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## Summary of Financial Statements for the Second Quarter of Fiscal 2012 [Japanese Standards]

October 28, 2011

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 11, 2011  
 Date to start distributing dividends: December 5, 2011  
 Supplementary documents for this summary of financial statements: Yes  
 Explanation meeting for financial results: Yes (for analysts and institutional investors)

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

### 1. Consolidated Financial Results for the Second Quarter of Fiscal 2012 (April 1, 2011 to September 30, 2011)

#### (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		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months of Fiscal 2012	214,587	2.6	10,421	(15.8)	11,892	(13.1)	6,677	(3.7)
First six months of Fiscal 2011	209,161	(7.8)	12,384	1.7	13,691	0.2	6,933	(17.2)

(Note) Comprehensive income: First six months of Fiscal 2012 ¥6,299 million (up 60.0%)  
 First six months of Fiscal 2011 ¥3,937 million (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
First six months of Fiscal 2012	26.87	—
First six months of Fiscal 2011	27.90	27.90

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
September 30, 2011	395,326	289,655	71.4
March 31, 2011	389,418	285,249	71.6

(Reference) Equity capital: September 30, 2011: ¥282,305 million March 31, 2011: ¥278,799 million

### 2. Dividends

	Dividend per share				
	1Q End	2Q End	3Q End	Year-End	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2011	—	10.00	—	10.00	20.00
Fiscal 2012	—	10.00	—	—	—
Fiscal 2012 (forecasts)	—	—	—	10.00	20.00

(Note) Revision to the previously released forecasts: None

### 3. Forecasts of Consolidated Business Results for the Year Ending March 31, 2012 (April 1, 2011 to March 31, 2012)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	446,000	5.1	23,600	(6.8)	26,000	(6.6)	14,000	(1.3)	56.34

(Note) Revision to the previously released forecasts: Yes

4. Other Information

(1) Changes in important subsidiaries during the period under review (changes in specific 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 (Other)” on page 8 of the Attachment.

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

1. Changes in accounting policies associated with the revision of accounting standards, etc.:	Yes
2. Changes in accounting policies other than the above:	None
3. Changes in accounting estimates:	None
4. Revisions restated:	None

Note: For details, please refer to “Matters Concerning Summary Information (Other)” on page 8 of the Attachment.

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

1. Number of shares issued and outstanding (including treasury shares)	As of September 30, 2011	251,535,448	As of March 31, 2011	251,535,448
2. Number of treasury shares	As of September 30, 2011	3,054,017	As of March 31, 2011	3,045,423
3. Average number of shares outstanding	First six months of Fiscal 2012	248,487,119	First six months of Fiscal 2011	248,500,070

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 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. The full-year forecasts shown in this document have been revised from those released on May 12, 2011. For details of assumptions for financial forecasts and other related matters, see “Qualitative Information on Consolidated Performance Forecasts” on page 4 of the Attachment.

## Contents of the Attachment

<b>1. Qualitative Information on Consolidated Business Results, etc., during the Period under Review</b> .....	2
(1) Qualitative Information on Consolidated Business Performance .....	2
(2) Qualitative Information on Consolidated Financial Position .....	3
(3) Qualitative Information on Consolidated Performance Forecasts .....	4
<b>2. Matters Concerning Summary Information (Other)</b> .....	8
(1) Changes in Important Subsidiaries during the Period under Review.....	8
(2) Adoption of Special Accounting Treatment for Preparing Quarterly Consolidated Financial Statements .....	8
(3) Changes in Accounting Policies, Changes in Accounting Estimates and Revisions Restated.....	8
<b>3. Quarterly Consolidated Financial Statements</b> .....	9
(1) Quarterly Consolidated Balance Sheets .....	9
(2) Quarterly Consolidated Statements of Income and Comprehensive Income.....	11
[Quarterly Consolidated Statements of Income] .....	11
[Quarterly Consolidated Statements of Comprehensive Income] .....	12
(3) Quarterly Consolidated Statements of Cash Flows .....	13
(4) Notes on the Premise of a Going Concern .....	14
(5) Segment Information, etc. ....	14
(6) Notes on a Significant Change in Shareholders' Equity .....	15
(7) Significant Subsequent Events .....	15

## **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 six months of the fiscal year ending March 31, 2012, the Japanese economy showed some signs of recovery owing to the demand associated with efforts for reconstruction after the Great East Japan Earthquake, but consumer spending remained sluggish, reflecting continued deflation and a widespread sentiment toward voluntary restraint. In these severe business conditions, the company made the utmost efforts to ensure the stable supply of wheat flour — a staple food — and various products. The Flour Milling Segment continued to engage in promotional efforts such as reinforcing relationships with customers. In all of the company's business segments, cost-cutting measures continued throughout the entire process of business operations, including purchasing, production and distribution.

Meanwhile, in response to the government's 18% average increase in prices for five brands of imported wheat in April 2011, we revised our product prices.

As a result, consolidated net sales for the first six months of the fiscal year ending March 31, 2012, increased 2.6% year-on-year to ¥214,587 million, partly due to increased shipments of the Flour Milling Segment and revisions of product prices following a rise in the government's prices for imported wheat. Profits were negatively affected by low prices for bran and the increase of sales promotion expenses in the Flour Milling Segment. Operating income decreased 15.8% year-on-year to ¥10,421 million, ordinary income declined 13.1% to ¥11,892 million, and net income decreased 3.7% to ¥6,677 million.

#### [Business Overview by Segment]

##### 1) Flour Milling Segment

Focused efforts to strengthen ties with customers and other aggressive sales promotion efforts, pushed commercial wheat flour shipments beyond the level of a year ago. In response to the government's 18% average increase in prices for five brands of imported wheat in April 2011, the company changed its prices for commercial wheat flour in June 2011.

In production and distribution, the company continued to carry out measures to enhance productivity, while making focused efforts 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, partly due to the Great East Japan Earthquake.

In overseas operations, the completion of productivity enhancement work of the subsidiary in Canada in 2010 and the aggressive sales expansion efforts of the Thai subsidiary led to an increase in shipments from the previous year.

As a result, net sales of the Flour Milling Segment increased 4.9% from the same period of the previous year to ¥84,041 million, but operating income declined 42.0% to ¥3,327 million.

##### 2) Processed Food Segment

Regarding the processed food business, in response to the needs of all consumers we launched three new items and 16 renewal items of household-use room-temperature products and 18 new items and three renewal items of household-use frozen food products, despite a severe business environment that reflected weak personal consumption due to an increasingly defensive spending pattern. In

parallel, we conducted a closed campaign with the tagline “Tobikiri no ai wo tsukurou” and in-store promotional activities in addition to other events. To accommodate the hike in the cost for procuring wheat flour and other materials, in July 2011 we made revisions to the prices of household-use flour and flour-processed food products. As a result of these efforts, sales of the processed food business increased from the previous year. For the prepared dishes and other prepared foods business, we continued to promote efforts for sales expansion. We are also committed to the expansion of overseas businesses, especially in the ever-growing Chinese and Southeast Asian markets, as represented by the enhancement of prepared mix production capacity and expansion of the R&D Center in Thailand in 2010.

Sales of the yeast business advanced from a year earlier, as a decline in shipments of filling and mayonnaise was more than offset by an increase in shipments of yeast, butter cream and mineral yeast, etc. Sales of the biotechnology business also exceeded the previous year’s level due to the favorable performance of immunochemical products, which more than offset the sluggish performance of feed for laboratory animals and base materials for culture media, etc. In August 2011, we made a decision to establish a company in India, a market that is expected to grow in the years to come, aimed at expanding the biotechnology business and developing markets for the food business

Sales of the healthcare foods business fell below the previous year’s level as the severe market environment continued, despite aggressive promotional efforts to expand sales of consumer products mainly by mail order.

As a result, net sales of the Processed Food Segment increased 1.3% from the same period of the previous year to ¥112,669 million, whereas operating income advanced 4.5% to ¥5,821 million.

### 3) Others Segment

Sales of the pet food business decreased from the previous year due to a continued harsh market environment, including poor consumption and a decline in store prices, despite sales expansion efforts through the aggressive launch of new products.

Sales of the mesh cloth business surpassed the previous year’s level owing to strong sales of mesh cloths for screen-printing applications driven by the growing demand for stainless mesh cloths for solar cells, as well as the steady sales of industrial application products, although sales of forming filters fell below the previous year’s level, affected by the stagnant demand of the automotive parts industry in the wake of the Great East Japan Earthquake.

As a result, net sales of the Others Segment edged up 0.4% to ¥17,876 million. Operating income jumped 42.7% to ¥1,370 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 were as follows.

Current assets increased ¥2,011 million from the previous year end to ¥197,225 million. The company posted decreases in cash and deposits, notes and accounts receivable – trade, and increases in inventories, etc. Noncurrent assets increased ¥3,896 million to ¥198,101 million, primarily due to an increase in investments and other assets. As a result, total assets increased ¥5,908 million from the previous year end to ¥395,326 million. Meanwhile, current liabilities increased ¥1,624 million to ¥76,054 million, reflecting an increase in notes and accounts payable – trade. Noncurrent liabilities

decreased ¥122 million to ¥29,617 million, primarily due to a decrease in provision for retirement benefits. As a result, total liabilities increased ¥1,502 million from the previous year end to ¥105,671 million. Net assets increased ¥4,405 million from the previous year end to ¥289,655 million, reflecting an increase due to net income for the period, and a decrease due to the payment of dividends.

The company's consolidated cash flows for the period under review were as follows.

*Net cash provided by (used in) operating activities*

An increase in cash and cash equivalents mainly due to income before income taxes and minority interests of ¥11,451 million and depreciation and amortization of ¥6,528 million surpassed a decrease in cash and cash equivalents chiefly due to the payment of income taxes and an increase in working capital resulting from the rise in the government's prices for imported wheat. This led to net cash provided by operating activities of ¥3,509 million for the period under review.

*Net cash provided by (used in) investing activities*

Although proceeds from the repayment and maturity of time deposits with terms exceeding three months and short-term investment securities surpassed payments for them by ¥8,400 million, whereas ¥7,147 million payments for the purchase of property, plant and equipment and intangible assets and other payments led to net cash used in investing activities of ¥1,016 million.

Free cash flow, the sum of cash flows from operating and investing activities, amounted to an inflow of ¥2,493 million in the period under review.

*Net cash provided by (used in) financing activities*

To distribute profits to shareholders, the company paid dividends of ¥2,485 million and other spending for the period, leading to net cash used in financing activities of ¥3,207 million.

As a result, consolidated cash and cash equivalents at the end of the second quarter of the fiscal year ending March 31, 2012 decreased ¥777 million from the previous year-end to ¥41,310 million.

### (3) Qualitative Information on Consolidated Performance Forecasts

The Japanese economy faces numerous challenges, including concern over the prolongation of power shortages, the slowdown of the European and U.S. economies and yen appreciation. In addition, Japanese government discussions about raising taxes and the uncertainty of future economic prospects will likely continue the gravitation of consumers toward lower-priced products and savings, thereby causing continued sluggishness in personal consumption. These factors will result in a severe business environment for the Nisshin Seifun Group. Nevertheless, we will continue to fulfill our missions of securing stable supplies of wheat flour and other staple food supplies for the Japanese people, and will strive to provide customers with safe products in all of our businesses. Domestically, we will work to further increase our market share and secure greater earnings by enhancing our cost competitiveness. Overseas, we will work to accelerate overseas business development to achieve further growth for the Group.

### 1) Flour Milling Segment

While continuing to ensure a stable supply of products in the flour milling business, we will seek greater market share through active efforts to promote sales by developing products based on the swift and accurate recognition of customer needs and further reinforcing relationships with customers. We will also secure earnings by carrying out cost-cutting measures, including the enhancement of productivity.

Regarding wheat, a key raw material, we are planning to revise our prices for commercial wheat flour in December 20 of this year to account for the average 2% price increase implemented by the government in October for five brands of imported wheat.

Overseas, efforts to increase sales will continue through measures like expanding shipments from Canada and Thailand to nearby countries.

### 2) Processed Food Segment

For the processed food business, we will develop new products to accommodate the increasingly defensive spending pattern and diversified senses of value among consumers and stimulate demand through advertising activities, while continuing to carry out cost-cutting measures across the business processes, including purchasing, production and distribution. For the prepared dishes and other prepared foods business, we will strive to increase sales by developing and recommending new menus meeting customer needs, and by strengthening initiatives targeting volume retailers. Overseas, we will work on business expansion in the ever-growing Chinese and Southeast Asian markets.

The yeast business will continue to promote proposal-based marketing efforts, reinforce the development of high-value-added products, and tap into new markets that are not related to bakery products. We will also seek reinforcement and expansion of the filling business, such as through the operation of a new plant in Tomisato-city, Chiba that will start in 2012. The biotechnology business will actively provide consistent services that support the research and development of new drugs, and seek continued business expansion by promoting the launch of new products, chiefly diagnostic reagents, and by actively exploring potential markets through the company's overseas bases.

The healthcare foods business will continue to strive to further improve productivity and strengthen its sales system, and, as a healthcare foods manufacturer distinguished by its scientific approach, search for new materials and develop new products, while seeking to expand sales of consumer products primarily by mail order.

### 3) Others Segment

The pet food business will continue new product development leveraging advantages as a domestic manufacturer, and initiatives based on the LIFE20 program for promoting the longevity of pets, while also strengthening its sales system.

For the engineering business, the environment is expected to remain severe for the capital investment of related industries. However, we will endeavor to expand orders for plant engineering services not only in the field of food manufacturing in which we have an advantage but also in the non-food field for which demand is picking up gradually.

For the mesh cloth business, demand in the automotive parts industry is on course for a recovery, but its future remains uncertain. Therefore, we will continue to implement cost-cutting measures aimed at fundamental strengthening business structure, while engaging in aggressive marketing efforts, including the exploration of new customers, and promoting sales in overseas markets.

Reflecting the aforementioned situations and business performance during the first six months of the fiscal year ending March 31, 2012, the company has revised downward its consolidated performance forecasts released in May 2011 to net sales of ¥446,000 million, or a year-on-year increase of 5.1%, operating income of ¥23,600 million, or a year-on-year decrease of 6.8%, ordinary income of ¥26,000 million, or a year-on-year decrease of 6.6%, and net income of ¥14,000 million, or a year-on-year decrease of 1.3%, which reflects the expected deterioration of the extraordinary income and loss situation. The non-consolidated performance forecasts have also been revised partially.

To overcome this severe business environment and ensure long-term growth, the company has initiated efforts to formulate a medium-term management plan, “NNI-120, Speed, Growth and Expansion,” which will start in April 2012.

(Consolidated Performance Forecasts)

For the full fiscal year ending March 31, 2012 (April 1, 2011 to March 31, 2012)

	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)	447,400	24,600	27,000	15,100	60.77
Forecast after revision (B)	446,000	23,600	26,000	14,000	56.34
[Comparison with the same period of the previous year, %]	[105.1]	[93.2]	[93.4]	[98.7]	
Change (B – A)	(1,400)	(1,000)	(1,000)	(1,100)	-
Change (%)	(0.3)	(4.1)	(3.7)	(7.3)	-
(Reference) Actual results for the year ended March 31, 2011	424,156	25,335	27,839	14,187	57.09

(Non-consolidated Performance Forecasts)

For the full fiscal year ending March 31, 2012 (April 1, 2011 to March 31, 2012)

	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)	22,900	9,800	11,000	13,500	54.31
Forecast after revision (B)	22,900	9,800	11,000	13,200	53.11
[Comparison with the same period of the previous year, %]	[91.5]	[81.4]	[83.6]	[102.6]	
Change (B – A)	-	-	-	(300)	-
Change (%)	-	-	-	(2.2)	-
(Reference) Actual results for the year ended March 31, 2011	25,034	12,042	13,164	12,864	51.75

## **2. Matters Concerning Summary Information (Other)**

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

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

None.

### **(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 associated with the revision of accounting standards)

Effective from April 1, 2011, the company applied the Accounting Standard for Earnings per Share (ASBJ Statement No. 2, released on June 30, 2010) and the Guidance on Accounting Standard for Earnings per Share (ASBJ Guidance No. 4, released on June 30, 2010).

We have changed the method of calculating quarterly diluted earnings per share. By the new method, the stock options—for which the vesting date comes after a certain period of service—are evaluated by including a portion of the estimated fair value of the stock options that is relative to the future services given to the company in the amount of money to be paid in if the stock options are exercised.

There was no effect of this application during the period under review.

#### **(Additional Information)**

Effective from April 1, 2011, the company applied the Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No. 24, released on December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No. 24, released on December 4, 2009).

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2011 (As of March 31, 2011)	Fiscal 2012 Second Quarter (As of September 30, 2011)
<b>Assets</b>		
Current assets		
Cash and deposits	57,938	46,764
Notes and accounts receivable – trade	57,919	53,559
Short-term investment securities	24,744	26,713
Inventories	43,059	57,310
Other	11,875	13,174
Allowance for doubtful accounts	(323)	(297)
Total current assets	195,213	197,225
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	43,253	44,059
Machinery, equipment and vehicles, net	28,438	27,777
Land	34,098	34,010
Other, net	4,665	6,122
Total property, plant and equipment	110,456	111,970
Intangible assets	3,756	3,729
Investments and other assets		
Investment securities	69,597	70,673
Other	10,547	11,884
Allowance for doubtful accounts	(153)	(157)
Total investments and other assets	79,991	82,401
Total noncurrent assets	194,204	198,101
<b>Total assets</b>	<b>389,418</b>	<b>395,326</b>

(Millions of yen)

	Fiscal 2011 (As of March 31, 2011)	Fiscal 2012 Second Quarter (As of September 30, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	36,634	40,353
Short-term loans payable	2,866	3,160
Income taxes payable	4,992	4,544
Provision	258	120
Accrued expenses	15,418	13,857
Other	14,258	14,017
Total current liabilities	74,429	76,054
Noncurrent liabilities		
Long-term loans payable	145	719
Provision		
Provision for retirement benefits	9,360	9,032
Other provision	1,971	2,081
Total provisions	11,331	11,113
Deferred tax liabilities	11,371	11,075
Other	6,890	6,707
Total noncurrent liabilities	29,739	29,617
Total liabilities	104,168	105,671
Net assets		
Shareholders' equity		
Capital stock	17,117	17,117
Capital surplus	9,450	9,453
Retained earnings	239,380	243,572
Treasury stock	(3,171)	(3,179)
Total shareholders' equity	262,776	266,964
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,205	17,725
Deferred gains or losses on hedges	99	(118)
Foreign currency translation adjustment	(2,281)	(2,265)
Total accumulated other comprehensive income	16,023	15,341
Subscription rights to shares	138	159
Minority interests	6,311	7,190
Total net assets	285,249	289,655
Total liabilities and net assets	389,418	395,326

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
 [Quarterly Consolidated Statements of Income]

	(Millions of yen)	
	First six months of Fiscal 2011 (April 1, 2010 to September 30, 2010)	First six months of Fiscal 2012 (April 1, 2011 to September 30, 2011)
Net sales	209,161	214,587
Cost of sales	141,106	148,294
Gross profit	68,054	66,293
Selling, general and administrative expenses	55,669	55,871
Operating income	12,384	10,421
Non-operating income		
Interest income	123	103
Dividends income	689	718
Equity in earnings of affiliates	388	515
Other	341	384
Total non-operating income	1,542	1,721
Non-operating expenses		
Interest expenses	39	46
Foreign exchange losses	136	150
Other	58	53
Total non-operating expenses	234	250
Ordinary income	13,691	11,892
Extraordinary income		
Gain on sales of noncurrent assets	1,157	184
Gain on sales of investment securities	24	-
Gain on negative goodwill	1,908	-
Other	33	-
Total extraordinary income	3,123	184
Extraordinary loss		
Loss on retirement of noncurrent assets	294	82
Impairment loss	3,090	462
Other	58	80
Total extraordinary losses	3,443	625
Income before income taxes	13,371	11,451
Total income taxes	5,634	4,365
Income before minority interests	7,736	7,085
Minority interests in income	802	408
Net income	6,933	6,677

[Quarterly Consolidated Statements of Comprehensive Income]

(Millions of yen)

	First six months of Fiscal 2011 (April 1, 2010 to September 30, 2010)	First six months of Fiscal 2012 (April 1, 2011 to September 30, 2011)
Income before minority interests	7,736	7,085
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,408)	(475)
Deferred gains or losses on hedges	(155)	(169)
Foreign currency translation adjustment	(118)	(67)
Share of other comprehensive income of associates accounted for using equity method	(115)	(74)
Total other comprehensive income	(3,798)	(786)
Comprehensive income	3,937	6,299
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,265	5,995
Comprehensive income attributable to minority interests	672	303

(3) Quarterly Consolidated Statements of Cash Flows

	(Millions of yen)	
	First six months of Fiscal 2011 (April 1, 2010 to September 30, 2010)	First six months of Fiscal 2012 (April 1, 2011 to September 30, 2011)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	13,371	11,451
Depreciation and amortization	6,627	6,528
Impairment loss	3,090	462
Increase (decrease) in provision for retirement benefits	124	(342)
Decrease (increase) in prepaid pension costs	(412)	(1,156)
Interest and dividends income	(812)	(822)
Interest expenses	39	46
Equity in (earnings) losses of affiliates	(388)	(515)
Loss (gain) on sales of investment securities	(24)	0
Gain on negative goodwill	(1,908)	-
Decrease (increase) in notes and accounts receivable—trade	3,393	4,475
Decrease (increase) in inventories	(13,424)	(14,282)
Increase (decrease) in notes and accounts payable—trade	12,787	3,734
Other, net	(3,885)	(2,234)
Subtotal	18,578	7,347
Interest and dividends income received	1,210	1,034
Interest expenses paid	(42)	(47)
Income taxes paid	(7,869)	(4,825)
Net cash provided by (used in) operating activities	11,876	3,509
Net cash provided by (used in) investing activities		
Payments into time deposits	(42,130)	(27,591)
Proceeds from withdrawal of time deposits	57,296	25,062
Purchase of short-term investment securities	(3,843)	(4,452)
Proceeds from sales of short-term investment securities	7,832	15,381
Purchase of property, plant and equipment and intangible assets	(5,372)	(7,147)
Proceeds from sales of property, plant and equipment and intangible assets	1,476	163
Purchase of investment securities	(1,193)	(2,628)
Proceeds from sales of investment securities	73	0
Purchase of stocks of subsidiaries and affiliates	(19,589)	-
Payments of long-term loans receivable	(3)	(2)
Collection of long-term loans receivable	14	4
Other, net	(57)	193
Net cash provided by (used in) investing activities	(5,498)	(1,016)
Net cash provided by (used in) financing activities		
Decrease in short-term loans payable	(54)	(199)
Repayment of long-term loans payable	(10)	-
Proceeds from sales of treasury stock	80	15
Purchase of treasury stock	(37)	(19)
Cash dividends paid	(2,982)	(2,485)
Other, net	(590)	(518)
Net cash provided by (used in) financing activities	(3,594)	(3,207)
Effect of exchange rate change on cash and cash equivalents	(101)	(62)
Net increase (decrease) in cash and cash equivalents	2,681	(777)
Cash and cash equivalents at beginning of period	29,975	42,087
Cash and cash equivalents at end of period	32,656	41,310

(4) Notes on the Premise of a Going Concern

None.

(5) Segment Information, etc.

[Segment Information]

I. First six months of Fiscal 2011 (April 1, 2010 to September 30, 2010)

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

(Millions of yen)

	Reportable Segments			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	80,153	111,195	191,348	17,812	209,161	-	209,161
Intersegment sales and transfers	9,308	265	9,574	1,303	10,877	(10,877)	-
Total	89,462	111,460	200,922	19,115	220,038	(10,877)	209,161
Segment income	5,736	5,573	11,309	960	12,270	113	12,384

Notes: 1. Business segments 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, etc.  
3. Segment income has been adjusted for the operating income appearing in the quarterly consolidated statements of income.

II. First six months of Fiscal 2012 (April 1, 2011 to September 30, 2011)

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

(Millions of yen)

	Reportable Segments			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	84,041	112,669	196,710	17,876	214,587	-	214,587
Intersegment sales and transfers	9,424	242	9,666	1,742	11,408	(11,408)	-
Total	93,465	112,911	206,377	19,618	225,995	(11,408)	214,587
Segment income	3,327	5,821	9,149	1,370	10,519	(97)	10,421

Notes: 1. Business segments 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, etc.  
3. Segment income has been adjusted for the operating income appearing in the quarterly consolidated statements of income.

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

The dividends from surplus for the first six months of the fiscal year ending March 31, 2012 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 28, 2011.

Dividends on common stock:

- |                                |                   |
|--------------------------------|-------------------|
| i) Total dividends to be paid: | ¥2,485 million    |
| ii) Dividend per share:        | ¥10               |
| iii) Date of record            | March 31, 2011    |
| iv) Effective date:            | June 29, 2011     |
| v) Source of dividends:        | Retained earnings |

(7) Significant Subsequent Events

The company and some of its consolidated subsidiaries traditionally provided a tax-qualified pension plan and a lump-sum retirement benefit plan. As of October 1, 2011, however, a lump-sum retirement benefit plan, a defined-contribution pension plan and a defined-benefit corporate pension plan limited to already retired pension recipients have been adopted instead of the aforementioned plans.

Regarding this transfer, the company intends to apply the Account Processing for Transfers among Retirement Benefit Plans (ASBJ Guidance No. 1, released on January 31, 2002), and the effect of the transfer on profits and losses is being calculated.