

Consolidated Financial Results for FY2011 and Forecast for FY2012 [J-GAAP]

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
 Representative: Hiroshi Sawada,
 Chairman and President, Chief Executive Officer, and Chief Operating Officer
 Contact: Kiyoshi Mansyo, General Manager of Corporate Communications Group
 Date of the general meeting of shareholders: June 29, 2011
 Payment date of cash dividends: June 30, 2011
 Filing date of financial statements: June 29, 2011
 Supplementary materials prepared: Yes
 Results information meeting held: Yes (for institutional investors/analysts)

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

1. Consolidated results for the year ended March 31, 2011 (April 1, 2010 - March 31, 2011)

(1) Consolidated operating results

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
FY2011	252,139	(3.6)%	10,567	(15.8)%	10,827	(15.4)%	6,026	(23.6)%
FY2010	261,586	(5.5)%	12,549	17.5%	12,802	31.5%	7,892	63.4%

(Note) Comprehensive income FY2011: 2,911 million yen (- 73.2%) FY2010: 10,875 million yen (_%)

(Millions of yen)

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)	ROE (%)	Ordinary Income to Total Assets (%)	Operating Income to Net Sales (%)
FY2011	36.06	—	6.2	5.8	4.2
FY2010	47.23	—	8.6	7.1	4.8

Reference: Equity in earnings of affiliated companies: FY2011 156 million yen FY2010 73 million yen

(2) Consolidated financial position

(Millions of yen)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
FY2011	194,365	100,016	50.3	585.05
FY2010	179,181	97,979	53.9	578.07

Reference: Equity capital : FY2011 97,776 million yen FY2010 96,615 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
FY2011	15,952	(6,673)	(1,580)	21,956
FY2010	23,094	(3,297)	(16,223)	14,283

2. Dividends

Record Date	Dividends per Share (Yen)					Total Amount of Cash Dividends (Millions of yen)	Dividends Payout Ratio (Consolidated) (%)	Dividends on Net Assets (Consolidated) (%)
	1Q-end	2Q-end	3Q-end	Year-end	Full Year			
FY2010	—	4.00	—	6.00	10.00	1,671	21.2	1.8
FY2011	—	5.00	—	5.00	10.00	1,671	27.7	1.7
FY2012 (Forecast)	—	5.00	—	5.00	10.00		26.5	

3. Forecast of consolidated business results for FY2012 (April 1, 2011 - March 31, 2012)

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

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share (Yen)
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	
Half Year	133,000	6.7	5,500	(0.0)	5,500	(4.2)	3,200	1.5	19.15
Full Year	271,000	7.5	11,000	4.1	11,000	1.6	6,300	4.6	37.70

4. Others

(1) Significant changes in subsidiaries during the fiscal year

(Changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Newly included: 1 (OK Food Industry Co., Ltd.) Excluded: 0

(2) Changes in accounting principles, procedures and method of presentation

1) Changes due to revisions of accounting standards, etc.: Yes

2) Changes other than 1): Yes

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

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

FY2011 174,148,018 shares FY2010 174,148,018 shares

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

FY2011 7,024,080 shares FY2010 7,013,885 shares

3. Average number of shares during the fiscal year:

FY2011 167,129,657 shares FY2010 167,129,360 shares

(References) Overview of the non-consolidated business results

1. Non-consolidated results for the year ended March 31, 2011 (April 1, 2010 - March 31, 2011)

(1) Non-consolidated operating results

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
FY2011	169,076	(6.1)%	9,371	(14.9)%	9,815	(13.6)%	4,483	(34.9)%
FY2010	180,119	(5.4)%	11,008	8.6%	11,363	8.8%	6,888	60.7%

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
FY2011	26.82	—
FY2010	41.20	—

(2) Non-consolidated financial position

(Millions of yen)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
FY2011	156,515	89,605	57.3	535.97
FY2010	150,503	89,922	59.7	537.84

Reference: Net assets: FY2011 89,605 million yen FY2010 89,922 million yen

*Presentation of implementation status for audit procedures

The audit procedure based on the Financial Instruments and Exchange Act does not apply to this report. At the time of disclosure of this report, audit procedures for financial statements pursuant to the Financial Instruments and Exchange Act had not been completed.

*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 3 of the attached document.

Contents

1. Operating results	2
(1) Analysis of operating results	2
(2) Analysis of financial position	4
(3) Basic policy on profit distribution and dividends for the year ended March 31, 2011 and the year ending March 31, 2012	5
2. Nippon Flour Mills Group	5
3. Management Policy	7
(1) Basic management policy	7
(2) Management indicators and mid- to long-term management strategies	7
(3) Issues to be addressed	8
(4) Other material issues concerning management	8
4. Consolidated financial statements	9
(1) Consolidated balance sheets	9
(2) Consolidated statements of income and comprehensive income	11
(Consolidated statements of income)	11
(Consolidated statements of comprehensive income)	13
(3) Consolidated statements of changes in shareholders' equity	14
(4) Consolidated statements of cash flows	16
(Segment information, etc.)	18
(Per share information)	20
(Significant subsequent events)	20

1. Operating results

(1) Analysis of operating results

During the fiscal year ended March 31, 2011, recovery of exports led to a modest upturn in domestic production. However, the outlook of the Japanese economy remained uncertain as capital investment and the labor market continued to be weak, with a situation made worse by the Great East Japan Earthquake.

The food industry continued to face a tough business environment because of weak consumer confidence in the face of uncertain economic prospects and intensifying price competition.

In these circumstances, the Nippon Flour Mills Group made a concerted effort to expand business and increase profits and profit margins in the first year of the two-year 10/11 SG130 Mid-term Business Plan launched in April 2010.

As one element of the plan, we introduced an in-house company system to strengthen our responsiveness to the rapidly changing business environment. We commenced all the large projects involving total capital investment of ¥20 billion to strengthen cost competitiveness throughout the Group, including the addition of a milling line and the construction of a new cereal silo at the Kobe-Konan Mill commenced in June 2010. During the fiscal year under review, construction work to increase the capacity of the premix plant of NIPPON (Thailand) Co., Ltd. and construction of a rice flour milling plant of Mizuho Foods Co., Ltd. were completed in September 2010 and March 2011, respectively, and other projects are underway as scheduled.

In December, the Company acquired shares of OK Food Industry Co., Ltd., which had been the Company's equity-method affiliate, through a takeover bid, and made it a consolidated subsidiary. The objective is to develop new business fields and promote strategic allocation of resources to growth businesses as part of a reexamination of the business structure and the portfolio. At the same time, synergies are expected, including expansion of the scope of the ingredients business for delicatessens and restaurants, enrichment of the cooking food business, and collaboration with the soy-related business.

As a result, consolidated net sales decreased by 3.6% year on year to ¥252,139 million, operating income decreased by 15.8% to ¥10,567 million, ordinary income decreased by 15.4% to ¥10,827 million, and net income decreased by 23.6% to ¥6,026 million.

The performance of individual business segments was as follows.

Effective from the fiscal year ending March 31, 2011, the Company has applied the Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No.17, March 27, 2009) and the Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20, March 21, 2008). Because segment classification has not been changed, figures compared with business segment information for the previous year are stated.

Flour Milling

The year ended March 31, 2011 was a turning point for the flour milling industry, because the Japanese government introduced in October 2010 a new method whereby imported wheat is sold immediately after its purchase without stockpiling for a specified period. The world grain market, including wheat, was unstable, with prices trending upward since the summer 2010.

In these circumstances, the Group developed products from the viewpoint of corporate customers and consumers, which included wheat flour made from French wheat introduced as a commemorative product to mark the Company's 115th anniversary. The Group also engaged in vigorous marketing activities, such as participating in various exhibitions and holding workshops and seminars, including those on management, around Japan. As a result, the sales volume of wheat flour increased compared with the previous year.

Sales of wheat bran, a by-product, were lower than the previous year due to weak market conditions.

As a result, net sales for the Flour Milling segment decreased by 9.4% year on year to ¥91,833 million, and operating income decreased by 20.0% year on year to ¥4,386 million.

Food

We launched new products that meet consumer needs, including the Oh' my Pasta series, which was completely redesigned for the first time in 18 years, and small-portion premixes for business use (for bakeries, restaurants, and prepared food businesses), which were launched as 115th anniversary products, and breadcrumbs containing rice flour. At

the same time, we vigorously engaged in marketing activities, such as participating in various exhibitions and holding Italian cookery workshops.

Sales of home-use products increased year on year. Sales of pasta-related products and premixes for business use increased in volume, but the sales figures of these products were lower year on year. Sales of frozen ingredients and foods for home use were strong, because the Oh' my Premium and Oh' my Premium Gold, series of frozen spaghetti dishes in one-person portions have been highly acclaimed among consumers who value their simplicity, convenience and quality. For the frozen ingredients and foods for business use, sales soared in volume, but sales figures plunged year on year due to a significant decline in unit price.

As a result, net sales for the Food segment increased by 1.1% year on year to ¥132,931 million, and operating income decreased by 11.1% year on year to ¥6,203 million.

Other Businesses

Sales of the Other Businesses decreased year on year as the health food business and the pet food business were sluggish. As a result, net sales for the segment were ¥27,373 million.

—Forecast for the year ending March 31, 2012—

The outlook of the Japanese economy is expected to remain uncertain owing to persisting high risks undermining the economy, such as the impact of the Great East Japan Earthquake, fluctuation of financial and capital markets and price hike of crude oil.

In the food industry, the domestic market has contracted due to the decreasing population and the aging of society, and personal consumption continues to decline followed by the severe employment and income situation. Therefore, competition among companies is expected to intensify.

In the flour milling industry, followed by the fluctuation in international wheat prices, the government sales prices of five types of imported wheat were reduced by 5% on average in April 2010, but raised by 1% in October 2010, and then was raised by 18% from April 2011. In these circumstances, the industry is in a dilemma regarding how best to respond to these changes.

In these circumstances, the Group intends to continue measures in order to further strengthen competitiveness and reduce costs in each business field. Also, we will vigorously invest in growth fields both in and outside of Japan in order to secure sustainable growth while making a group-wide effort to enhance corporate value. Our goal is to 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 expand 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 developing products with high added value. The Company will promote collaboration with OK Food Industry Co., Ltd., which became a consolidated subsidiary, and seek to develop products making the best of OK Food Industry's soy-related technologies and the Company's flour milling and food-related technologies.

Other businesses

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

For the year ending March 31, 2012, management forecasts the consolidated net sales of ¥271.0 billion, operating income of ¥11.0 billion, ordinary income of ¥11.0 billion and net income of ¥6.3 billion.

Note: 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

(Assets, liabilities and net assets)

As of March 31, 2011, total assets stood at ¥194,365 million, an increase of ¥15,184 million compared with the previous year end. This was mainly because of the increase of cash and deposits, inventories, tangible fixed assets, goodwill, and accounts receivable by ¥7,684 million, ¥5,203 million, ¥4,043 million, ¥1,219 million, ¥1,179 million, respectively, while investment securities decreased by ¥5,135 million.

Liabilities increased by ¥13,146 million year on year to ¥94,348 million. The main reasons for this were the increase of trade notes and accounts payable by ¥9,744 million, and long-term and short-term debt by ¥5,070 million.

Net assets increased by ¥2,037 million year on year to ¥100,016 million because retained earnings and unrealized gain on revaluation of securities increased by ¥4,187 million and ¥2,995 million, respectively.

(Cash flows)

As of March 31, 2011, the balance of cash and cash equivalents stood at ¥21,956 million, an increase of ¥7,673 million compared with the end of previous fiscal year. The conditions of cash flows were as follows.

Operating activities provided net cash of ¥15,952 million, a decrease of ¥7,141 million compared with the previous fiscal year. This mainly reflected ¥10,006 million for income before income taxes, ¥6,784 million for depreciation and amortization, and increases of ¥4,615 million for inventories and ¥9,029 million for trade notes and accounts receivable, while ¥5,166 million for the payment of income tax.

Investing activities used net cash of ¥6,673 million. This mainly reflected spending of ¥536 million and ¥613 million for acquisition of investment securities, and the stocks of associates respectively, while ¥1,045 million of the proceeds from sale and redemption of investment securities, and ¥6,447 million of capital investment.

Financing activities used net cash of ¥1,580 million. The principal factor was payment of dividends.

—Forecast for the year ending March 31, 2012—

Net cash generated from operating activities is expected to increase due to efforts to sales and profit improvement and reduction of inventory and trade notes and accounts receivable.

With regard to net cash used in investing activities, we intend to fund the entire amount by ourselves.

—Cash flow indicator trends—

	FY2007	FY2008	FY2009	FY2010	FY2011
Equity ratio (%)	47.2	47.5	47.7	53.9	50.3
Equity ratio at market value (%)	37.9	35.1	36.7	43.5	32.8
Ratio of interest-bearing debt to cash flows (%)	948.0	485.9	765.0	170.9	278.6
Interest coverage ratio (times)	7.5	13.9	8.6	33.1	24.3

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 sheets 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 the year ended March 31, 2011 and the year ending March 31, 2012

The Company's basic policy on profit distribution is to continue to pay stable dividends while maintaining adequate internal reserves in light of the need to strengthen the corporate structure, 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.

We plan to pay a year-end dividend of ¥5.0 per share. Including the payment of an interim dividend of ¥5.0, total cash dividends for the fiscal year are ¥10.0 per share.

Dividend payment for the year ending March 31, 2012 is expected to be ¥10.0 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.), 55 subsidiaries, and 26 affiliates. Details of the Company's core and related business segments are depicted in the schematic diagram below.

(1) Flour Milling

The Company produces wheat flour and bran and Matsuya Flour Mills Co., Ltd. produces buckwheat flour. These products are sold via distributors, which include NIPPN SHOJI Co., Ltd., NIPPN SHOJI Corporation Co., Ltd., SUZUKI Co., Ltd., and MARUSHICHI SHOJI Co., Ltd.

(2) Foods

The Company produces wheat flour for home use, premixes, etc. and sells them via distributors. OHMY Co., Ltd. produces pasta products using wheat flour produced by the Company and sells them to the Company. NIPPN Frozen Food Co., Ltd. produces frozen ingredients and foods using wheat flour and premixes produced by the Company and sells them to the Company.

NF Frozen Co., Ltd. produces frozen processed foods and frozen ingredients and sells them to the Company. Nippon Rich Co., Ltd. sells frozen ingredients and foods procured from the Company.

Fast Foods Co., Ltd. produces and sells boxed lunches and deli products using ingredients produced by the Company.

OK Food Industry Co., Ltd. produces and sells seasoned fried tofu.

Overseas, Nippon Flour Mills (Thailand) Ltd. sells coating mixes and NIPPN (Thailand) Co., Ltd. produces premixes. Nippon Flour Mills (Shanghai) Co., Ltd. in China produces premixes and sells them mainly to Japanese companies in China. Pasta Montana, L.L.C. in the U.S. produces pasta products and sells them in North America and to the Company.

(3) Other Businesses

NPF Japan Co., Ltd. produces and sells pet foods.

NIPPN Engineering Co., Ltd. designs, manufactures, and constructs plant and equipment for the food industry and for handling powder materials.

NIPPN Logistics Co., Ltd. operates a freight trucking business in the Kanto area.

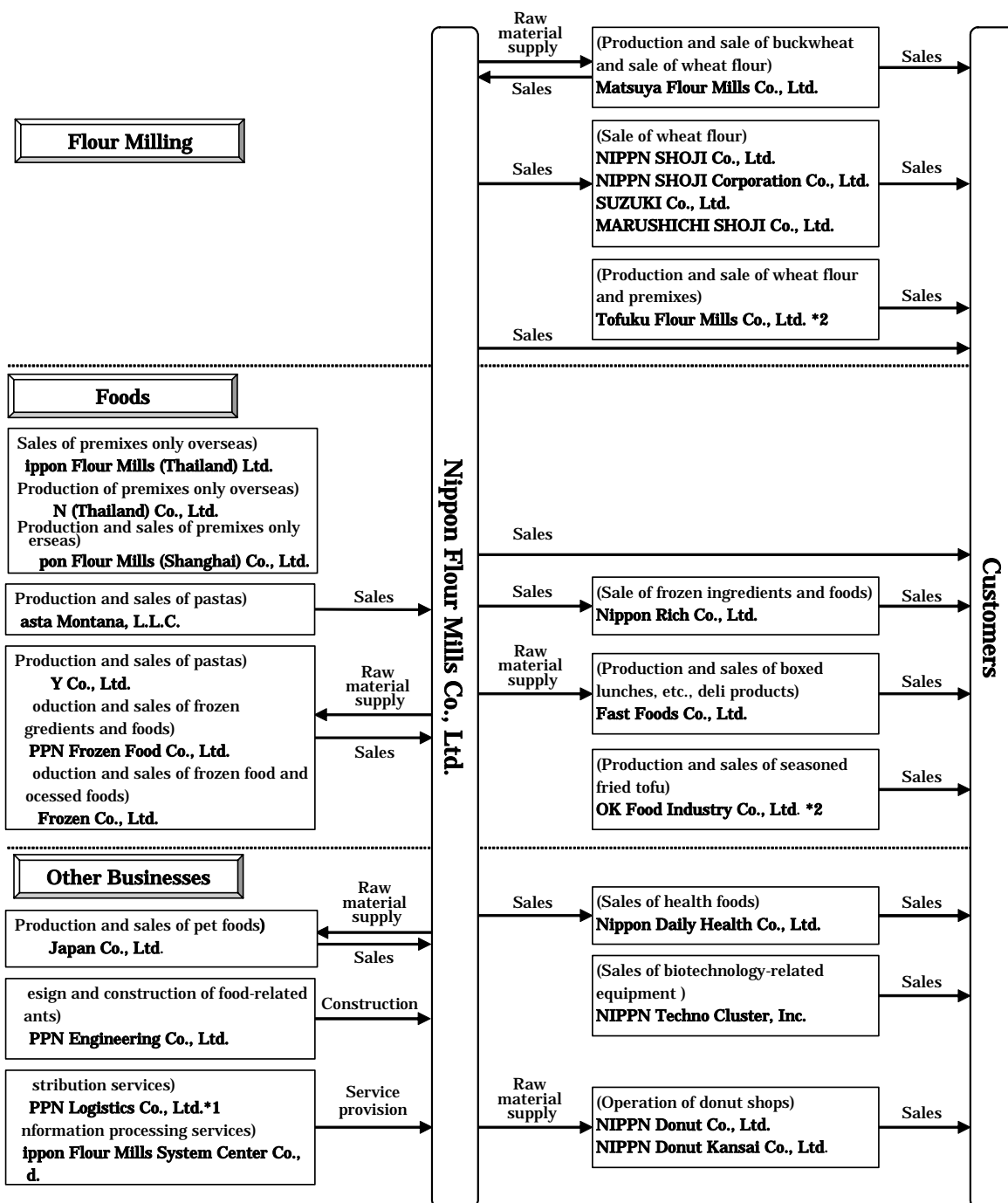
Nippon Flour Mills System Center Co., Ltd. is engaged in computer-based information processing and development of information processing systems.

Nippon Daily Health Co., Ltd. sells health foods procured from the Company.

NIPPN Techno Cluster, Inc. sells biotechnology-related equipment.

NIPPN Donut Co., Ltd. and NIPPN Donut Kansai Co., Ltd. operate donut stores that use premixes produced by the Company.

(Schematic diagram)



Without any specification : Consolidated subsidiaries

*1 : Non-consolidated subsidiaries accounted for by the equity method

*2 : Affiliated companies accounted for by the equity method

3. Management Policy

(1) Basic management policy

“Responding to the changes of the times and boldly introducing technological innovation to establish new businesses” — the motto of Nippon Flour Mills Group expresses the venturesome spirit at work when the Company started its operation. Based on this motto, the Group makes it a basic policy to contribute to the welfare of society through introducing excellent products and services.

In addition to actively expanding into new business areas, the Company aims to increase competitive advantage through unflagging management reform, maintain the trust of our shareholders and other stakeholders, and achieve further growth and development as a highly regarded multifaceted food company.

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

In recent years, through three consecutive mid-term business plans, the Group consistently pursued restructuring and strengthening of the profit base and strove to expand the business and increase profits and profit margins with the aim of becoming a multifaceted global food enterprise. The Group worked to lay the foundation for sustainable growth.

Meanwhile, the food industry continues to operate in a challenging business environment where change is becoming faster and more disruptive. The business environment is expected to become more challenging amid mounting competition to secure stable procurement of foodstuffs and the associated price volatility, plus changes in various systems concerning the food industry, as well as intensifying competition for sales and a growing preoccupation with food safety.

Against this backdrop, considering the challenging business environment as an opportunity and without any hint of complacency born of past achievements, the Group formulated, in April 2010, the 10/11 SG130 Mid-term Business Plan to secure the path to sustained growth.

As a measure of the 10/11 SG130 Med-term Business Plan, the Group is working to develop category-leading products with strong price competitiveness in order to increase sales. Our frozen pasta and dry short pasta in the high-price segment have become leading products.

The Group intends to vigorously strengthen its corporate capabilities, which is a prerequisite for the Group’s sustainable growth. With the long-term vision (consolidated net sales of ¥500.0 billion and consolidated operating income of ¥25.0 billion) in mind, the Group’s targets are consolidated net sales of ¥300.0 billion, consolidated operating income of ¥13.0 billion, and EBITDA of ¥20.0 billion in the year ending March 31, 2012, the final year of the plan. Achieving these targets will enable the Group to ensure cash flows for R&D and capital investment necessary for the Group’s sustainable growth, thereby securing competitive advantage and enhancing corporate value.

Followings are basic strategies of the 10/11 SG 130 Mid-term Business Plan:

1) Accelerate low-cost operation

- Carry out effective management based on vertical organizations under the in-house company system
- Enhance the speed of commercialization of large-scale capital investment
- Propose and carry out new cost-cutting measures by introducing new methods

2) Re-establish the business structure and the business portfolio

- Reexamine the potential and profitability of existing businesses
- Employ a category-leader strategy by concentrating management resources on growth businesses
- Develop new business fields

3) Strengthen management for the Group’s total optimization

- Adopt a Group management perspective for total optimization
- Bolster Group management through channeling resources into strategic business areas

(3) Issues to be addressed

The outlook of the Japanese economy is expected to remain uncertain owing to persisting high risks undermining the economy, such as the impact of the Great East Japan Earthquake, fluctuation of financial and capital markets and price hike of crude oil.

In the food industry, the domestic market has contracted due to the decreasing population and the aging of society, and personal consumption continues to decline followed by the severe employment and income situation. Therefore, competition among companies is expected to intensify.

In the flour milling industry, followed by the fluctuation in international wheat prices, the government sales prices of five types of imported wheat were reduced by 5% on average in April 2010, but raised by 1% in October 2010, and then was raised by 18% from April 2011. In these circumstances, the industry is in a dilemma regarding how best to respond to these changes.

In challenging circumstances in the aftermath of the Great East Japan Earthquake, the Group's top priority is to fulfill its mission of ensuring stable supply of products to customers as a food manufacturer with a broad customer base offering products for professional and home use.

Without being contented with its previous achievements, the Group views the challenging conditions as new business opportunities, and is implementing measures for achievement of the goals of the 10/11 SG130 Medium-Term Business Plan to ensure sustainable growth.

By implementing this basic strategy, the Group will strive to fulfill its responsibility to all stakeholders. At the same time, the Group is working to strengthen competitiveness of each business and reduce costs, accelerate execution of business to keep abreast of the rapidly changing business environment, and strengthen the foundation for sustainable growth so as to develop as a multifaceted global food enterprise.

(4) Other material issues concerning management

There is nothing applicable.

4. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	FY2010 (As of March 31, 2010)	FY2011 (As of March 31, 2011)
Assets		
Current assets		
Cash and deposits	14,322	22,006
Trade notes and accounts receivable	31,180	32,359
Securities	-	12
Merchandise and finished goods	9,866	10,393
Work in progress	452	112
Raw materials and supplies	6,161	11,178
Deferred tax assets	1,169	1,324
Others	2,183	2,771
Allowance for doubtful accounts	(171)	(151)
Total current assets	65,164	80,007
Fixed assets		
Tangible fixed assets		
Buildings and structures	58,398	62,651
Accumulated depreciation	(34,403)	(38,057)
Buildings and structures, net	23,995	24,593
Machinery, equipment and vehicles	75,314	83,468
Accumulated depreciation	(59,113)	(67,354)
Machinery, equipment and vehicles, net	16,200	16,114
Land	24,075	25,256
Construction in progress	9	2,504
Others	7,135	7,781
Accumulated depreciation	(5,220)	(6,012)
Others, net	1,915	1,769
Total tangible fixed assets	66,196	70,239
Intangible fixed assets	595	1,879
Investments and other assets		
Investment securities	41,171	36,035
Long-term loan receivable	852	741
Deferred tax assets	1,438	1,789
Others	4,421	4,373
Allowance for doubtful accounts	(659)	(700)
Total investments and other assets	47,224	42,238
Total fixed assets	114,016	114,357
Total assets	179,181	194,365

(Millions of yen)

	FY2010 (As of March 31, 2010)	FY2011 (As of March 31, 2011)
Liabilities		
Current liabilities		
Trade notes and accounts payable	12,625	22,370
Short-term loans	18,386	26,983
Current portion of bonds	100	-
Accrued income taxes	2,593	1,903
Accrued expenses	7,990	8,141
Reserve for employees' bonuses	387	439
Reserve for directors' bonuses	39	37
Allowance for loss on disaster	-	516
Others	2,986	3,033
Total current liabilities	45,110	63,425
Long-term liabilities:		
Long-term debt	20,989	17,462
Deferred tax liabilities	9,547	7,262
Reserve for employees' retirement benefits	2,147	2,500
Reserve for directors' retirement benefits	930	977
Others	2,477	2,719
Total long-term liabilities	36,091	30,922
Total liabilities	81,202	94,348
Net assets		
Shareholders' equity		
Common stock	12,240	12,240
Additional capital surplus	11,391	11,391
Retained earnings	64,718	68,906
Treasury stock, at cost	(2,310)	(2,313)
Total shareholders' equity	86,039	90,224
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,694	7,699
Deferred gain or loss on hedges	4	8
Foreign currency translation adjustment	(123)	(155)
Total accumulated other comprehensive income	10,575	7,551
Minority interests	1,363	2,240
Total net assets	97,979	100,016
Total liabilities and net assets	179,181	194,365

(2) Consolidated statements of income and comprehensive income
(Consolidated statements of income)

(Millions of yen)

	FY2010 (From April 1, 2009 to March 31, 2010)	FY2011 (From April 1, 2010 to March 31, 2011)
Net sales	261,586	252,139
Cost of sales	195,210	185,104
Gross profit	66,376	67,034
Selling, general and administrative expenses		
Sales fare related expenses	25,766	27,368
Reserve for allowance for doubtful accounts	164	71
Salaries	14,691	15,226
Reserve for retirement benefits	1,186	1,125
Depreciation	833	898
Others	11,183	11,775
Total selling, general and administrative expenses	53,826	56,466
Operating income	12,549	10,567
Non-operating income		
Interest income	35	41
Dividend income	644	759
Rent income on fixed assets	208	250
Equity in earnings of affiliates	-	156
Gain on sale of securities	29	14
Others	347	287
Total non-operating income	1,265	1,510
Non-operating expenses		
Interest expenses	694	654
Foreign exchange losses	-	292
Others	317	304
Total non-operating expenses	1,012	1,250
Ordinary income	12,802	10,827

(Millions of yen)

	FY2010 (From April 1, 2009 to March 31, 2010)	FY2011 (From April 1, 2010 to March 31, 2011)
Extraordinary income		
Gain on sale of investment securities	593	563
Gain on sales of affiliates' stocks	9	-
Gain on sale of fixed assets	354	52
State subsidy	-	269
Gain on step acquisitions	-	789
Others	33	132
Total extraordinary income	990	1,806
Extraordinary losses		
Loss on revaluation of investment securities	199	385
Loss on sale of fixed assets	16	33
Loss on retirement of fixed assets	153	148
Impairment loss	74	328
Loss on reduction of fixed assets	-	269
Business structure improvement expenses	412	206
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	106
Loss on disaster	-	863
Others	125	285
Total extraordinary losses	983	2,627
Income before income taxes	12,810	10,006
Income taxes	5,191	4,411
Income tax adjustments	(291)	(352)
Total income taxes	4,900	4,059
Income before minority interests	-	5,946
Minority interests	17	(79)
Net income	7,892	6,026

(Consolidated statements of comprehensive income)

(Millions of yen)

	FY2010 (From April 1, 2009 to March 31, 2010)	FY2011 (From April 1, 2010 to March 31, 2011)
Income before minority interests	-	5,946
Other comprehensive income		
Valuation difference on available-for-sale securities	-	(2,998)
Deferred gains or losses on hedges	-	4
Foreign currency translation adjustment	-	(38)
Share of other comprehensive income of affiliates accounted for using equity method	-	(2)
Total other comprehensive income	-	(3,035)
Comprehensive income	-	2,911
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	-	3,000
Comprehensive income attributable to minority interests	-	(89)

(3) Consolidated statements of changes in shareholders' equity

(Millions of yen)

	FY2010 (From April 1, 2009 to March 31, 2010)	FY2011 (From April 1, 2010 to March 31, 2011)
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	11,388	11,391
Changes in items for current year		
Disposal of treasury stock	2	0
Total changes in items for current year	2	0
Balance as of the end of current year	11,391	11,391
Retained earnings		
Balance as of the end of previous year	58,247	64,718
Changes in items for current year		
Cash dividends	(1,421)	(1,839)
Net income	7,892	6,026
Total changes in items for current year	6,471	4,187
Balance as of the end of current year	64,718	68,906
Treasury stock		
Balance as of the end of previous year	(2,311)	(2,310)
Changes in items for current year		
Acquisition of treasury stock	(3)	(2)
Disposal of treasury stock	4	0
Total changes in items for current year	0	(2)
Balance as of the end of current year	(2,310)	(2,313)
Total shareholders' equity		
Balance as of the end of previous year	79,565	86,039
Changes in items for current year		
Cash dividends	(1,421)	(1,839)
Net income	7,892	6,026
Acquisition of treasury stock	(3)	(2)
Disposal of treasury stock	6	0
Total changes in items for current year	6,474	4,184
Balance as of the end of current year	86,039	90,224

(Millions of yen)

	FY2010 (From April 1, 2009 to March 31, 2010)	FY2011 (From April 1, 2010 to March 31, 2011)
Accumulated other comprehensive income		
Unrealized gain (loss) on securities		
Balance as of the end of previous year	7,793	10,694
Changes in items for current year		
Changes other than shareholders' equity for the fiscal year, net	2,901	(2,995)
Total change in items for current year	2,901	(2,995)
Balance as of the end of current year	10,694	7,699
Deferred gains or losses on hedges		
Balance as of the end of previous year	12	4
Changes in items for current year		
Changes other than shareholders' equity for the fiscal year, net	(8)	4
Total changes in items for current year	(8)	4
Balance as of the end of current year	4	8
Foreign currency translation adjustment		
Balance as of the end of previous year	(166)	(123)
Changes in items for current year		
Changes other than shareholders' equity for the fiscal year, net	42	(32)
Total changes in items for current year	42	(32)
Balance as of the end of current year	(123)	(155)
Total accumulated other comprehensive income		
Balance as of the end of previous year	7,640	10,575
Changes in items for current year		
Changes other than shareholders' equity for the fiscal year, net	2,935	(3,023)
Total change in items for current year	2,935	(3,023)
Balance as of the end of current year	10,575	7,551
Minority interests		
Balance as of the end of previous year	1,331	1,363
Changes in items for current year		
Changes other than shareholders' equity for the fiscal year, net	32	877
Total change in items for current year	32	877
Balance as of the end of current year	1,363	2,240
Total net assets		
Balance as of the end of previous year	88,536	97,979
Changes in items for current year		
Cash dividends	(1,421)	(1,839)
Net income	7,892	6,026
Acquisition of treasury stock	(3)	(2)
Disposal of treasury stock	6	0
Changes other than shareholders' equity for the fiscal year, net	2,968	(2,146)
Total changes in items for current year	9,442	2,037
Balance as of the end of current year	97,979	100,016

(4) Consolidated statements of cash flows

	(Millions of yen)	
	FY2010 (From April 1, 2009 To March 31, 2010)	FY2011 (From April 1, 2010 To March 31, 2011)
Cash flows from operating activities		
Income before income taxes	12,810	10,006
Depreciation and amortization	6,795	6,784
Increase (decrease) in prepaid pension cost and reserve for employees' retirement benefits	598	472
Increase (decrease) in reserve for directors' retirement benefits	(2)	(49)
Increase (decrease) in allowance for doubtful accounts	134	3
Impairment loss	74	328
Business structure improvement expenses	412	206
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	106
Loss (gain) on step acquisitions	-	(789)
Loss on disaster	-	863
Interest and dividend income	(680)	(801)
Interest expenses	694	654
Loss (gain) on sale of securities	(554)	(577)
Loss (gain) on sales of stocks of subsidiaries and affiliates	(9)	-
Loss (gain) on revaluation of investment securities	199	385
Foreign exchange losses (gains)	(17)	205
Equity in losses (earnings) of affiliates	(73)	(156)
Loss (gain) on sales of tangible fixed assets	(337)	(18)
Loss on retirement of fixed assets	153	150
Decrease (increase) in trade notes and accounts receivable	2,505	236
Decrease (increase) in inventories	5,711	(4,615)
Increase (decrease) in trade notes and accounts payable	(74)	9,029
Increase (decrease) in accrued consumption taxes	263	(1,000)
Decrease (increase) in other receivable	247	200
Increase (decrease) in other payable	819	(821)
Others	169	132
Sub-total	29,840	20,936
Interest and dividends received	692	838
Interest paid	(696)	(656)
Payments for income taxes	(6,741)	(5,166)
Net cash provided by operating activities	23,094	15,952

	(Millions of yen)	
	FY2010 (From April 1, 2009 To March 31, 2010)	FY2011 (From April 1, 2010 To March 31, 2011)
Cash flows from investing activities		
Acquisition of securities	(96)	-
Proceeds from sales and redemption of securities	101	-
Acquisition of fixed assets	(4,391)	(6,447)
Proceeds from sale of fixed assets	441	207
Purchase of investment securities	(1,386)	(536)
Proceeds from sale and redemption of investment securities	1,844	1,045
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(343)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	91	-
Proceeds from sales of stocks of subsidiaries and affiliates	271	-
Purchase of stocks of subsidiaries and affiliates	-	(613)
Payments of loans receivable	(208)	(16)
Collection of loans receivable	43	54
Others, net	(7)	(23)
Net cash used in investing activities	(3,297)	(6,673)
Cash flows from financing activities		
Net increase (decrease) of short-term loans	(1,897)	130
Net increase (decrease) of commercial paper	(4,000)	-
Proceeds from long-term debt	2,220	2,530
Repayments of long-term debt	(3,038)	(2,126)
Expenditure for redemption of bonds	(7,992)	(100)
Acquisition of treasury stock	(3)	(2)
Proceeds from sale of treasury stock	0	0
Cash dividends paid	(1,421)	(1,839)
Cash dividends paid to minority interests	(14)	(12)
Repayments of finance lease obligations	(77)	(159)
Net cash provided by (used in) financing activities	(16,223)	(1,580)
Effect of exchange rate changes on cash and cash equivalents	23	(26)
Increase (decrease) in cash and cash equivalents	3,597	7,673
Cash and cash equivalents at beginning of the year	10,685	14,283
Cash and cash equivalents at end of the year	14,283	21,956

(Segment information, etc.)**a. Business segment information****FY2010 (From April 1, 2009 to March 31, 2010)**

(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	101,358	131,439	28,789	261,586	-	261,586
(2) Internal sales or transfers between segments	2,390	832	2,134	5,357	(5,357)	-
Total	103,748	132,271	30,923	266,944	(5,357)	261,586
Operating expenses	98,262	125,295	30,863	254,420	(5,384)	249,036
Operating income	5,486	6,976	60	12,523	26	12,549
II Assets, depreciation expenses and capital expenditures						
Assets	78,347	50,157	15,300	143,805	35,375	179,181
Depreciation expenses	3,615	1,948	1,063	6,626	168	6,795
Impairment loss	7	412	67	487	-	487
Capital expenditures	1,698	2,003	932	4,634	264	4,898

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, rice flour, etc.
Other Businesses	Pet food, health food, food-related machinery equipment, and restaurant food service, etc.

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 ¥36,817 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.

b. Geographically segmented information**FY2010 (From April 1, 2009 to March 31, 2010)**

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

c. Overseas sales**FY2010 (From April 1, 2009 to March 31, 2010)**

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

d. Segment information

FY2011 (From April 1, 2010 to March 31, 2011)

1. Overview of reporting segments

The Group's reporting segments are regularly reviewed by the Board of Directors using the segregated financial information available within each segment to determine the allocation of management resources and evaluate business results.

The Group consists of three main business units classified by product types—Flour Milling, Food and Other. Each business unit formulates business strategies and promotes business activities.

Consequently, the Group has classified its operations into two reporting segments: Flour Milling and Food.

The Flour Milling segment covers wheat flour, bran, and buckwheat flour, while the Food segment covers wheat flour for home use, premixes, pasta, frozen foods, deli foods, and rice flour.

2. Calculation methods on sales, income (loss), assets, liabilities and other items by reporting segment

FY2011 (April 1, 2010 – March 31, 2011)

(Millions of yen)

	Reporting segments			Other	Total	Adjustments	Amounts recorded on consolidated statements of income
	Flour Milling	Food	Total				
Net sales							
Net sales to external customers	91,833	132,931	224,765	27,373	252,139	-	252,139
Internal sales or transfers between segments	1,879	929	2,809	2,276	5,085	(5,085)	-
Total	93,713	133,860	227,574	29,650	257,224	(5,085)	252,139
Segment income (loss)	4,386	6,203	10,589	(20)	10,568	(1)	10,567
Segment assets	81,477	61,556	143,033	15,262	158,296	36,068	194,365
Other items							
Depreciation	3,358	2,219	5,577	1,027	6,605	179	6,784
Increase in tangible and intangible assets	2,859	3,307	6,167	955	7,122	2	7,125

- Notes:
1. The "Other" column indicates businesses not included in the reporting segments, including pet food, health food and engineering.
 2. -¥1 million segment income adjustment is an elimination of inter-segment transactions.
 3. Corporate assets included in adjustments of segment assets amounted to ¥37,628 million and mainly comprise the Company's surplus funds (cash and securities) and assets concerning administrative operations.
 4. Segment income or loss is adjusted to reflect operating income as recorded on the consolidated statements of income.
 5. Depreciation expenses and an increase in tangible and intangible fixed assets include an increase in long-term prepaid expenses and amortization thereof.

(Additional information)

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

(Per share information)

FY2010 (From April 1, 2009 to March 31, 2010)		FY2011 (From April 1, 2010 to March 31, 2011)	
Net assets per share	¥578.07	Net assets per share	¥585.05
Net income per share	¥47.23	Net income per share	¥36.06
Outlines of the residual shares not taken into calculation of net income per share after residual shares due to absence of dilution effects		Outlines of the residual shares not taken into calculation of net income per share after residual shares due to absence of dilution effects	

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

		FY2010 (From April 1, 2009 to March 31, 2010)	FY2011 (From April 1, 2010 to March 31, 2011)
Net income per share			
Net income	(Millions of yen)	7,892	6,026
Amount not attributable to common shareholders	(Millions of yen)	-	-
Net income associated with common shares	(Millions of yen)	7,892	6,026
Average number of shares of common stock in the year	(Share)	167,129,360	167,129,657

(Significant subsequent events)

FY2010 (From April 1, 2009 to March 31, 2010)	FY2011 (From April 1, 2010 to March 31, 2011)
-	-

Disclosure is omitted regarding matters relating to such transactions as lease transactions, deals with associated parties, tax effect accounting, financial products, securities, derivative trading, retirement benefits and note for a business combination.