Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Balance Sheets

As of March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 3)
ASSETS	**2011**	2010	**2011**
Current Assets:			
Cash and deposits (Notes 18 and 20)	**¥ 57,938**	¥ 69,871	**$ 696,790**
Notes and accounts receivable – trade (Note 18)	**57,919**	56,480	**696,565**
Short-term investment securities (Notes 18 and 20)	**24,744**	21,648	**297,589**
Inventories (Note 4)	**43,059**	37,442	**517,853**
Deferred tax assets (Note 14)	**5,692**	5,262	**68,461**
Other	**6,182**	6,189	**74,358**
Allowance for doubtful accounts	**(323)**	(288)	**(3,885)**
Total current assets	**195,213**	196,606	**2,347,731**
Property, Plant and Equipment (Notes 5, 6 and 15):			
Land	**34,098**	33,167	**410,089**
Buildings and structures	**43,253**	44,983	**520,182**
Machinery, equipment and vehicles	**28,438**	30,806	**342,020**
Construction in progress	**1,658**	1,949	**19,943**
Other	**3,007**	3,251	**36,171**
Property, plant and equipment, net	**110,456**	114,158	**1,328,405**
Intangible Assets	**3,756**	3,827	**45,174**
Investments and Other Assets:			
Investment securities (Notes 18 and 19)	**69,597**	72,325	**837,017**
Long-term loans receivable	**54**	70	**660**
Deferred tax assets (Note 14)	**3,250**	3,056	**39,095**
Other056	**79,991**		
		81,725	**962,018**
Total assets	**¥ 389,418**	¥ 396,317	**$ 4,683,328**

LIABILITIES AND NET ASSETS	Millions of yen 2011	Millions of yen 2010	Thousands of U.S. dollars (Note 3) 2011
Current Liabilities:			
Notes and accounts payable – trade (Note 18)	¥ **36,634**	¥ 22,274	$ **440,582**
Short-term loans payable (Note 6)	**2,866**	2,864	**34,476**
Income taxes payable (Note 14)	**4,992**	7,708	**60,045**
Accrued expenses	**15,418**	14,007	**185,425**
Other	**14,517**	15,282	**174,592**
Total current liabilities	**74,429**	62,137	**895,121**
Noncurrent Liabilities:			

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statements of Income

For the Years Ended March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2011	2010	**2011**
Net Sales	**¥ 424,156**	¥ 443,728	**$ 5,101,099**
Cost of Sales (Notes 4 and 12)	**285,700**	306,675	**3,435,968**
Gross Profit	**138,455**	137,053	**1,665,132**
Selling, General and Administrative Expenses (Notes 8, 11 and 12)	**113,120**	110,476	**1,360,439**
Operating Income	**25,335**	26,576	**304,693**
Non-operating Income (Expenses):			
Interest income	**215**	301	**2,593**
Interest expenses	**(71)**	(89)	**(857)**
Dividend income	**1,344**	1,068	**16,164**
Equity in earnings of affiliates	**591**	946	**7,111**
Rent income	**342**	337	**4,117**
Gain on sales of noncurrent assets	**1,193**	43	**14,357**
Gain on sales of investment securities	**24**	1,027	**290**
Gain on negative goodwill	**2,643**	-	**31,786**
Gain on liquidation of subsidiaries and affiliates	**203**	157	**2,445**
Gain on transfer of business	**-**	240	**-**
Foreign exchange losses	**(89)**	-	**(1,073)**
Loss on retirement of noncurrent assets	**(574)**	(829)	**(6,908)**
Loss on valuation of investment securities	**(1,440)**	-	**(17,320)**
Impairment loss (Note 13)	**(3,090)**	-	**(37,165)**
Loss on disaster	**(972)**	-	**(11,694)**
Expenses for improving production systems	**-**	(487)	**-**
Other, net	**160**	12	**1,928**
Total non-operating income, net	**480**	2,728	**5,775**

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statement of Comprehensive Income

For the Year Ended March 31, 2011

	Millions of yen		Thousands of U.S. dollars (Note 3)	
	2011		**2011**	
Income before Minority Interests	**¥**	**15,367**	**$**	**184,813**
Other Comprehensive Income (Note 23):				
Valuation difference on available-for-sale securities		**(2,148)**		**(25,841)**
Deferred gains on hedges		**(12)**		**(146)**
Foreign currency translation adjustment		**(598)**		**(7,203)**
Share of other comprehensive income of subsidiaries and affiliates accounted for using equity method		**(103)**		**(1,249)**
Total other comprehensive income		**(2,863)**		**(34,438)**
Comprehensive Income (Note 23)	**¥**	**12,503**	**$**	**150,375**
Total Comprehensive Income Attributable to (Note 23):				
Owners of the parent	**¥**	**11,495**	**$**	**138,250**
Minority interests		**1,008**		**12,125**

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, 2011 and 2010

	Millions of yen									
	Shareholders' equity				Accumulated other comprehensive income					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on available-for-sale securities	Deferred gains on hedges	Foreign currency translation adjustment	Subscription rights to shares	Minority interests	Total net assets
Balance at March 31, 2009	¥ 17,117	¥ 9,446	¥ 218,543	¥ (3,177)	¥ 17,220	¥ 43	¥ (2,153)	¥ 38	¥ 29,014	¥ 286,094
Changes of items during the period:										
Dividends from surplus			(4,722)							(4,722)
Net income			16,839							16,839
Purchase of treasury stock				(106)						(106)
Disposal of treasury stock		2		97						99
Net changes of items other than shareholders' equity			7i	0	3,082	scn 61	sc5171 459	44	1,374	42.7(stocaor

	Thousands of U.S. dollars (Note 3)									
	Shareholders' equity				Accumulated other comprehensive income					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on available-for-sale securities	Deferred gains on hedges	Foreign currency translation adjustment	Subscription rights to shares	Minority interests	Total net assets
Balance at March 31, 2010	**$ 205,867**	**$ 113,636**	**$ 2,774,035**	**$ (38,332)**	**$ 244,176**	**$ 1,263**	**$ (20,362)**	**$ 999**	**$ 365,463**	**$ 3,646,746**
Changes of items during the period:										

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2011	2010	**2011**
Net Cash Provided by Operating Activities:			
Income before income taxes and minority interests	**¥ 25,815**	¥ 29,304	**$ 310,468**
Depreciation and amortization	**13,681**	14,998	**164,538**
Impairment loss	**3,090**	-	**37,165**
Increase in provision for retirement benefits	**248**	524	**2,986**
Increase in prepaid pension costs	**(796)**	(132)	**(9,573)**
Interest and dividend income	**(1,559)**	(1,369)	**(18,757)**
Interest expenses	**71**	89	**857**
Equity in earnings of affiliates	**(591)**	(946)	**(7,111)**
Gain on sales of short-term investment securities	**(24)**	(1,018)	**(290)**
Gain on negative goodwill	**(2,643)**	-	**(31,786)**
(Increase) decrease in notes and accounts receivable – trade	**(1,562)**	828	**(18,796)**
(Increase) decrease in inventories	**(5,736)**	8,482	**(68,991)**
Increase (decrease) in notes and accounts payable – trade	**1f yen ,e**		

Cash and Cash Equivalents at Beginning of Period	**29,975**	40,339	**360,493**
Cash and Cash Equivalents at End of Period (Note 20)	**¥ 42,087**	¥ 29,975	**$ 506,162**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

For the Years Ended March 31, 2011 and 2010

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 ("PITF"), 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, 2011 and 2010 have been prepared by using the accounts of overseas consolidated subsidiaries that were prepared in accordance with either

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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 first-in-first-out method.

See Note 2 (f).

(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 method for the Company and its domestic consolidated subsidiaries (excluding buildings acquired on or after April 1, 1998), and by the straight-line method for overseas consolidated 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 consolidated subsidiaries.

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

(h) Leases

All finance lease transactions are capitalized to recognize leased assets and lease obligations in the balance sheet and depreciated by the straight-line method over the lease period, with no residual value.

Finance leases that are not deemed to transfer ownership of leased assets to the lessee which had been entered into on or before March 31, 2008 are accounted for in manner similar to operating lease transactions.

1.

2. Changes in Accounting Policies and Adoption of New Accounting Standards (continued)

(c) Accounting Standard for Business Combinations

Effective the year ended March 31, 2011, the Company has applied the "Accounting Standard for Business Combinations" (ASBJ Statement No.21, issued on December 26, 2008), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, issued on December 26, 2008), the "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No.23, issued on December 26, 2008), the "Accounting Standard for Business Divestitures" (ASBJ Statement No.7, issued on December 26, 2008), the "Accounting Standard for Equity Method of Accounting for Invest

2. Changes in Accounting Policies and

4. Inventories

Inventories at March 31, 2011 and 2010 comprised of the following:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Merchandise and finished goods	**¥ 21,897**	¥ 22,048	**$ 263,345**
Work in process	**2,602**	2,778	**31,304**
Raw materials and supplies	**18,559**	12,616	**223,204**
Total	**¥ 43,059**	¥ 37,442	**$ 517,853**

Revaluation loss on inventories of ¥338 million ($4,071 thousand) and ¥264 million based on the lower of cost or market method was deducted from the carrying amounts of inventories at March 31, 2011 and 2010, respectively.

5. Property, Plant and Equipment

Accumulated depreciation of property, plant and equipment at March 31, 2011 and 2010 amounted to ¥225,819 million ($2,715,805 thousand) and ¥217,246 million, respectively. Accumulated reduction entry of property, plant and equipment purchased using funds from a government subsidy amounted to ¥359 million ($4,323 thousand) and ¥360 million at

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

The annual maturities of long-term loans payable within 5 years of March 31, 2011, excluding the current portion, are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2013	**¥ 112**	**$ 1,348**
2014	**3**	**39**
2015	**3**	**39**
2016	**3**	**39**

The annual maturities of long-term lease obligations within 5 years of March 31, 2011 excluding the current portion are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2013	**¥ 395**	**$ 4,757**
2014	**328**	**3,956**
2015	**114**	**1,374**
2016	**40**	**485**

The Group has entered into certain line-of-credit agreements with major financial institutions amounting to ¥17,830 million ($214,432 thousand) and ¥17,830 million at March 31, 2011 and 2010, respectively.

There were no loans payable outstanding at March 31, 2011 and 2010 under these line-of-credit agreements.

Administrative expenses related to these line-of-credit agreements amounted to ¥15 million ($191 thousand) and ¥15 million for the years ended March 31, 2011 and 2010, respectively.

The carrying amounts of assets pledged as collateral at March 31, 2011 and 2010 for short-term loans payable of ¥200 million ($2,405 thousand) and ¥200 million, respectively, are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Buildings	**¥ 1,261**	¥ 1,293	**$ 15,167**
Machinery and equipment	**688**	602	**8,277**
Land	**92**	92	**1,111**
Total	**¥ 2,041**	¥ 1,987	**$ 24,555**

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, 2011 and 2010 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Projected benefit obligation	**¥ (45,290)**	¥ (45,915)	**$ (544,680)**
Fair value of plan assets	**36,718**	37,803	**441,598**
Unrecognized actuarial loss	**5,768**	4,958	**69,375**
Unrecognized prior service cost	**(1,734)**	(1,932)	**(20,862)**
Less: Prepaid pension cost	**4,823**	4,027	**58,004**
Allowance for employees' retirement benefits	**¥ (9,360)**	¥ (9,113)	**$ (112,574)**

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

The components of retirement benefit costs for the years ended March 31, 2011 and 2010 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Service cost	**¥ 1,756**	¥ 1,999	**$ 21,129**
Interest cost	**1,031**	1,060	**12,411**
Expected return on plan assets	**(868)**	(811)	**(10,439)**
Amortization of actuarial loss	**621**	813	**7,480**
Amortization of prior service cost	**(198)**	(198)	**(2,384)**
Net retirement benefit costs	**¥ 2,344**	¥ 2,864	**$ 28,197**

* Retirement benefit costs incurred by consolidated subsidiaries that apply the simplified method are recorded as service cost.

The assumptions used in the above computations for the years ended March 31, 2011 and 2010 are set forth as follows:

		2011		2010
Discount rate	Principally	**2.5%**	Principally	2.5%
Expected rate of return on plan assets	Principally	**2.5%**	Principally	2.5%
Amortization period of actuarial difference	Principally	**15 years**	Principally	15 years
Amortization period of prior service cost		**15 years**		15 years

8. Stock Option Plans (continued)

	2008 Plan	2009 Plan	2010 Plan
Non-Vested (number of shares)			
Outstanding at beginning of the year	266,000	256,000	-
Granted during the year	-	-	263,000
Forfeited during the year	-	-	-
Vested during the year	266,000	-	-
Outstanding at end of the year	-	256,000	263,000
Vested (number of shares)			
Outstanding at beginning of the year	-	-	-
Granted during the year	266,000	-	-
Exercised during the year	13,000	-	-
Forfeited during the year	-	-	-
Outstanding at end of the year	253,000	-	-

8. Stock Option Plans (continued)

At March 31, 2010, the Company and consolidated subsidiaries had the following stock option plans:

	2002 Plan	2003 Plan	2004 Plan	2005 Plan
Grantees	10 directors and 13 executive officers of the Company and 26 directors of consolidated subsidiaries	10 directors and 13 executive officers of the Company and 29 directors of consolidated subsidiaries	10 directors and 12 executive officers of the Company and 25 directors of consolidated subsidiaries	9 directors and 10 executive 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	2,200	27,500	90,200	182,600
Vested during the year	-	-	-	-
Exercised during the year	2,200	14,300	16,500	27,500
Forfeited during the year	-	-	-	11,000

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, 2011			
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	**3,059**	**77**	**91**	**3,045**

1. Treasury stock increased due to a repurchase of odd-lot shares of less than one unit (77 thousand shares).
2. Treasury stock decreased due to (a) a disposal of odd-lot shares of less than one unit (10 thousand shares) and (b) exercise of stock options (81 thousand 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

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

(c) Dividends

(1) Dividends paid to shareholders

Year ended March 31, 2011								
Date of Approval	Resolution Approved by	Type of Shares	Amount		Amount per Share		Recording Date	Effective Date
			(Millions of yen)	(Thousands of U.S. dollars)	(Yen)	(U.S. dollars)		**Date**
					Date (Thousands of U.S. dollars) **Date**			
					Date			

11. Selling, General and Administrative Expenses

Selling, general and administrative expenses for the years ended March 31, 2011 and 2010 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Freight	**¥ 25,645**	¥ 25,108	**$ 308,429**
Sales promotion and sales incentives	**34,640**	32,408	**416,608**
Employees' salaries	**12,811**	12,575	**154,082**
Employees' bonuses and benefits	**9,636**	9,102	**115,896**
Retirement benefits	**1,295**	1,812	**15,578**
Other	**29,089**	29,470	**349,846**
Total	**¥ 113,120**	¥ 110,476	**$ 1,360,439**

12. Research and Development Expenses

Research and development expenses included in selling, general and administrative expenses and manufacturing costs were ¥5,866 million ($70,553 thousand) and ¥5,812 million for the years ended March 31, 2011 and 2010, respectively.

13. Impairment Loss

The Group recognized impairment loss on the following assets for the year ended March 31, 2011:

Location	Type of assets	Item
Kumagaya-shi, Saitama, and others	Business property (Processed Food segment)	Building and structures, machinery, equipment and vehicles, land and others
Kobe-shi, Hyogo, and others	Rental property	Building and structures, land
Sasayama-shi, Hyogo, and others	Idle property	Building and structures, land

The Group classifies assets based on minimum units that generate cash flows essentially independent from the cash flows of other assets or groups of assets.

For business property and rental property, the book values of such assets were written down to the amounts deemed recoverable since the book value exceeded recoverable value from such assets, resulting in impairment loss of ¥2,410 million ($28,991 thousand) and ¥475 million ($5,718 thousand), respectively. Impairment loss on business property consists of ¥1,293 million ($---Tw( )3ea6( )TJ0r assets or gr2(a41,)5.8f1.16 -1(w09gr24gs,8[Emplo)6.4(y)-13.6(e

13. Impairment Loss (continued)

The recoverable value of these assets for the Group was estimated based on the usage value (discount rates used in the calculation were

14. Income Taxes (continued)

Disclosure of the reconciliation for the year ended March 31, 2011 has been omitted as the difference was less than 5% of the statutory tax rate.

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 and others	(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%

15. Leases

The Group primarily leases information system equipment and software.

The following *pro forma* amounts represent the acquisition cost, accumulated depreciation and net book value of the leased assets at March 31, 2011 and 2010. Finance leases which had been entered into on or before March 31, 2008 and which do not transfer ownership of the leased property to the lessee are currently accounted for as operating leases:

	2011							
	Millions of yen				Thousands of U.S. dollars			
	Acquisition Cost	Accumulated Depreciation	Accumulated Impairment Loss	Net Book Value	Acquisition Cost	Accumulated Depreciation	Accumulated Impairment Loss	Net Book Value
Machinery, equipment and vehicles	**¥ 1,925**	**¥ 1,421**	**¥ 132**	**¥ 370**	**$ 23,157**	**$ 17,098**	**$ 1,598**	**$ 4,462**
Other	**1,421**	**1,158**	**48**	**214**	**17,099**	**13,938**	**580**	**2,581**
Total	**¥ 3,347**	**¥ 2,580**	**¥ 181**	**¥ 585**	**$ 40,256**	**$ 31,036**	**$ 2,177**	**$ 7,042**

2010		
Millions of yen		
Acquisition Cost	Accumulated Depreciation	Net Book Value

15. Leases (continued)

The future minimum lease commitments under finance leases subsequent to March 31, 2011 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars	
Due within one year	¥	**375**	$	**4,512**
Due after one year		**348**		**4,190**
Total	¥	**723**	$	**8,702**

17. Per Share Data

	2011	2010	2011
Net income per share:			
Basic	**¥ 57.09**	¥ 67.77	**$ 0.69**
Diluted	**57.09**	67.76	**0.69**
Net assets per share	**¥ 1,121.98**	¥ 1,097.72	**$ 13.49**

Basic net income per share is computed by dividing net income available for distribution to common shareholders by the weighted-average number of shares of common stock 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 shares of common stock outstanding are adjusted assuming the exercise of rights relevant to potentially issuable shares.

Net assets per share are computed by dividing the net assets excluding subscription rights to shares and minority interests by the number of shares of common stock outstanding at the year end.

The bases for calculating basic and diluted net income per share are as follows:

	2011	2010
Net income available for distribution to common shareholders	**¥ 14,187 million ($170,625 thousand)**	¥ 16,839 million
Weighted average number of shares for basic net income	**248,497,650 shares**	

17. Per Share Data (continued)

18. Financial Instruments (continued)

(3) Supplemental information on fair value of financial instruments
As well as the values based on market prices, fair values of financial instruments include values, which are reasonably calculated in case market prices do not exist. As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied. Also, for the contract amount and others regarding derivative transactions described in Note 21, the contract amount itself does not indicate market risk related to derivative transactions.

(b) Fair value of financial instruments
Carrying value on the consolidated balance sheets as of March 31, 2011 and 2010, fair value and differences are as follows. The financial instruments whose fair value is extremely difficult to determine are not included below.

	2011					
	Millions of yen			Thousands of U.S. dollars		
	Carrying Value	**Fair Value**	**Difference**	**Carrying Value**	**Fair Value**	**Difference**
Cash and deposits	**¥ 57,938**	**¥ 57,938**	¥ -	**$ 696,790**	**$ 696,790**	**$ -**
Notes and accounts receivable - trade	**57,919**	**57,919**	-	**696,565**	**696,565**	**-**
Short-term investment securities and investment securities:						

18. Financial Instruments (continued)

(*) Net assets and liabilities arising from derivative transac

19. Investment Securities

Investments in unconsolidated subsidiaries and affiliates included in "Investment securities" as of March 31, 2011 and 2010 amounted to ¥16,416 million ($197,429 thousand) and ¥16,382 million, respectively.

Securities other than those of subsidiaries and affiliates classified as held-to-maturity securities at March 31, 2011 and 2010 are summarized as follows:

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

	2011					
	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	**2,000**	**2,000**	-	**24,053**	**24,053**	-
Subtotal	**2,000**	**2,000**	-	**24,053**	**24,053**	-
Total	¥ **2,000**	¥ **2,000**	¥ -	$ **24,053**	$ **24,053**	$ -

	2010		
	Millions of yen		
	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	-
Subtotal	1,500	1,500	-
Total	¥ 1,500	¥ 1,500	¥ -

19. Investment Securities (continued)

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

	2011					
	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:						

19. Investment Securities (continued)

(c)

21. Derivatives

Derivative transactions for which hedge accounting is not applied at March 31, 2011 and 2010 are as follows:

	2011							
	Millions of yen				Thousands of U.S. dollars			
	Contract Amount and Others	Due after One Year	Fair Value	Unrealized Gain (Loss)	Contract Amount and Others	Due after One Year	Fair Value	Unrealized Gain (Loss)
Foreign currency option:								
Buy:								
Canadian dollars	**¥ 467**	**¥ -**	**¥ 7**	**¥ 7**	**$ 5,620**	**$ -**	**$ 95**	**$ 95**
Forward exchange contracts:								
Sell:								
U.S. dollars	**¥ 148**	**¥ -**	**¥ (1)**	**¥ (1)**	**$ 1,790**	**$ -**	**$ (13)**	**$ (13)**
Buy:								
U.S. dollars	**439**	**-**	**(1)**	**(1)**	**5,288**	**-**	**(14)**	**(14)**
Euro	**23**	**-**	**0**	**0**	**279**	**-**	**1**	**1**
Japanese yen	**1**	**-**	**0**	**0**	**16**	**-**	**0**	**0**
Total	**¥ 1,080**	**¥ -**	**¥ 5**	**¥ 5**	**$ 12,993**	**$ -**	**$ 68**	**$ 68**
Commodity futures:								
Sell:								
Wheat	**¥ 7**	**¥ -**	**¥ (0)**	**¥ (0)**	**$ 86**	**$ -**	**$ (11)**	**$ (11)**
Buy:								
Wheat	**188**	**-**	**2**	**2**	**2,261**	**-**	**30**	**30**
	¥ 195	**¥ -**	**¥ 1**	**¥ 1**	**$ 2,347**	**$ -**	**$ 18**	**$ 18**

21. Derivatives (continued)

	Hedged Item	2010 Millions of yen Contract Amount and Others	Due after One Year	Fair Value
Benchmark method				
Forward exchange contracts:				

22. Business Combination (Continued)

2. Accounting treatment

The Company accounted for the acquisition of additional shares for the purpose of making both companies wholly-owned subsidiaries as transactions with minority shareholders

24. Segment Information

Effective the year ended March 31, 2011, the Company has applied the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No.17, issued on March 27, 2009) and the “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No.20, issued on March 21, 2008).

Information about net sales, income, assets and other items by reportable segment for the year ended March 31, 2010 has been omitted, as the classification of business segment under the previous standard was the same as the classification of reportable segments.

1. Overview of reportable segments

The Group’s reportable segments are those for which separate financial information is available and regular consideration by the Company’s Board of Directors are being performed in order to decide how resources should be allocated among the Group and evaluate operating results. The Company, as a holding company, develops and determines group strategy, allocates management resources, and evaluates operations by business segments of “Flour Milling”, “Processed Food” and other business which are classified by products and services. Therefore, the Group’s reportable segment comprises of “Flour

24. Segment Information (Continued)

	Thousand of U.S. dollars						
	2011						
	Reportable segment						
	Flour Milling	Processed Food	Subtotal	Other	Total	Adjustments	Consolidated
Net Sales:							
Sales to external customers	**$ 1,940,717**	**$ 2,702,647**	**$ 4,643,363**	**$ 457,736**	**$ 5,101,099**	**$ -**	**$ 5,101,099**
Intersegment sales and transfers	**226,924**	**5,845**	**232,769**	**35,969**	**268,738**	**(268,738)**	**-**
Total	**2,167,641**	**2,708,491**	**4,876,132**	**493,705**	**5,369,837**	**(268,738)**	**5,101,099**
Segment income	**$ 130,009**	**$ 142,501**	**$ 272,510**	**$ 28,709**	**$ 301,220**	**$ 3,473**	**$ 304,693**
Segment assets	**$ 1,414,221**	**$ 1,598,559**	**$ 3,012,780**				

24. Segment Information (Continued)

Overseas Sales

Overseas sales for the year ended March 31, 2010 have been omitted because total overseas sales were less than 10% of total consolidated sales.