The Nisshin Oil Mills, Ltd.

Annual Report 2002

For the year ended March 31, 2002

The Satisfying Tastes of Ideal Solutions

The Nisshin Oil Mills, Ltd., integrated management with Rinoru Oil Mills Co., Ltd. and Nikko Oil Mills Co., Ltd. through a transfer of shares in April 2002. From October 1, 2002, the name of the company will change and Nisshin Oils will be divided into a holding company under the name Nisshin OilliO Group, Ltd. and a company to handle business operations under the name Nisshin OilliO, Ltd.

The Nisshin Oil Mills, Ltd. was established in 1907 as the first Japanese company to make salad oils. Today, the Company's business focuses on edible vegetable oils and includes processed foods, such as dressings, processed oils and fats, like margarine and shortening. In addition, manufacturing and sales include industrial oils and fats, meals and grains for feed and fertilizers. Nisshin Oils proudly acquired the leading share of the Japanese edible oils market in fiscal 2001. Looking ahead, the Company will use the expertise it has cultivated since its inception to develop a range of new products.

NISSHIN OilliO

New Corporate Brand

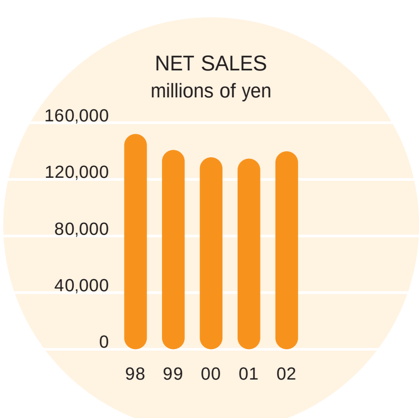
Contents

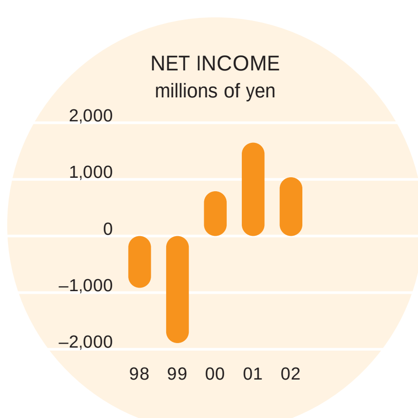
Five-Year Summary

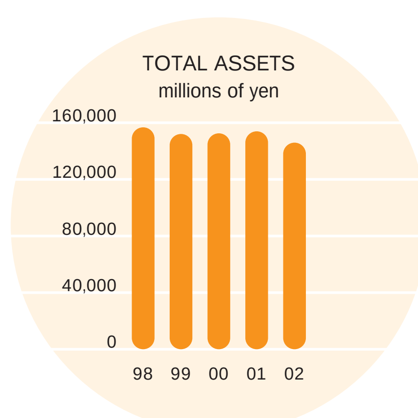
The Nisshin Oil Mills, Ltd. and Consolidated Subsidiaries
Five Years Ended March 31, 2002

	Millions of Yen Except per Share Data					Thousands of U.S. Dollars Except per Share Data
	2002	2001	2000	1999	1998	**2002**
FOR THE YEAR:						
Net sales	**¥139,554**	¥134,516	¥135,516	¥140,638	¥152,350	**$1,049,278**
Net income (loss)	**1,027**	1,641	781	(1,897)	(926)	**7,722**
Per share data (in yen):						
Net income (loss)	**¥ 7.07**	¥ 11.30	¥ 5.32	¥ (12.91)	¥ (6.33)	**$ 0.05**
Diluted net income			5.27			
Cash dividends, applicable to the year	**7.00**	7.00	7.00	7.00	8.00	**0.05**
AT YEAR-END:						
Total assets	**¥146,047**	¥153,983	¥152,835	¥152,224	¥156,944	**$1,098,098**
Shareholders' equity	**81,815**	82,804	80,319	81,241	82,592	**615,151**

Notes: 1. U.S. dollar amounts represent translations of Japanese yen amounts, for convenience only, at the rate of ¥133 to U.S.$1, the approximate rate of exchange at March 29, 2002.
2. Net income (loss) per share is computed based on the weighted-average number of outstanding shares of common stock.
3. Diluted net income per share data is not disclosed for 2002 because it would be anti-dilutive, nor for 2001, because of the Company's redemption of convertible bonds, or in 1999 and 1998, because of the Company's net loss.







Message from the Management

In the year ended March 31, 2002, Nisshin Oils began the first year and the first stage of its WIN2005 medium-term management plan. This plan marks the second phase of restructuring for the Company. During the first stage of WIN2005, we will concentrate on achieving concrete solutions to immediate problems and prepare the groundwork for the second stage. We believe this plan will ensure our success in the 21st century.

In fiscal 2002, ended March 31, 2002 consolidated sales increased 3.7% to ¥139,554 million (US$1,049 million). This result reflected an increase in sales of meals due to higher content used in mixtures, increased sales from overseas businesses and a rise in sales due to the absorption of business from Kubo Co., Ltd. following the merger between Nisshin Shoji Co., Ltd. and Kubo. However, operating income declined 39.5% to ¥2,671 million (US$20 million) as a result of increased costs due to a sharp increase in the overseas price of raw materials and the weak yen. Consolidated net income declined 37.4% to ¥1,027 million (US$8 million).

In the Japanese edible oils and meals industry, we experienced a challenging operating environment due to such factors as the lowering of import duties on oils and fats, intensified international competition and lackluster consumer spending. Against this background, Nisshin Oils established its mission to contribute to the development of society and the economy, and thereby contribute to the happiness of people, as a company that provides value to all stakeholders. In addition, we aim to tirelessly work toward the development of the Company by providing new value. This we will do through our search for taste, health and beauty based on our technology related to food in areas such as vegetable oils, which we have cultivated over many years. For this reason, we are working toward the goals that we established in our medium-term management plan WIN2005.

MEDIUM-TERM MANAGEMENT PLAN WIN2005

We established our medium-term management plan, WIN2005, with a view to ensuring that the Group continues as a leading force in the 21st century. In fiscal 2005 we must be:

1. A dynamic corporate group with a clear competitive advantage
2. A value-creating corporate group that is highly respected
3. An innovative, vibrant and future-oriented company

We will focus our management resources in our core business areas: Oils and Meals Business; Fine Chemicals Business; and Health Linkage Business, and pursue value related to taste, health and beauty.

ESTABLISHING A CORPORATE BRAND

We have established NISSHIN OilliO as our new corporate brand. Until recently, Nisshin Salad Oil had become a strong, widely familiar flagship brand in the area of edible oils. Our new brand strategy based on strengthening competitiveness will further strengthen our brand in the 21st century. Nisshin Oils began its life in the field of oils and meals, and while this was an important starting point, we are determined to broaden the scope of our operations in this field. By establishing the new brand, we are making a promise to provide value to our stakeholders and foster a shared sense of values throughout the Group. For this reason, we have established an intrinsic brand value as a key promise. In addition, we have established "power of nature" as the key term in our corporate statement, which outlines our corporate promise. With this corporate brand strategy, we aim to optimize corporate value and enhance the overall strength of the group.

INTEGRATING MANAGEMENT

In April 2002, The Nisshin Oil Mills, Ltd., began to integrate management with Rinoru Oil Mills Co., Ltd. and Nikko Oil Mills Co., Ltd., which are group companies we have a cooperative relationship with in the areas of products and logistics. The integration of the management of the three companies aims to maintain the competitiveness of the Group in the 21st century by bringing together the management resources and expertise of each company into a single, streamlined system. From October 1, 2002, the name of the companies will change. We will establish a system to optimize our management effectiveness by forming the holding company Nisshin OilliO Group, Ltd. to manage Nisshin OilliO, Ltd., Rinoru Oil Mills Co., Ltd. and Nikko Oil Mills Co., Ltd.

This integration is one part of our WIN2005 strategy and is a specific action designed to secure a suitable Oils and Meals Business in the 21st century as well as respond to the demands of the age.

PROMOTING CORE BUSINESSES

With the aim of realizing the goals of our medium-term management plan WIN2005, we are focusing our management resources on our core businesses: Oils and Meals Business; Fine Chemicals Business; and Health Linkage Business. In the Oils and Meals Business, we are promoting strong business performance from our six Asian joint-venture companies, and building a strong marketing and cooperative manufacturing system. In the Fine Chemicals Business, we have established a single base for manufacturing, marketing and research and development based on our policy of substantially expanding new business for fine chemicals. We have also strengthened our production and supply system through such means as consigned production overseas for cosmetics raw materials. In the Health Linkage Business, a new core business in fiscal 2002, we are looking to develop and launch new products based on our policy of establishing and nurturing the businesses related to health and food. In the future, we will continue to work on strengthening our management foundation and achieve the goals outlined in WIN2005.

CORPORATE GOVERNANCE

Nisshin Oils has been working toward building a system for management supervision as part of our main theme “securing corporate governance for the Group.” In accordance with this, we are now building a new system for group management by integrating the management of three companies under a holding company. Aiming to be a corporate group with the trust of society and shareholders, we have clarified the function and roles of each group company to ensure more effective group management and are providing value that is regarded highly by the market and our customers.

Jokei Akitani President

MAINTAINING OUR POSITION AS A LEADING COMPANY

From April 2002, we began the first year of our management integration. This is not the final phase of management integration in the Nisshin OilliO Group Ltd. We will continue to seek more effective management and revise the focus, use and function of management resources to achieve this. With restructuring underway in the oils and meals industry, we will maintain the initiative as a leading company and maintain the value of the Nisshin OilliO Group for future stakeholders.

I would like to thank all stakeholders for their support and understanding as we strive to build even greater corporate value.

September 2002

Jokei Akitani

President

STRONG MANAGEMENT TEAM

The operating environment for the Oils and Meals Business is undergoing rapid change due to such factors as a shift by food manufacturers to production bases in Asia and other internationalization pressures. In the grain-producing countries in Europe and in the United States, the major grain producers tend to control the market and this effects Asian countries such as China. Japan is dependant on imports of almost all its oil and fat raw materials. Therefore the commodity and foreign exchange markets are of great importance. Fierce competition has developed with the removal of Japanese import duties for meals, oils and fats, as well as the saturation of the Japanese market. The oils and meals industry in Japan must become internationally competitive to survive in the 21st century.

OILS AND MEALS BUSINESS

Nisshin Oils believes that strengthening the Oils and Meals Business in East Asia, which is expected to experience rapid growth, is a key issue, and the Company placed this as a priority in the medium-term management plan. In East Asia, the consumption of oils and fats as well as the consumption of animal feed to produce beef is expected to rise. In addition, with many Japanese companies shifting into East Asia to manufacture processed foods

Building Powerful Business Organizations

Dalian Nisshin Oil Mills, Ltd.

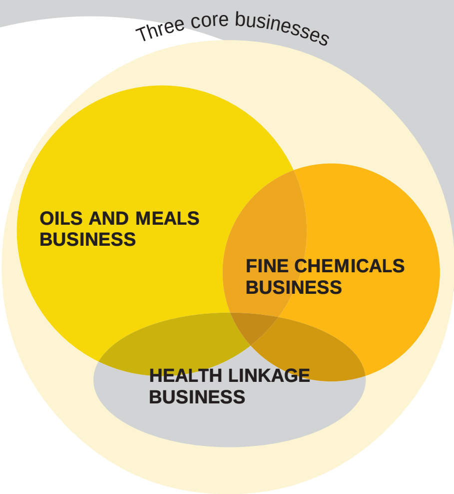
to the high quality levels required by the Japanese market, we believe that opportunities will open up for Nisshin Oils to grow.

Production bases in East Asia have two main roles: to take advantage of sales growth in China and to provide overseas production facilities for the Group. The Japanese market for oils and fats is saturated and to increase sales we must establish new markets in countries like China. More than 1,000 potential client companies have moved to China. Sales to Japanese companies based in China and to local companies on the coast of China have been made key priorities at Nisshin Oils. In April 2002, we established the EAST ASIA OILS & FATS MARKETING DEPARTMENT to strengthen the Oils and Meals Business in East Asia, and we examined capacity increases with a view to promoting expansion in Asia.

Nisshin Oils has an integrated production system in Japan with operations such as pressure extraction and refining of imported raw material conducted at the Yokohama Isogo Plant and refining at the Sakai Plant in Western Japan. In addition to these plants, the Company has the Nagoya Plant operated by Rinoru Oil Mills, the Mizushima Plant in Okayama Prefecture operated by Nikko Oil Mills and six other overseas plants in East Asia. As a result, Nisshin Oils has been able to establish a low-cost production system that can select the most efficient product base. This is achieved by taking into consideration such factors as exchange rates and raw materials markets.

FINE CHEMICALS BUSINESS

The Fine Chemicals Business makes use of advanced synthesis and refining technology cultivated over many years in the Oils and Meals Business. In September 2001, Nisshin Oils concentrated research and development, production, marketing and administration of fine chemicals at the Yokohama Isogo Plant and planned an efficient business system for this business. In the medium-term business plan, Nisshin Oils identified the Fine Chemicals Business



as a core business to handle products such as cosmetics, food additives, and chemicals and established a target of ¥10 billion in sales by 2005. Nisshin Oils has divided its market into low-cost products and advanced value-added products. Based on this division, the Company is developing products using advanced technical capabilities and, to bring costs down, began consigned production in Taiwan. Nisshin Oils began consigning production of seven low-viscosity esters to Patech Fine Chemicals Co., Ltd. and is now able to provide consumers with high-quality, excellent products at competitive prices. In research and development, Nisshin Oils together with LC United Chemical Corporation is promoting the improved manufacture of sun screen agents for cosmetics. As a result, we have successfully developed an excellent, highly stable, sun screen agent that is almost odorless. In addition, in Japan, there is a boom in whitening cosmetics and active ingredients from sesame seeds and olives have been developed. Our cosmetics interest is not limited to Japan; we also export to overseas cosmetics manufacturers. In the food additives field, Nisshin Oils has strong sales to food, fragrance and pharmaceutical manufacturers of highly functional products that contain oils and fats and natural ingredients. An example of products developed from these ingredients include functional oils and fats such as middle chain fatty acids and tocopherol (vitamin E).

HEALTH LINKAGE BUSINESS

Under Nisshin Oils theme of taste, health and beauty, the Health Linkage Business has a diverse range of resources and expertise, which it leverages to provide products and services targeting such markets as the rapidly growing senior citizens market, therapeutic foods and therapies to treat lifestyle diseases. In the year ended 2002, together with strengthening our organization in the Health Linkage Business, we launched a range of products. Sales performed well for our green

Building Powerful Business Organizations

Nisshin Oil's cosmetics materials are well received worldwide.

tea (*Shokujino Otomoni Shokumotsu Seni Iri Ryokucha),* an authorized food product for specified health uses, such as treating people with high levels of blood sugar. Another product launch was *Pucera Supplement,* a food product designed to minimize problems caused by pre-menstrual stress (PMS). To encourage understanding about PMS in the Japanese market, we are providing a range of useful information. We also introduced variations on the *Pucera* line with *Pucera Cookie* and *Pucera Mini-drink*, in March. In the field of therapeutic foods, we have a solid track record in products for patients suffering from kidney ailments and for those with difficulty swallowing. Group companies, centered on Nisshin Science Co., Ltd., have had strong performances marketing to hospitals and pharmacies. These therapeutic foods are not only for hospitals and pharmacies; the Company has been steadily expanding its marketing channels to large-scale stores. Nisshin Oils expects sales in the Health Linkage Business to contribute to strong overall sales from fiscal 2003. In the medium-term management plan the Company established a business promotion system for health-related businesses that access know-how from our other core segments and has targeted sales of ¥15 billion in fiscal 2005.

Nisshin Oil's technology is also applied in pharmaceuticals.

Nisshin Oil Research Laboratory and The Food R&D Center

Launching Delightful New Products

RESEARCH AND DEVELOPMENT CAPABILITIES THAT ENABLE THE CREATION OF DELIGHTFUL NEW PRODUCTS

The protracted slump and lackluster personal consumption in Japan has led people to cut back on spending and lead more frugal lifestyles. Nisshin Oils recognizes the seriousness of Japan's lackluster consumption and deflation, and plans to differentiate its products from those of rival companies. The Company believes it can do this by strengthening research and development capabilities that can generate product of high added value. Of all our personnel, 15% work in positions related to the research and development of products.

NISSHIN OIL RESEARCH LABORATORY AND THE FOOD R&D CENTER

The Nisshin Oil Research Laboratory conducts fundamental research and development and the Food R&D Center develops products and technical support. These research and development operations produce the expertise that gives the Company its strong results. For example, a nutritional feature of middle chain fatty acids is the ease with which they can be converted to energy. At the Nisshin Oil Research Laboratory, we trialed ester transfer technology to modify the structure of oils and fats through the substitution of esters. In this way we were able to develop oils and fats that include middle chain fatty

Researchers examine aspects such as taste and texture.

acids that can be used in home cooking. At the Food R&D Center, the Company made use of the aforementioned research and development technology to produce home-use edible oils, such as the *Nisshin Diet* product line and a range of commercial-use products. Over recent years, Nisshin Oils has poured its efforts into research and development in fields that focus on nutritional function and biochemistry. These efforts are indispensable for the research and development of healthy products. The results of the Company's research and development efforts are not only evident in the products Nisshin Oils develops, but have also been recognized at scientific conferences and through publication in scientific journals. In the marine products business, a Nisshin Oils joint venture successfully developed a high-tech, mass production method for producing an algal feed for the larvae of crustacea. This algal feed is currently being developed into a commercial product. In addition, the Company has original research and development approaches, including objective research on taste and a system to evaluate and analyze the sound food makes when it is chewed.

DELIGHTFUL PRODUCTS TO SATISFY CONSUMERS

Using its corporate theme "power of nature," Nisshin Oils offers a range of products that satisfy customers. Products including *Nisshin Diet*, which makes use of middle chain fatty acids in home-use oils, and *Nisshin Choleste*, a brand focusing on people concerned with high levels of cholesterol in food, have contributed to satisfying consumers desire for healthy edible oils and have also contributed to healthy sales for Nisshin Oils. In addition, the *Pucera* series of food products, designed to minimize problems caused by PMS, were developed through surveys of Japanese women and in clinical trials. The *Haiyu-Less Fryer* is a new piece of frying equipment that dramatically reduces the amount of oil necessary to fry food. The *Eco-mate AR-1* is receiving attention as the first vegetable-based biodegradable oil used to prevent asphalt from sticking to equipment and other surfaces.

Operational Review

OILS AND MEALS BUSINESS

In the year under review, the Japanese edible oils and meals industry experienced a challenging operating environment due to a weak yen and a sharp increase in rapeseed prices in the second half of the year. In home-use edible oils, we worked to sustain and expand earnings by increasing sales of high value-added products, which are largely insulated from market conditions. We also worked hard to revise prices of standard salad oils. The introduction of *Nisshin Balance Oil Choleste* at the end of the previous fiscal year made a significant contribution to higher sales of our *Nisshin Balance Oil Series*. Price increases for standard salad oils, however, did not take hold as planned, and performance suffered as a result. In the gift packages category, we launched gift packages of assorted *Nisshin Healthy Oils* to invigorate the gift market. Amid a shrinking market, however, gift package sales fell from the previous fiscal year's level.

In commercial-use edible oils, shipments of premium products saw dramatic growth on the back of proposal-based sales initiatives targeting the large-scale retailing sector and food services market. Sales of standard edible oils weathered a price increase and only grew slightly. The net result was modest top-line growth in commercial-use edible oils. Shipments of processed oils and fats also declined. Shipments of industrial oils fell due mainly to a drop in demand for flaxseed oil used

OILS AND MEALS BUSINESS
MAJOR PRODUCTS

Nisshin Choleste

Nisshin Canola Oil Healthy Light

Bosco Olive Oil

Nisshin Junsei Goma-Abura (sesame oil)

Nisshin Dressing Diet

in inks. Shipments of margarine and shortening increased as a result of efforts to win new customers for these products.

Price increases aimed at sustaining earnings did not proceed smoothly, preventing us from revising selling prices as planned.

Shipments of soybean meal were lifted by greater use of livestock feed with higher soybean content in the wake of the Bovine Spongiform Encephalopathy (BSE) scare in Japan. Selling prices increased due to firm prices on overseas commodity markets and a weak yen. We scaled back the extraction of oils from rapeseed to cope with the tight supply of rapeseed, which resulted in lower shipments of rapeseed meal. However, the tight supply led to increased selling prices.

Overseas, Dalian Nisshin Oil Mills, Ltd. performed well, processing a record volume of raw material. In addition, other subsidiaries and affiliates are moving steadily into the black.

Nisshin Shoji Co., Ltd. merged with Kubo Co., Ltd. in October 2001 and a rise in sales reflected business absorbed from Kubo.

As a result, sales in the Oils and Meals Business climbed 5.4% to ¥117,843 million (US$886 million), while operating income for the segment declined 54.1% to ¥1,927 million (US$14 million).

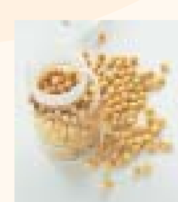
Mayodore
(mayonaise-type seasoning)

Royal Dish (frying oil)

Nisshin Canola Margarine

Eco-mate AR-1

Soybeans and other grains



FINE CHEMICALS BUSINESS

In the fine chemicals business, we consolidated manufacturing, marketing and R&D functions at a single facility, the Yokohama Isogo Plant. In this way, we are working to build a strong foundation for developing new products and establishing new businesses. Despite a slumping market for cosmetics in Japan, we increased shipments of cosmetic ingredients. However, sales were only marginally higher than the previous year due to weak demand for high-end cosmetics products. Shipments of chemical products fell sharply because of production cuts by customers in the field of information-related products in response to the downturn in the IT industry.

As a result, sales in the Fine Chemicals Business declined 5.5% to ¥3,202 million (US$24 million) and operating income fell 33.6% to ¥570 million (US$4 million).

HEALTH LINKAGE BUSINESS

Until the year ended March 2001, consolidated subsidiary Nisshin Science Co., Ltd. was mainly responsible for operations in this segment. Effective from the fiscal year ended March 2002, Nisshin Oils assumed an active role in this segment, which has become our third core business. In the field of therapeutic foods, where we have a solid track record, we saw strong sales growth in products for patients suffering from kidney ailments and for those with difficulty swallowing.

FINE CHEMICALS BUSINESS
MAJOR PRODUCTS

Food additives (tocopherol, lecithin), IT-related materials (ester for industrial applications)

HEALTH LINKAGE BUSINESS
MAJOR PRODUCTS

Pucera Supplement

Toromi UP-V (liquid food)

OTHER BUSINESSES

In health foods, a new growth avenue for Nisshin Oils, the company is working to increase sales of two key products. The first is a green tea (*Shokujino Otomoni Shokumotsu Seni Iri Ryokucha),* an authorized food product for specified health uses. Second is *Pucera Supplement,* a food product designed to minimize problems caused by pre-menstrual stress, (PMS) launched in July 2001. In January 2002, we created a new product category called Health Linkage, which represents a fusion of taste and health. In March 2002, we introduced variations on the *Pucera* line with *Pucera Cookie* and *Pucera Mini-drink*. We also launched new products, including *Kaireicha*, a high-quality Korean ginseng tea with Ginseng from Korea Ginseng Corp. The launch of these new products is expected to make a significant contribution to sales starting next fiscal year.

Sales in the Health Linkage Business increased 30.6% to ¥1,768 million (US$13 million), while operating loss worsened 4.2% to ¥197 million (US$1 million).

Our software development and employment agency services fared well. However, horticultural sales declined as Japan's gardening boom subsided, and marine product sales were also lackluster. In July 2001, we transferred lease receivables to Diamond Lease Co., Ltd. This action sharply reduced revenues from the leasing business.

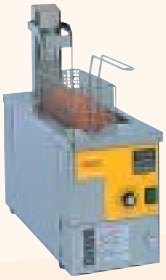
Sales of Other Businesses declined 6.9% to ¥16,741 million (US$126 million), while operating income increased 174.2% to ¥328 million (US$2 million).

OTHER BUSINESSES
MAJOR PRODUCTS

Shokujino Otomoni Shokumotsu Seni Iri Ryokucha

Gardening-use fertilizers

Haiyu-Less Fryer



Environmental Preservation

Nisshin Oils is vigorously pursuing environmental activities based on the ideals set forth in the 1993 Environmental Charter and goals set in 2001. In September 2000 the Yokohama Isogo Plant acquired ISO 14001 certification, an international standard for environmental management systems. In addition to introducing ISO 14001 systems, we are establishing goals and developing activities under the theme, "In harmony with nature and the environment and coexistence with the local community." Aiming to eliminate industrial waste by 2010, we will continue to take a range of steps to safeguard the environment. In fiscal 2002, we prepared the 2002 Environmental Report in line with our commitment to consistent disclosure.

ENVIRONMENTAL ACCOUNTING

We place considerable importance on disclosing information about environmental investments and costs, and the effectiveness of these activities to shareholders and other stakeholders. This recognition was behind the adoption of environmental accounting. Non-consolidated environmental preservation costs at Nisshin Oils totaled ¥1,108 million (US$8 million) in the fiscal year ended March 2002.

The Group is drawing on experience gained since its inception to implement environmental activities encompassing all its products and business activities.

ENVIRONMENTAL PRESERVATION MEASURES BY DIVISION

Production Division

- Promote energy efficiency (Introduce a gas co-generation system and fuel cells)
- Reduce the level of chemicals that have an adverse impact on the environment such as sulfur oxides, nitrogen oxides and phosphorus. (This is achieved by converting to natural gas.)
- Recycle waste water and sludge
- Recycle waste

Distribution Division

- Expand joint transportation
- Promote a modal shift
- Introduce liquefied petroleum gas (LPG)-powered vehicles

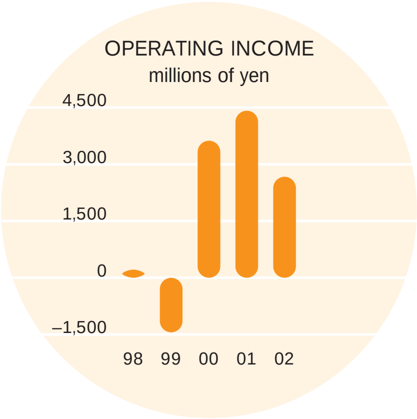
Materials and Products Division

- Reduce weight and size of packaging material
- Launch recyclable gardening soil
- Launch the environmentally friendly *Haiyu-Less Fryer*
- Launch environmentally friendly *Eco-mate AR-1*, which prevents asphalt sticking to equipment and other surfaces

Management Division

- Collect paper by type, work toward paperless operations

Financial Review



FINANCIAL REVIEW

The Nisshin Oil Mills, Ltd. group consists of Nisshin Oils and 20 consolidated subsidiaries, 6 non-consolidated subsidiaries and 11 affiliates. The equity method applies to none of the non-consolidated subsidiaries, but is used for eight of the affiliates. From fiscal 2002, ended March 31, 2002, the group's business results were divided into four segments: Oils and Meals Business, Fine Chemicals Business, Health Linkage Business and Other Businesses.

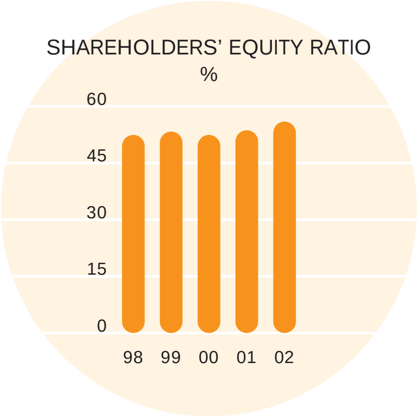
CONSOLIDATED RESULTS

Operating Environment

During the year under review, the global economy stagnated, adversely affected by the slowdown in the key U.S. economy. In Japan, while signs of a recovery became evident toward the end of the fiscal year, the economy was generally inactive and consumer spending remained lackluster. The already weak yen grew progressively weaker in the second half of the year and rapeseed prices increased dramatically. These factors led to a challenging operating environment for the oils and fats industry.

Net Sales

In this operating environment, consolidated net sales increased 3.7% to ¥139,554 million (US$1,049 million), reflecting several factors. First were higher sales of meals due to higher content used in mixtures. In addition, Dalian Nisshin Oil Mills, Ltd. saw sales rise. The merger between Nisshin Shoji Co., Ltd. and Kubo Co., Ltd. also boosted the top line.



Cost of Sales and Gross Profit

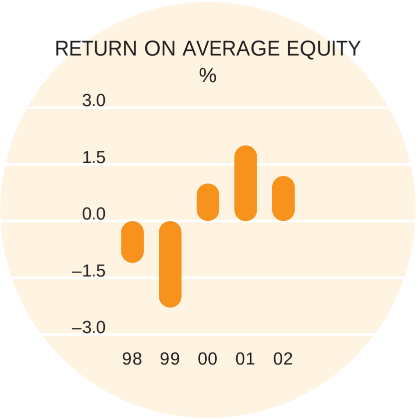
Reflecting rising costs due to higher international prices for raw materials and the weaker yen, the cost of sales increased 6.7% to ¥103,103 million (US$775 million) from the previous year. Consequently, gross profit declined 3.8% to ¥36,451 million (US$274 million).

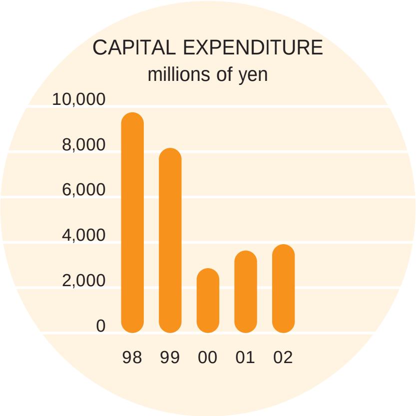
Operating Income

Nisshin Oils worked to secure earnings by promoting low-cost operations through such measures as dramatically reducing selling, general and administrative expenses by conducting a thorough review of expenses. However, the Company was unable to absorb the poor performance in the Oils and Meals Business, resulting in a 39.5% drop in operating income to ¥2,671 million (US$20 million).

Net Income

During the year, the Company booked gains on the assignment of lease receivables. At the same time, to strengthen its balance sheet the Company booked losses on the devaluation and sale of investment securities. As a result, consolidated net income declined 37.4% to ¥1,027 million (US$8 million).





SEGMENT INFORMATION

Oils and Meals Business

The main businesses in this segment are home-use and commercial-use edible oils, fats, meals and grains. Together these products represent 84.4% of total net sales.

Sales of home-use edible oils increased due to the Company's efforts to expand sales of high value-added products, which are insulated from the vagaries of the marketplace. Sales of standard salad oils increased slightly, however, sales of gift package sets declined as the market contracted.

In commercial-use edible oils, sales of premium products increased dramatically on the back of proposal-based sales initiatives. Standard salad oils were unable to achieve a planned price increase and consequently sales only rose slightly. Soybean meal and rapeseed meal sales were favorable. Overseas, Dalian Nisshin Oil Mills posted strong results and processed a record volume of raw material.

As a result, sales in this segment rose 5.4% to ¥117,843 million (US$886 million) compared to the previous year, while operating income declined 54.1% to ¥1,927 million (US$14 million).

Fine Chemicals Business

The main businesses in this segment comprise raw materials for cosmetics and toiletries, chemical products, middle chain fatty acid, lecithin and tocopherol (vitamin E). This segment represented 2.3% of total net sales.

Raw materials for cosmetics achieved an increased in sales volume, but only a slight increase in net sales. However, chemical products suffered a dramatic fall in sales volume due to customers scaling back production. As a result, sales in this segment declined 5.5% to ¥3,202 million (US$24 million) and operating income dropped 33.6% to ¥570 million (US$4 million).

Health Linkage Business

The main businesses in this segment are therapeutic foods, health foods and liquid foods. The segment represents 1.3% of total sales.

In therapeutic foods, sales grew for products targeting patients suffering from kidney ailments and for those with difficulties swallowing.

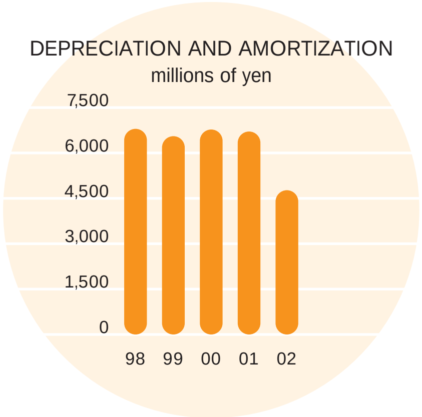
Segment sales increased 30.6% to ¥1,768 million (US$13 million), while the operating loss worsened 4.2% to ¥197 million (US$1 million).

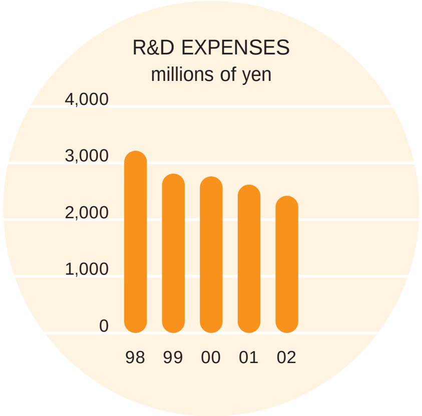
Other Businesses

The main businesses in this segment are real estate leasing, management and mediation services, pharmaceuticals, packaging services, customs-related business, warehousing, restaurant management, sports facility management, marine products, sales promotions, engineering, accident and liability insurance and computing-related services. The segment represented 12.0% of total net sales.

Software development and employment agency services fared well. However, the horticultural business slumped. In July 2001, lease receivables were sold, resulting in a dramatic decline in revenues for the leasing business.

As a result, segment sales declined 6.9% to ¥16,741 million (US$126 million), while operating income increased 174.2% to ¥328 million (US$2 million).





FINANCIAL POSITION

Total Assets

Total assets as of March 31, 2002 were ¥146,047 million (US$1,098 million), a decline of 5.2% from the previous fiscal year-end.

Current Liabilities

Current liabilities declined 2.9% to ¥42,626 million (US$320 million) due to the repayment of all short-term bank loans using a new committed credit facility.

Long-term Liabilities

Long-term liabilities fell 22.5% to ¥19,452 million (US$146 million). This was due to the repayment of long-term debt accompanying the assignment of Nisshin Finance Co., Ltd.'s lease receivables and the fact that the company did not issue any bonds.

Shareholders' Equity

Shareholders' equity fell 1.2% to ¥81,815 million (US$615 million). As a result, the shareholders' equity ratio increased 2.2 percentage points to 56.0%. Shareholders' equity per share declined 1.2%, or ¥6.74, to ¥563.47 (US$4.24).

Cash Flows

Net cash provided by operating activities was ¥4,689 million (US$35 million), compared with ¥14,340 million in fiscal 2001. This result reflected a decline in income before income taxes and minority interests and depreciation and amortization as well as an increase in income taxes–paid.

Net cash used in investing activities was ¥1,321 million (US$10 million), substantially less than in the previous fiscal year. This result reflected a highly selective investment policy.

Net cash used in financing activities was ¥12,493 million (US$94 million), compared with ¥9,069 million in fiscal 2001, reflecting repayment of interest-bearing debt.

As a result, cash and cash equivalents at the end of the year were ¥17,054 million (US$128 million), down from ¥25,332 million a year ago.

Consolidated Balance Sheets

The Nisshin Oil Mills, Ltd. and Consolidated Subsidiaries
March 31, 2002 and 2001

	Millions of Yen		Thousands of U.S. Dollars (Note 1.a)
ASSETS	2002	2001	2002
CURRENT ASSETS:			
Cash and cash equivalents	¥ 17,054	¥ 25,332	$ 128,226
Time deposits	468	258	3,519
Marketable securities (Note 2)	4,822	2,370	36,256
Receivables:			
Trade notes (Note 3)	2,926	2,762	22,000
Trade accounts (Note 6)	24,112	23,262	181,293
Allowance for doubtful receivables	(323)	(311)	(2,429)
Inventories:			
Finished goods	9,217	7,369	69,301
Raw materials	7,270	7,837	54,661
Deferred tax assets (Note 5)	962	946	7,233
Prepaid expenses and other	2,847	2,894	21,406
Total current assets	69,355	72,719	521,466
PROPERTY, PLANT AND EQUIPMENT (Note 4):			
Land	18,610	16,666	139,925
Buildings and structures	48,672	45,785	365,955
Machinery and equipment	46,473	53,049	349,421
Construction in progress	861	517	6,474
Total	114,616	116,017	861,775
Accumulated depreciation	(58,691)	(59,184)	(441,286)
Net property, plant and equipment	55,925	56,833	420,489
INVESTMENTS AND OTHER ASSETS:			
Investments in securities (Note 2)	8,671	12,481	65,195
Investments in and advances to non-consolidated subsidiaries and associated companies	7,688	7,444	57,805
Goodwill	145	278	1,090
Other assets	4,263	4,228	32,053
Total investments and other assets	20,767	24,431	156,143
TOTAL	¥146,047	¥153,983	$1,098,098

See notes to consolidated financial statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of Yen 2002	Millions of Yen 2001	Thousands of U.S. Dollars (Note 1.a) 2002
CURRENT LIABILITIES:			
Short-term bank loans (Note 4)	¥ 6,948	¥ 10,860	$ 52,241
Current portion of long-term debt (Note 4)	4,286	1,932	32,226
Payables:			
Trade notes (Note 3)	1,570	1,628	11,804
Trade accounts (Notes 2 and 6)	21,760	20,427	163,609
Income taxes payable	493	935	3,707
Accrued expenses	5,423	5,623	40,774
Other	2,146	2,500	16,135
Total current liabilities	42,626	43,905	320,496
LONG-TERM LIABILITIES:			
Long-term debt (Note 4)	15,262	21,571	114,752
Liability for retirement benefits (Note 9)	2,527	2,449	19,000
Other	1,663	1,075	12,504
Total long-term liabilities	19,452	25,095	146,256
MINORITY INTERESTS	2,154	2,179	16,195
COMMITMENTS AND CONTINGENT LIABILITIES (Notes 11, 12 and 13)			
SHAREHOLDERS' EQUITY (Note 10):			
Common stock–authorized, 388,350,000 shares; issued and outstanding, 145,334,287 shares in 2002 and 2001	16,332	16,332	122,797
Additional paid-in capital	14,906	14,906	112,075
Retained earnings	49,752	49,789	374,075
Unrealized gain on available-for-sale securities	756	1,811	5,684
Translation adjustment	136	26	1,023
Total	81,882	82,864	615,654
Treasury stock–at cost, 136,809 shares in 2002 and 117,330 shares in 2001	(67)	(60)	(503)
Total shareholders' equity	81,815	82,804	615,151
TOTAL	¥146,047	¥153,983	$1,098,098

Consolidated Statements of Income

The Nisshin Oil Mills, Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2002 and 2001

	Millions of Yen		Thousands of U.S. Dollars (Note 1.a)
	2002	2001	**2002**
NET SALES (Note 6)	**¥139,554**	¥134,516	**$1,049,278**
COST OF SALES (Note 6)	**103,103**	96,629	**775,211**
Gross profit	**36,451**	37,887	**274,067**
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Note 7)	**33,780**	33,470	**253,985**
Operating income	**2,671**	4,417	**20,082**
OTHER INCOME (EXPENSES):			
Interest and dividend income	**176**	397	**1,323**
Interest expense	**(631)**	(708)	**(4,744)**
Loss on devaluation of investment securities		(356)	
Gain on securities transferred to the retirement benefit trust fund		3,262	
Loss on disposition of property, plant and equipment	**(258)**	(636)	**(1,940)**
Foreign exchange gain	**521**	303	**3,918**
Charge for full amount of transitional obligations for retirement benefits		(3,423)	
Loss on devaluation of club membership		(113)	
Equity in earnings of associated companies	**341**	340	**2,564**
Gain from disposition of lease-loan	**336**		**2,526**
Other–net	**(829)**	(320)	**(6,233)**
Other expenses–net	**(344)**	(1,254)	**(2,586)**
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	**2,327**	3,163	**17,496**
INCOME TAXES (Note 5):			
Current	**1,048**	1,426	**7,879**
Deferred	**316**	436	**2,376**
Total	**1,364**	1,862	**10,255**
MINORITY INTERESTS IN NET LOSS	**(64)**	(340)	**(481)**
NET INCOME	**¥ 1,027**	¥ 1,641	**$ 7,722**

	Yen		U.S. Dollars
	2002	2001	**2002**
PER SHARE OF COMMON STOCK (Note 1.o):			
Net income	**¥7.07**	¥11.30	**$0.05**
Cash dividends applicable to the year	**7.00**	7.00	**0.05**

See notes to consolidated financial statements.

Consolidated Statements of Shareholders' Equity

The Nisshin Oil Mills, Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2002 and 2001

	Thousands	Millions of Yen					
	Outstanding Number of Shares of Common Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Unrealized Gain on Available-for-sale Securities	Foreign Currency Translation Adjustments	Treasury Stock
BALANCE, APRIL 1, 2000	145,334	¥16,332	¥14,906	¥49,193		¥ (51)	¥(61)
Adjustment of retained earnings for newly consolidated subsidiaries				4			
Net income				1,641			
Cash dividends, ¥7.00 per share				(1,017)			
Bonuses to directors				(32)			
Net increase in unrealized gain on available-for-sale securities					¥1,811		
Foreign currency translation adjustments						77	
Treasury stock acquired–net							1
BALANCE, MARCH 31, 2001	145,334	16,332	14,906	49,789	1,811	26	(60)
Net income				1,027			
Cash dividends, ¥7.00 per share				(1,017)			
Bonuses to directors				(35)			
Adjustment of retained earnings for merger of consolidated subsidiary				(12)			
Net decrease in unrealized gain on available-for-sale securities					(1,055)		
Foreign currency translation adjustments						110	
Treasury stock acquired–net							(7)
BALANCE, MARCH 31, 2002	**145,334**	**¥16,332**	**¥14,906**	**¥49,752**	**¥ 756**	**¥136**	**¥(67)**

	Thousands of U.S. Dollars (Note 1. a)					
	Common Stock	Additional Paid-in Capital	Retained Earnings	Unrealized Gain on Available-for-sale Securities	Foreign Currency Translation Adjustments	Treasury Stock
BALANCE, MARCH 31, 2001	$122,797	$112,075	$374,353	$13,616	$ 196	$(451)
Net income			7,722			
Cash dividends, $0.05 per share			(7,647)			
Bonuses to directors			(263)			
Adjustment of retained earnings for merger of consolidated subsidiary			(90)			
Net decrease in unrealized gain on available-for-sale securities				(7,932)		
Foreign currency translation adjustments					827	
Treasury stock acquired–net						(52)
BALANCE, MARCH 31, 2002	**$122,797**	**$112,075**	**$374,075**	**$ 5,684**	**$1,023**	**$(503)**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

The Nisshin Oil Mills, Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2002 and 2001

	Millions of Yen		Thousands of U.S. Dollars (Note 1.a)
	2002	2001	2002
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥2,327	¥ 3,163	$17,496
Adjustments for:			
Income taxes–paid	(1,476)	(424)	(11,098)
Depreciation and amortization	4,751	6,720	35,722
Earnings of associated companies	(341)	(340)	(2,564)
Loss on disposition of property, plant and equipment	90	611	677
Gain from disposition of lease-loan	(336)		(2,526)
Gain on securities transferred to the retirement benefit trust fund		(3,262)	
Provision for severance payments		4,878	
Decrease (increase) in trade receivables	1,083	(2,389)	8,143
(Increase) decrease in inventories	(807)	1,267	(6,068)
(Decrease) increase in trade payables	(956)	3,395	(7,188)
Decrease in liability for severance payment	(9)	(1,658)	(68)
Other–net	363	2,379	2,730
Total adjustments	2,362	11,177	17,760
Net cash provided by operating activities	4,689	14,340	35,256
INVESTING ACTIVITIES:			
Proceeds from sale of investment securities	2,440	1,130	18,346
Purchases of investment securities	(2,023)	(2,211)	(15,211)
Proceeds from sale of property, plant and equipment	4,097	189	30,805
Purchases of property, plant and equipment	(3,665)	(4,706)	(27,556)
Proceeds from sales of marketable securities–net	(1,176)	254	(8,842)
Increase in investments in and advances to consolidated subsidiaries	(112)	(48)	(842)
Payment for purchase of newly consolidated subsidiaries, net of cash acquired		(154)	
Increase in other assets	(882)	(235)	(6,632)
Net cash used in investing activities	(1,321)	(5,781)	(9,932)
	3,368	8,559	25,324
FINANCING ACTIVITIES:			
Decrease in short-term bank loans–net	(5,480)	(3,515)	(41,203)
Proceeds from long-term debt	598	2,880	4,496
Repayments of long-term debt	(6,583)	(1,331)	(49,496)
Dividends paid	(1,017)	(1,017)	(7,647)
Proceeds from issuance of common stock to minority shareholders	19		143
Dividends paid for minority interests	(30)	(26)	(225)
Proceeds from bond issue		9,927	
Redemption of convertible bonds		(15,987)	
Net cash used in financing activities	(12,493)	(9,069)	(93,932)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	64	124	481
CASH AND CASH EQUIVALENTS INCREASED BY MERGER OF CONSOLIDATED SUBSIDIARY	783		5,887
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,278)	(386)	(62,240)
CASH AND CASH EQUIVALENTS OF NEWLY CONSOLIDATED SUBSIDIARIES, BEGINNING OF YEAR		94	
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	25,332	25,624	190,466
CASH AND CASH EQUIVALENTS, END OF YEAR	¥17,054	¥25,332	$128,226

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Nisshin Oil Mills, Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2002 and 2001

1. Significant Accounting and Reporting Policies

The following is a summary of the significant accounting and reporting policies adopted by The Nisshin Oil Mills, Ltd. (the "Company") and consolidated subsidiaries in the preparation of its consolidated financial statements.

a. Basis of Presenting Financial Statements–The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Securities and Exchange Law and its related accounting regulations, and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Accounting Standards. The consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥133 to $1, the approximate rate of exchange at March 29, 2002. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

b. Principles of Consolidation–The consolidated financial statements as of March 31, 2002 include the accounts of the Company and its 20 significant (19 in 2001) subsidiaries (together, the "Group").

Under the control or influence concept, those companies in which the Parent, directly or indirectly, is able to exercise control over operations are fully consolidated, and that company over which the Group has the ability to exercise significant influence is accounted for by the equity method.

Investments in 8 (8 in 2001) associated companies are accounted for by the equity method.

Investments in the remaining 6 non-consolidated subsidiaries and 3 associated companies are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary/associated company at the date of acquisition. Goodwill occurring on or after April 1, 1999 is reported in the balance sheet as other assets and is amortized using the straight-line method over 5 years.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

c. Translation of Foreign Currency Accounts–Foreign currency transactions relate principally to the importation of raw materials through Japanese trading companies, contracted in U.S. dollars, for which the Company is obliged to bear any exchange rate risks involved in such transactions. Foreign currency transactions are translated into Japanese yen using the exchange rate in effect at the date of each transaction or at the applicable exchange rates under forward exchange contracts.

Assets and/or liabilities which are converted at foreign exchange rates are translated using the exchange rate set forth in the applicable exchange contract. Gains or losses from foreign currency transactions are included in net income.

d. Foreign Currency Financial Statements–The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date except for sharehold-ers' equity, which is translated at the historical rate.

Differences arising from such translation are shown as "Foreign currency translation adjustments" in a separate component of shareholders' equity. Revenue and expense accounts of consolidated foreign subsidiaries are translated into yen at the average exchange rate.

e. Cash Equivalents–Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits, certificate of deposits, commercial paper and bond funds, all of which mature or become due within three months of the date of acquisition.

f. Marketable Securities and Investments in Securities–All securities are classified as available-for-sale securities and are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of shareholders' equity. The cost of securities sold is determined based on the moving-average method. Non-marketable available-for-sale securities are stated at cost determined by the moving-average method. For other than temporary declines in fair value, non-marketable available-for-sale securities are reduced to net realizable value by a charge to income.

g. Allowance for Doubtful Receivables–The allowance for doubtful receivables is stated in amounts considered to be appropriate based on the Company's past credit loss experience and an evaluation of potential losses in the receivables outstanding.

h. Inventories–Finished goods are stated at cost substantially determined by the average method. Raw materials are stated at the lower of cost, determined by the first-in, first-out method, or market.

i. Property, Plant and Equipment–Property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation of plant and equipment is computed by the declining-balance method over the estimated useful lives of the assets, while the straight-line method is applied to buildings. Equipment held for lease is depreciated by the straight-line method over the lease periods.

The range of useful lives is from 5 to 50 years for buildings and structures, from 4 to 16 years for machinery and equipment.

Ordinary maintenance and repairs are charged to income as incurred. Major replacements and improvements are capitalized.

j. Leases–All leases are accounted for as operating leases. Under Japanese accounting standards for leases, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's consolidated financial statements.

k. Income Taxes–The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

l. Retirement and Pension Plans–The Company and its domestic consolidated subsidiaries have unfunded retirement benefit plan for all eligible employees. The amounts of the retirement benefits are, in general, determined on the basis of length of service and conditions under which the termination occurs. In addition to the unfunded plan, the Company has a contributory funded pension plan and one consolidated subsidiary has a non-contributory pension plan. Under the funded pension plans, employees terminating their employment after more than 20 years of service are entitled either to a lump-sum payment or pension payments over 10 years.

The liability for retirement benefits is based on the projected benefit obligations and plan assets at the balance sheet date. The net periodic benefit costs, based on an actuarial computation of current and future employee benefits, are charged to income.

The Company contributed certain available-for-sale securities with a fair value of ¥4,878 million to the employee retirement benefit trust for the Company's contributory funded pension plan, and recognized a non-cash gain of ¥3,262 million for the year ended March 31, 2001. The securities held in this trust are qualified as plan assets.

The transitional obligation determined as of April 1, 2000, amounted to ¥3,621 million. Full amount of transitional obligation except for that of one domestic subsidiary, amounted to ¥3,423 million and was charged to income and presented as other expense in the consolidated statements of income for the year ended March 31, 2001. The transitional obligation of one domestic subsidiary of ¥198 million is being amortized over ten years using the straight-line method and annual amortization is presented as other expense in the consolidated statements of income.

Retirement allowances for directors and corporate auditors are recorded to state the liability for retirement benefits at the amount that would be required if all directors and corporate auditors retired at each balance sheet date.

m. Research and Development–Costs relating to research and development activities are charged to income as incurred.

n. Derivatives and Hedging Activities–The Group uses a variety of derivative financial instruments, including foreign currency forward contracts and commodity futures as a means of hedging exposure to foreign currency and price risks. The Group does not enter into derivatives for trading or speculative purposes.

All derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivatives transactions are recognized in the consolidated statements of income.

For derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The foreign currency forward contracts are utilized to hedge foreign currency exposures in importation of raw materials from overseas supplies. Trade payables denominated in foreign currencies are translated at the contracted rates if the forward contracts qualify for hedge accounting.

Commodity futures are utilized to hedge transactions in inventories and trading commitment. These futures which qualify for hedge accounting are measured at market value at the balance sheet date and the unrealized gains or losses are deferred until maturity as other liability or asset.

o. Per Share Data–The computation of net income per common share is based on the weighted-average number of shares of common stock outstanding during each year. The weighted-average number of common shares used in the computation was 145,211 thousand and 145,215 thousand for the years ended March 31, 2002 and 2001, respectively.

Diluted net income per share is not disclosed because the Company does not issue dilutive securities.

Cash dividends per share shown in the consolidated statements of income have been presented on an accrual basis and include, in each fiscal year ended March 31, dividends approved or to be approved after March 31, but applicable to the year then ended.

p. Appropriations of Retained Earnings–Appropriations of retained earnings are reflected in the financial statements for the following year on shareholders' approval.

2. Marketable Securities and Investments In Securities

Marketable securities and investments in securities as of March 31, 2002 and 2001, were comprised of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	2002
Current:			
Government and corporate bond	¥4,797	¥ 2,240	$36,068
Other	25	130	188
Total	¥4,822	¥ 2,370	$36,256
Non-current:			
Marketable equity securities	¥6,326	¥ 8,416	$47,563
Government and corporate bond	410	2,854	3,083
Trust fund investments and other	1,935	1,211	14,549
Total	¥8,671	¥12,481	$65,195

The carrying amounts and aggregate fair values of marketable and investment securities at March 31, 2002 and 2001, were as follows:

	Millions of Yen			
	2002			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as available-for-sale:				
Equity securities	¥5,439	¥1,604	¥717	¥6,326
Debt securities	5,182	41	16	5,207
Others	1,001	3	66	938

	Millions of Yen			
	2001			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as available-for-sale:				
Equity securities	¥5,571	¥2,971	¥126	¥8,416
Debt securities	5,011	137	54	5,094
Other	977		207	770

	Thousands of U.S. Dollars			
	2002			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as available-for-sale:				
Equity securities	$40,894	$12,060	$5,391	$47,563
Debt securities	38,962	309	120	39,151
Others	7,526	23	496	7,053

Available-for-sale securities whose fair value is not readily determinable as of March 31, 2002 and 2001 were as follows:

	Carrying Amount		
	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
Available-for-sale:			
Equity securities	**¥467**	¥363	**$3,511**
Other	**500**		**3,759**
Total	**¥967**	¥363	**$7,270**

Proceeds from sales of available-for-sale securities for the years ended March 31, 2002 and 2001 were ¥7,172 million ($53,925 thousand) and ¥93,573 million, respectively. Gross realized gains and losses on these sales, computed on the moving-average cost basis, were ¥75 million ($566 thousand) and ¥128 million ($965 thousand), respectively, for the year ended March 31, 2002 and ¥124 million and ¥1 million, respectively, for the year ended March 31, 2001.

The carrying values of debt securities by contractual maturities for securities classified as available-for-sale at March 31, 2002 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Due in one year or less	¥5,817	$43,736
Due after one year through five years	455	3,421
Due after five years through ten years	5	38
Total	¥6,277	$47,195

As of March 31, 2002, investment securities of ¥25 million ($188 thousand) were pledged for trade accounts payable of ¥212 million ($1,594 thousand).

3. Effect on Financial Statements of Year-end Date

The year-end date for the financial year 2002, March 31, 2002 was Sunday and the year-end date for the financial year 2001, March 31, 2001 was Saturday, respectively. As a result, notes receivable, payable and discounted on that date were settled on April 1, 2002 or 2001, the immediately following business day, as is customary in Japan. Notes outstanding as at March 31, 2002 and 2001, whose settlement was postponed were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
Trade notes receivable	**¥221**	¥245	**$1,662**
Trade notes payable	**420**	467	**3,158**
Trade notes discounted	**144**	161	**1,083**

4. Short-term Bank Loans and Long-term Debt

Short-term bank loans at March 31, 2002 and 2001 consisted of bank overdrafts, loans on deed and notes to banks. The average interest rates applicable to the short-term bank loans as of March 31, 2002 and 2001, were 2.5% and 2.0%, respectively.

Long-term debt as of March 31, 2002 and 2001 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
2.5% secured bonds due 2004	**¥ 400**	¥ 400	**$ 3,008**
1.7% unsecured bonds due 2005	**5,000**	5,000	**37,594**
2.1% unsecured bonds due 2007	**5,000**	5,000	**37,594**
Loans from banks, due through 2016 with interest rates ranging from 0.8% to 3.5% (2002) and from 1.5% to 3.7% (2001):			
Collateralized	**2,080**	4,510	**15,639**
Unsecured	**7,067**	8,593	**53,135**
Total	**19,548**	23,503	**146,978**
Less current portion	**(4,286)**	(1,932)	**(32,226)**
Long-term debt, less current portion	**¥15,262**	¥21,571	**$114,752**

The aggregate annual maturities of long-term debt as of March 31, 2002, were as follows:

Years Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2003	¥ 4,286	$ 32,226
2004	2,453	18,444
2005	5,496	41,323
2006	362	2,722
2007	5,626	42,301
2008 and thereafter	1,325	9,962
Total	¥19,548	$146,978

As of March 31, 2002, the following assets were pledged as collateral to secure short-term bank loans of ¥5,087 million ($38,248 thousand), 2.5% bonds due 2004 of ¥400 million ($3,008 thousand) and long-term debt of ¥2,080 million ($15,639 thousand):

	Millions of Yen	Thousands of U.S. Dollars
	2002	**2002**
Land	**¥5,507**	**$41,406**
Buildings and structures–net of accumulated depreciation	**2,605**	**19,586**
Machinery and equipment–net of accumulated depreciation	**304**	**2,286**
Total	**¥8,416**	**$63,278**

5. Income Taxes

The Company and its domestic consolidated subsidiaries are subject to Japanese national and local income taxes, which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 41.8% for the years ended March 31, 2002 and 2001.

The tax effects of significant temporary differences and tax loss carryforwards, which resulted in deferred tax assets and liabilities at March 31, 2002 and 2001, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
Deferred tax assets:			
Liability for retirement benefits	**¥2,241**	¥2,255	**$16,850**
Tax loss carryforwards	**476**	920	**3,579**
Accrued expenses	**767**	677	**5,767**
Income taxes payable	**37**	105	**278**
Inventories	**32**	56	**241**
Other	**533**	388	**4,007**
Total	**4,086**	4,401	**30,722**
Deferred tax liabilities:			
Gain on securities transferred to the retirement benefit trust fund	**1,364**	1,364	**10,256**
Property, plant and equipment	**1,230**	1,245	**9,248**
Unrealized gain on available-for-sale securities	**358**	1,164	**2,692**
Other	**864**	78	**6,496**
Total	**3,816**	3,851	**28,692**
Net deferred tax assets	**¥ 270**	¥ 550	**$ 2,030**

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statements of income for the years ended March 31, 2002 and 2001 is as follows:

	2002	2001
Normal effective statutory tax rate	41.8%	41.8%
Increase (decrease) in tax rate resulting from:		
Expenses not deductible for income tax purposes	5.8	3.2
Per capita levy of corporate tax	2.6	1.7
Elimination of intercompany dividends	5.0	4.0
Amortization of consolidation goodwill	2.6	1.8
Difference from effective statutory tax rate of consolidated subsidiaries	9.5	18.6
Equity in earnings of associated companies	(6.1)	(4.5)
Loss on devaluation of advances to associated companies		(6.3)
Other–net	(2.6)	(1.5)
Actual effective tax rate	58.6%	58.8%

6. Related Party Transactions

Transactions with and balances due from or to non-consolidated subsidiaries and associated companies for the years ended March 31, 2002 and 2001, were principally as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	2002
Transactions:			
Sales	¥375	¥ 567	$2,820
Purchases	629	2,061	4,729
Balances at year-end:			
Trade accounts receivable	34	44	256
Trade accounts payable	123	246	925

7. Research and Development Costs

Research and development costs charged to income were ¥2,421 million ($18,203 thousand) and ¥2,619 million for the years ended March 31, 2002 and 2001, respectively.

8. Segment Information

The Company operates in the following segments:

Oils and Meals consist of home-use food products, commercial-use food products, fats and oils and meals.

Fine Chemicals consist of cosmetics and toiletries, chemical products, middle chain fatty acid, lecithin and tocopherol (Vitamin E).

Health Linkage consist of therapeutic foods, health foods and liquid foods.

Other consist of real estate leasing, management and mediation services, pharmaceuticals, packaging services, customs-related business, warehousing, restaurant management, sports facility management, marine products, sales promotions, engineering, accident and liability insurance and computing-related services.

Information about industry segments of the Group for the years ended March 31, 2002 and 2001, is as follows:

a. Sales and Operating Income

	Millions of Yen					
	2002					
	Oils and Meals	Fine Chemicals	Health Linkage	Other	Eliminations	Consolidated
Sales to customers	¥117,843	¥3,202	¥1,768	¥16,741		¥139,554
Intersegment sales	913	554	80	14,112	¥(15,659)	
Total sales	118,756	3,756	1,848	30,853	(15,659)	139,554
Operating expenses	116,829	3,186	2,045	30,525	(15,702)	136,883
Operating income (losses)	¥ 1,927	¥ 570	¥ (197)	¥ 328	¥ 43	¥ 2,671

b. Assets, Depreciation and Capital Expenditures

	Millions of Yen					
	2002					
	Oils and Meals	Fine Chemicals	Health Linkage	Other	Corporate Eliminations	Consolidated
Total assets	¥102,010	¥3,440	¥177	¥22,922	¥17,498	¥146,047
Depreciation and amortization	3,339	114	13	1,285		4,751
Capital expenditures	2,502	104	2	1,329		3,937

a. Sales and Operating Income

	Thousands of U.S. Dollars					
	2002					
	Oils and Meals	Fine Chemicals	Health Linkage	Other	Eliminations	Consolidated
Sales to customers	$886,038	$24,075	$13,293	$125,872		$1,049,278
Intersegment sales	6,865	4,165	602	106,105	$(117,737)	
Total sales	892,903	28,240	13,895	231,977	(117,737)	1,049,278
Operating expenses	878,414	23,955	15,376	229,511	(118,060)	1,029,196
Operating income (losses)	$ 14,489	$ 4,285	$ (1,481)	$ 2,466	$ 323	$ 20,082

b. Assets, Depreciation and Capital Expenditures

	Thousands of U.S. Dollars					
	2002					
	Oils and Meals	Fine Chemicals	Health Linkage	Other	Corporate Eliminations	Consolidated
Total assets	$766,992	$25,865	$1,331	$172,346	$131,564	$1,098,098
Depreciation and amortization	25,105	857	98	9,662		35,722
Capital expenditures	18,812	782	15	9,992		29,601

a. Sales and Operating Income

	Millions of Yen					
	2001					
	Oils and Meals	Fine Chemicals	Health Linkage	Other	Eliminations	Consolidated
Sales to customers	¥111,793	¥3,388	¥1,353	¥17,982		¥134,516
Intersegment sales	1,058	624	86	14,125	¥(15,893)	
Total sales	112,851	4,012	1,439	32,107	(15,893)	134,516
Operating expenses	108,652	3,154	1,628	32,549	(15,884)	130,099
Operating income (losses)	¥ 4,199	¥ 858	¥ (189)	¥ (442)	¥ (9)	¥ 4,417

b. Assets, Depreciation and Capital Expenditures

	Millions of Yen					
	2001					
	Oils and Meals	Fine Chemicals	Health Linkage	Other	Corporate Eliminations	Consolidated
Total assets	¥100,275	¥3,440	¥423	¥25,977	¥23,868	¥153,983
Depreciation and amortization	3,563	126	13	2,953		6,655
Capital expenditures	1,741	64	3	1,832		3,640

The Company and consolidated subsidiaries operate mainly in Japan and do not have significant export sales.

9. Retirement and Pension Plans

The Company and its domestic consolidated subsidiaries have severance payment plans for employees, directors and corporate auditors.

The liability (assets) for employees' retirement benefits at March 31, 2002 and 2001, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	2002
Projected benefit obligation	¥21,096	¥18,455	$158,617
Fair value of plan assets	(14,468)	(16,026)	(108,782)
Unrecognized prior service cost	806	866	6,060
Unrecognized actuarial loss	(5,838)	(1,520)	(43,895)
Unrecognized transitional obligation	(158)	(178)	(1,188)
Prepaid pension expense	179		1,346
Net liability	¥ 1,617	¥ 1,597	$ 12,158

The components of net periodic benefit costs for the years ended March 31, 2002 and 2001 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	2002
Service cost	¥855	¥ 795	$6,429
Interest cost	585	581	4,398
Expected return on plan assets	(505)	(550)	(3,797)
Amortization of prior service cost	(57)	(43)	(428)
Recognized actuarial loss	95		714
Amortization of transitional obligation	20	3,443	150
Net periodic benefit costs	¥993	¥4,226	$7,466

Assumptions used for the years ended March 31, 2002 and 2001, are set forth as follows:

	2002	2001
Discount rate	2.8%	3.5%
Expected rate of return on plan assets	4.2%	4.2%
Amortization period of prior service cost	15–17 years	Mainly, 16 years
Recognition period actuarial gain	15–17 years	Mainly, 16 years
Amortization period of transitional obligation:		
The Company and the other subsidiaries	1 year	1 year
One subsidiary (Settsu Oil Mills Co., Ltd.)	10 years	10 years

Retirement allowances for directors and corporate auditors are paid subject to approval of the shareholders in accordance with the Japanese Commercial Code (the "Code").

The Group recorded a liability for its unfunded retirement allowance plan covering all of its directors and corporate auditors for the years ended March 31, 2002 and 2001 of ¥910 million ($6,842 thousand) and ¥852 million, respectively.

10. Shareholders' Equity

Japanese companies are subject to the Code to which certain amendments became effective from October 1, 2001.

Prior to October 1, 2001, the Code required at least 50% of the issue price of new shares, with a minimum of the par value thereof, to be designated as stated capital as determined by resolution of the Board of Directors. Proceeds in excess of amounts designated as stated capital were credited to additional paid-in capital. Effective October 1, 2001, the Code was revised and common stock par values were eliminated resulting in all shares being recorded with no par value.

Prior to October 1, 2001, the Code also provided that an amount at least equal to 10% of the aggregate amount of cash dividends and certain other cash payments which are made as an appropriation of retained earnings applicable to each fiscal period shall be appropriated and set aside as a legal reserve until such reserve equals 25% of stated capital. Effective October 1, 2001, the revised Code allows for such appropriations to be set aside as a legal reserve until the total additional paid-in capital and legal reserve equals 25% of stated capital. The amount of total additional paid-in capital and legal reserve which exceeds 25% of stated capital can be transferred to retained earnings by resolution of the shareholders, which may be available for dividends. The Company's legal reserve amount, which is included in retained earnings, totals ¥3,049 million ($22,923 thousand) and ¥2,995 million as of March 31, 2002 and 2001, respectively. Under the Code, companies may issue new common shares to existing shareholders without consideration as a stock split pursuant to a resolution of the Board of Directors. Prior to October

1, 2001, the amount calculated by dividing the total amount of shareholders' equity by the number of outstanding shares after the stock split could not be less than ¥50. The revised Code eliminated this restriction.

Prior to October 1, 2001, the Code imposed certain restrictions on the repurchase and use of treasury stock. Effective October 1, 2001, the Code eliminated these restrictions allowing companies to repurchase treasury stock by a resolution of the shareholders at the general shareholders' meeting and dispose of such treasury stock by resolution of the Board of Directors after March 31, 2002. The repurchased amount of treasury stock cannot exceed the amount available for future dividend plus amount of stated capital, additional paid-in capital or legal reserve to be reduced in the case where such reduction was resolved at the general shareholders' meeting.

The Code permits companies to transfer a portion of additional paid-in capital and legal reserve to stated capital by resolution of the Board of Directors. The Code also permits companies to transfer a portion of unappropriated retained earnings, available for dividends, to stated capital by resolution of the shareholders.

Dividends are approved by the shareholders at a meeting held subsequent to the fiscal year to which the dividends are applicable. Semiannual interim dividends may also be paid upon resolution of the Board of Directors, subject to certain limitations imposed by the Code.

11. LEASES

The Company leases certain machinery, computer equipment and other assets.

Total rental expenses for the years ended March 31, 2002 and 2001, were ¥731 million ($5,496 thousand) and ¥348 million of lease payments under finance leases, respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, obligations under finance lease, depreciation expense, interest expense of finance lease that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2002 and 2001, was as follows:

	Millions of Yen		Thousands of U.S. Dollars
Machinery and Equipment	2002	2001	2002
Acquisition cost	¥4,327	¥1,656	$32,534
Accumulated depreciation	(2,083)	(981)	(15,662)
Net leased property	¥2,244	¥ 675	$16,872

Lease payments relating to finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	2002
Due within one year	¥ 746	¥279	$ 5,609
Due after one year	1,498	396	11,263
Total	¥2,244	¥675	$16,872

The amount of obligations under finance leases includes the imputed interest expense portion.

Depreciation expense, which is not reflected in the accompanying consolidated statements of income computed by the straight-line method, was ¥731 million ($5,496 thousand) and ¥348 million for the years ended March 31, 2002 and 2001, respectively.

The Company also leases certain machinery, equipment and other assets to customers.

Total rental revenue for the years ended March 31, 2002 and 2001, were ¥484 million ($3,639 thousand) and ¥1,542 million of lease receipts under finance leases, respectively.

Total rental revenue includes interest revenue ¥59 million ($444 thousand) and ¥203 million for the years ended March 31, 2002 and 2001, respectively.

Pro forma information of leased property such as obligations under finance leases that do not transfer ownership of leased property to the lessor on an "as if capitalized" basis for the years ended March 31, 2002 and 2001, was as follows:

	Millions of Yen		Thousands of U.S. Dollars
Machinery and Equipment	2002	2001	2002
Acquisition cost	¥53	¥5,530	$398
Accumulated depreciation	(28)	(2,860)	(210)
Net leased property	¥25	¥2,670	$188

Future lease income relating to finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	2002
Due within one year	¥11	¥1,193	$ 83
Due after one year	27	1,656	203
Total	¥38	¥2,849	$286

The imputed interest expense portion, which is computed using the interest method, is excluded from above obligations under finance leases.

Depreciation expense is ¥384 million ($2,887 thousand) and ¥1,357 million for the years ended March 31, 2002 and 2001, respectively.

12. Commitments and Contingent Liabilities

The Group was contingently liable at March 31, 2002, for guarantees of employees' housing loans and associated companies' bank borrowings, totaling ¥817 million ($6,143 thousand) and ¥275 million ($2,068 thousand), respectively.

13. Derivatives

The Group enters into foreign exchange forward contracts to hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies. Forward exchange contracted amounts which are assigned to associated assets and liabilities and are reflected on the balance sheet at year-end are not subject to the disclosure of market value information.

The Group has purchased currency options, as a whole, to reduce the purchase price in the foreign currency transactions. The Group enters into commodity futures in the normal course of business to decide the cost corresponding to the selling price, which is based on the forward delivery contract. The Group enters into interest rate swap agreements as a means of managing their interest rate exposure and profit or loss on redemption of bonds.

The Group also enters into agreements for certain derivative financial instruments as a part of their trading activities.

Derivatives are subject to market risk and credit risk. Market risk is the exposure created by potential fluctuations in market conditions, including interest and foreign exchange rates. Credit risk is the possibility that a loss may result from a counterparty's failure to perform according to terms and conditions of the contract.

Derivative transactions entered into by the Group have been made in accordance with internal policies, which regulate limits of positions, and establishment of the opposite position to reduce the risk. Derivative transactions in a loss position that exceeds certain predetermined thresholds will be reversed. The execution of these transactions is reviewed by the internal audit department.

The Group had the following derivatives contracts outstanding at March 31, 2002 and 2001:

	Millions of Yen						Thousands of U.S. Dollars		
	2002			2001			2002		
	Contract or Notional Amount	Fair Value	Unrealized Gain/Loss	Contract or Notional Amount	Fair Value	Unrealized Gain/Loss	Contract or Notional Amount	Fair Value	Unrealized Gain/Loss
Interest rate swaps:									
Fixed rate receipt fixed rate payment				¥1,000	¥12	¥12			
Fixed rate payment floating rate receipt				100	(2)	(2)			
Commodity future–Buying									

The contract or notional amounts of derivatives which are shown in the above table do not represent the amounts exchanged by the parties and do not measure the Group's exposure to credit or market risks.

Foreign currency forward contracts which qualify for hedge accounting for the years ended March 31, 2002 and 2001 are excluded from the disclosure of market value information.

14. Subsequent Events

a. Acquisition of the Shares of Rinoru Oil Mills Co., Ltd. (“Rinoru”) and Nikko Oil Mills Co., Ltd. (“Nikko”) through a stock-for-stock exchange.

In accordance with the stock-for-stock exchange agreement approved at the extraordinary general meeting of shareholders of the Company, Rinoru (an affiliate) and Nikko (an affiliate) held on February 27, 2002, respectively, the Company acquired 60% of the shares of Rinoru and 70% of the shares of Nikko through a stock-for-stock exchange on April 1, 2002. As a result, these companies became wholly owned subsidiaries of the Company.

The Company issued 28,005,000 shares to the shareholders of Rinoru and Nikko except the Company, which resulted in an increase in the additional paid-in capital account of the Company by ¥11,145 million ($83,797 thousand).

The amounts of total assets, total liabilities and operating revenues of Rinoru as of September 30, 2001 and Nikko as of March 31, 2002 and for these years then ended, were as follows:

	Rinoru		Nikko	
	Millions of Yen	Thousands of U.S. Dollars	Millions of Yen	Thousands of U.S. Dollars
Total assets	¥13,688	$102,917	¥15,219	$114,429
Total liabilities	3,678	27,654	9,681	72,789
Operating revenues	19,613	147,466	26,029	195,707

As of March 31, 2002, Rinoru and Nikko have been accounted for using the equity method.

b. Corporate Separation of the Company

On May 17, 2002, the Board of Directors of the Company resolved the plan of corporate separation. The scheduled date of the corporate separation is October 1, 2002, and the plan was approved at the general meeting of shareholders of the Company on June 27, 2002. In accordance with the plan, the Company will incorporate an operational company (Nisshin OilliO, Ltd) and transfer all business to Nisshin OilliO, Ltd. When the plan of corporate separation is completed, the Company will change its name to Nisshin OilliO Group, Ltd. and become a holding company.

c. Appropriations of Retained Earnings

The following appropriations of retained earnings at March 31, 2002 were approved at the Company’s general meeting of shareholders held on June 27, 2002:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥3.5 ($0.03) per share	¥509	$3,827
Bonuses to directors	28	211

d. Purchase of Treasury Stock

The Company’s general meeting of shareholders also approved the purchase of treasury stock by the Company. The resolution was made as follows:

The limit of purchase of treasury stock:	8,000,000 shares
The limit of accumulated amount of purchase of treasury stock:	¥4,000 million ($30,075 thousand)
The term of validity of the resolution:	Until next general meeting of shareholders of the Company

Independent Auditors' Report

Deloitte Touche Tohmatsu

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To the Board of Directors and Shareholders of
The Nisshin Oil Mills, Ltd.:

We have examined the consolidated balance sheets of The Nisshin Oil Mills, Ltd. (Nisshin Seiyu Kabushiki Kaisha, a Japanese corporation) and consolidated subsidiaries as of March 31, 2002 and 2001, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese yen. Our examinations were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the financial position of The Nisshin Oil Mills, Ltd. and consolidated subsidiaries as of March 31, 2002 and 2001, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles and practices generally accepted in Japan applied on a consistent basis.

Our examinations also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu

June 27, 2002

Corporate Data

Board of Directors and Corporate Auditors

President
Jokei Akitani*

Senior Managing Directors
Kentaro Kurokawa*
Nobutaka Tsuzaki

Managing Directors
Kazuo Ogome
Fumio Imokawa
Toru Yasuda
Tadashi Suzuki
Takao Imamura
Yoshihito Tamura
Hirohiko Kubo
Tsutomu Usui

Directors
Yuuzou Higaki
Akira Seto
Shunji Takase
Kenji Gokyu

Corporate Auditors
Yoshinori Horio
Nobuo Kurebayashi
Toshizumi Yoshikawa
Mitsuo Minami

*Representative Director
(As of June 27, 2002)

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New Address
http://www.oilliogroup.com
(From October 1, 2002)

Branches
Sapporo Branch
Sendai Branch
Kanto-Shinetsu Branch
Tokyo Branch
Nagoya Branch
Osaka Branch
Hiroshima Branch
Fukuoka Branch

Plants
Yokohama Isogo Plant
Sakai Plant

Laboratory
Central Research Laboratory

Date of Establishment
March 7, 1907

Number of Employees
807

Paid-in Capital
¥16,332 million

Number of Shares of Common Stock Authorized
388,350,000 shares

Number of Shares of Common Stock Issued
145,334,287 shares

Number of Shareholders
14,600

Consolidated Subsidiaries
Settsu Oil Mills Co., Ltd.
Nisshin Shoji Co., Ltd.
Nisshin Logistics Co., Ltd.
NSP Co., Ltd.
Kobayashi Pharmaceutical Industrial Co., Ltd.
Marketing Force Japan, Inc.
Nisshin Plant Engineering Co., Ltd.
The Golf Joy Co., Ltd.
Nisshin Science Co., Ltd.
Nisshin Business Assist Co., Ltd.
Nisshin Marine Tech Co., Ltd.
Evagros Co., Ltd.
Nomko Medical Co., Ltd.
Nisshin Cosmo Foods Co., Ltd.
Fast Cook Co., Ltd.
Dalian Nisshin Oil Mills, Ltd.
Southern Nisshin Bio-Tech Sdn. Bhd.
Nisshin Finance Co., Ltd.
Sakai Tank Terminal Co., Ltd.
Yamakiu Transport Co., Ltd.

Equity-Method Affiliates
Wakou Shokuhin Co., Ltd.
Rinoru Oil Mills Co., Ltd.
Nikko Oil Mills Co., Ltd.
Ten Corporation Co., Ltd.
President Nisshin Corp.
Shanghai Nisshin Oil & Fats, Ltd.
Zhen Jiang Nisshin Seasoning Co., Ltd.
Zhangjiagang President Nisshin Food Corp.

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Printed in Japan on recycled paper