LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars (Note 3)
	2010	2009	**2010**
Current Liabilities:			
Notes and accounts payable – trade (Note 17)	**¥ 22,274**	¥ 22,479	**$ 239,403**
Short-term loans payable (Note 6)	**2,864**	2,943	**30,793**
Income taxes payable (Note 13)	**7,708**	4,691	**82,853**
Accrued expenses	**14,007**	13,470	**150,553**
Other	**15,282**	12,797	**164,257**
Total current liabilities	**62,137**	56,381	**667,858**
Noncurrent Liabilities:			
Long-term loans payable (Note 6)	**271**	336	**2,918**
Deferred tax liabilities (Note 13)	**12,657**	10,546	**136,040**
Provision for retirement benefits (Note 7)	**9,113**	8,587	**97,955**

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statements of Income

For the Years Ended March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2010	2009	**2010**
Net Sales	**¥ 443,728**	¥ 466,671	**$ 4,769,227**
Cost of Sales (Notes 4 and 12)	**306,675**	334,992	**3,296,170**
Gross Profit	**137,053**	131,679	**1,473,058**
Selling, General and Administrative Expenses (Notes 8, 11 and 12)	**110,476**	109,924	**1,187,414**
Operating Income	**26,576**	21,755	**285,644**
Non-operating Income (Expenses):			
Interest income	**301**	432	**3,239**
Interest expenses	**(89)**	(167)	**(963)**
Dividend income	**1,068**	1,255	**11,486**
Equity in earnings of affiliates	**946**	767	**10,171**
Rent income	**337**	350	**3,622**
Gain on sales of noncurrent assets	**43**	1,234	**471**
Gain on sales of investment securities	**1,027**	160	**11,044**
Gain on liquidation of subsidiaries and affiliates	**157**	67	**1,694**
Gain on dissolving pharmaceutical business joint venture	-	1,065	-
Gain on transfer of business	**240**	-	**2,580**
Loss on retirement of noncurrent assets	**(829)**	(985)	**(8,912)**
Loss on valuation of investment securities	-	(882)	-
Expenses for improving production systems	**(487)**	(485)	**(5,244)**
Other, net	**12**	27	**134**
Total non-operating income, net	**2,728**	2,841	**29,321**
Income before Income Taxes and Minority Interests	**29,304**	24,596	**314,965**
Income Taxes (Note 13):			
Income taxes – current	**11,786**	8,343	**126,687**
Income taxes – deferred	**(798)**	1,441	**(8,582)**
Total income taxes	**10,988**	9,784	**118,105**
Minority Interests in Income	**1,476**	959	**15,867**
Net Income	**¥ 16,839**	¥ 13,852	**$ 180,994**

See notes to consolidated financial statements.

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statements of Changes in Net Assets

For the years ended March 31, 2010 and 2009

	Millions of yen									
	Shareholders' equity				Valuation and translation adjustments					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Subscription rights to shares	Minority interests	Total net assets
Balance at March 31, 2008	¥ 17,117	¥ 9,446	¥ 209,221	¥ (3,263)	¥ 26,115	¥ (250)	¥ 791	¥ 8	¥ 30,653	¥ 289,839
Effect of changes in accounting policies applied to foreign subsidiaries			48						(72)	(120)
Balance at the beginning of the year	17,117	9,446	209,172	(3,263)	26,115	(250)	791	8	30,581	289,719
Changes of items during the period:										

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2010	2009	**2010**
Net Cash Provided by Operating Activities:			
Income before income taxes and minority interests			

Notes to Consolidated Financial Statements

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

For the Years Ended March 31, 2010 and 2009

1. Summary of Significant Accounting Policies

(a) Basis of Presentation

Nisshin Seifun Group Inc. (the “Company”) and its domestic subsidiaries maintain their accounting records and prepare their financial statements in accordance with accounting principles generally accepted in Japan, and its overseas subsidiaries maintain their books of account in conformity with those of their respective countries of domicile. Effective April 1, 2008, the Company applied the new accounting standard “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (Practical Issues Task Force, No. 18, issued by the Accounting Standards Board of Japan (ASBJ) on May 17, 2006). Under the new accounting standard, the accompanying consolidated financial statements for the years ended March 31, 2010 and 2009 have been prepared by using the accounts of overseas consolidated subsidiaries that were prepared in accordance with either International Financial Reporting Standards or generally accepted accounting principles in the United States as adjusted for certain items.

The accompanying consolidated financial statements of the Company and its consolidated subsidiaries are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan and are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

As permitted by the Financial Instruments and Exchange Act of Japan, amounts of less than one million yen have been omitted. Consequently, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sum of the individual amounts.

1. Summary on Significant Accounting Policies (continued)

(e) Inventories

Inventories are stated at the lower of cost or market.

Flour and bran, cost is determined by the retail cost method; for other products, cost is principally determined by the periodic average method. For raw materials, cost is principally determined by the moving average method.

See Note 2 (c).

(f) 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.

(g) Depreciation and Amortization (excluding leased assets)

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

Depreciation of property, plant and equipment is computed by the declining-balance

1. Summary on Significant Accounting Policies (continued)

(n) Derivatives

The Group uses forward exchange 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 forward exchange contracts qualify for hedge accounting, the related hedged items such as foreign currency receivables and payables are translated at the corresponding contracted rates.

(o) Consumption Taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

2. Changes in Accounting Policies

(a) Partial Amendments to Accounting Standard for Retirement Benefits

Effective the year ended March 31, 2010, the Company has applied the "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No.19, issued on July 31, 2008).

There were no effects of this change on operating income and income before income taxes and minority interests for the year ended March 31, 2010. There were no effects of this change on segment information. There was no difference between the projected benefit obligation at March 31, 2010 calculated pursuant to the new accounting standard and that calculated under the previous method.

(b) Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements

Effective the year ended March 31, 2009, the Company applied "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements" (ASBJ Practical Issues Task Force (PITF) No.18 issued by the ASBJ on May 17, 2006).

The effect of this application at the beginning of the year ended March 31, 2009 was to decrease noncurrent assets by ¥120 million, retained earnings by ¥48 million and minority interests by ¥72 million, respectively.

The effect on income and loss and segment information for the year ended March 31, 2009 was immaterial.

(c) Changes in Measurement of Inventories

Effective the year ended March 31, 2009, the Company and its subsidiaries adopted "Accounting Standard for Measurement of Inventories" (ASBJ Statement No.9 issued by the ASBJ on July 5, 2006).

The effect of the adoption was to decrease operating income and income before income taxes and minority interests by ¥191 million for the year ended March 31, 2009 from the corresponding amounts which would have been recorded under the previous method. The effect of the adoption on segment information is described in Note 22.

(d) Changes in Method of Accounting for Depreciation

Effective the year ended March 31, 2009, the Company and its domestic consolidated subsidiaries changed the useful lives of machinery from 7 to 16 years to 7 to 12 years based on the reassessment of the useful lives 326r103 f the adoption o6 S

2. Changes in Accounting Policies (continued)

6. Short-Term and Long-Term Loans Payable (continued)

The annual maturities of long-term lease obligations within 5 years of March 31, 2010 excluding the current portion are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2012	¥ **346**	$ **3,719**
2013	**345**	**3,715**
2014	**278**	**2,992**
2015	**65**	**703**

The Group has entered into certain line-of-credit agreements with major financial institutions amounting to ¥17,830 million ($191,638 thousand) and ¥17,830 million at March 31, 2010 and 2009, respectively.

There were no loans payable outstanding at March 31, 2010 and 2009 under these line-of-credit agreements.

Administrative expenses related to these line-of-credit agreements amounted to ¥15 million ($170 thousand) and ¥17 million for the years ended March 31, 2010 and 2009.

The carrying amounts of assets pledged as collateral at March 31, 2010 and 2009 for short-term loans payable of ¥200 million ($2,150 thousand) and ¥224 million, respectively, are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Buildings	¥ **1,293**	¥ 1,288	$ **13,903**
Machinery and equipment	**602**	648	**6,470**
Land	**92**	92	**993**
Other	-	24	-
Total	¥ **1,987**	¥ 2,054	$ **21,367**

7. Provision 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, 2010 and 2009 consisted of the following:

7. Provision for Employees' Retirement Benefits (continued)

	Millions of yen		Thousands of U.S. dollars
	2010		

8. Stock Option Plans (continued)

	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

8. Stock Option Plans (continued)

	2007 Plan	2008 Plan	2009 Plan
Non-Vested (number of shares)			
Outstanding at beginning of the year	250,000	266,000	-
Granted during the year	-	-	256,000
Forfeited during the year	-	-	-
Vested during the year	250,000	-	-
Outstanding at end of the year	-	266,000	256,000
Vested (number of shares)			
Outstanding at beginning of the year	-	-	-
Granted during the year	250,000	-	-
Exercised during the year	25,000	-	-
Forfeited during the year	-	-	-
Outstanding at end of the year	225,000	-	-
Exercise price (Yen)	¥1,197	¥1,397	¥1,131
Exercise price (U.S. dollars)	$12.87	$15.02	$12.16
Weighted-average market price upon exercise (Yen)	¥1,204	-	-
Weighted-average market price upon exercise (U.S. dollars)	$12.94	-	-
Fair value as of grant date (Yen)	¥102	¥201	¥232
Fair value as of grant date (U.S. dollars)	$1.10	$2.16	$2.49

The fair value of options granted as of the grant date was estimated using the Black-Scholes option-pricing model based on the following assumptions:

	2009 Plan
Expected volatility *1 (%)…………………………………………………………………………	28.4
Expected remaining period *2 (years)………………………………………………………………..	4.5
Expected dividends per share *3 (yen)……………………………………………………………….	¥18
Expected dividends per share *3 (U.S. dollars)………………………………………………………	$0.19
Risk free interest rate *4 (%)…………………………………………………………………………	0.60

*1 Expected volatility is estimated based on the actual stock price in the period from February 2005 to August 2009.

*2 As it is difficult to estimate the expected remaining period in a reasonable manner, it is determined to be the period from the grant date to the mid-point of the exercisable period.

*3 Expected dividends per share refer to the annual amount for the year ended March 31, 2009.

*4 Risk free interest rate represents the interest rate of government bonds whose remaining period corresponds to the expected remaining period of the above stock options.

Because it is difficult to estimate the forfeited number of stock options for future periods, estimation of the vested numbers is based on actual forfeitures in prior periods.

8. Stock Option Plans (continued)

At March 31, 2009, 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	-	-	-	-
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Vested during the year	-	-	-	-
Outstanding at end of the year	-	-	-	-
Vested (number of shares)				
Outstanding at beginning of the year	16,500	56,100	177,100	247,500
Vested during the year	-	-	-	-
Exercised during the year	14,300	28,600	86,900	64,900
Forfeited during the year	-	-	-	-
Outstanding at end of the year	2,200	27,500	90,200	182,600
Exercise price (Yen)	¥805	¥811	¥999	¥1,085
Weighted-average market price upon exercise (Yen)	¥1,258	¥1,330	¥1,410	¥1,339

	2007 Plan	2008 Plan
Grantees	12 directors and 11 operating officers of the Company and 23 directors of consolidated subsidiaries	12 directors and 12 operating officers of the Company and 24 directors of consolidated subsidiaries
Type of stock	Common Stock	Common stock

8. Stock Option Plans (continued)

	2007 Plan	2008 Plan
Non-Vested (number of shares)		
Outstanding at beginning of the year	250,000	-
Granted during the year	-	266,000
Forfeited during the year	-	-
Vested during the year	-	-
Outstanding at end of the year	250,000	266,000
Vested (number of shares)		
Outstanding at beginning of the year	-	-
Granted during the year	-	-
Exercised during the year	-	-
Forfeited during the year	-	-
Outstanding at end of the year	-	-
Exercise price (Yen)	¥1,197	¥1,397
Fair value as of grant date (Yen)	¥102	¥201

The fair value of options granted as of the grant date was estimated using the Black-Scholes option-pricing model based on the following assumptions:

	2008 Plan
Expected volatility *1 (%)…………………………………………………………………………………	18.8
Expected remaining period *2 (years)…………………………………………………………………..	4.5
Expected dividends per share *3 (yen)………………………………………………………………….	¥18
Expected dividends per share *3 (U.S. dollars)…………………………………………………………	$0.18
Risk free interest rate *4 (%)………………………………………………………………………………	0.99

*1 Expected volatility is estimated based on the actual stock price in the period from February 2004 to August 2008.

*2 As it is difficult to estimate the expected remaining period in a reasonable manner, it is determined to be the period from the grant date to the mid-point of the exercisable period.

*3 Expected dividends per share refer to the annual amount for the year ended March 31, 2008.

*4 Risk free interest rate represents the interest rate of government bonds whose remaining period corresponds to the expected remaining period of the above stock options.

Because it is difficult to estimate the forfeited number of stock options for future periods, estimation of the vested numbers is based on actual forfeitures in prior periods.

9. Shareholders' Equity

The Companies Act of Japan (the "Act") 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 distributions can be made at any time by resolution of the shareholders, or by the Board of Directors if certain conditions are met.

10. Supplemental Information for Consolidated Statements of Changes in Net Assets

(a) Type and number of outstanding shares

	Thousands of shares			
	Year ended March 31, 2010			
Types of Shares	Balance at Beginning of Year	Increase in Shares during the Year	Decrease in Shares during the Year	Balance at Year End
Issued stock:				
Common stock	**251,535**	**-**	**-**	**251,535**
Treasury stock:				
Common stock	**3,063**	**88**	**92**	**3,059**

1. Treasury stock increased due to a repurchase of odd-lot shares of less than one unit (88 thousand shares).
2. Treasury stock decreased due to (a) a disposal of odd-lot shares of less than one unit (6 thousand shares) and (b) exercise of stock

(c) Dividends (continued)

(1) Dividends paid to shareholders (continued)

Year ended March 31, 2009						
Date of Approval	Resolution Approved by	Type of Shares	Amount	Amount per Share	Cut-off Date	Effective Date
			(Millions of yen)	(Yen)		
June 26, 2008						

13. 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, 2010 and 2009.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities as of March 31, 2010 and 2009 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Deferred tax assets:			
Provision for employees' retirement benefits	**¥ 4,610**	¥ 4,420	**$ 49,552**
Provision for bonuses	**1,812**	1,732	**19,476**
Investment securities	**617**	673	**6,640**
Accrued sales incentives	**958**	848	**10,307**
Unrealized gain on noncurrent assets	**1,041**	979	**11,194**
Inventories	**641**	646	**6,890**
Depreciation and amortization	**581**	689	**6,253**
Provision for repairs	**609**	606	**6,551**
Accrued business office taxes	**644**	419	**6,931**
Unrealized gain on inventories	**299**	298	**3,221**
Other	**1,986**	2,381	**21,348**
Gross deferred tax assets	**13,803**	13,695	**148,363**
Valuation allowance	**(1,395)**	(1,935)	**(14,999)**
Amount offset by deferred tax liabilities	**(4,089)**	(4,174)	**(43,954)**
Deferred tax assets, net	**¥ 8,318**	¥ 7,586	**$ 89,411**

	Millions of yen	Thousands of

13. Income Taxes (continued)

Disclosure of the reconciliation between the statutory and effective tax rates for the year ended March 31, 2010 is as follows:

	Year ended March 31
	2010
Statutory tax rate	**40.6%**
Non-taxable dividend income	**(1.0)**
Non-deductible expenses	**1.9**
Tax credits	**(0.9)**
Valuation allowance	**(1.8)**
Equity in earnings of affiliates	**(1.3)**
Other	**0.0**
Effective tax rate	**37.5%**

Disclosure of the reconciliation for the year ended March 31, 2009 has been omitted as the difference was immaterial.

14. Leases (continued)

Lease payments relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥614 million ($6,605 thousand) and ¥744 million for the years ended March 31, 2010 and 2009, respectively. These lease payments were equal to the depreciation of the leased assets computed by the straight-line method over the respective lease terms with a zero residual value.

The future minimum lease commitments under noncancellable operating leases subsequent to March 31, 2010 are summarized as follows:

(As Lessee)

	Millions of yen		Thousands of U.S. dollars	
Due within one year	**¥**	**35**	**$**	**379**
Due after one year				

16. Per Share Data (continued)

17. Financial Instruments

The Group has applied “Accounting Standard for Financial Instruments” (ASBJ Statement No.10, issued on March 10, 2008) and “Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No.19, issued on March 10, 2008) effective the year ended March 31, 2010.

(a) Overview

(1) Investment policy of financial instruments

The Group mainly operates funds for future strategic investments and manages temporary surpluses by secured time deposits and short-term investment securities. The Group does not operate these funds for trading or speculative purposes. The Group obtains financing through bank borrowings for short-term financial requirements and bank loans, bond issuance and capital increases for long-term financial requirements, considering market conditions and other factors. Investment securities principally consist of equity securities of companies in which a business relationship has been established or capital alliances.

Derivative transactions are only utilized to hedge the following risks, and it is a policy not to enter into derivative transactions for trading or speculative purposes.

(2) Types of financial instruments and related risk and risk management

Cash and deposits are mainly time deposits and short-term investment securities are mainly debt securities. These are exposed to credit risk and market fluctuation risk. The Group minimizes and diversifies these risks according to internal rules that state certain specified limits.

Notes and accounts receivable - trade are exposed to credit risk. Each company in the Group follows internal rules and monitors credit conditions of customers periodically and manages the due date and balance per each customer.

17. Financial Instruments (continued)

Millions of yen

17. Financial Instruments (continued)

Liabilities:

Notes and accounts payable – trade

The carrying value is deemed as the fair value since these are scheduled to be settled in a short period of time.

Derivative transactions:

Please refer to Note 20.

Note 2: Unlisted equity securities of ¥19,074 million ($205,010 thousand) whose fair values are extremely difficult to determine as of March 31, 2010 are not included in the above tables.

(c) The redemption schedule for financial instruments and securities with maturities as of March 31, 2010 is as follows:

	Millions of yen	Thousands of U.S. dollars
	2010	
	Due in One Year or Less	Due in One Year or Less
Cash and deposits	**¥ 69,871**	**$ 750,988**
Notes and accounts receivable - trade	**56,480**	**607,051**
Short-term investment securities and investment securities:		
Held-to-maturity securities	**1,500**	**16,122**
Available-for-sale securities	**20,089**	**215,923**
Total	**¥ 147,941**	**$ 1,590,085**

18. Investment Securities

Investments in unconsolidated subsidiaries and affiliates included in "Investment securities" as of March 31, 2010 and 2009 amounted to ¥16,382 million ($176,084 thousand) and ¥15,898 million, respectively.

Securities other than those of subsidiaries and affiliates classified as held-to-maturity securities at March 31, 2010 and 2009 are summarized as follows:

(a) Information regarding held-to-maturity securities with fair market value

	2010					
	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	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Other	1,500	1,500	-	16,122	16,122	-
Subtotal	1,500	1,500	-	16,122	16,122	-
Total	¥ 1,500	¥ 1,500	¥ -	$ 16,122	$ 16,122	$ -

18. Investment Securities (continued)

(b) Information regarding available-for-sale securities with fair market value

	2010					
	Millions of yen			Thousands of U.S. dollars		
	Carrying Value	Acquisition Cost	Unrealized Gains (Losses)	Carrying Value	Acquisition Cost	Unrealized Gains (Losses)
Securities whose carrying value exceeds their acquisition cost:						
Equity securities	**¥ 46,302**	**¥ 10,502**	**¥ 35,799**	**$ 497,659**	**$ 112,886**	**$ 384,773**
Bonds:						
Government and municipal bonds	**502**	**502**	**0**	**5,403**	**5,402**	**1**
Corporate bonds	**1,921**	**1,921**	**0**	**20,652**	**20,651**	**1**
Other	-	-	-	-	-	-
Other	-	-	-	-	-	-
Subtotal	**48,726**-----	securities				

18. Investment Securities (continued)

(c) Sale of securities classified

20. Derivatives

The Group uses forward exchange contracts and currency option contracts and certain overseas consolidated subsidiaries use commodity futures on flour as derivative financial instruments solely for the purpose of mitigating future risks arising from fluctuation in foreign currency exchange rates and commodity prices. The Group does not enter into derivatives transactions for trading or speculative purposes. Forward exchange contracts, currency option contracts and commodity futures are subject to the risk arising from foreign exchange rate changes and commodity price changes. Because the counterparties to such transactions are limited to major financial institutions, the Group does not anticipate any losses arising from credit risk. The derivatives transactions are executed by the finance and accounting departments based on the instructions of ope

20. Derivatives (continued)

Derivative transactions for which hedge accounting is applied at March 31, 2010 are as follows:

	2010						
		Millions of yen			Thousands of U.S. dollars		
	Hedged Item	Contract Amount and Others	Due after One Year	Fair Value	Contract Amount and Others	Due after One Year	Fair Value
Benchmark method							
Forward exchange contracts:							
Buy:							
U.S. dollars	Accounts	**¥ 2,079**	**¥ -**	**¥ 76**	**$ 22,349**	**$ -**	**$ 825**
Thai baht	payables	**918**	**-**	**72**	**9,876**	**-**	**781**
Euro		**890**	**-**	**(28)**	**9,572**	**-**	**(310)**
Canadian dollars		**34**	**-**	**3**	**372**	**-**	**33**
Currency options:							
Purchase call:							
U.S. dollars		**¥ 7**	**¥ -**	**¥ 8**	**$ 84**	**$ -**	**$ 92**
Allocation method							
Forward exchange contracts:							
Buy:							
U.S. dollars	Accounts	**¥ 112**	**¥ -**	**¥ -**	**$ 1,208**	**$ -**	**$ -**
Euro	payables	**258**	**-**	**-**	**2,776**	**-**	**-**
		¥ 4,301	**¥ -**	**¥ 132**	**$ 46,236**	**$ -**	**$ 1,422**

The estimated fair value of the open derivative positions at March 31, 2009 is summarized as follows:

	2009		
	Millions of yen		
	Contract Amount	Fair Value	Unrealized Gain (Loss)
Foreign currency option:			
Buy:			
Canadian dollars	¥ 507	¥ 510	¥ 2
Forward exchange contracts:			
Buy:			
U.S. dollars	¥ 166	¥ 167	¥ 0
	¥ 673	¥ 677	¥ 3
Commodity futures:			
Buy:			
Flour	¥ 5	¥ 5	¥ (0)
	¥ 5	¥ 5	¥ (0)

* Fair value of forward exchange contracts is stated based on the quoted market price.

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

* The derivative positions to which hedge accounting was applied have been omitted.

21. Related Party Transactions

Disclosure of related party transactions has been omitted as the total amount of such transactions was immaterial for the years ended March 31, 2010 and 2009.

Effective the year ended March 31, 2009, the Company applied "Accounting Standard for Related Party Disclosures" and "Guidance on Accounting Standard for Related Party Disclosures" issued by the ASBJ on October 17, 2006. There was no effect on consolidated financial statements for the year ended March 31, 2009.

22. Segment Information

Business Segment Information

Operations by business segment for the years ended March 31, 2010 and 2009 are summarized as follows:

	Millions of yen					
	2010					
	Flour Milling	Processed Food	Other	Total	Corporate Assets and Eliminations	Consolidated
Net Sales:						
Sales to external customers	¥ 179,413	¥ 223,698	¥ 40,616	¥ 443,728	¥ -	¥ 443,728
Intersegment sales and transfers	20,797	537	3,096	24,431	(24,431)	-
Total	200,211	224,235	43,713	468,160	(24,431)	443,728
Operating expenses	186,600	213,842	41,505	441,948	(24,796)	417,152
Operating income	¥ 13,611	¥ 10,393	¥ 2,207	¥ 26,212	¥ 364	¥ 26,576
Total Assets, Depreciation and Amortization, and Capital Expenditures:						
Total assets	¥ 113,752	¥ 130,971	¥ 51,206	¥ 295,931	¥ 110,386	¥ 396,317
Depreciation and amortization	7,692	5,864	1,750	15,306	(308)	14,998
Capital expenditures	5,004	6,491	1,763	13,258	(472)	12,785

22. Segment Information (continued)

	Flour Milling	Processed Food	Other	Total	Corporate Assets and Eliminations	Consolidated
	Thousands of U.S. dollars					
	2010					
Net Sales:						
Sales to external customers	**$ 1,928,353**	**$ 2,404,323**	**$ 436,551**	**$ 4,769,227**	**$ -**	**$ 4,769,227**
Intersegment sales and transfers	**223,537**	**5,778**	**33,280**	**262,595**	**(262,595)**	**-**
Total	**$ 2,151,889**	**$ 2,410,102**	**$ 469,831**	**$ 5,031,822**	**$ (262,595)**	**$ 4,769,227**

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22. Segment Information (continued)

4. Changes in accounting policies

(a) Changes in measurement of inventories