

Consolidated Financial Results for FY2009 and Forecast for FY2010

Listed Company Name: Nippon Flour Mills Co., Ltd.

Listing: The 1st section of Tokyo and Osaka Stock Exchanges, Sapporo Securities Exchange

Code Number: 2001 URL <http://www.nippon.co.jp/> TEL: 03-3350-3900

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Contact: Yasuo Morizumi, General Manager of Corporate Communications Group

Date of the general meeting of shareholders: June 26, 2009

Payment date of cash dividends: June 29, 2009

Filing date of financial statements: June 26, 2009

*Amounts less than one million yen have been rounded down.

1. Consolidated results for the year ended March 31, 2009 (April 1, 2008 - March 31, 2009)

(1) Consolidated operating results

(Millions of yen, Percentage figures indicate the rate changes from previous year.)

	Net Sales		Operating Income		Ordinary Income	
	Amount	% Change	Amount	% Change	Amount	% Change
FY2009	276,797	10.4%	10,682	59.3%	9,736	44.7%
FY2008	250,719	4.7%	6,706	6.0%	6,729	2.3%

	Net Income		Net Income per Share (Yen)	Diluted Net Income per Share (Yen)	ROE (%)	Ordinary Income to Total Assets (%)	Operating Income to Net Sales (%)
	FY2009	4,829	26.7%	28.89	26.39	5.4	5.2
FY2008	3,810	(8.1%)	22.62	20.68	4.0	3.3	2.7

Reference: Equity in earnings of affiliated companies: FY2009 (590) million yen FY2008 (683) million yen

(2) Consolidated financial position

(Millions of yen)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
FY2009	182,863	88,536	47.7	521.77
FY2008	193,113	93,726	47.5	549.13

Reference: Equity capital: FY2009 87,205 million yen FY2008 91,782 million yen

(3) Consolidated cash flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of the Year
FY2009	7,080	(4,646)	(1,258)	10,685
FY2008	11,231	(6,906)	(6,721)	9,651

2. Dividends

Record Date	Dividends per Share (Yen)					Total Amount of Cash Dividends (Annual) (Millions of yen)	Dividends Payout Ratio (Consolidated) (%)	Dividends on Net Assets (Consolidated) (%)
	1Q-end	2Q-end	3Q-end	Year-end	Full Year			
FY2008	-	3.50	-	3.50	7.00	1,176	30.9	1.2
FY2009	-	3.50	-	4.50	8.00	1,337	27.7	1.5
FY2010 (Forecast)	-	3.50	-	3.50	7.00	-	21.3	-

Note: Of the dividend paid at the end of FY2009 Commemorative dividend: ¥1.00

3. Forecast of consolidated business results for FY2010 (April 1, 2009 - March 31, 2010)

(Percentage figures show changes from corresponding year-ago period.)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Half Year	140,000	1.7	4,500	(8.3)	4,500	(8.1)	2,500	13.3	14.96
Full Year	280,000	1.2	10,000	(6.4)	10,000	2.7	5,500	13.9	32.91

4. Others

(1) Significant changes in subsidiaries during the fiscal year

(Changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Changes in accounting principles, procedures and method of presentation associated with preparation of the consolidated financial statements (The matters to be included in the section, changes in basic important matters for preparation of consolidated financial statements)

- 1) Changes due to revisions of accounting standards, etc.: Yes
- 2) Changes other than 1): None

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

1. Number of shares issued and outstanding at the end of each fiscal year (included treasury stock):

FY2009 174,148,018 shares FY2008 174,148,018 shares

2. Number of treasury stocks at the end of each fiscal year:

FY2009 7,015,503 shares FY2008 7,005,544 shares

Note: Please refer to page 18, Per share information for the number of shares in basis for the calculation of net income per share of consolidated financial statements.

(References) Overview of the non-consolidated business results

1. Non-consolidated results for the year ended March 31, 2009 (April 1, 2008 - March 31, 2009)

(1) Non-consolidated operating results

(Millions of yen, Percentage figures indicate the rate changes from previous year.)

	Net Sales		Operating Income		Ordinary Income	
FY2009	190,319	14.7	10,140	78.1	10,442	55.5
FY2008	165,902	5.2	5,694	15.7	6,714	28.9

	Net Income		Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
FY2009	4,287	16.6	25.64	23.43
FY2008	3,676	29.8	21.82	19.95

(2) Non-consolidated financial position

(Millions of yen)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
FY2009	153,229	81,629	53.3	488.26
FY2008	158,555	85,258	53.8	509.95

Reference: Net assets: FY2009 81,629 million yen FY2008 85,258 million yen

*Note to ensure appropriate use of forecast, other remarks

The above forecast has been prepared based on data as of the announcement date. Actual results may differ from the forecasted figures due to various factors.

For the above forecast, please refer pages 4 to 5 of the attached document.

1. Operating results

(1) Analysis of operating results

During the fiscal year 2009, the Japanese economy became entangled in grave difficulties: Corporate earnings deteriorated, private-sector capital investment decreased and personal consumption slowed, affected by the rapid downturn of global economy triggered by the U.S. financial crisis

The food industry continued to operate in a challenging environment. Although prices of ingredients and other materials were stabilized, the industry had been affected by the sharp drop in demand caused by the economic downturn. Furthermore, consumers' mistrust of and concern about the food industry was exacerbated by a spate of false product labeling incidents, illegal distributions, and tampering with toxic substances.

The flour milling industry saw a continued increase in the costs of raw materials. Against the background of sharp increases in international wheat prices, the government increased prices of major types of wheat by 30% in April 2008 and by 10% in October 2008.

In these circumstances, the Nippon Flour Mills Group launched the two-year 08/09 SG100 New Business Plan in April 2008 to achieve sustainable growth and enhance corporate value. Accordingly, inspired by the slogan—"making the most of today and tomorrow," the Group made a concerted effort to expand the business and increase profits and profit margins.

As part of the New Business Plan, in order to strengthen the competitiveness of the core Flour Milling segment, the Company signed a basic agreement on a tie-up with Mayeda Sangyo Co., Ltd. concerning the flour milling business in May 2008 and acquired additional shares of Tofuku Flour Mills Co., Ltd. in December 2008, with which the Company had already developed a close relationship. Tofuku Flour Mills is now an affiliate of the Company accounted for by the equity method.

In the Food segment, OHMY Co., Ltd., a pasta producer, started operation of a new pasta production line in October 2008 in order to boost cost competitiveness.

As a result, the consolidated net sales increased by 10.4% year on year to ¥276,797 million, the operating income increased by 59.3% year on year to ¥10,682 million, and the ordinary income increased by 44.7% year on year to ¥9,736 million, the net income increased by 26.7% year on year to ¥4,829 million.

The performance of individual business segments was as follows.

Flour Milling

Worldwide wheat flour production is expected to amount to 682 million tons, exceeding production in the previous year by 71 million tons. Year-end inventory is expected to have recorded an upturn for the first time in four years. In these circumstances, the international market price of wheat flour has been stabilizing but the outlook remains uncertain.

Wheat flour production in Japan decreased 29,000 tons from the previous year to 880,000 tons owing to a poor crop in Hokkaido, the main producing district, because of unsettled weather.

Amid sluggish demand for wheat flour in Japan, the Group strove to identify needs from the customers' viewpoint while engaging in vigorous marketing activities, such as participating in the Machinery, Materials, Marketing of Bakery and Confectionery Show (MOBAC Show) and various other exhibitions and holding workshops and seminars around Japan. However, shipments of wheat flour decreased compared with the previous year. Sales of wheat flour exceeded the level for the previous year because the Group revised the wheat flour sales prices in line with the 30% increase in April 2008 and the 10% increase in October 2008 in the government's sales prices of major types of wheat. The profitability of exports improved in light of the stabilization of the market for raw wheat and the appreciation of the yen.

Sales of wheat bran, a by-product, exceeded the level of the previous fiscal year as the market developed favorably.

As a result, the net sales for the Flour Milling segment increased by 19.5% year on year to ¥109,280 million, the operating income increased by 68.7% year on year to ¥5,891 million.

Food

We launched new products that meet consumers' heightened preoccupation with wellbeing and the trend toward cooking and eating at home. At the same time, we vigorously engaged in marketing activities, such as participation in various exhibitions and the holding of Italian cookery workshops.

Moreover, we reviewed logistics expenses and strove to increase efficiency of sales. As a result, sales of pasta-related products for business and home use were brisk. Sales of premixes also exceeded the previous year's level.

In order to expand the market for home-use pasta, we remodeled a series of large-quantity pasta products in zipper packages and launched a page where people can browse numerous pasta recipes on our mobile-phone website.

In frozen ingredients and food, sales of frozen pasta products for home use, such as the "Obento" series and the "Oh'my Premium" series, greatly increased, while sales of the products for business use were sluggish.

Sales of deli products exceeded the level for the previous fiscal year as a result of robust sales of boxed lunches for convenience stores.

As a result, the net sales for the Food segment increased by 5.4% year on year to ¥138,716 million, the operating income increased by 51.5% year on year to ¥5,263million.

Other Businesses

The pet food products business was robust and sales of the biotechnology-related business also increased. However, sales of the engineering business decreased from the previous fiscal year. Sales of health food increased, led by the popularity of linseed oil.

As a result, sales for the Other Businesses segment increased 4.1% year on year to ¥28,800 million; however, profits decreased due to sharp increases in prices of raw materials and other materials.

–Forecast for the year ending March 31, 2010–

Although it is hoped that the government's implementation of measures will stimulate the Japanese economy, a decisive recovery is not yet in prospect and the severe situation is expected to persist.

In addition to contractions of the domestic market due to the decreasing population and the aging of society, the food industry is facing a cooling of personal consumption in line with the deterioration of the labor market and personal incomes. In these circumstances, competition among companies is expected to intensify.

The business environment of the flour milling industry is undergoing unprecedented upheaval. The government's sales prices of major types of wheat were increased in April and October 2008, but then reduced 14.8% on average in April 2009, the first reduction since the revision of the scheme.

Nippon Flour Mills Group will do its utmost to achieve the objectives of the 08/09 SG100 New Business Plan, striving to strengthen competitiveness and cut costs not only in the core flour milling business but throughout the Group's business fields. We will vigorously invest in growth fields in Japan and overseas in order to secure sustainable growth and make a group-wide effort to enhance corporate value. We have resolved to continuously grow and develop as a multifaceted global food enterprise.

Flour Milling

The business environment in the flour milling industry becomes increasingly severe and our responsibilities for the society becomes more important because of the issues such as the declining population, the aging society with fewer children and the consumers' preoccupation with safety and security. In order to increase our sales, we will fulfill customer satisfaction by working on positive marketing activities and proposing products designed to satisfy the latent market needs.

Food

In the Food business, we will aggressively engage in developing and introducing new products that satisfy customer needs. In food for home use, we will further improve the business by introducing differentiated products. In deli products, we will further strengthen our structure by underpinning our capabilities to propose and develop new products attuned to customer needs. In frozen food, we intend to increase sales by introducing products with high value.

Other businesses

The market for daily-use products including health food is expected to grow steadily in step with the Japanese aging society. We will work on developing unique products and to launch a mail-order business to fuel sales growth. The market for pet products is expanding because keeping pets is considered to have life-enhancing effects on people. We will endeavor to increase sales in this sector by researching and developing pet foods that meet customer needs.

As a result, management forecasts the consolidated net sales of ¥280.0 billion, the operating income of ¥10.0 billion, the ordinary income of ¥10.0 billion and the net income of ¥5.5 billion for the year ending March 2010.

Notes: Forecasts for future operating results have been prepared based on certain assumptions and beliefs that can be inferred from the current situation. The Company undertakes to provide no guarantee or assurance that the forecasts will be realized.

(2) Analysis of financial position **(Balance sheet)**

Total assets at the end of the fiscal year decreased by ¥10,250 million year on year to ¥182,863 million. This decrease was mainly attributable to a decrease in property, plant and equipment and investment securities. Liabilities decreased by ¥5,060 million year on year to ¥94,326 million. This decrease was mainly attributable to a decrease in deferred tax liabilities of approximately ¥6.4 billion. Net assets decreased by ¥5,190 million year on year to ¥88,536 million because unrealized gain on revaluation of securities decreased by ¥7.5 billion, while retained earnings

increased by ¥3.5 billion.

(Cash flows)

Cash and cash equivalents at the end of the fiscal year increased by ¥1,034 million to ¥10,685 million. The conditions of cash flows were as follows.

Net cash provided by operating activities decreased by ¥4,151 million year on year to ¥7,080 million. This is mainly because trade notes and accounts receivable and inventories increased, although income before income taxes increased from the previous fiscal year.

Net cash used in investing activities amounted to ¥4,646 million. The principal factor was capital investment amounting to approximately ¥5.9 billion.

Net cash used in financing activities was ¥1,258 million mainly due to repayment of long-term debt and dividend payment.

–Outlook for the year ending March 31, 2010–

Cash flows from operating activities are expected to increase due to sales and profit improvement and efforts to reduce inventories and trade notes and accounts receivable.

With regard to cash flows from investing activities, we will continue to make effective capital investments while at the same time implementing asset conversion by selling idle fixed assets and securities. Through cash flows from financing activities, the balance of cash and cash equivalents at the end of the year ending March 31, 2010 is expected to be roughly the same as at the end of the current fiscal year under review.

- Cash flow indicator trends -

	FY2006	FY2007	FY2008	FY2009
Equity ratio (%)	48.7	47.2	47.5	47.7
Equity ratio at market value (%)	46.7	37.9	35.1	36.7
Ratio of interest-bearing debt to cash flows (%)	629.4	948.0	485.9	765.0
Interest coverage ratio (times)	11.4	7.5	13.9	8.6

Note: Equity ratio: (Net assets – Minority interests) / Total assets

Equity ratio at market value: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows from operating activities / Interest expense

* The consolidated financial figures constitute the basis for calculating these indicators.

* Market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of shares outstanding at the end of the period (after the deduction of treasury stocks).

* The basis for calculating ratio of interest-bearing debt to cash flows is from operating activities in the consolidated statements of cash flows.

* Interest-bearing debt includes all debts recorded on the consolidated balance sheet on which interest is paid.

* The basis for interest expense is the amount of interest paid recorded in the consolidated statements of cash flows.

(3) Basic policy on profit distribution and dividends for FY2009 and FY2010

The Company's basic policy on profit distribution is to continue payment of stable dividends while maintaining adequate internal reserves in light of the need to strengthen the fundamentals of the business, prepare for future business development, and respond to change in the operating environment. At the same time, management considers returning profits to shareholders to be an important management issue. In the use of free cash flow, the Company will consider long-term investment efficiency. While placing priority on investment of free cash flow to enhance corporate value, for example, through expansion of the existing core businesses and cultivation of new businesses, the Company will also use free cash flow for flexible repurchase of its own stock as a means of returning profit to the shareholders.

The Company plans to pay a year-end dividend of ¥4.5 per share, comprising a common dividend of ¥3.5 and a commemorative dividend of ¥1.0 per share to mark the 20th anniversary the merger of OHMY Co., Ltd. Including the payment of an interim dividend of ¥3.5, total cash dividends for the fiscal year are ¥8.0 per share.

Dividend paid for the year ending March 2010 is expected to be ¥7.0 per share.

Furthermore, the Group operates a shareholder benefits program in order to increase understanding of and support for the Group's products among shareholders who own at least one minimum trading unit.

2. Nippon Flour Mills Group

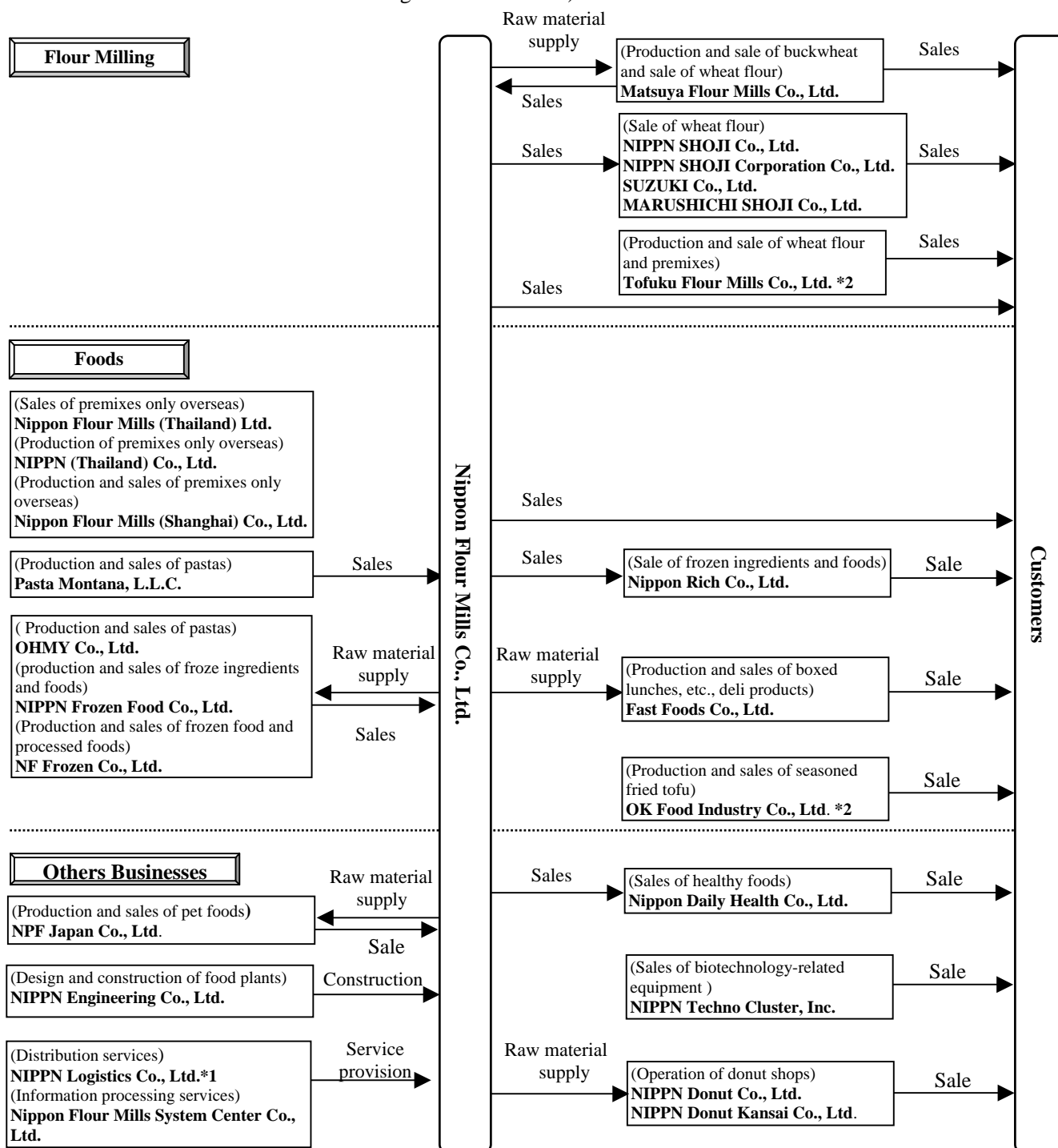
Nippon Flour Mills Group (the Company and its affiliated companies) consists of the Company (Nippon Flour Mills Co., Ltd.), 50 subsidiaries, and 31 affiliates. Details of the Company's core business segments follow:

Flour Milling Production and sale of wheat flour, bran, and buckwheat

Food Production and sale of premixes, pasta, frozen foods, and deli foods

Others Production and sale of pet food; engineering and foodservice operations

The Company's businesses are depicted in the schematic diagram below. (The classification of the businesses is the same as the classification of the business segment information)



No mark: Consolidated subsidiary

*1: Non-consolidated subsidiary to which the equity method is applied.

*2: Affiliated company to which the equity method is applied.

—————> Flow of sales and services

3. Management Policy

(1) Basic management policy

(2) Management indicators and mid- to long-term management strategies

There has been no material change with respect to the matters of Consolidated Financial Results for FY2008 and Forecast for FY2009 (announced on May 15, 2008), so the disclosure is omitted.

Consolidated Financial Results for FY2008 and Forecast for FY2009 can be found at:

(The Company's website)

http://www.nippon.co.jp/ir/announcement/ir_briefnote.html

(Website of the Tokyo Stock Exchange)

<http://www.tse.or.jp/listing/compsearch/index.html>

(3) Issues to be addressed

The food industry faces contraction of the Japanese market caused by a declining birth rate and an aging population, so the competition among companies is likely to further intensify.

The business environment of the flour milling industry is undergoing unprecedented upheaval. The government's sales prices of major types of wheat were increased in April and October 2008, but then reduced 14.8% on average in April 2009.

In order to deal with the challenging business environment, Nippon Flour Mills Group is making a concerted effort to tackle many issues; expanding sales, further reducing costs, enhancing quality assurance, and reducing environmental impacts. Through these measures, we are strengthening our business foundation while further vitalizing business activities.

In order to meet our shareholders' expectations, we pay special attention to maximizing our Group's value as well as returning profits. We do not rule out the possibility of purchasing large number of our shares by a third party, provided that such purchase is based on an understanding of the Company's mission and philosophy, and is not detrimental to our Group's value and shareholders' common interests. However, we recognize the importance taking effective action if such approach is inimical to corporate value and our shareholders' common interests.

We continuously aim to grow and develop into a global multifaceted food company.

(4) Other material issues concerning management

There is nothing applicable.

4. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	FY2008 (As of March 31, 2008)	FY2009 (As of March 31, 2009)
Assets		
Current assets		
Cash and deposits	9,691	10,725
Trade notes and accounts receivable	30,718	33,657
Securities	121	24
Inventories	19,017	—
Merchandise and finished goods	—	12,124
Work in progress	—	137
Raw materials and supplies	—	9,923
Deferred tax assets	752	1,213
Others	2,167	3,091
Allowance for doubtful accounts	(201)	(165)
Total current assets	62,267	70,730
Fixed assets		
Tangible fixed assets		
Buildings and structures	59,350	57,783
Accumulated depreciation	(32,294)	(32,391)
Buildings and structures, net	27,055	25,392
Machinery, equipment and vehicles	73,040	73,760
Accumulated depreciation	(54,179)	(55,864)
Machinery, equipment and vehicles, net	18,861	17,896
Land	25,054	24,133
Construction in progress	1,021	139
Others	5,890	6,119
Accumulated depreciation	(4,946)	(4,896)
Others, net	944	1,222
Total tangible fixed assets	72,938	68,785
Intangible fixed assets	978	671
Investments and other assets		
Investment securities	49,733	36,123
Long-term loan receivable	711	686
Deferred tax assets	1,421	1,366
Others	5,511	5,029
Allowance for doubtful accounts	(449)	(530)
Total investments and other assets	56,928	42,675
Total fixed assets	130,845	112,132
Total assets	193,113	182,863

(Millions of yen)

	FY2008 (As of March 31, 2008)	FY2009 (As of March 31, 2009)
Liabilities		
Current liabilities		
Trade notes and accounts payable	14,146	12,683
Short-term loans	29,074	20,858
Current portion of bonds	—	7,998
Accrued income taxes	2,054	4,197
Accrued expenses	6,527	7,672
Reserve for employees' bonuses	267	384
Reserve for directors' bonuses	41	50
Others	7,963	6,491
Total current liabilities	60,076	60,336
Long-term liabilities:		
Bonds	8,098	100
Long-term debt	12,396	21,204
Deferred tax liabilities	14,230	7,808
Reserve for employees' retirement benefits	2,008	2,016
Reserve for directors' retirement benefits	780	933
Others	1,795	1,927
Total long-term liabilities	39,310	33,989
Total liabilities	99,386	94,326
Net assets		
Shareholders' equity		
Common stock	12,240	12,240
Additional capital surplus	11,387	11,388
Retained earnings	54,724	58,247
Treasury stock, at cost	(2,308)	(2,311)
Total shareholders' equity	76,043	79,565
Unrealized gain or loss on adjustment		
Unrealized gain on revaluation of securities	15,301	7,793
Deferred gain or loss on hedges	(1)	12
Foreign currency translation adjustment	439	(166)
Total unrealized gain or loss on adjustment	15,738	7,640
Minority interests	1,944	1,331
Total net assets	93,726	88,536
Total liabilities and net assets	193,113	182,863

(2) Consolidated statements of income

(Millions of yen)

	FY2008 (From April 1, 2007 to March 31, 2008)	FY2009 (From April 1, 2008 to March 31, 2009)
Net sales	250,719	276,797
Cost of sales	193,674	213,588
Gross profit	57,045	63,208
Selling, general and administrative expenses		
Sales fare related expenses	23,876	24,896
Reserve for allowance for doubtful accounts	118	124
Salaries	14,563	14,724
Reserve for retirement benefits	435	930
Depreciation	789	815
Others	10,554	11,034
Total selling, general and administrative expenses	50,338	52,526
Operating income	6,706	10,682
Non-operating income		
Interest income	73	56
Dividend income	789	838
Rent income on fixed assets	204	212
Gain on sale of securities	444	25
Others	493	285
Total non-operating income	2,005	1,418
Non-operating expenses		
Interest expenses	809	840
Equity in losses of affiliates	683	590
Foreign exchange losses	—	399
Others	490	534
Total non-operating expenses	1,982	2,364
Ordinary income	6,729	9,736

(Millions of yen)

	FY2008 (From April 1, 2007 to March 31, 2008)	FY2009 (From April 1, 2008 to March 31, 2009)
Extraordinary income		
Gain on sale of investment securities	1,368	23
Gain on sales of affiliates' stocks	—	211
Gain on sale of fixed assets	259	471
Gain on forgiveness of debts	—	135
Others	82	49
Total extraordinary income	1,711	891
Extraordinary losses		
Loss on revaluation of investment securities	108	520
Loss on sale of fixed assets	32	429
Loss on retirement of fixed assets	272	198
Reserve for allowance for doubtful accounts	5	—
Impairment loss	178	793
Factory consolidation expenses	212	—
Others	241	88
Total extraordinary losses	1,050	2,031
Income before income taxes	7,390	8,596
Income taxes	3,390	5,690
Income tax adjustments	123	(2,050)
Total income taxes	3,513	3,640
Minority interests	65	127
Net income	3,810	4,829

(3) Consolidated statements of changes in shareholders' equity

(Millions of yen)

	FY2008 (From April 1, 2007 to March 31, 2008)	FY2009 (From April 1, 2008 to March 31, 2009)
Shareholders' equity		
Common stock		
Balance as of the end of previous year	12,240	12,240
Changes in items for current year		
Total changes in items for current year	—	—
Balance as of the end of current year	12,240	12,240
Additional capital surplus		
Balance as of the end of previous year	11,387	11,387
Changes in items for current year		
Disposal of treasury stock	0	1
Total changes in items for current year	0	1
Balance as of the end of current year	11,387	11,388
Retained earnings		
Balance as of the end of previous year	52,097	54,724
Effect of changes in accounting policies applied to foreign subsidiaries	—	(174)
Changes in items for current year		
Cash dividends	(1,183)	(1,170)
Net income	3,810	4,829
Change of scope of equity method	—	38
Total changes in items for current year	2,627	3,697
Balance as of the end of current year	54,724	58,247
Treasury stock		
Balance as of the end of previous year	(1,522)	(2,308)
Changes in items for current year		
Acquisition of treasury stock	(788)	(5)
Disposal of treasury stock	2	2
Total changes in items for current year	(786)	(2)
Balance as of the end of current year	(2,308)	(2,311)
Total shareholders' equity		
Balance as of the end of previous year	74,202	76,043
Effect of changes in accounting policies applied to foreign subsidiaries	—	(174)
Changes in items for current year		
Cash dividends	(1,183)	(1,170)
Net income	3,810	4,829
Acquisition of treasury stock	(788)	(5)
Disposal of treasury stock	2	4
Change of scope of equity method	—	38
Total changes in items for current year	1,841	3,696
Balance as of the end of current year	76,043	79,565

(Millions of yen)

	FY2008 (From April 1, 2007 to March 31, 2008)	FY2009 (From April 1, 2008 to March 31, 2009)
Valuation and translation adjustments		
Unrealized gain (loss) on securities		
Balance as of the end of previous year	25,686	15,301
Changes in items for current year		
Changes other than shareholders' equity for the fiscal year, net	(10,385)	(7,507)
Total change in items for current year	(10,385)	(7,507)
Balance as of the end of current year	15,301	7,793
Deferred gains or losses on hedges		
Balance as of the end of previous year	(0)	(1)
Changes in items for current year		
Changes other than shareholders' equity for the fiscal year, net	(1)	14
Total changes in items for current year	(1)	14
Balance as of the end of current year	(1)	12
Foreign currency translation adjustment		
Balance as of the end of previous year	290	439
Changes in items for current year		
Changes other than shareholders' equity for the fiscal year, net	149	(605)
Total changes in items for current year	149	(605)
Balance as of the end of current year	439	(166)
Total valuation and translation adjustments		
Balance as of the end of previous year	25,976	15,738
Changes in items for current year		
Changes other than shareholders' equity for the fiscal year, net	(10,237)	(8,098)
Total change in items for current year	(10,237)	(8,098)
Balance as of the end of current year	15,738	7,640
Minority interests		
Balance as of the end of previous year	1,992	1,944
Changes in items for current year		
Changes other than shareholders' equity for the fiscal year, net	(48)	(612)
Total change in items for current year	(48)	(612)
Balance as of the end of current year	1,944	1,331
Total net assets		
Balance as of the end of previous year	102,172	93,726
Effect of changes in accounting policies applied to foreign subsidiaries	—	(174)
Changes in items for current year		
Cash dividends	(1,183)	(1,170)
Net income	3,810	4,829
Acquisition of treasury stock	(788)	(5)
Disposal of treasury stock	2	4
Changes other than shareholders' equity for the fiscal year, net	(10,286)	(8,711)
Change of scope of equity method	—	38
Total changes in items for current year	(8,445)	(5,015)
Balance as of the end of current year	93,726	88,536

(4) Consolidated statements of cash flows

	(Millions of yen)	
	FY2008 (From April 1, 2007 To March 31, 2008)	FY2009 (From April 1, 2008 To March 31, 2009)
Cash flows from operating activities		
Income before income taxes	7,390	8,596
Depreciation and amortization	6,202	7,016
Increase (decrease) in prepaid pension cost and reserve for employees' retirement benefits	(297)	607
Increase (decrease) in reserve for directors' retirement benefits	67	149
Gain on forgiveness of debts	—	(135)
Increase (decrease) in allowance for doubtful accounts	91	46
Impairment loss	178	793
Interest and dividend income	(863)	(895)
Interest expenses	809	840
Loss (gain) on sale of securities	(1,770)	(152)
Loss (gain) on revaluation of investment securities	109	520
Foreign exchange losses (gains)	—	349
Equity in losses (earnings) of affiliates	683	590
Gain on sale of fixed assets	(259)	(471)
Loss on sale of fixed assets	32	429
Loss on retirement of fixed assets	361	290
Decrease (increase) in trade notes and accounts receivable	(389)	(3,309)
Decrease (increase) in inventories	399	(3,473)
Increase (decrease) in trade notes and accounts payable	839	(1,230)
Increase (decrease) in accrued consumption taxes	1,025	(456)
Decrease (increase) in other receivable	676	(646)
Increase (decrease) in other payable	(1,057)	947
Others	18	78
Sub-total	14,249	10,486
Interest and dividends received	869	890
Interest paid	(811)	(820)
Payments for income taxes	(3,075)	(3,476)
Net cash provided by operating activities	11,231	7,080

	(Millions of yen)	
	FY2008 (From April 1, 2007 To March 31, 2008)	FY2009 (From April 1, 2008 To March 31, 2009)
Cash flows from investing activities		
Acquisition of securities	(100)	—
Proceeds from sales and redemption of securities	46	103
Acquisition of fixed assets	(6,796)	(5,877)
Proceeds from sale of fixed assets	359	800
Payments for business transfer	(34)	—
Purchase of investment securities	(3,909)	(932)
Proceeds from sale and redemption of investment securities	3,532	902
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	—	319
Payments of loans receivable	(5)	(124)
Collection of loans receivable	64	149
Others, net	(64)	12
Net cash used in investing activities	(6,906)	(4,646)
Cash flows from financing activities		
Net increase (decrease) of short-term loans	913	(658)
Net increase (decrease) of commercial paper	—	(1,000)
Proceeds from long-term debt	300	11,430
Repayments of long-term debt	(1,933)	(9,819)
Increase (decrease) of guarantee deposits of lending stock received	(4,000)	—
Acquisition of treasury stock	(800)	(5)
Proceeds from sale of treasury stock	2	4
Cash dividends paid	(1,183)	(1,170)
Cash dividends paid to minority interests	(19)	(22)
Repayments of finance lease obligations	—	(16)
Net cash provided by (used in) financing activities	(6,721)	(1,258)
Effect of exchange rate changes on cash and cash equivalents	71	(156)
Increase (decrease) in cash and cash equivalents	(2,324)	1,018
Cash and cash equivalents at beginning of the year	12,024	9,651
Decrease in cash and cash equivalents due to exclusion of a subsidiary	(48)	—
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	16
Cash and cash equivalents at end of the year	9,651	10,685

(Segment information)**a. Business segment information****FY2008 (From April 1, 2007 to March 31, 2008)**

(Millions of yen)

	Flour Milling	Food	Other Businesses	Total	Unallocated and Eliminations	Consolidated
I Net sales and operating income						
Net sales						
(1) Net sales to external customers	91,474	131,584	27,660	250,719	—	250,719
(2) Internal sales or transfers between segments	3,489	896	2,519	6,904	(6,904)	—
Total	94,963	132,481	30,179	257,624	(6,904)	250,719
Operating expenses	91,471	129,005	30,413	250,890	(6,877)	244,012
Operating income	3,492	3,475	(233)	6,733	(27)	6,706
II Assets, depreciation expenses and capital expenditures						
Assets	85,871	54,199	15,287	155,359	37,754	193,113
Depreciation expenses	3,595	1,725	796	6,117	85	6,202
Capital expenditures	2,112	2,112	2,395	6,620	(2)	6,618

Notes: 1. Business segmentation method

Business segmentation is based on considerations of similarities between product types and markets.

2. Classification of main products by business segment

Business Segment	Main Products
Flour Milling	Wheat flour, bran, buckwheat
Food	Wheat flour for home use, premix, pasta, frozen food, deli products
Other Businesses	Pet food, health food, food-related machinery, equipment, and restaurant food service

3. No unallocated operating expenses are included in the unallocated and eliminations category.

4. Of assets, corporate assets included in the unallocated and eliminations category amounted to ¥39,430 million and principal items are the Company's surplus funds (cash and securities) and assets concerning administrative operations.

5. Depreciation expenses and capital expenditures include long-term prepaid expenses and amortization thereof.

6. In line with the revision to the Corporate Tax Law, with respect to tangible fixed assets acquired on or before March 31, 2007, beginning in the year under review the Company and its domestic consolidated subsidiaries now amortize the difference between the amount equivalent to 5% of the acquisition cost and memorandum price using the straight-line method over five years starting from the fiscal year after the residual value reaches 5% of acquisition cost owing to the application of a depreciation method based on the Japanese Corporation Tax Law before revision, and the amortized amount is included in depreciation expense. As a result of this change, operating income has decreased by ¥164 million for the Flour Milling segment, ¥23 million for the Food segment, and ¥30 million for the Other Businesses segment, respectively.

FY2009 (From April 1, 2008 to March 31, 2009)

(Millions of yen)

	Flour Milling	Food	Other Businesses	Total	Unallocated and Eliminations	Consolidated
I Net sales and operating income						
Net sales						
(1) Net sales to external customers	109,280	138,716	28,800	276,797	—	276,797
(2) Internal sales or transfers between segments	3,481	963	2,293	6,738	(6,738)	—
Total	112,761	139,679	31,094	283,535	(6,738)	276,797
Operating expenses	106,870	134,416	31,537	272,824	(6,708)	266,115
Operating income	5,891	5,263	(443)	10,711	(29)	10,682
II Assets, depreciation expenses and capital expenditures						
Assets	87,817	52,213	16,110	156,141	26,721	182,863
Depreciation expenses	3,934	1,850	1,124	6,908	108	7,016
Capital expenditures	1,945	2,038	2,111	6,094	180	6,274

Notes: 1. Business segmentation method

Business segmentation is based on considerations of similarities between product types and markets.

2. Classification of main products by business segment

Business Segment	Main Products
Flour Milling	Wheat flour, bran, buckwheat
Food	Wheat flour for home use, premix, pasta, frozen food, deli products
Other Businesses	Pet food, health food, food-related machinery equipment, and restaurant food service

3. No unallocated operating expenses are included in the unallocated and eliminations category.

4. Of assets, corporate assets included in the unallocated and eliminations category amounted to ¥28,498 million and principal items are the Company's surplus funds (cash and securities) and assets concerning administrative operations.

5. Depreciation expenses and capital expenditures include long-term prepaid expenses and amortization thereof.

6. Under the revision to Ministerial Ordinance regarding the Durable Years of Depreciable Assets in 2008, the Company and its domestic consolidated subsidiaries reviewed utilization state of asset and applied durable year based on the revised Corporate Tax Law from the current fiscal year. As a result of this change, operating income has decreased by ¥528 million for the Flour Milling segment, ¥62 million for the Food segment, and increased by ¥9 million for the Other Businesses segment, respectively.

b. Geographically segmented information**FY2008 (From April 1, 2007 to March 31, 2008)**

Because net sales for Japan exceed 90% of aggregate net sales for all segments, geographically segmented information is omitted.

FY2009 (From April 1, 2008 to March 31, 2009)

Because net sales for Japan exceed 90% of aggregate net sales for all segments, geographically segmented information is omitted.

c. Overseas sales**FY2008 (From April 1, 2007 to March 31, 2008)**

Because overseas sales account for less than 10% of consolidated net sales, overseas sales information is omitted.

FY2009 (From April 1, 2008 to March 31, 2009)

Because overseas sales account for less than 10% of consolidated net sales, overseas sales information is omitted.

(Per share information)

FY2008 (From April 1, 2007 to March 31, 2008)		FY2009 (From April 1, 2008 to March 31, 2009)	
Net assets per share	¥549.13	Net assets per share	¥521.77
Net income per share	¥22.62	Net income per share	¥28.89
Diluted net income per share	¥20.68	Diluted net income per share	¥26.39

Note: Basis for the calculation of net income per share and diluted net income per share are as follows.

		FY2008 (From April 1, 2007 to March 31, 2008)	FY2009 (From April 1, 2008 to March 31, 2009)
Net income per share			
Net income	(Millions of yen)	3,810	4,829
Amount not attributable to common shareholders	(Millions of yen)	—	—
Net income associated with common shares	(Millions of yen)	3,810	4,829
Average number of shares of common stock in the year	(Share)	168,443,669	167,134,246
Diluted net income per share			
Diluted net income	(Millions of yen)	0	0
Of which, office commissions		0	0
Increase in common stock	(Share)	15,869,047	15,869,047
Of which, stock acquisition rights		15,869,047	15,869,047
Outlines of the residual shares not taken into calculation of net income per share after residual shares due to absence of dilution effects		—	—

(Significant subsequent events)

FY2008 (From April 1, 2007 to March 31, 2008)	FY2009 (From April 1, 2008 to March 31, 2009)
_____	_____

(Omission of disclosure)

Disclosure is omitted regarding matters relating to such transactions as lease transactions, deals with associated parties and derivative trading, because the Company considers there to be no great necessity for disclosing such information in the Consolidated Financial Results for FY2009 and Forecast for FY2010.