group. Nevertheless, we will continue to pursue the stable supply of safe products in all of our business segments, including Flour Milling, while vigorously carrying out measures set forth in the medium-term management plan “NNI-120, Speed, Growth and Expansion.”

Considering the aforementioned situations, we are leaving our business performance forecasts for the year ending March 31, 2013, unchanged from those previously announced: net sales of ¥459,100, or a year-on-year increase of 3.9%; operating income of ¥23,500 million, or a 1.7% increase; ordinary income of ¥26,300 million, or a 0.6% increase; and net income of ¥14,600 million, or a 9.6% increase.

2. Matters Concerning Summary Information (Notes)

(1) Changes in Important Subsidiaries during the Period under Review

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

There are no applicable matters to be reported.

(2) Adoption of 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 “Total income taxes.”

(3) Changes in Accounting Policies, Changes in Accounting Estimates and Revisions Restated

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

Due to the revision of the Corporation Tax Act of Japan, the company and its domestic consolidated subsidiaries have replaced the method of depreciation for property, plant and equipment obtained on or after April 1, 2012, with the method according to the revised Corporation Tax Act, effective from the first three months of the year ending March 31, 2013.

The effect of this change on profit or loss is immaterial.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2012 (As of March 31, 2012)	Fiscal 2013 First Quarter (As of June 30, 2012)
Assets		
Current assets		
Cash and deposits	59,020	38,025
Notes and accounts receivable – trade	65,015	63,806
Short-term investment securities	16,141	36,353
Inventories	62,283	53,455
Other	11,164	15,577
Allowance for doubtful accounts	(194)	(187)
Total current assets	213,431	207,031
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	45,329	45,619
Machinery, equipment and vehicles, net	28,816	29,527
Land	35,704	35,501
Other, net	5,519	5,478
Total property, plant and equipment	115,370	116,126
Intangible assets		
Goodwill	9,044	9,020
Other	3,754	3,776
Total intangible assets	12,798	12,797
Investments and other assets		
Investment securities	80,378	74,410
Other	10,138	10,151
Allowance for doubtful accounts	(161)	(161)
Total investments and other assets	90,355	84,400
Total noncurrent assets	218,525	213,323
Total assets	431,956	420,355

(Millions of yen)

	Fiscal 2012 (As of March 31, 2012)	Fiscal 2013 First Quarter (As of June 30, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	50,003	41,576
Short-term loans payable	5,813	5,020
Income taxes payable	5,442	2,576
Provision	243	69
Accrued expenses	15,692	12,399
Other	15,092	22,792
Total current liabilities	92,287	84,434
Noncurrent liabilities		
Long-term loans payable	2,117	2,067
Provision		
Provision for retirement benefits	18,420	18,452
Other provision	1,823	1,631
Total provision	20,244	20,083
Deferred tax liabilities	11,814	9,937
Other	6,693	6,700
Total noncurrent liabilities	40,869	38,788
Total liabilities	133,157	123,223
Net assets		
Shareholders' equity		
Capital stock	17,117	17,117
Capital surplus	9,453	9,454
Retained earnings	247,736	249,122
Treasury stock	(3,186)	(3,187)
Total shareholders' equity	271,120	272,506
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,776	19,002
Deferred gains or losses on hedges	170	(23)
Foreign currency translation adjustment	(2,677)	(1,849)
Total accumulated other comprehensive income	20,269	17,128
Subscription rights to shares	188	201
Minority interests	7,220	7,295
Total net assets	298,798	297,132
Total liabilities and net assets	431,956	420,355

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

[Quarterly Consolidated Statements of Income]

(Millions of yen)

	First three months of Fiscal 2012 (April 1, 2011 to June 30, 2011)	First three months of Fiscal 2013 (April 1, 2012 to June 30, 2012)
Net sales	108,570	110,750
Cost of sales	73,908	76,706
Gross profit	34,661	34,043
Selling, general and administrative expenses	27,869	28,887
Operating income	6,791	5,156
Non-operating income		
Interest income	52	42
Dividends income	697	765
Equity in earnings of affiliates	145	214
Other	232	213
Total non-operating income	1,127	1,235
Non-operating expenses		
Interest expenses	20	16
Foreign exchange losses	43	67
Other	30	28
Total non-operating expenses	94	112
Ordinary income	7,824	6,279
Extraordinary income		
Gain on sales of noncurrent assets	70	95
Gain on sales of investment securities	–	39
Other	–	11
Total extraordinary income	70	146
Extraordinary losses		
Loss on retirement of noncurrent assets	43	122
Loss on valuation of investment securities	43	–
Other	2	6
Total extraordinary losses	89	128
Income before income taxes and minority interests	7,804	6,296
Total income taxes	3,022	2,285
Income before minority interests	4,782	4,011
Minority interests in income	230	139
Net income	4,552	3,871

[Quarterly Consolidated Statements of Comprehensive Income]

(Millions of yen)

	First three months of Fiscal 2012 (April 1, 2011 to June 30, 2011)	First three months of Fiscal 2013 (April 1, 2012 to June 30, 2012)
Income before minority interests	4,782	4,011
Other comprehensive income		
Valuation difference on available-for-sale securities	(408)	(3,763)
Deferred gains or losses on hedges	(76)	(152)
Foreign currency translation adjustment	426	1,080
Share of other comprehensive income of affiliates accounted for by the equity method	(57)	16
Total other comprehensive income	(116)	(2,819)
Comprehensive income	4,666	1,191
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	4,362	730
Comprehensive income attributable to minority interests	303	461

(3) Notes on the Premise of a Going Concern

There are no applicable matters to be reported.

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

The dividends from surplus during the first three months of the year ending March 31, 2013 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 27, 2012.

• Dividends on common stock:

i) Total dividends to be paid	¥2,485 million
ii) Dividend per share	¥10
iii) Record date	March 31, 2012
iv) Effective date	June 28, 2012
v) Source of dividends	Retained earnings

(5) Segment Information, etc.

[Segment information]

I. First three months of Fiscal 2012 (April 1, 2011 to June 30, 2011)

Information about net sales, profit (loss) for each reportable segment

(Millions of yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Carried on quarterly consolidated statements of income (Note 3)
	Flour Milling	Processed Food	Total				
Net sales							
Sales to external customers	42,080	58,101	100,181	8,388	108,570	–	108,570
Intersegment sales and transfers	5,264	114	5,378	622	6,000	(6,000)	–
Total	47,344	58,216	105,560	9,010	114,571	(6,000)	108,570
Segment income	2,361	3,886	6,248	614	6,863	(71)	6,791

Notes: 1. Business segment of “Others” is excluded from reportable segment, which includes pet food, engineering, mesh cloths, handling and storage businesses.

2. Segment income adjustment refers to intersegment transaction eliminations and other.

3. Segment income has been adjusted for the operating income appearing in the quarterly consolidated statements of income.

II. First three months of Fiscal 2013 (April 1, 2012 to June 30, 2012)

Information about net sales, profit (loss) for each reportable segment

(Millions of yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Carried on quarterly consolidated statements of income (Note 3)
	Flour Milling	Processed Food	Total				
Net sales							
Sales to external customers	43,428	58,204	101,632	9,117	110,750	–	110,750
Intersegment sales and transfers	4,708	112	4,820	887	5,708	(5,708)	–
Total	48,136	58,316	106,453	10,004	116,458	(5,708)	110,750
Segment income	2,105	2,460	4,566	554	5,121	35	5,156

Notes: 1. Business segment of “Others” is excluded from reportable segment, which includes pet food, engineering, mesh cloths, handling and storage businesses.

2. Segment income adjustment refers to intersegment transaction eliminations and other.

3. Segment income has been adjusted for the operating income appearing in the quarterly consolidated statements of income.