Allowance for doubtful accounts ....

Total current assets ....

Pro

perty, Plant and Equipment, Net (Notes 6, 7 and 8):				
Land	\	**33,187**	30,851	**331,243**
Buildings and structures		**45,276**	44,224	**451,911**
Machinery, equipment and vehicles	\	**32,526**	33,596	**324,644**
Construction in progress	\	**5,574**	3,194	**55,639**
Other	\	**2,707**	2,833	**27,024**
Property, plant and equipment, net	\	**119,272**	114,701	**1,190,460**
Intangible Assets	\	**4,610**	6,527	**46,013**
Investments and Other Assets:				
Investment securities (Note 4)	\	**84,524**	103,612	**843,646**
Long-term loans receivable	\	**90**	99	**907**
Deferred tax assets (Note 15)	\	**2,799**	2,304	**27,942**
Other	\	**3,916**	2,830	**39,089**
Allowance for doubtful accounts	\	**(260)**	(287)	**(2,603)**
Total investments and other assets				

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statements of Income

For the Years Ended March 31, 2008 and 2007

		2008		2007		2008
Net Sales	\	**431,858**	\	418,190	**$**	**4,310,396**
Cost of Sales (Notes 5 and 14)	\	**298,498**		285,598		**2,979,329**
Gross Profit	\	**133,359**		132,591		**1,331,067**
Selling, General and Administrative Expenses (Notes 10, 13 and 14)	\	**114,168**		113,407		**1,139,515**
Operating Income	\	**19,191**		19,184		**191,552**
Other Income (Expenses):						
Interest income	\	**461**		259		**4,609**
Interest expense	\	**(180)**		(181)		**(1,799)**
Dividend income	\	**1,262**		1,150		**12,596**
Equity in earnings of affiliated companies	\	**1,091**		1,574		**10,893**
Rent income	\	**384**		377		**3,842**

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statements of Changes in Net Assets

For the years ended March 31, 2008 and 2007

Balance at March 31, 2006	\	17,117	\	9,483	\	200,487	\	(3,176)	\	40,835	\ -

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended March 31, 2008 and 2007

		2008		2007		2008
Cash Flows from Operating Activities:						
Income before income taxes and minority interests	\	**22,327**	\	24,044	$	**222,848**
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:						
Depreciation and amortization	\	**13,515**		12,565		**134,898**
Decrease in allowance for employees' retirement benefits	\	**(1,543)**		(2,756)		**(15,401)**
Increase in prepaid pension cost	\	**(1,361)**		-		**(13,586)**
Interest and dividend income	\	**(1,723)**		(1,409)		**(17,205)**
Interest expense	\	**180**		181		**1,799**
Equity in earnings of affiliated companies	\	**(1,091)**		(1,574)		**(10,893)**
Gain on sale of investment securities	\	**(1,649)**		(2,348)		**(16,465)**
Decrease (Increase) in trade notes and accounts receivable	\	**2,200**		(2,256)		

Notes to Consolidated Financial Statements

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

1. Summary of Significant Accounting Policies (continued)

(d) Translation of Foreign Currency Accounts

Current and non-current receivables and payables denominated in foreign currencies are translated at current rates of exchange prevailing at the balance sheet date and the resulting exchange gains or losses are recognized in earnings. Financial statements of overseas consolidated subsidiaries are translated into Japanese yen at the exchange rates in effect at the balance sheet date, with the exceptions that the components of net assets excluding minority interests are translated at their historical rates and that statement of income items are translated at the average rates of exchange in effect during the year.

Translation adjustments resulting from translation of foreign currency financial statements are presented as foreign currency translation adjustments and minority interests in the accompanying consolidated balance sheets.

(e) Cash Equivalents

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include marketable securities, time deposits and certificates of deposit, all of which mature or become due within three months of the date of acquisition.

A reconciliation between cash in the consolidated balance sheets and cash and cash equivalents in the consolidated statements of cash flows is presented in Note 17.

(f) Inventories

Flour and bran are stated at the lower of cost or market, cost being determined by the retail cost method; other products are stated at the lower of cost or market, cost being determined by the periodic average method.

Raw materials are principally stated at cost determined by the moving average method.

(g) Allowance for Doubtful Accounts

The Company and its domestic consolidated subsidiaries provide allowance for doubtful accounts principally at an amount computed based on the historical bad debt ratio during a certain reference period, plus an estimated uncollectible amount based on an analysis of certain individual accounts, including claims in bankruptcy.

Overseas consolidated subsidiaries provide allowance for doubtful accounts based on an estimate of uncollectible amounts for specific accounts.

1. Summary of Significant Accounting Policies (continued)

(h) Depreciation and Amortization

Property, plant and equipment are carried at cost less accumulated depreciation.

Depreciation of property, plant and equipment is computed by the declining-balance method for the Company and its domestic subsidiaries (excluding buildings acquired on or after April 1, 1998), and by the straight-line method for overseas subsidiaries over the estimated useful lives of the respective assets. Depreciation of buildings acquired on or after April 1, 1998 is computed by the straight-line method for the Company and its domestic subsidiaries.

Amortization of intangible assets is computed by the straight-line method. Software for intercompany use is carried at cost less accumulated amortization, which is calculated by the straight-line method over its estimated useful life (five years).

(i) Leases

Finance leases other than those that are deemed to transfer ownership of the leased assets to the lessee are accounted for as operating leases.

Under the Japanese accounting standard for leases, finance leases that are deemed to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain “as if capitalized” information is disclosed in the notes to the lessee’s financial statements.

(j) Marketable and Investment Securities

Securities other than those of subsidiaries and affiliates are classified into two categories: held-to-maturity or other securities.

Held-to-maturity securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are reported at amortized cost. Marketable securities classified as other securities are reported at fair value with unrealized gains and losses, net of the applicable taxes, reported in a separate component of net assets.

Non-marketable securities classified as other securities are stated at cost determined by the moving-average method. For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

(k) Allowance for Employees’ Retirement Benefits

The Company and domestic consolidated subsidiaries have funded defined benefit pension plans covering substantially all employees. The Company and domestic consolidated subsidiaries provide allowance for retirement benefits based on the projected benefit obligation and the fair value of plan assets at the balance sheet date.

Prior service cost is amortized on a straight-line basis over a period equal to the average remaining years of service of the participants of the plans.

1. Summary of Significant Accounting Policies (continued)

(k) Allowance for Employees' Retirement Benefits (continued)

Actuarial gain or loss is amortized primarily by the straight-line method over a period equal to the average remaining years of service of the participants of the plans from the year following the year in which the gain or loss is recognized.

(l) Allowance for Directors' Retirement Benefits

Nine of the Company's domestic consolidated subsidiaries provide an accrual for the necessary payments for directors' retirement benefits based on the projected benefits to be paid at the year end in accordance with internal policies.

(m) Income Taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability method is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities.

Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

(n) Distributions of Retained Earnings

Distributions of retained earnings are reflected in the accompanying consolidated financial statements for the following fiscal year upon shareholders' approval.

(o) Derivatives

The Group uses foreign currency forward contracts and currency option contracts as a means of hedging exposure to risks arising from fluctuation in foreign currencies. Certain overseas consolidated subsidiaries use commodity futures on flour solely for the purpose of mitigating future risks arising from fluctuation in commodity prices. The Group does not enter into derivatives transactions for trading or speculative purposes.

Derivative financial instruments are classified and accounted for as follows: derivatives are carried at fair value with any changes in unrealized gains or losses charged or credited to income; however, for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of a high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions. However, if foreign currency forward contracts qualify for hedge accounting, the related hedged items such as foreign currency receivables and payables are translated at the corresponding contracted rates.

2. Changes in Accounting Policies

(a) Changes in Method of Accounting for Depreciation

Effective the year ended March 31, 2008, the Company and its domestic consolidated subsidiaries have changed their method of accounting for depreciation of property, plant and equipment acquired on or after April 1, 2007 in accordance with the Corporation Tax Law as amended. The effect of this change was to decrease operating income and income before income taxes and minority interests by ¥203 million ($2,035 thousand) for the year ended March 31, 2008 from the corresponding amounts which would have been recorded under the previous method. The effect of this change on segment information is disclosed in Note 20.

In addition, effective the year ended March 31, 2008, after having depreciated the book value of property, plant and equipment acquired on or before March 31, 2007 to 5 of their respective acquisition cost based on the Corporation Tax Law prior to the amendment, the Company and its domestic consolidated subsidiaries depreciate the difference of the remaining acquisition cost less minimum salvage value using the straight-line method over a period of 5 years and book such depreciation as depreciation expense, in accordance with the Corporation Tax Law as amended. The effect of this change was to decrease operating income and income before income taxes and minority interests by ¥700 million ($6,993 thousand) for the year ended March 31, 2008 from the corresponding amounts which would have been recorded under the previous method. The effect of this change on segment information is disclosed in Note 20.

(b) Accounting Standard for Bonuses to Directors and Statutory Auditors

Effective the year ended March 31, 2007, the Company and its domestic consolidated subsidiaries adopted an accounting standard for bonuses to directors and statutory auditors which requires that such bonuses be recorded as expenses in the year in which they were incurred. The effect of the adoption of this standard was to decrease operating income and income before income taxes and minority interests by ¥172 million for the year ended March 31, 2007 from the corresponding amounts which would have been recorded under the previous method. Payments for bonuses to directors approved at an ordinary general shareholders' meeting held in June 2006 have been recorded in the accompanying consolidated statement of changes in net assets for the year ended March 31, 2007. The effect of this change on segment information is disclosed in Note 20.

(c) Accounting Standard for Presentation of Net Assets in the Balance Sheet

Effective the year ended March 31, 2007, the Company adopted an accounting standard for presentation of net assets in the balance sheet and the related implementation guidance. Total shareholders' equity under the previous method of presentation amounted to ¥270,933 million as of March 31, 2007.

In addition, effective the year ended March 31, 2007, the Company is required to prepare consolidated statements of changes in net assets instead of consolidated statements of shareholders' equity.

2. Changes in Accounting Policies (continued)

(d) Accounting Standard for Business Combinations

Effective the year ended March 31, 2007, the Company adopted an accounting standard for business combinations and the related implementation guidance.

3. U.S. Dollar Amounts

The translation of yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made, as a matter of arithmetic computation only, at ¥100.19 = U.S.$1.00, the approximate rate of exchange in effect on March 31, 2008.

The translation should not be construed as a representation that yen have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

4. Investment Securities

Information regarding marketable securities classified as held-to-maturity securities and other securities at March 31, 2008 and 2007 is summarized as follows:

(a) Information regarding marketable securities classified as held-to-maturity securities

	2008					
	Millions of yen			Thousands of U.S. dollars		
	Carrying Value	Market Value	Unrealized Gains (Losses)	Carrying Value	Market Value	Unrealized Gains (Losses)
Securities whose market value exceeds their carrying value:						
Government and municipal bonds	\ -	\ -	\ -	$ -	$ -	$ -
Corporate bonds	\ -	\ -	\ -	$ -	$ -	$ -
Other	\ -	\ -	\ -	$ -	$ -	$ -
Subtotal	\ -	\ -	\ -	$ -	$ -	$ -
Securities whose carrying value exceeds their market value:	\	\	\	$	$	$
Government and municipal bonds	\ **1,499**	\ **1,499**	\ **(0)**	$ **14,970**	$ **14,969**	$ **(1)**
Corporate bonds	\ -	\ -	\ -	$ -	$ -	$ -
Other	\ -	\ -	\ -	$ -	$ -	$ -
Subtotal	\ **1,499**	\ **1,499**	\ **(0)**	$ **14,970**	$ **14,969**	$ **(1)**
Total	\ **1,499**	\ **1,499**	\ **(0)**	$ **14,970**	$ **14,969**	$ **(1)**

Millions of yen

Carrying Market Unrealized

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4. Investment Securities (continued)

(b) Information regarding marketable securities classified as other securities

	2008					
	Millions of yen			Thousands of U.S. dollars		
	Acquisition Cost	Carrying Value	Unrealized Gains (Losses)	Acquisition Cost	Carrying Value	Unrealized Gains (Losses)
Securities whose carrying value exceeds their acquisition cost:						
Equity securities	\ 10,920	\ 56,386	\ 45,465	$ 108,999	$ 562,794	$ 453,795
Bonds:	\	\	\	$	$	$
Government and municipal bonds	\ -	\ -	\ -	$ -	$ -	$ -
Corporate bonds	\ 8,099	\ 8,104	\ 4	$ 80,843	$ 80,890	$ 46
Other	\ -	\ -	\ -	$ -	$ -	$ -
Other	\ -	\ -	\ -	$ -	$ -	$ -
Subtotal	\ 19,020	\ 64,490	\ 45,470	$ 189,842	$ 643,684	$ 453,842
Securities whose acquisition cost exceeds their carrying value:	\	\	\	$	$	$
Equity securities	\ 6,406	\ 5,326	\ (1,080)	$ 63,948	$ 53,163	$ (10,785)
Bonds:	\	\	\	$	$	$
Government and municipal bonds	\ -	\ -	\ -	$ -	$ -	$ -
Corporate bonds	\ 3,603	\ 3,600	\ (2)	$ 35,963	$ 35,938	$ (25)
Other	\ -	\ -	\ -	$ -	$ -	$ -
Other	\ -	\ -	\ -	$ -	$ -	$ -
Subtotal	\ 10,010	\ 8,927	\ (1,083)	$ 99,912	$ 89,102	$ (10,810)
Total	\ 29,030	\ 73,417	\ 44,387	$ 289,754	$ 732,786	$ 443,032

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	Millions of yen		
	Acquisition Cost	Carrying Value	Unrealized Gains (Losses)
Securities whose carrying value exceeds their acquisition cost:			
Equity securities	\ 13,394	\ 79,938	\ 66,543
Bonds:	\	\	\
Government and municipal bonds	\ 3,097	\ 3,098	\ 1
Corporate bonds	\ 3,512	\ 3,513	\ 0
Other	\ -	\ -	\ -
Other	\ -	\ -	\ -
Subtotal	\ 20,004	\ 86,550	\ 66,546
Securities whose acquisition cost exceeds their carrying value:	\	\	\
Equity securities	\ 351	\ 260	\ (90)
Bonds:	\	\	\
Government and municipal bonds	\ 4,506	\ 4,505	\ (1)
Corporate bonds	\ 1,798	\ 1,798	\ (0)
Other	\ -	\ -	\ -
Other	\ -	\ -	\ -
Subtotal	\ 6,656	\ 6,564	\ (92)
Total	\ 26,660	\ 93,114	\ 66,454

4. Investment Securities (continued)

(d) Other securities without market value

	Carrying amount		
	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Held to maturity securities:			
Certificates of deposits	\ **500**	\ -	$ **4,991**
Other securities:			
Unlisted stock	\ **4,640**	\ 5,707	$ **46,313**
Total	\ **5,140**	\ 5,707	$ **51,304**

(e) The redemption schedule of held-to-maturity securities at March 31, 2008 is summarized as follows:

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	Due in one year or less	Due after one year through		Due after one year through
Bonds:				
Government and municipal bonds	\ **1,500**	\ **-**	$ **14,972**	$ **-**
Corporate bonds	\ **11,700**	**-**	**116,778**	**-**
Other	\ **500**	**-**	**4,991**	**-**
Total	\ **13,700**	\ **-**	$ **136,740**	$ **-**

6. Leases (continued)

The future minimum lease commitments under finance leases subsequent to March 31, 2008 are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
Due within one year	\ **770**	$ **7,694**
Due after one year	**1,791**	**17,881**
Total	\ **2,562**	$ **25,575**

Lease payments relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥977 million ($9,760 thousand) and ¥981 million for the years ended March 31, 2008 and 2007, respectively. These lease payments were equal to the depreciation of the leased assets computed by the straight-line method over the respective lease terms assuming a nil residual value.

The future minimum lease commitments under operating leases subsequent to March 31, 2008 are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
Due within one year	\ **13**	$ **133**
Due after one year	**38**	**380**
Total	\ **51**	$ **513**

7. Property, Plant and Equipment

Accumulated depreciation of property, plant and equipment at March 31, 2008 and 2007 amounted to ¥208,691 million ($2,082,959 thousand) and ¥199,698 million, respectively. Accumulated advanced depreciation of property, plant and equipment purchased using funds from a government subsidy amounted to ¥264 million ($2,637 thousand) at March 31, 2008 and 2007.

Kobe factory of Nisshin Flour Milling Inc. is to be closed during the year ending March 31, 2009. Extraordinary depreciation expense resulting from a change in the estimated useful lives of property, plant and equipment in the factory and estimated disposal expense are presented as Loss on improvements to the production system in Other expenses of the accompanying consolidated statement of income for the year ended March 31, 2008.

9. Allowance for Employees' Retirement Benefits

The Company and domestic consolidated subsidiaries have funded defined benefit pension plans, such as tax-qualified pension plans and lump-sum retirement plans. The Company and certain domestic consolidated subsidiaries also have an employee pension trust.

Besides these retirement benefits, certain employees may be entitled to additional special retirement benefits based on the conditions under which termination occurs.

The allowance for employees' retirement benefits at March 31, 2008 and 2007 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Projected benefit obligation	\ **(48,512)**	\ (49,540)	$ **(484,202)**
Fair value of plan assets	\ **40,165**	41,104	**400,891**
Unrecognized actuarial loss	\ **3,711**	1,139	**37,048**
Unrecognized prior service cost	\ **(2,329)**	(2,527)	**(23,250)**
Prepaid pension cost	\ **1,361**	39	**13,586**
Allowance for employees' retirement benefits	\ **(8,325)**	\ (9,863)	$ **(83,098)**

* Certain subsidiaries apply the simplified method to calculate benefit obligations.

* Additional special retirement benefits of ¥429 million ($4,284 thousand), to be paid in the year ending March 31, 2009, are not included in the above retirement allowance but are included in Other in current liabilities in the accompanying consolidated balance sheet at March 31, 2008.

The components of retirement benefit costs for the years ended March 31, 2008 and 2007

10. Stock Option Plans

Total expense recognized for the stock option plans of ¥8 million ($84 thousand) is included in selling, general and administrative expenses in the accompanying consolidated statement of income for the year ended March 31, 2008.

At March 31, 2008, the Company and consolidated subsidiaries had the following stock option plans:

	2002 Plan	**2003 Plan**	**2004 Plan**	**2005 Plan**
Grantees	10 directors and 13 operating officers of the Company and 26 directors of consolidated subsidiaries	10 directors and 13 operating officers of the Company and 29 directors of consolidated subsidiaries	10 directors and 12 operating officers of the Company and 25 directors of consolidated subsidiaries	9 directors and 10 operating officers of the Company and 26 directors of consolidated subsidiaries
Type of stock	Common stock	Common stock	Common stock	Common stock
Number of shares granted	275,000 shares	290,400 shares	269,500 shares	258,500 shares
Grant date	July 23, 2002	July 23, 2003	July 26, 2004	August 17, 2005
Conditions for vesting	Not stated	Not stated	Not stated	Not stated
Service period	Not specified	Not specified	Not specified	Not specified
Exercisable period	July 16, 2004 - July 15, 2009	July 16, 2005 - July 15, 2010	July 17, 2006 - July 16, 2011	July 21, 2007 - July 20, 2012

	2002 Plan	**2003 Plan**	**2004 Plan**	**2005 Plan**
Non-vested (number of shares)				
Outstanding at beginning of the year	-	-	-	258,500
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Vested during the year	-	-	-	258,500
Outstanding at end of the year	-	-	-	-
Vested (number of shares)				
Outstanding at beginning of the year	33,000	91,300	213,400	-
Vested during the year	-	-	-	258,500
Exercised during the year	16,500	35,200	36,300	11,000
Forfeited during the year	-	-	-	-
Outstanding at end of the year	16,500	56,100	177,100	247,500
Exercise price (Yen)	¥805	¥811	¥999	¥1,085
Exercise price (U.S. dollars)	$8.03	$8.09	$9.97	$10.83

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10. Stock Option Plans (continued)

The fair value of options grante

11. Shareholders' Equity

The Corporation Law of Japan (the "Law") provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the capital stock account. Such

12. Supplemental Information for Consolidated Statements of Changes in Net Assets (continued)

(c) Dividends

(1) Dividends paid to shareholders

Date of approval	Type of shares	(Millions of yen	Cut-off date	Effective date

(2) Dividends with a cut-off date during the fiscal year but an effective date subsequent to the fiscal year

13. Selling, General and Administrative Expenses

Selling, general and administrative expenses for the years ended March 31, 2008 and 2007 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Freight	\ **25,372**	\ 25,212	$ **253,243**
Sales incentives	**38,101**	37,083	**380,296**
Employees' salaries	**12,336**	12,192	**123,129**
Employees' bonuses and benefits	**9,006**	9,186	**89,893**
Retirement benefits	**1,151**	1,218	**11,493**
Other	**28,199**	28,515	**281,461**
Total	\ **114,168**	\ 113,407	$ **1,139,515**

14. Research and Development Costs

Research and development costs included in selling, general and administrative expenses and manufacturing costs were ¥5,136 million ($51,272 thousand) and ¥5,071 for the years ended March 31, 2008 and 2007, respectively.

15. Income Taxes

Income taxes applicable to the Group consist of corporate tax, inhabitants' taxes and enterprise taxes which, in the aggregate, resulted in a statutory tax rate of approximately 40.6% for the years ended March 31, 2008 and 2007.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities as of March 31, 2008 and 2007 are summarized as follows:

			Thousands of U.S. dollars
Deferred tax assets:	2008	2007	2008
Allowance for employees' retirement benefits	\ **5,248**	\ 6,375	$ **52,386**
Allowance for bonuses	**1,703**	1,745	**17,004**
Investment securities	**839**	988	**8,378**
Accrued sales incentives	**1,131**	971	**11,290**
Unrealized gain on fixed assets	**1,025**	939	**10,234**
Inventories	**591**	626	**5,907**
Depreciation and amortization	**1,033**	404	**10,315**
Allowance for repairs	**403**	355	**4,032**
Accrued enterprise taxes	**351**	352	**3,508**
Accrued directors' retirement benefits	**346**	350	**3,454**
Other	**2,667**	2,272	**26,620**
Gross deferred tax assets	\ **15,341**	15,383	**153,128**
Valuation allowance	\ **(1,804)**	(83..	

16. Contingent Liabilities

At March 31, 2008 and 2007, the Company was contingently liable as a guarantor of loan obligations to financial institutions for one affiliated company and others as follows:

			Thousands of U.S. dollars
	2008	2007	2008
Employee housing loans			

18. Derivatives (continued)

Internal policies also restrict currency option trading to purchase call options. At certain consolidated subsidiaries, the derivatives transactions are executed by the Finance department in accordance with the instructions of relevant departments. The Company's Finance and Accounting departments report information on derivatives transactions to the managers, directors or executive officers when necessary.

The estimated fair value of the open derivative positions at March 31, 2008 is summarized as follows:

	2008					
	Millions of yen			Thousands of U.S. dollars		
	Contract amount	Fair value	Unrealized gain (loss)	Contract amount	Fair value	Unrealized gain (loss)
Foreign currency forward contracts:						
Buy:						
U.S. dollars	\ **50**	\ **49**	\ **(0)**	$ **501**	$ **498**	$ **(3)**
Canadian dollars	\ **1,045**	**1,036**	**(8)**	**10,438**	**10,350**	**(88)**
Sell:						
Japanese Yen	\ **107**	\ **108**	\ **(1)**	$ **1,070**	$ **1,081**	$ **(11)**
	\ **-**	\ **-**	\ **(10)**	$ **-**	$ **-**	$ **(101)**
Commodity futures:						
Sell:						
Flour	\ **340**	\ **403**	\ **(63)**	$ **3,402**	$ **4,032**	$ **(629)**
	\ **340**	\ **403**	\ **(63)**	$ **3,402**	$ **4,032**	$ **(629)**

* The above derivative positions were all held by overseas consolidated subsidiaries.

19. Related Party Transactions

20. Segment Information (continued)

Business Segment Information (continued)

1. Business segments were determined based on the similarities of the product types.

2. Primary products for each business segment are summarized as follows:

20. Segment Information (continued)

Business Segment Information (continued)

21. Per Share Data

Basic net income per share is computed by dividing net income available for distribution to common shareholders by the weighted-average number of common shares outstanding for the year, retroactively adjusted for stock splits.
With respect to the computation of diluted net income per share, both net income and the weighted-average number of common shares outstanding are adjusted assuming the exercise of rights relevant to potentially issuable shares.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid subsequent to the end of the current fiscal year.

A reconciliation of the differences between basic and diluted net income per share and net assets per share for the years ended March 31, 2008 and 2007 is presented as follows:

Basic net income per share:	2008	2007	2008
Net income available for distribution to common shareholders	**\ 11,147 million**	\ 12,303 million	**$ 111,268 thousand**
Effect of dilutive securities:			
Basic	**\ 251,654,692 shares**	252,865,907 shares	
Warrants	**\ 58,966 shares**	145,454 shares	
Diluted	**\ 251,713,658 shares**	253,011,361 shares	
Net income per share:			
Basic	**\ 44.30**	\ 48.66	**$ 0.44**
Diluted	**\ 44.29**	48.63	**0.44**
Net assets per share	**\ 1,043.53**	\ 1,069.71	**$ 10.42**
Summary of potentially issuable shares that do not have a dilutive effect on net income per share	**\ 89 and 161 stock acquisition rights approved by the annual general meeting of shareholders at June 27, 2007**		