THE MOMENTUM TO GROW

The Nisshin OilliO Group, Ltd.

Annual Report 2009

For the year ended March 31, 2009

NISSHIN OilliO

“The Natural Power of Plants”

HARNESSING THE NATURAL POWER OF PLANTS TO ENRICH HUMAN LIFE

PROCESSED OILS & FATS

Utilizing the Group's distinctive ester-interchange technology and oil and fat separation technology, we are developing oils and fats derived from palm oil for a variety of uses. Both our domestically produced products and those manufactured by Malaysia-based Intercontinental Specialty Fats Sdn. Bhd. (ISF) have won a strong response from customers over a vast area, stretching from Asia in the east to Europe in the west.

ENVIRONMENTAL BUSINESS

Nisshin OilliO is determined to open up new markets by giving full play to "the natural power of plants" in the environmental and other non-food fields.

SOY PROTEIN

Soy protein is capturing the limelight as a quality source of protein with a low environmental impact. Nisshin OilliO is developing this business based on technology built up over many years.

OILS AND MEAL

Nisshin OilliO makes the most of "the natural power of plants" inherent in oil and meal raw materials to continuously supply high-value-added products to markets in Japan as well as Asia, centered on Dalian, China. Based on proprietary technologies, these products, which include edible oils and meal for livestock feed, contribute to an improvement in daily diet.

FINE CHEMICALS

This business provides plant-based raw materials to the cosmetics, food, pharmaceuticals and various other industries that manufacture products we use daily. A current theme is to expand this business by extending the production network offshore.

HEALTHY FOODS

Lying in the business domain between food and medicine, the Healthy Foods Business provides products that help support people's health. Indeed, the keyword "health" is the inspiration for this business, which offers such products as foods for coping with lifestyle-related diseases, foods specifically for the elderly, therapeutic foods and preventative healthcare foods.

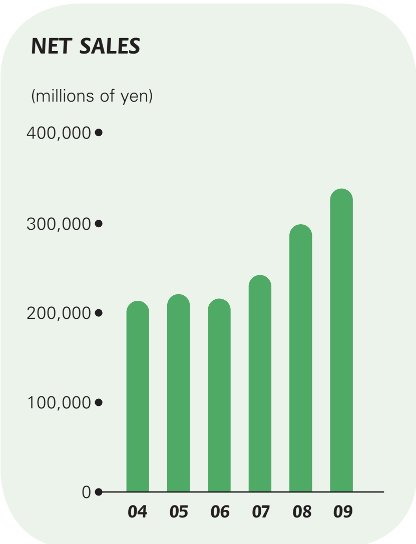
CONTENTS

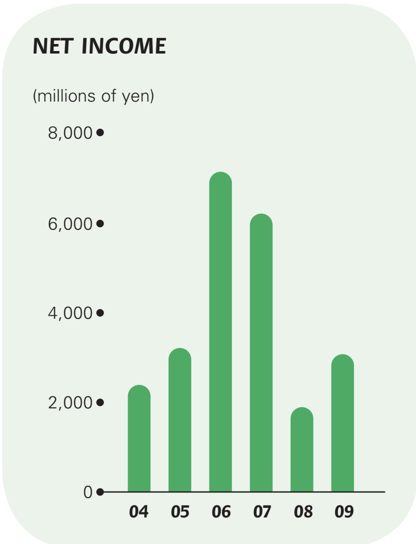
SIX-YEAR SUMMARY

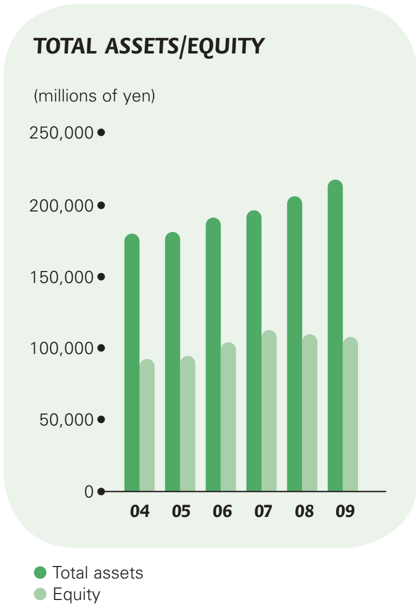
The Nisshin OilliO Group, Ltd. and Consolidated Subsidiaries
Six Years Ended March 31

	Millions of Yen (Except per Share Data)						Thousands of U.S. Dollars (Except per Share Data)
	2009	2008	2007	2006	2005	2004	**2009**
FOR THE YEAR:							
Net sales	**¥337,925**	¥298,196	¥241,668	¥215,479	¥220,204	¥212,820	**$3,448,214**
Oils and Meal	**312,610**	272,648	216,334	188,979	192,787	187,454	**3,189,898**
Healthy Foods & Soy Protein	**8,696**	8,616	8,571	6,500	5,814	3,633	**88,735**
Fine Chemicals	**5,254**	5,405	4,878	4,483	4,077	3,791	**53,612**
Operating income	**8,272**	4,114	7,835	6,386	4,376	458	**84,408**
Net income	**3,066**	1,876	6,202	7,138	3,202	2,374	**31,286**
AT YEAR-END:							
Total assets	**¥217,488**	¥205,824	¥196,008	¥190,829	¥180,866	¥179,752	**$2,219,265**
Equity	**107,498**	109,406	112,282	103,785	94,282	92,149	**1,096,918**
PER SHARE DATA:							
Net income	**¥ 17.79**	¥ 10.87	¥ 35.91	¥ 41.00	¥ 18.20	¥ 13.66	**$ 0.18**
Cash dividends applicable to the year	**10.00**	10.00	10.00	7.50	7.00	7.00	**0.10**
ROA (Ordinary income base)	**3.7%**	2.2%	5.2%	4.7%	3.4%	1.1%	
ROE (Net income base)	**2.9%**	1.8%	5.7%	6.9%	3.4%	2.6%	

Notes: 1. U.S. dollar amounts represent translations of Japanese yen amounts, for convenience only, at the rate of ¥98 to U.S.$1, the approximate rate of exchange at March 31, 2009.
2. Net income 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 in 2009, 2008, 2007, 2006, 2005 and 2004 because it was anti-dilutive.







KAZUO OGOME
President

To ensure another century of continued solid growth, the Nisshin OilliO Group is promoting the 10-year basic management vision Growth 10 and transforming Nisshin OilliO into an international corporate group that can continue to create new value by harnessing the natural power of plants.

OPERATING ENVIRONMENT

In fiscal 2008, the year ended March 31, 2009, the Japanese economy fell headlong into a serious recession, with weak corporate earnings and a worsening employment outlook triggered by global economic deterioration from the second half of the year exacerbated by a virtual standstill in consumer spending. In the oils and meal industry, the Group continued to face a daunting operating environment as prices for soybean, rapeseed, palm oil and other major raw materials for oils and meal remained high despite declines noted from the second quarter. This was compounded by a large cost burden for the Group stemming from petroleum-related costs tied to fuel, transportation, and materials.

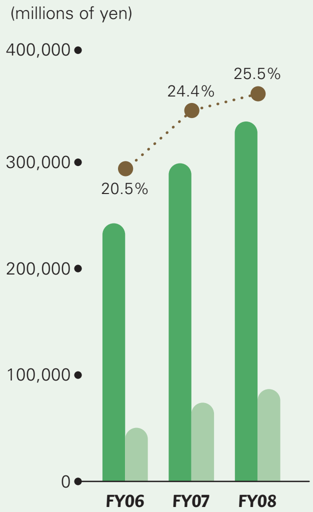
FISCAL 2008 RESULTS

In this environment, the Nisshin OilliO Group took steps to build a stable earnings structure during the second year of Phase 1 of the *GROWTH 10* medium-term management plan, promoting the development of new technology-derived products and expanding the sale of products with high added value. At the same time, we focused on realizing price adjustments in line with costs and worked to reinforce our cost competitiveness.

As a result, net sales rose 13.3% year on year to ¥337,925 million, while operating income climbed 101.1% to ¥8,272 million. Net income rose 63.4% to ¥3,066 million.

The ratio of overseas sales also grew steadily, rising 1.1 percentage points to 25.5% thanks mainly to sales growth at overseas subsidiaries and efforts to accelerate the Group's global business development.

OVERSEAS SALES



● Overseas sales as a percentage of net sales
● Consolidated net sales
● Overseas sales

NUMERICAL TARGETS FOR THE FINAL YEAR OF THE *GROWTH 10* PLAN (PHASE 1)

	NET SALES (millions of yen)	ORDINARY INCOME (millions of yen)	ROA (ORDINARY INCOME BASE)	ROE (NET INCOME BASE)	RATIO OF INTEREST-BEARING DEBT TO OPERATING CASH FLOWS
FY08	337,925	8,043	3.7%	2.9%	1.9 TIMES
FY09 PLAN	319,000	11,000	4.7%	4.7%	4.7 TIMES
FY10 TARGET	350,000	15,000	6.0% OR HIGHER	7.0% OR HIGHER	4.7 TIMES OR LOWER

PROGRESS WITH THE *GROWTH 10* PLAN (PHASE 1)

Fiscal 2009 marks year three of our medium-term management plan. To successfully meet our objectives for the plan’s final fiscal year, we are determined to achieve a structure for generating stable earnings and build a powerful business base. To this end, we will enhance our cost competitiveness by pursuing efficiency more rigorously than ever before, and will continuously plan and launch value-added products in the drive to realize our goals. Consequently, the Group is projecting net sales for fiscal 2009 of ¥319,000 million, down 5.6% year on year, operating income of ¥12,300 million, up 48.7%, and a 66.4% increase in net income to ¥5,100 million.

WORKING TOGETHER WITH STAKEHOLDERS

At Nisshin OilliO, we believe that meeting the expectations of all stakeholders is vital to realizing sustainable growth and improved corporate value. Based on this stance, we work not only to strengthen our compliance framework and fulfill our legal obligations, including the creation and operation of internal control systems, but strive companywide to meet our social responsibilities as a company. Accordingly, we endeavor to provide safe and dependable products and services in a reliable manner, address environmental concerns, contribute to society, and disclose appropriate corporate information.

September 2009

K. Ogome

KAZUO OGOME
President

FOR THE NEXT STAGE OF GROWTH

STEADY PROMOTION OF GROWTH STRATEGIES: INITIATIVES TO EXPAND THE PALM OIL BUSINESS

The Nisshin OilliO Group is working to both establish a stable revenue base and achieve future business growth. As part of these efforts, the Group is earnestly cultivating the palm oil business as a pillar of future growth. In fiscal 2008, initiatives to build up the base of the palm oil business included expanding domestic sales of palm oil-related products, maintaining stable earnings power through capital investment in Intercontinental Specialty Fats Sdn. Bhd. (ISF), and capital participation in Daito Cacao Co., Ltd. Going forward, Nisshin OilliO will continue to pursue business expansion, both in Japan and overseas.

STRONG SALES OF NISSHIN VEGEFRUIT OIL

Nisshin VegeFruit Oil is a palm oil-based home-use edible oil. It has been praised for its special ability to retain a light crispness in fried foods even after they have been left sitting for some time, and sales have been growing steadily. Conventional palm fruit oil has characteristically solidified even at room temperature, making it difficult to use in home cooking. The Nisshin OilliO Group, however, has stepped to the forefront of the industry by using advanced fractionation technology to solve this problem of palm oil solidification at low temperatures. The result of our efforts is *Nisshin VegeFruit Oil*, which has received positive feedback from consumers. The Group is selling this product to the foodservice sector as well as the home-use sector, and hopes to achieve synergies by cross-promotion between volume-retailers' prepared-foods sales counters and home-use products.

MAKING CAPITAL INVESTMENTS IN OILS AND FATS FOR CHOCOLATE

In order to respond to the growing global demand for palm oil, the Nisshin OilliO Group is planning focused capital investments in the palm oil business. In fiscal 2009, it plans to boost the production capacity of oils and fats for making chocolates at ISF. The company refines and sells palm oil, and manufactures specialty fats using proprietary oil and fat fractionation technologies. ISF has implemented various capital investments to maintain stable earnings, and will now expand business by enhancing production capacity with a view to increasing its share in the market for oils and fats for making chocolates.

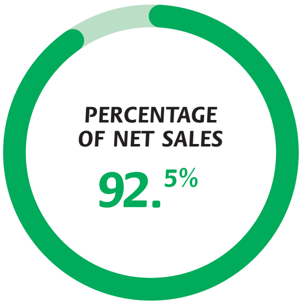
The ISF company building

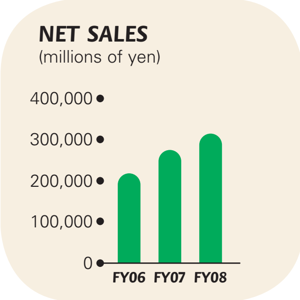
EQUITY PARTICIPATION IN DAITO CACAO

In March 2009, Nisshin OilliO took an equity participation in Daito Cacao Co., Ltd. Daito Cacao is a well-established foodservice-use chocolate manufacturer with 85 years of history. The company primarily manufactures and sells chocolate ingredients, confectionary and bread ingredients, and other processed food products to commercial cake and confectionary manufacturers. This equity participation will bring together the oils and fats processing technology of the Nisshin OilliO Group, the fractionation technology of ISF, and the chocolate manufacturing technology of Daito Cacao with the goal of developing new palm-oil products and technologies, and maximizing synergies for business expansion both in Japan and overseas.

OILS AND MEAL BUSINESS

The Oils and Meal Business contributes to an improvement in daily diet through the provision of diverse products that maximize the natural power of plants. Such products include home-use edible oils, edible oils for food services, edible oils for processed food manufacturers, margarines and shortenings, soybean products, industrial-use oils and meal.





PROFILE

The Nisshin OilliO Group fulfills its role as a leading company in the oils and meal business by developing and producing high value-added products grounded on original technologies.

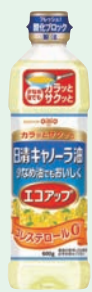
In home-use edible oils, the Group provides good flavor and good health to households through a wide choice of products, such as *Nisshin Canola Oil*, which in 1924 became the first salad oil to go on sale in Japan, as well as *BOSCO Olive Oil*, *Nisshin Pure Sesame Oil*, *Nisshin Healthy Resetta*, *Nisshin Healthy Choleste*, and *Nisshin VegeFruit Oil*.

In edible oils for food service and edible oils and fats for processed food manufacturers, Nisshin OilliO brands have earned a high level of trust from customers. This includes the restaurant industry, the ready-to-eat market, including prepared dishes and boxed lunches sold at supermarkets and convenience stores, the processed foods industry, and the confectionary and bakery sectors, which use edible oils, margarine and shortening.

Soybeans are used as a raw material in the traditional Japanese foods of miso and tofu, while pressed soybean and rapeseed meal from which the fat has been removed are used as formula feed for livestock and as fertilizer. Moreover, in sectors other than foods, plant oils that are friendly to the environment are widely used in industrial applications such as oils and fats for paints and printing inks.

One objective of the *GROWTH 10* 10-year basic management vision is for the Group to transform itself into an international corporate group with an overseas sales ratio of 30% or more. The Group has been involved in oils and meal, processed oils and fats, and other businesses in China since 1988, and subsequently in Taiwan and Malaysia. In October 2003, we established The Nisshin OilliO (China) Investment Co., Ltd. in Shanghai, and have since worked to procure raw materials and build an efficient sales framework in East Asia. In 2005, the operation of a new plant got underway at Dalian Nisshin Oil Mills, Ltd., improving the company's capabilities. That same year, we took an equity stake in Intercontinental Specialty Fats Sdn. Bhd. in Malaysia to strengthen development of our palm oil business. With increased demand for palm oil expected going forward, we will leverage the Group's distinctive ester interchange technology and oil and fat separation technology to use palm oil as a substitute fat for chocolate, and to propose products that answer a variety of other needs.

Nisshin Healthy Resetta
(FOSHU)



Nisshin Canola Oil
Eco-UP

Nisshin VegeFruit Oil

SOYBEAN MARKET PRICES (CHICAGO)

Source: Bloomberg

RAPESEED MARKET PRICES (WINNIPEG)

Source: Bloomberg

FISCAL 2008 OPERATING ENVIRONMENT AND RESULTS

DOMESTIC OILS AND MEAL BUSINESS

In fiscal 2008, the Group strove to boost profitability through a continued push to realize sales price adjustments in line with costs for raw materials, along with a shift to value-added products. Costs for raw materials remained high relative to the previous year despite a downturn in market prices for grain from the second quarter of the year, including for soybeans, rapeseed and other major raw materials for the Group. While these costs resulted in an extremely adverse operating environment, we worked nonetheless to realize appropriate sales prices through successive price revisions. Where value-added products are concerned, we unveiled several highly functional products, including *Nisshin VegeFruit Oil* and *Nisshin Canola Oil Eco-UP*, further lifting the percentage of premium oils.

In home-use edible oils, the Group promoted the expansion in sales of high-value-added products with high profit margins, such as *Nisshin Healthy Resetta*, *Nisshin Healthy Choleste, Nisshin Canola Oil* and *Nisshin VegeFruit Oil*, while continuing to move simultaneously to align sales prices with increased prices for raw materials and other costs. Consequently, sales prices rose year on year despite slightly lower sales volume.

In gift packages, the Group recorded brisk sales of healthy oil gifts and variety gifts combining different oils, with growth most noticeable in gifts containing *Nisshin Healthy Resetta* and *Nisshin Healthy Choleste*. The result was higher sales volume and sales prices for the year.

In edible oils for food services and edible oils for processed food manufacturers, while sales volumes declined year on year on lower demand caused by economic deterioration, selling prices improved over the previous fiscal year thanks to ongoing efforts to set appropriate prices.

In soybean meal, sales prices rose from the previous fiscal year despite lower sales volume accompanying a decrease in the volume of soybeans crushed. Meanwhile, selling prices for rapeseed meal edged lower year on year, despite increased sales volume reflecting an increase in the volume of rapeseed crushed.

OVERSEAS OILS AND MEAL BUSINESS

Overseas, following similar steps in Taiwan and South Korea, the Group pursued business expansion initiatives that included obtaining official approval of *Healthy Resetta* in China as a certified health food, and the launch of product sales. Dalian Nisshin Oil Mills, Ltd. recorded increased sales year on year,

Nisshin Canola Oil Healthy Light

BOSCO Extra Virgin Olive Oil

Fat Spread Resetta Soft

as well as growth that reversed the previous year's net loss to achieve profitability. This performance came despite a tough operating environment similar to that of Japan, characterized by a growing cost burden for raw materials.

PROCESSED OILS AND FATS BUSINESS

At Intercontinental Specialty Fats Sdn. Bhd. in Malaysia, the Group strove to maintain stable earnings largely through continued capital investments designed to support expansion of its specialty oils and fats operations. On the sales front, the Group posted sharply higher sales volume and sales, reflecting favorable exports mainly to Europe and brisk domestic sales in Malaysia. In terms of profit, while profitability remained at roughly the same level as the previous fiscal year, the contribution to consolidated business results was smaller than a year earlier due to changes in exchange rates caused by the yen's appreciation. We also acquired an equity stake in Daito Cacao Co., Ltd. in March 2009 to put in place an integrated framework encompassing chocolate raw materials through to finished products, and to build a solid business base.

As a result, sales in the Oils and Meal Business rose 14.4% year on year to ¥314,215 million (including intersegment sales).

FUTURE STRATEGY AND OUTLOOK FOR FISCAL 2009

DOMESTIC OILS AND MEAL BUSINESS

Buffeted by the global economic recession triggered by the U.S. financial crisis, the severe drop in consumer spending in Japan is set to grow more acute, with a recovery still distant at this time. And while the market for soybeans and rapeseed, the raw materials for edible oil, has seen prices fall substantially from historic highs following the outflow of speculative capital and other developments, Nisshin OilliO still faces an adverse cost environment as prices remain elevated on peaking demand from newly emerging economies.

In the oils and meal business in Japan, the Group, guided by Phase 1 of the *GROWTH 10* medium-term management plan, will endeavor to realize price adjustments in line with costs, and to supply safe and dependable products and services in a reliable manner. In parallel, we will take steps to attain stable earnings. To realize this goal, we will work to secure greater cost competitiveness through an extensive pursuit of efficiency, as well as expanded sales of value-added products through the successive market launch of high-value-added products and stronger proposal-based sales.

OVERSEAS OILS AND MEAL BUSINESS

Outside Japan, we plan to raise the profile of the Nisshin OilliO Brand in China by establishing a new production and sales framework for, and expanding sales of, the version of *Healthy Resetta* localized for China and medium-value-added oils.

PROCESSED OILS AND FATS BUSINESS

For the processed oils and fats business, in addition to further expanding our operations for oils and fats for chocolate by enhancing the production capacity of Intercontinental Specialty Fats Sdn. Bhd., the Group will seek to generate new value by integrating its own technology with that of Intercontinental Specialty Fats Sdn. Bhd. and Daito Cacao Co., Ltd. In Japan, we will continue our drive to expand sales of palm oil-related products that take advantage of functions and characteristics unique to palm. In taking an equity stake in Daito Cacao Co., Ltd. and making it a consolidated subsidiary, the Company will effectively leverage the management resources possessed by both companies to develop new products and technologies in its chocolate production and processed oils and fats operations. In tandem, we will use this move as an opportunity to maximize synergies that will spur business expansion in Japan and overseas.

By rigorously executing these initiatives, the Group is projecting sales of ¥294,000 million (including intersegment sales) for this business in fiscal 2009.

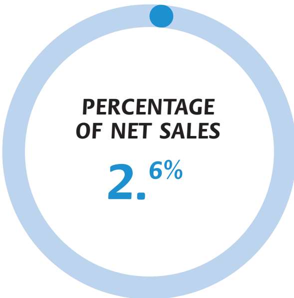
Nisshin Canola Oil for the food service sector

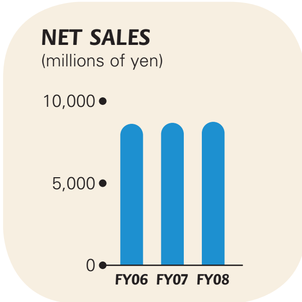
Nisshin Doughnut Pro200M

Soybean meal

HEALTHY FOODS & SOY PROTEIN BUSINESS

The Healthy Foods & Soy Protein Business combines the Nisshin OilliO Group's diverse resources and expertise. By providing original products in the field that lies between food and medicine, such as health foods for consumers, foods for the elderly, and soy protein foods, this business supports people's health.





PROFILE

The main products in this business segment cater to food- and health-related needs, and include dressings, authorized foods for specified health uses (FOSHU), therapeutic foods, soybean products, and functional health foods. In addition to using food retailing channels such as supermarkets, these products are distributed through hospitals and nursing care facilities, as well as mail-order and online channels.

FISCAL 2008 OPERATING ENVIRONMENT AND RESULTS

In dressings, sales volume and monetary sales rose year on year, reflecting stronger sales promotions targeting health-conscious consumers and a revamp of *Healthy Resetta Dressing Sauces*.

In foods aimed at preventing lifestyle-related diseases, foods for specified health uses (FOSHU) saw higher sales and sales volume for the year, as we pursued proposal-based sales promotions against a backdrop of growing awareness of metabolic syndrome. In nursing care and therapeutic foods, sales of the *Toromi Up* range, which thickens liquids for people with difficulty swallowing, grew steadily thanks to a product revamp and other factors.

In soy protein products, sales volume increased year on year, reflecting growth in product applications and sales areas. Our efforts to revise sales prices also led to higher sales.

In processed soybean products, while sales volume declined from the previous fiscal year, monetary sales moved slightly higher as a result of revisions to selling prices for tofu products.

We continued to pursue business expansion during the year, with efforts that included the launch of *Olive Dressing*, developed in collaboration with PIETRO Co., Ltd., and *ENE-CUBE*, a sports nutrition food product utilizing medium-chain triglycerides. As a result, sales in the Healthy Foods & Soy Protein Business rose 4.8% year on year to ¥9,733 million (including intersegment sales).

FUTURE STRATEGY AND OUTLOOK FOR FISCAL 2009

In fiscal 2009, we will work in our healthy foods operations to reinforce the business base, clarify product strategies, and enhance marketing functions. In soy protein products, our task will be to leverage technology to expand existing businesses, as well as create and enlarge domains targeting new applications and materials. Consequently, the Group is projecting sales for this business of ¥10,000 million (including intersegment sales), or 2.7% higher than the previous fiscal year.

Caesar salad dressing, part of the *Resetta* lineup

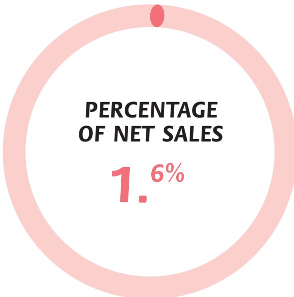
Mayodore
(egg-free mayonnaise-type dressing)

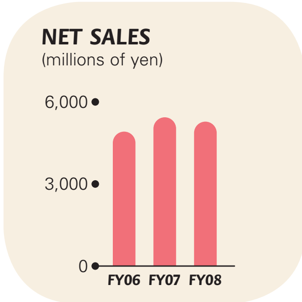
ENE-CUBE
(honey lemon and chocolate flavors)

Toromi Up-V
(thickens liquids for people with difficulty swallowing)

FINE CHEMICALS BUSINESS

Using the Nisshin OilliO Group's distinctive technologies, the Fine Chemicals Business provides materials and additives that use plant resources, thereby contributing to diverse industries such as cosmetics and toiletries, pharmaceuticals, chemicals, foods, and industrial products.





PROFILE

The Fine Chemicals Business uses "the natural power of plants" and links synthesis, refining, extraction, formulation and biotechnology. Through these processes, it provides raw materials for cosmetics manufacturers, functional materials and special esters for industrial products, and medium-chain triglycerides for foods. In addition, we are taking an ambitious approach to increasing our manufacturing bases overseas with the aim of expanding the application of these technologies to various industries.

FISCAL 2008 OPERATING ENVIRONMENT AND RESULTS

In our mainstay operation, raw materials for cosmetics, both sales volume and sales increased year on year despite weakness in the cosmetics industry. This outcome reflected brisk sales of commodity products to major Japanese cosmetics manufacturers, coupled with favorable exports to China. Overall sales of medium-chain triglycerides were higher year on year, despite a slump in sales to flavoring manufacturers, which are typically key customers. In chemical products, sales were lower year on year due to the steep drop in sales volume from the impact of the global depression. Also, soaring prices for raw materials eroded profits.

Overseas, we took advantage of our sales base in Guangzhou, China, and German sales subsidiary Nisshin OilliO Fine Chemicals GmbH to expand operations outside Japan.

As a result, sales in the Fine Chemicals Business declined 2.0% year on year to ¥5,984 million (including intersegment sales).

FUTURE STRATEGY AND OUTLOOK FOR FISCAL 2009

For fiscal 2009, the Group is projecting sales of ¥6,500 million (including intersegment sales), up 8.6% year on year, in line with efforts to accelerate global business development centered on overseas bases.

The Nisshin OilliO Group supplies ingredients for a variety of cosmetics.

TOCOPHEROL 80
Natural Vitamin E

COSMOL 222
Cosmetics ingredient

O.D.O
Medium-chain triglyceride

T.I.O
Cosmetics ingredient

CSR AT THE NISSHIN OILLIO GROUP

For the Nisshin OilliO Group, corporate social responsibility (CSR) is synonymous with meeting the expectations—and earning the trust—of all stakeholders by working to bring our corporate philosophy to life.

THE NISSHIN OILLIO GROUP'S PHILOSOPHY

- To contribute to the development of people, society and the economy by striving to maximize our corporate value
- To tirelessly develop a creative and growing business through our search for good flavor, health and beauty
- To ensure that we behave responsibly as a member of society

BASIC POLICY REGARDING CSR INITIATIVES

DEFINITION AND PURPOSE

- In addition to paying close attention to relationships with the range of stakeholders around us and fulfilling our legal responsibilities, CSR requires that we meet the expectations of all stakeholders by supplying safe, dependable products and services in a reliable manner. CSR also demands that we address environmental concerns and promote contributions to society and information disclosure.
- Efforts to realize each core element of our Group Philosophy have a direct relationship to our CSR initiatives.
- The Nisshin OilliO Group strives for sustainable corporate development and improved corporate value through proactive CSR initiatives designed to engender and improve understanding and trust with all stakeholders.

FOR SAFETY AND SECURITY

In pursuit of good flavor, health and beauty, the Nisshin OilliO Group provides customers with safe and valuable products and services that they can feel secure about using. Always listening to customer opinions, the Group strives to use its unique technologies to create products and services that leverage the natural power of plants, and to regularly provide a wide range of useful information.

Collecting Customer Feedback

Nisshin OilliO accepts opinions and requests from customers through its Customer Support Center.

Distribution and Sales

Nisshin OilliO has well-defined standards regarding quality assurance in distribution. In following these guidelines, we aim to realize the safe and reliable delivery of products to our business partners (customers) and achieve complete safety at every point of distribution, including storage, shipping, transport and final delivery.

Production

All Nisshin OilliO plants in Japan have obtained ISO 9001 certification. Consequently, we continue to diligently conduct activities for ensuring the safety and reliability of our food products. Actions include production line engineering for preventing the introduction of foreign substances and educational programs for plant workers on proper hygiene when working with food. We also document and manage the work performed at every phase of the production process, from the receipt of ingredients to packaging.

Product Development

We promote close ties between our product planning, R&D and material procurement divisions to develop products that reflect feedback from our customers. During this phase, we clarify all applicable laws and regulations, while using the results of feasibility studies and test and inspection data as a basis for evaluating and verifying the legal and regulatory compliance, safety and quality of our products.

Raw Materials Procurement

When procuring oils, oilseed and fats used as raw materials, we rate and select potential suppliers based on specific standards governing raw materials procurement. We employ a list of analytic test items and a set of minimum standards to confirm quality, procuring only those materials that pass these strict guidelines. For new types of ingredients, we confirm that such materials are safe to use by acquiring samples in order to evaluate quality, and receiving a written statement of standards from the manufacturer.

SOCIAL CONTRIBUTION ACTIVITIES

The Nisshin OilliO Group aims to contribute to a healthy and fulfilling society based on the natural power of plants, and as a good corporate citizen engages in ongoing social contribution activities to this end. The Group also supports self-directed social contribution efforts by the individuals that make up the Group.

Health Contribution

Co-existence

Four Key Areas

Regional Contribution

Environmental Protection

Visiting local elementary schools

OVERSEAS SOCIAL CONTRIBUTION ACTIVITIES

In the Economic Technology Development Zone in Dalian, China, there is a volunteer association formed by a coalition between general affairs and personnel executives of Japanese companies operating in China. The association conducts activities such as constructing elementary school buildings for agricultural villages and donating equipment and school supplies. As part of its efforts to interact with the local community, Dalian Nisshin Oil Mills, Ltd. supports these activities, and employees participate as volunteers. In 2008, the company provided buses to facilitate travel to and from elementary schools.

Charity walk

INITIATIVES TO SUPPORT THE U.N. WORLD FOOD PROGRAMME

As a member of the non-profit organization Japan Association for the United Nations World Food Programme the Nisshin OilliO Group supports the Programme's mission and participates in a wide range of related activities. As a corporate group that deals in food, going forward Nisshin OilliO will work to further deepen its exchange as a social contribution partner of the Japan Association for the United Nations World Food Programme in its efforts to solve problems of global hunger.

* Japan Association for the United Nations World Food Programme
The Japan Association for the United Nations World Food Programme is a designated non-profit organization that serves as the official support channel for the United Nations World Food Programme in its mission to eradicate hunger.

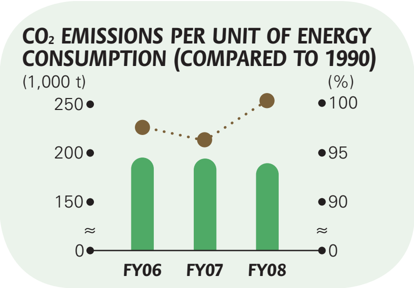
Community events at the Yokohama Isogo Spring Festival

COMMUNITY EVENTS AT THE YOKOHAMA ISOGO PLANT

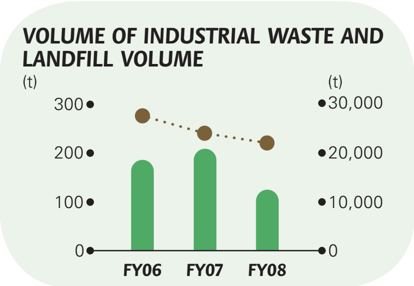
Twice a year, the Nisshin OilliO Group invites members of the local community to visit the Yokohama Isogo Plant. In 2008 the Company hosted the 27th Yokohama Isogo Spring Festival, which has now become firmly established as a spring ritual for the local community. At the summer festival later in the year, employees manned food booths and raffle contests, bringing fun to the people of the community.

FOR THE ENVIRONMENT

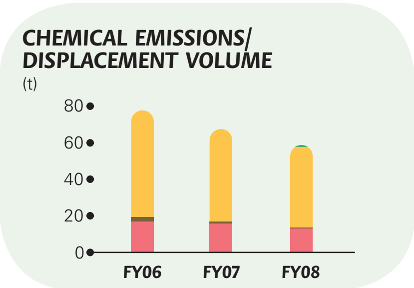
The Nisshin OilliO Group aims to build a resource-conserving society. In line with these efforts, the Group always uses future-looking technologies to draw on the natural power of plants, and works to develop and provide products and services that are environmentally conscious, from the materials procurement stage to production, delivery, use, and disposal.



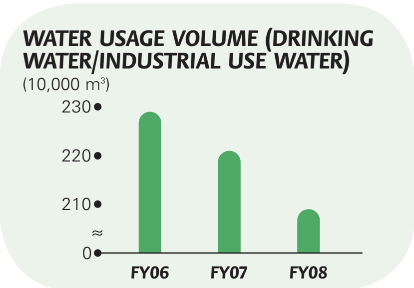
● CO_2 emissions (left scale)
● CO_2 emissions per unit of energy consumption (right scale)
* Management target: Production processes (Japan)
CO_2 emissions per unit of energy consumption = [CO_2 equivalent for energy used] / ([volume of ingredients processed] + [volume of refined oil])



● Landfill volume (left scale)
● Industrial waste (right scale)



● Nonanol ● Nickel
● Xylole ● Methyl bromide
* Substances designated as Class I under the PRTR law of which the Group handles more then one ton per year.



INITIATIVES TO COMBAT GLOBAL WARMING

TARGETS

- By 2010, reduce CO_2 emissions per unit of energy consumed in production processes to 88% of 1990 levels.
- By 2010, reduce the total volume of CO_2 emitted from energy consumed in production processes to 92% of 1990 levels.

FISCAL 2008 ACHIEVEMENTS

During fiscal 2008, the volume of CO_2 emissions declined by approximately 4,800 tons year on year, mainly as a result of lower production volumes. The net reduction compared to the base year (1990) is 13,500 tons, equivalent to 93.3% of base year emissions. However, CO_2 emissions per unit of energy consumed were up by 4.1 percentage points from fiscal 2007, due primarily to changes in the quality of raw materials and the Group's product mix. To achieve the aforementioned targets, the Group will work to realize even more efficient operation of facilities in response to rising production volumes, including by converting fuel types at a production base (Mizushima Plant).

INITIATIVES TO REDUCE WASTE

TARGET

Achieve zero emissions from production processes by 2010.

FISCAL 2008 ACHIEVEMENTS

Nisshin OilliO continued to meet its target for fiscal 2008, with a recycling rate of 99.4%.

(Zero emissions assumptions of the Nisshin OilliO Group)
Management target: Production processes (Japan)
Definition of zero emissions: Final landfill volume of less than 1%
Subject: Industrial waste generated largely from ordinary production activities and maintenance

MANAGEMENT OF CHEMICALS

The Nisshin OilliO Group rigorously manages the amounts of chemicals purchased and used at all its production sites according to the appropriate laws and regulations.

MANAGEMENT OF WATER CONTAMINANTS

The Nisshin OilliO Group rigorously manages effluent treatment facilities at all its production sites taking into consideration the relevant laws and regulations.

CORPORATE GOVERNANCE

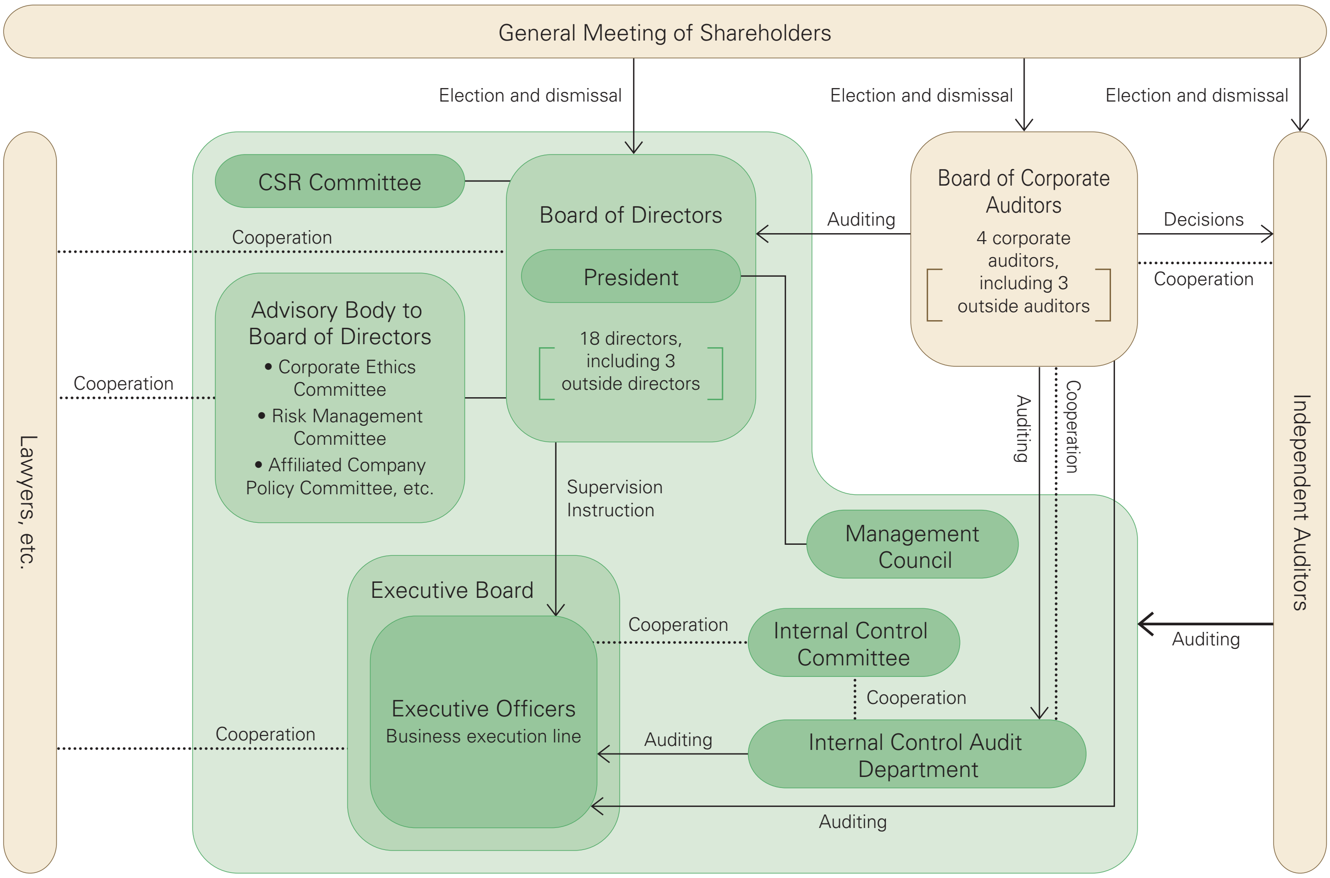
Corporate governance is becoming an increasingly important element in enabling companies to maintain and enhance their relationship of trust with society. We believe that strengthening corporate governance is a vital management issue.

GOVERNANCE SYSTEM AIMED AT HIGHLY TRANSPARENT MANAGEMENT

We have declared our stance on corporate governance in the "Fundamental Policy Concerning the Establishment of Internal Control Systems." The policy, which was drafted to coincide with the enactment of the Corporate Law.

To establish an effective framework for governance, we introduced an executive officer system and established the Management Council as an organization that supports decision-making by the president, in addition to various management committees, which provide advice to the Board of Directors. We also established the Internal Control Audit Department as the entity responsible for auditing business operations. There are three outside directors and three outside corporate auditors. The outside corporate auditors comprise one full-time auditor and two part-time auditors (a lawyer and an accountant).

CORPORATE GOVERNANCE SYSTEM OF NISSHIN OILLIO GROUP (as of March 31, 2009)



Notes: 1. Besides the above, the Company has a Corporate Governance Council to ensure the regular exchange of information between full-time corporate auditors and the Corporate Staff Division.
2. Full-time corporate auditors attend meetings of the Management Council as observers.

In fiscal 2008 we partially revised the "Fundamental Policy Concerning the Establishment of Internal Control Systems," making changes which included adding provisions relating to the elimination of anti-social elements and the establishment of a framework to ensure appropriate financial reporting. In addition, we invited a lawyer to participate in a corporate governance study group, attended by full-time directors, corporate auditors and executive officers.

STATUS OF INTERNAL CONTROL SYSTEMS

We regard internal control systems as an important factor in complying with the Internal Control Reporting System stipulated in the Financial Instruments and Exchange Law, as well as in fulfilling our corporate social responsibility (CSR). Accordingly, we have been working to reinforce internal control systems in line with our fundamental policy. In June 2009 we submitted an Internal Control Report and an Internal Control Audit Report together with our Financial Report.

FUNDAMENTAL POLICY

- By strengthening our internal control systems, we will improve the reliability of financial reporting, enhance the enterprise value of the Nisshin OilliO Group, and acquire competitiveness. This includes improving the effectiveness and efficiency of business operations as well as management transparency, compliance, risk management, and Group governance.
- Internal control systems shall be intrinsic to all business activities conducted by the Nisshin OilliO Group and they must be understood and implemented by every single employee. Based on this awareness, every employee shall actively endeavor to put the fundamental policy into practice, ensuring that implementation of the Group's internal control systems is as efficient and effective as possible.

IMPROVING IMPLEMENTATION OF THE INTERNAL CONTROL SYSTEM

In fiscal 2008 we took steps to improve our internal control system and implement it rigorously, emphasizing evaluation of internal controls based on the Internal Control Reporting System. We focused particularly on reinforcing internal controls over operational processes, with the Internal Control Committee taking the lead in promoting collaboration between administrative divisions and operational divisions. In pursuing this approach, our overriding aim is to make business operations more effective and efficient.

FINANCIAL REVIEW

OVERVIEW OF THE NISSHIN OILLIO GROUP

As of March 31, 2009, the Nisshin OilliO Group comprised the parent company, 20 consolidated subsidiaries, 10 unconsolidated subsidiaries, and 12 affiliates, including seven equity-method affiliates. The Group's main businesses are Oils and Meal, Healthy Foods & Soy Protein, and Fine Chemicals, as well as related services and other operations.

CONSOLIDATED RESULTS

OPERATING ENVIRONMENT AND INITIATIVES

During the fiscal year under review, the Japanese economy entered a deep recession as exports and production greatly decreased on the heels of global economic deterioration that began in the latter half of the fiscal year. This led to rapidly decreasing corporate earnings and aggravated hiring conditions, as well as a cool-down in personal consumption.

In the oils and meal industry, grain prices had been increasing on an upward trend due to factors such as the rise in global food demand. From the second quarter of the year they took a downward turn, but because prices remained high the cost burden for major raw materials such as soybean, rapeseed, and palm oil rose compared to the previous fiscal year. This was compounded by an increased crude oil related cost burden, which includes fuel, transportation and materials. Consequently, the Group's operating environment remained challenging.

In this environment, the Nisshin OilliO Group worked to build a stable earnings structure by focusing on the formation of appropriate selling prices in line with costs and reinforcing our cost competitiveness in addition to promoting new product development grounded on technology and expanding sales of high-value-added products. These efforts comprised the second year of the medium-term management plan "*Growth 10* Phase I," part of the basic management vision "*GROWTH 10*—Generating new value by harnessing the natural power of plants."

NET SALES

Net sales rose 13.3% to ¥337,925 million (US$3,448 million) thanks to favorable performance overall on the part of subsidiaries, especially those overseas, and a recovery on a non-consolidated basis from the drop witnessed in the previous fiscal year.

COST OF SALES AND GROSS PROFIT

Owing to the impact of rising raw materials prices and other factors, the cost of sales increased 13.2% year on year to ¥286,361 million (US$2,922 million). Nevertheless, the cost of sales ratio improved by 0.1 percentage points, from 84.8% to 84.7%. Gross profit rose 13.8% to ¥51,564 million (US$526 million).

OPERATING INCOME

Selling, general and administrative (SG&A) expenses rose 5.0% to ¥43,292 million (US$442 million) due to higher advertising expenses, product freight rates, transportation expenses and warehouse charges. The SG&A ratio improved, however, by 1.0 percentage points to 12.8%. Operating income rose 101.1% year on year to ¥8,272 million (US$84 million).

NET INCOME

Net income increased by 63.4% compared to the previous fiscal year to ¥3,066 million (US$31 million) despite the recognition of extraordinary losses, including an impairment loss and a loss on valuation of investment securities.

SEGMENT INFORMATION

SALES AND OPERATING INCOME (LOSS) BY SEGMENT

(¥ million)

	FY2009	FY2008	Change (%)
Oils and Meal	312,610 7,793	272,648 3,523	14.7 121.2
Healthy Foods & Soy Protein	8,696 (1,050)	8,616 (779)	0.9 —
Fine Chemicals	5,254 (142)	5,405 426	–2.8 —
Other	11,365 1,643	11,527 952	–1.4 72.8

* Top figures are sales to external customers and bottom figures show operating income (loss).

OILS AND MEAL BUSINESS

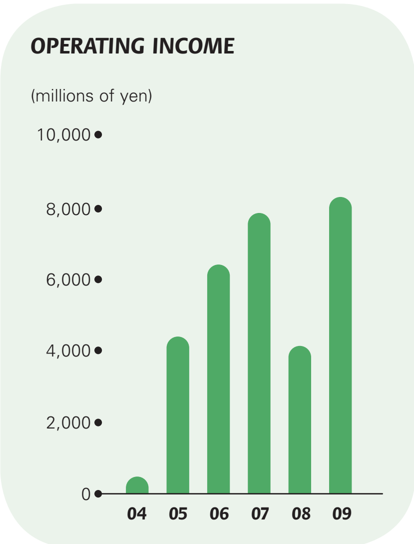
The Oils and Meal Business is the core business of the Nisshin OilliO Group, accounting for 92.5% of sales.

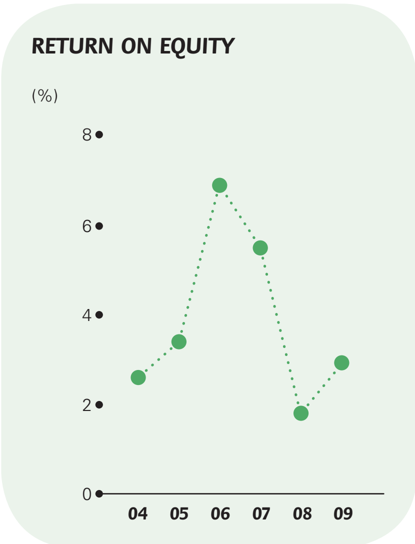
Japan

In the domestic market for home-use edible oils, the Group strived to expand sales of high-value-added products, including *Nisshin Canola Oil*, *Nisshin Healthy Resetta* and *Nisshin Vege-Fruit Oil*, in addition to continuing efforts to adjust selling prices to be commensurate with higher costs. As a result, selling prices increased from the previous fiscal year despite a slightly lower sales volume.

The gift market overall faced a tough business environment. Despite the worsening economy, which resulted in an unfavorable year-end gift season, the summer gift season remained on a par with the previous year, while sales of healthy oil gifts and variety gifts based on combinations of oils were strong. As a result, sales volume increased and net sales were higher compared to the previous fiscal year thanks to the effects of appropriate pricing.

In edible oils for food services and processed oils and fats, falling demand due to the worsening economy led to a lower sales volume compared to the previous fiscal year. As a result of continued efforts to establish appropriate selling prices, however, selling prices increased year on year.





Processed Oils and Fats achieved not only a steady sales volume increase but also higher selling prices year on year.

Soybean meal saw a year-on-year decline in sales volume as production volume fell, however, selling prices exceeded those of the previous fiscal year. Conversely, although rapeseed meal had a higher production volume and a sales volume surpassing that of the previous fiscal year, selling prices were at a slightly lower level year on year.

Overseas

Dalian Nisshin Oil Mills, Ltd. recorded higher sales as well as improved profits compared to the previous fiscal year as a result of profitability management and cost reduction efforts despite operating in a stringent business environment, as in Japan, with increases in the raw material cost burden.

Intercontinental Specialty Fats Sdn. Bhd. recorded significant year-on-year increases in both sales volume and net sales reflecting, in the area of sales, favorable exports to Europe and other regions and a brisk performance at home in Malaysia as well. Profitability was also maintained at roughly the same level as that of the previous fiscal year, however, appreciation of the yen resulted in lower year-on-year contributions to consolidated results.

The above factors resulted in Oils and Meal Business sales of ¥312,610 million (US$3,190 million), up 14.7% from the previous fiscal year, with a higher year-on-year operating income of ¥7,793 million (US$80 million).

HEALTHY FOODS & SOY PROTEIN BUSINESS

The Healthy Foods & Soy Protein Business accounts for 2.6% of overall sales.

Sales of foods for coping with lifestyle-related diseases increased year on year in both volume and monetary terms on growth in proposal-based sales for authorized foods for specified health use centered on fiber-enriched green tea and marine peptides. This growth is attributable to higher public awareness concerning metabolic syndrome.

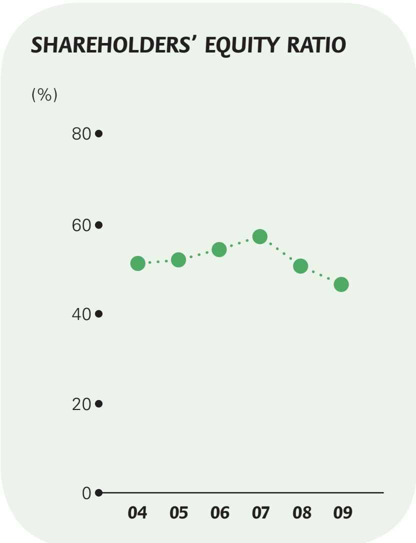
In nursing care foods, brisk sales were sustained in the *Toromi Up* range for people with difficulty swallowing, thanks in part to product updates. Growth was centered on large-quantity packages.

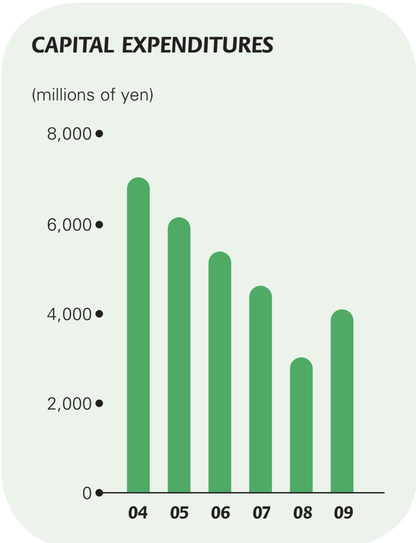
Dressings and mayonnaise recorded a year-on-year sales increase in both volume and monetary terms as a result of product updates and strengthened sales to cater to health-related needs.

In soy protein products, efforts to expand applications and sales areas led to higher sales volume. In combination with selling-price adjustments to address soaring raw material costs, this resulted in higher sales year on year.

In processed soybean products, selling price adjustments for tofu products led to slightly higher sales, despite a lower year-on-year sales volume.

As a result of these factors, the Healthy Foods & Soy Protein Business recorded a 0.9% increase in net sales to ¥8,696 million (US$89 million), however, in terms of profits, an operating loss of ¥1,050 million (US$11 million) was recorded.





FINE CHEMICALS BUSINESS

The Fine Chemicals Business accounts for 1.6% of total sales.

In raw materials for cosmetics, sales of general purpose products to major cosmetics makers in Japan and exports mostly to China faired well leading to a sales volume surpassing that of the previous fiscal year, even with the cosmetics industry experiencing a slump. In addition, efforts at price revisions resulted in higher sales year on year.

In medium-chain triglycerides, a fall in demand due to lackluster sales on the part of major clients led to a lower sales volume year on year. However, as price revisions took hold they worked to the benefit of net sales, which surpassed those of the previous fiscal year.

In chemical products, the global recession had the effect of bringing down sales volume, thus resulting in net sales lower than those of the previous fiscal year. Further, soaring raw material prices resulted in a lower profit margin compared to the previous fiscal year.

As a result of the above, Fine Chemicals Business sales decreased 2.8% year on year to ¥5,254 million (US$54 million), with an operating loss of ¥142 million (US$1 million).

OTHER BUSINESSES

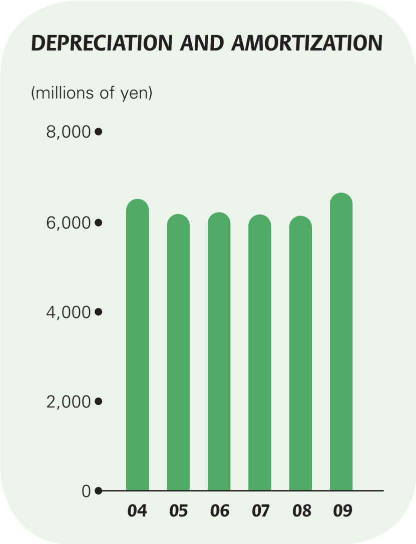
Although sales in the logistics business and engineering business increased modestly year on year, those of the information systems business and other businesses fell lower than the previous fiscal year resulting in a decrease in net sales in this segment year on year to ¥11,365 million (US$116 million), with operating income of ¥1,643 million (US$17 million).

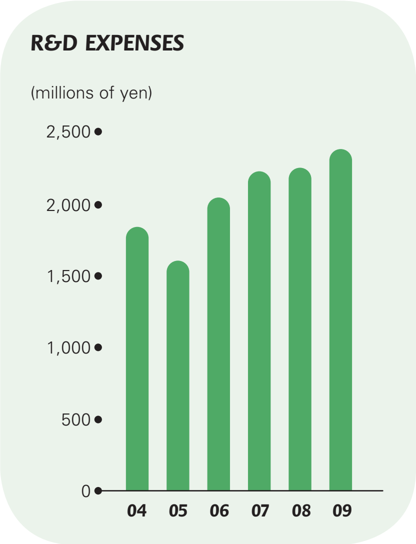
FINANCIAL POSITION

TOTAL ASSETS

As of March 31, 2009, total assets were ¥217,488 million (US$2,219 million), an increase of ¥11,663 million compared to a year earlier. The main positive factor behind this increase was the consolidation of Daito Cacao Co., Ltd. at the end of the fiscal year. Negative factors affecting total assets included currency translations applied to the financial results of overseas subsidiaries, due to a stronger yen than in the previous fiscal year.

Current assets grew ¥13,483 million, due to increases in cash and cash equivalents, marketable securities, and short-term bank loans, which offset a decrease in trade receivables and inventories. Due to application of lease accounting standards, for the first time this year property, plant and equipment included lease assets. However, the Company recognized an impairment loss on equipment in the soy protein business, so the overall increase in property, plant and equipment amounted to only ¥1,735 million. Investment and other assets fell ¥3,555 million as a result of revaluation of investment securities at market prices.





LIABILITIES

Liabilities rose ¥13,571 million year on year to ¥109,989 million (US$1,122 million). This was primarily attributable to the new consolidation of Daito Cacao Co., Ltd. and the inclusion of lease obligations as a result of application of lease accounting standards.

SHAREHOLDERS' EQUITY

Shareholders' equity decreased ¥1,908 million to ¥107,498 million (US$1,097 million), mainly reflecting a decline in net unrealized gain on available-for-sale securities due to the significant fall in share prices.

CASH FLOWS

Net cash provided by operating activities was up ¥43,540 million (US$444 million) from the previous fiscal year, mainly due an increase of ¥1,066 million in income before income taxes and minority interests and an increase of ¥30,517 million resulting from decreases in trade receivables and inventories.

Net cash used in investing activities decreased by ¥2,001 million (US$20 million) compared with the previous fiscal year. This was mainly attributable to a ¥562 million decrease in purchases of property, plant and equipment, an increase of ¥747 million in acquisition of shares in affiliates, and ¥1,148 million due to changes in marketable securities.

Net cash provided by financing activities declined by ¥16,323 million (US$167 million) from the previous fiscal year, mainly reflecting a ¥16,369 million decrease in net interest-bearing debt due to changes in the issuance of corporate bonds, loans and commercial paper.

As a result of the above, cash and cash equivalents as of March 31, 2009 totaled ¥26,475 million (US$270 million), an increase of ¥20,309 million compared to the end of the previous fiscal year.

BUSINESS RISKS

The operating results, share price and financial position of the Nisshin OilliO Group may be impacted by the risks explained below. Any forward-looking statements in the following section have been made based on management's judgment as of March 31, 2009.

EXCHANGE RATES

As part of its Oils and Meal Business, the Group imports all its soybean, rapeseed and other raw materials from overseas. The Group also conducts business overseas, including in China and other parts of East Asia. Consequently, the Nisshin OilliO Group is exposed to exchange rate risks associated with raw material costs and debt denominated in foreign currencies. As such, any fluctuation in exchange rates could impact the operating results and financial position of the Group. In response, the Nisshin OilliO Group uses risk hedge instruments such as forward exchange contracts as necessary to mitigate exchange rate risks.

INTERNATIONAL PRICES FOR RAW MATERIALS

In addition to exchange rate risks, the purchase of soybean, rapeseed and other raw materials is subject to the risk of fluctuation in international prices for raw materials. This includes fluctuations in transportation costs due to surging prices for crude oil and other raw materials. Because prices for raw materials constitute a significant portion of the Group's costs, any fluctuation in prices could have an impact on the Group's operating results. The Nisshin OilliO Group seeks to hedge this risk by purchasing some of its raw materials on the futures market.

DOMESTIC AND INTERNATIONAL PRODUCT MARKETS

The sales climate for the Oils and Meal Business is affected by changes in domestic and international product markets. On the whole, domestic sales prices for meal and oils for food manufacturers are linked to prices in the international market. In addition, trends in imports from overseas could have an impact on domestic sales prices. These and other changes in domestic and international product markets could affect the Group's operating results. In response, the Nisshin OilliO Group is working to expand sales of high-value-added products, which are more resilient to changes in market conditions, and maintain appropriate prices for its products that reflect their inherent quality and costs.

BUSINESS OPERATIONS

In addition to Japan, the Group conducts its operations in other countries and regions such as East Asia. Although domestic manufacturing and sales sites are also subject to the risks listed below, overseas operations are particularly exposed to these so-called country risks. The Group's operating results could be affected in the event that any of these risks materialize.

- Unforeseen enactment, revision to, or abolishment of laws and other regulations
- Unexpected political or economic factors
- Social instability arising from terrorist incidents, conflict, natural disaster, the spread of infectious disease or other factors
- Issues related to the digitization of information, such as computer viruses and the leak of confidential data

In order to minimize the impact of the above risks, the Group works to gather information, which it uses as the basis for responding accurately and rapidly to any situations in its crisis management system.

NATURAL DISASTERS SUCH AS EARTHQUAKES AND TYPHOONS AND THE SPREAD OF INFECTIOUS DISEASE

If a large earthquake, typhoon or other natural disaster were to occur in the vicinity of the Group's locations in Japan, or if a new infectious disease were to spread in these areas, the resultant cessation of business activities or damage to facilities or inventories could have an impact on the Group's operating results and financial position.

In order to prepare for such emergency situations, the Nisshin OilliO Group is promoting creation of business continuity plans and has devised measures for lessening risk. In March 2009, the Group formulated a basic action plan for addressing new forms of influenza.

LAWS AND OTHER REGULATIONS

The Group is subject to a range of laws and regulations, including the Food Sanitation Law, JAS Law, Pharmaceutical Affairs Law, environmental and recycling regulations, customs and import/export rules, the Foreign Exchange Act and the Personal Information Protection Law. Within this context, the Group views efforts to enhance compliance as a matter of priority, and does its utmost to ensure that rights are protected. However, the establishment of any unforeseen new laws in the future could have an impact on the Group's operating results.

FOOD SAFETY

In recent years, companies have been required to adopt increasingly stringent quality control measures against a backdrop of rising public interest in food quality and safety. The Group has established a rigorous quality assurance system, including the adoption of international ISO quality standards. The Nisshin OilliO Group plans to further enhance its quality assurance system going forward to ensure even higher levels of safety. However, the occurrence of any quality issues that exceed the scope of these initiatives could have an impact on the Group's operating results.

CONSOLIDATED BALANCE SHEETS

The Nisshin OilliO Group, Ltd. and Consolidated Subsidiaries
March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1.a)
ASSETS	2009	2008	2009
CURRENT ASSETS:			
Cash and cash equivalents	¥ 26,475	¥ 6,166	$ 270,153
Time deposits	335	370	3,418
Marketable securities (Note 2)	4,222	3,612	43,082
Receivables:			
Trade notes	1,420	836	14,490
Trade accounts (Note 5)	44,340	46,780	452,449
Allowance for doubtful receivables	(36)	(23)	(367)
Inventories:			
Finished goods	23,022	22,866	234,918
Raw materials	17,264	23,911	176,163
Deferred tax assets (Note 4)	2,333	1,631	23,806
Prepaid expenses and other	4,638	4,381	47,327
Total current assets	124,013	110,530	1,265,439
PROPERTY, PLANT AND EQUIPMENT:			
Land	26,959	24,746	275,092
Buildings and structures	70,540	64,326	719,796
Machinery and equipment	86,961	81,660	887,357
Construction in progress	1,012	804	10,326
Lease assets (Note 9)	1,357		13,847
Total	186,829	171,536	1,906,418
Accumulated depreciation	(114,329)	(100,772)	(1,166,622)
Net property, plant and equipment	72,500	70,764	739,796
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Note 2)	9,581	12,982	97,765
Investments in and advances to unconsolidated subsidiaries and associated companies	4,109	4,582	41,928
Goodwill	2,143	2,575	21,867
Software	709	1,003	7,235
Other (Notes 4 and 5)	4,433	3,388	45,235
Total investments and other assets	20,975	24,530	214,030
TOTAL	¥ 217,488	¥ 205,824	$ 2,219,265

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen 2009	Millions of Yen 2008	Thousands of U.S. Dollars (Note 1.a) 2009
CURRENT LIABILITIES:			
Short-term bank loans (Note 3)	¥ 11,752	¥ 9,064	$ 119,918
Commercial paper		11,500	
Current portion of long-term debt (Note 3)	2,445	3,340	24,949
Payables:			
Trade notes	141	138	1,439
Trade accounts (Note 5)	34,604	34,973	353,102
Income taxes payable (Note 4)	2,910	616	29,694
Accrued expenses	5,057	3,293	51,602
Other	7,490	4,561	76,429
Total current liabilities	64,399	67,485	657,133
LONG-TERM LIABILITIES:			
Long-term debt (Note 3)	38,440	20,040	392,245
Liability for retirement benefits (Note 7)	2,305	2,256	23,520
Deferred tax liabilities (Note 4)	4,227	6,150	43,133
Negative goodwill	44	13	449
Other	575	474	5,867
Total long-term liabilities	45,591	28,933	465,214
COMMITMENTS AND CONTINGENT LIABILITIES (Notes 10 and 11)			
EQUITY (Note 8):			
Common stock—authorized, 388,350,000 shares; issued, 173,339,287 shares in 2009 and 2008	16,332	16,332	166,653
Capital surplus	26,072	26,072	266,041
Retained earnings	62,450	61,126	637,245
Net unrealized gain (loss) on available-for-sale securities	(571)	1,237	(5,827)
Deferred gain (loss) on derivatives under hedge accounting	(1,159)	(524)	(11,827)
Foreign currency translation adjustments	(1,344)	633	(13,714)
Treasury stock—at cost, 1,008,804 shares in 2009 and 976,077 shares in 2008	(456)	(439)	(4,653)
Total	101,324	104,437	1,033,918
Minority interests	6,174	4,969	63,000
Total equity	107,498	109,406	1,096,918
TOTAL	¥217,488	¥205,824	$2,219,265

CONSOLIDATED STATEMENTS OF INCOME

The Nisshin OilliO Group, Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1.a)
	2009	2008	**2009**
NET SALES (Note 5)	**¥337,925**	¥298,196	**$3,448,214**
COST OF SALES (Note 5)	**286,361**	252,871	**2,922,051**
Gross profit	**51,564**	45,325	**526,163**
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Note 6)	**43,292**	41,211	**441,755**
Operating income	**8,272**	4,114	**84,408**
OTHER INCOME (EXPENSES):			
Interest and dividend income	**521**	560	**5,316**
Interest expense	**(862)**	(598)	**(8,796)**
Gain on sales of property, plant and equipment		299	
Gain on sales of investment securities	**11**	838	**112**
Loss on sales of securities of a subsidiary	**(7)**	(4)	**(71)**
Loss on write-down of investment securities	**(271)**	(195)	**(2,765)**
Loss on disposition of property, plant and equipment	**(187)**	(128)	**(1,908)**
Amortization of negative goodwill	**12**	6	**122**
Impairment loss on fixed assets	**(1,089)**		**(11,112)**
Other—net	**(221)**	221	**(2,255)**
Other income (expenses)—net	**(2,093)**	999	**(21,357)**
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	**6,179**	5,113	**63,051**
INCOME TAXES (Note 4):			
Current	**4,234**	2,648	**43,204**
Deferred	**(1,586)**	210	**(16,184)**
Total	**2,648**	2,858	**27,020**
MINORITY INTERESTS IN NET INCOME	**465**	379	**4,745**
NET INCOME	**¥ 3,066**	¥ 1,876	**$ 31,286**

	Yen		U.S. Dollars
	2009	2008	**2009**
PER SHARE OF COMMON STOCK (Note 1.q):			
Net income	**¥17.79**	¥10.87	**$0.18**
Cash dividends applicable to the year	**10.00**	10.00	**0.10**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

The Nisshin OilliO Group, Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2009 and 2008

	Thousands	Millions of Yen									
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Net Unrealized Gain (Loss) on Available-for-sale Securities	Deferred Gain (Loss) on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests	Total Equity
BALANCE, MARCH 31, 2007	172,712	¥16,332	¥26,071	¥61,144	¥ 4,115	¥ 159	¥ 289	¥(242)	¥107,868	¥4,414	¥112,282
Net income				1,876					1,876		1,876
Cash dividends, ¥10.00 per share				(1,900)					(1,900)		(1,900)
Adjustment to retained earnings for change in the number of equity method affiliates				6					6		6
Purchase of treasury stock								(203)	(203)		(203)
Disposal of treasury stock	(349)		1					6	7		7
Net change in the year					(2,878)	(683)	344		(3,217)	555	(2,662)
BALANCE, MARCH 31, 2008	172,363	16,332	26,072	61,126	1,237	(524)	633	(439)	104,437	4,969	109,406
Net income				3,066					3,066		3,066
Cash dividends, ¥10.0 per share				(1,724)					(1,724)		(1,724)
Adjustment to retained earnings for change in the number of equity method affiliates				(18)					(18)		(18)
Purchase of treasury stock	(33)							(24)	(24)		(24)
Disposal of treasury stock								7	7		7
Net change in the year					(1,808)	(635)	(1,977)		(4,420)	1,205	(3,215)
BALANCE, MARCH 31, 2009	**172,330**	**¥16,332**	**¥26,072**	**¥62,450**	**¥ (571)**	**¥(1,159)**	**¥(1,344)**	**¥(456)**	**¥101,324**	**¥6,174**	**¥107,498**

	Thousands of U.S. Dollars (Note 1.a)									
	Common Stock	Capital Surplus	Retained Earnings	Net Unrealized Gain (Loss) on Available-for-sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests	Total Equity
BALANCE, MARCH 31, 2008	$166,653	$266,041	$623,735	$ 12,622	$ (5,347)	$ 6,459	$(4,479)	$1,065,684	$50,704	$1,116,388
Net income			31,286					31,286		31,286
Cash dividends, $0.1 per share			(17,592)					(17,592)		(17,592)
Adjustment to retained earnings for change in the number of equity method affiliates			(184)					(184)		(184)
Purchase of treasury stock							(245)	(245)		(245)
Disposal of treasury stock							71	71		71
Net change in the year				(18,449)	(6,480)	(20,173)		(45,102)	12,296	(32,806)
BALANCE, MARCH 31, 2009	**$166,653**	**$266,041**	**$637,245**	**$ (5,827)**	**$(11,827)**	**$(13,714)**	**$(4,653)**	**$1,033,918**	**$63,000**	**$1,096,918**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

The Nisshin OilliO Group, Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1.a)
	2009	2008	**2009**
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	**¥ 6,179**	¥ 5,113	**$ 63,051**
Adjustments for:			
Income taxes—paid	**(1,986)**	(4,096)	**(20,265)**
Depreciation and amortization	**6,656**	6,132	**67,918**
Impairment loss on fixed assets	**1,089**		**11,113**
Equity in earnings (losses) of associated companies	**124**	(54)	**1,265**
Amortization of goodwill—net	**894**	888	**9,123**
Gain on sales of investment securities	**(12)**	(838)	**(122)**
Loss on sales of securities of a subsidiary	**7**	4	**71**
Loss on sales and disposition of property, plant and equipment	**187**	95	**1,908**
Loss on write-down of investment securities	**271**	195	**2,765**
Decrease (increase) in trade receivables	**4,616**	(4,494)	**47,102**
Decrease (increase) in inventories	**7,280**	(14,127)	**74,286**
Decrease in trade payables	**(2,101)**	(2,994)	**(21,439)**
Increase (decrease) in liability for retirement benefits	**145**	(489)	**1,480**
Other—net	**3,341**	(2,184)	**34,091**
Total adjustments	**20,511**	(21,962)	**209,296**
Net cash provided by (used in) operating activities	**26,690**	(16,849)	**272,347**
INVESTING ACTIVITIES:			
Proceeds from sale of investment securities	**664**	1,178	**6,776**
Purchases of investment securities	**(373)**	(852)	**(3,806)**
Proceeds from sales of property, plant and equipment		570	
Purchases of property, plant and equipment	**(2,779)**	(3,199)	**(28,357)**
Decrease (increase) in marketable securities—net	**(768)**	381	**(7,837)**
Proceeds from sales of securities of a subsidiary	**9**	236	**92**
Payment for purchase of consolidated subsidiaries, net of cash acquired	**(346)**	(1,488)	**(3,531)**
Payment for purchase of newly consolidated subsidiary, net of cash acquired	**(1,890)**		**(19,286)**
Proceeds from redemption of bonds	**273**		**2,786**
Other—net	**(646)**	(680)	**(6,592)**
Net cash used in investing activities	**(5,856)**	(3,854)	**(59,755)**
FINANCING ACTIVITIES:			
Increase in short-term bank loans—net	**3,800**	2,786	**38,776**
Repayments of long-term debt	**(3,350)**	(573)	**(34,184)**
Proceeds from long-term debt	**3,401**		**34,704**
Proceeds from (repayments of) commercial paper	**(11,500)**	11,499	**(117,347)**
Proceeds from bond issuance	**9,927**	9,935	**101,296**
Redemption of bonds		(5,000)	
Dividends paid	**(1,724)**	(1,900)	**(17,592)**
Dividends paid for minority interests	**(83)**	(206)	**(847)**
Purchases of treasury stock—net	**(17)**	(196)	**(173)**
Repayments of lease obligations	**(432)**		**(4,408)**
Net cash provided by financing activities	**22**	16,345	**225**
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	**(547)**	170	**(5,582)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**20,309**	(4,188)	**207,235**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**6,166**	10,354	**62,918**
CASH AND CASH EQUIVALENTS, END OF YEAR	**¥ 26,475**	¥ 6,166	**$ 270,153**

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Nisshin OilliO Group, Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2009 and 2008

1. SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

The following is a summary of the significant accounting and reporting policies adopted by The Nisshin OilliO Group, 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 Financial Instruments and Exchange Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

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. In addition, certain reclassifications have been made in the 2008 consolidated financial statements to conform to the classifications used in 2009.

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 ¥98 to $1, the approximate rate of exchange at March 31, 2009. 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, 2009 include the accounts of the Company and its 20 (18 in 2008) significant subsidiaries (together, the "Group").

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

Investments in 7 (8 in 2008) associated companies are accounted for by the equity method. Investments in the remaining 10 unconsolidated subsidiaries and 5 associated companies (8 unconsolidated subsidiaries and 6 associated companies in 2008) 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 is reported in the consolidated balance sheet as other assets and/or long-term liabilities and is amortized using the straight-line method over five 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. UNIFICATION OF ACCOUNTING POLICIES APPLIED TO FOREIGN SUBSIDIARIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS—In May 2006, the Accounting Standards Board of Japan (the "ASBJ") issued ASBJ Practical Issues Task Force ("PITF") No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements." PITF No. 18 prescribes (1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should, in principle, be unified for the preparation of the consolidated financial statements, (2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States of America tentatively may be used for the consolidation process, (3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; (c) expensing capitalized development costs of R&D; (d) cancellation of the fair value model accounting for property, plant and equipment and investment properties and incorporation of the cost model accounting; (e) recording the prior years' effects of changes in accounting policies in the income statement where retrospective adjustments to financial statements have been incorporated; and (f) exclusion of minority interests from net income, if contained. PITF No. 18 was effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted.

The Company applied this accounting standard effective April 1, 2008. The effect of this change was not material.

D. 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.

Gains or losses from foreign currency transactions are included in net income or loss.

E. 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 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 equity. Revenue and expense accounts of consolidated foreign subsidiaries are translated into yen at the average exchange rate.

F. 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.

G. MARKETABLE SECURITIES AND INVESTMENT 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 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.

H. 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.

I. INVENTORIES—Prior to April 1, 2008, inventories were stated at cost, determined by the average method. In July 2006, the ASBJ issued ASBJ Statement No. 9, "Accounting Standard for Measurement of Inventories." This standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate. The standard also requires that inventories held for trading purposes be measured at the market price. The standard was effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted.

The Company applied this new accounting standard for measurement of inventories effective April 1, 2008. The effect of this change was to decrease operating income and income before income taxes and minority interests by ¥93 million ($948 thousand).

J. PROPERTY, PLANT AND EQUIPMENT—Property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation of property, plant and equipment of the Company and its consolidated domestic subsidiaries is computed by the declining-balance method over the estimated useful lives of the assets, while the straight-line method is applied to the property, plant and equipment of consolidated foreign subsidiaries.

The straight-line method is applied to buildings and lease assets.

The range of useful lives is from 5 to 50 years for buildings and structures and from 4 to 16 years for machinery and equipment. The useful lives for lease assets are the terms of the respective leases.

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

K. LONG-LIVED ASSETS—The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

L. LEASES—In March 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.

Under the previous accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information was disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be measured at the obligations under finance leases less interest expense at the transition date and recorded as acquisition cost of lease assets. The effect of this change was not material.

M. 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.

N. RETIREMENT AND PENSION PLANS—The Company and its domestic consolidated subsidiaries have an 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 non-contributory and contributory funded pension plans.

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 transitional obligation determined as of April 1, 2000 amounted to ¥3,621 million. The full amount of the transitional obligation except for that of one domestic subsidiary, amounted to ¥3,423 million and was charged to income for the year ended March 31, 2001. The transitional obligation of one domestic subsidiary of ¥198 million is being amortized over 10 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.

O. RESEARCH AND DEVELOPMENT—Costs relating to research and development activities are charged to income as incurred.

P. DERIVATIVES AND HEDGING ACTIVITIES—The Group uses a variety of derivative financial instruments, including foreign currency forward contracts, commodity futures and interest rate swaps as a means of hedging exposure to foreign currency, price and interest rate 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, with gains or losses recognized in the consolidated statements of income.

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

Foreign currency forward contracts are utilized to hedge foreign currency exposures in importation of raw materials from overseas suppliers. 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 commitments. 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 liabilities or assets.

Interest rate swaps are utilized to hedge interest rate exposures of long-term debt. These swaps, 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 liabilities or assets.

Q. PER SHARE DATA—Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

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.

R. APPROPRIATIONS OF RETAINED EARNINGS—Appropriations of retained earnings are reflected in the consolidated financial statements for the following year on shareholders' approval.

S. BONUSES TO DIRECTORS AND CORPORATE AUDITORS—Bonuses to directors and corporate auditors are accrued at the year end to which such bonuses are attributable.

T. NEW ACCOUNTING PRONOUNCEMENTS

Business Combinations—On December 26, 2008, the ASBJ issued a revised accounting standard for business combinations, ASBJ Statement No. 21, "Accounting Standard for Business Combinations." Major accounting changes under the revised accounting standard are as follows:

(1) The current accounting standard for business combinations allows companies to apply the pooling of interests method of accounting when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests. The revised standard requires accounting for such business combination by the purchase method and the pooling of interests method of accounting is no longer allowed.

(2) The current accounting standard accounts for research and development costs to be charged to income as incurred. Under the revised standard, an in-process research and development (IPR&D) acquired by the business combination is capitalized as an intangible asset.

(3) The current accounting standard accounts for a bargain purchase gain (negative goodwill) to be systematically amortized within 20 years. Under the revised standard, the acquirer recognizes a bargain purchase gain in profit or loss on the acquisition date after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed with a review of such procedures used.

This standard is applicable to business combinations undertaken on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or after April 1, 2009.

Unification of Accounting Policies Applied to Foreign Associated Companies for the Equity Method—The current accounting standard requires unification of accounting policies within the consolidation group. However, the current guidance allows application of the equity method for the financial statements of foreign associated companies which have been prepared in accordance with generally accepted accounting principles in their respective jurisdictions without unification of accounting policies.

On December 26, 2008, the ASBJ issued ASBJ Statement No. 16 (Revised 2008), "Revised Accounting Standard for Equity Method of Accounting for Investments." The new standard requires adjustments to be made to conform the associated company's accounting policies for similar transactions and events under similar circumstances to those of the parent company when the associated company's financial statements are used in applying the equity method, unless it is impracticable to determine adjustments. In addition, financial statements prepared by foreign associated companies in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States tentatively may be used in applying the equity method if the following items are adjusted so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (1) amortization of goodwill; (2) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; (3) expensing capitalized development costs of R&D; (4) cancellation of the fair value model accounting for property, plant and equipment and investment properties and incorporation of the cost model accounting; (5) recording the prior years' effects of changes in accounting policies in the income statement where retrospective adjustments to the financial statements have been incorporated; and (6) exclusion of minority interests from net income, if contained.

This standard is applicable to the equity method of accounting for investments effective on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or after April 1, 2009.

Asset Retirement Obligations—On March 31, 2008, the ASBJ published a new accounting standard for asset retirement obligations, ASBJ Statement No. 18, "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No. 21, "Guidance on Accounting Standard for Asset Retirement Obligations." Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset.

The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard is effective for fiscal years beginning on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or before March 31, 2010.

2. MARKETABLE AND INVESTMENT SECURITIES

Marketable and investment securities as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Current:			
Government and corporate bonds	**¥3,632**	¥ 3,294	**$37,061**
Trust fund investments and other	**590**	318	**6,021**
Total	**¥4,222**	¥ 3,612	**$43,082**
Non-current:			
Marketable equity securities	**¥8,198**	¥10,100	**$83,653**
Government and corporate bonds	**1,327**	2,077	**13,541**
Trust fund investments and other	**56**	805	**571**
Total	**¥9,581**	¥12,982	**$97,765**

The carrying amounts and aggregate fair values of marketable and investment securities at March 31, 2009 and 2008 were as follows:

	Millions of Yen			
	2009			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as available-for-sale:				
Equity securities	**¥6,419**	**¥2,193**	**¥1,826**	**¥6,786**
Debt securities	**5,803**	**3**	**847**	**4,959**
Other	**680**		**41**	**639**

	Millions of Yen			
	2008			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as available-for-sale:				
Equity securities	¥6,001	¥3,993	¥388	¥9,606
Debt securities	6,093	4	869	5,228
Other	749		288	461

	Thousands of U.S. Dollars			
	2009			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as available-for-sale:				
Equity securities	**$65,500**	**$22,378**	**$18,633**	**$69,245**
Debt securities	**59,214**	**31**	**8,643**	**50,602**
Other	**6,939**		**418**	**6,521**

Available-for-sale securities whose fair value is not readily determinable as of March 31, 2009 and 2008 were as follows:

	Carrying Amount		
	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Available-for-sale:			
Equity securities	**¥1,411**	¥1,293	**$14,398**
Other	**3,000**		**30,612**
Total	**¥4,411**	¥1,293	**$45,010**

Proceeds from sales of available-for-sale securities for the years ended March 31, 2009 and 2008 were ¥438 million ($163 thousand) and ¥1,167 million, respectively. Gross realized gains and losses on these sales, computed on the moving average cost basis, were ¥11 million ($112 thousand) and ¥16 million ($163 thousand), respectively, for the year ended March 31, 2009 and ¥838 million and ¥0 million, respectively, for the year ended March 31, 2008.

The carrying values of debt securities by contractual maturities for securities classified as available-for-sale at March 31, 2009 are as follows:

	Millions of Yen	Thousands of U.S. Dollars
Due in one year or less	¥4,222	$43,082
Due after one year through five years	453	4,623
Due after five years through ten years	198	2,020
Due after ten years	726	7,408
Total	¥5,599	$57,133

As of March 31, 2009, the following assets were pledged as collateral to secure trade accounts of ¥6,037 million ($61,602 thousand):

	Millions of Yen	Thousands of U.S. Dollars
Equity securities	¥127	$1,296

3. SHORT-TERM BANK LOANS AND LONG-TERM DEBT

Short-term bank loans at March 31, 2009 and 2008 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, 2009 and 2008 were 3.1% and 3.8%, respectively.

Long-term debt as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
1.0% unsecured bonds due 2010	¥ 5,000	¥ 5,000	$ 51,020
1.4% unsecured bonds due 2012	5,000	5,000	51,020
1.8% unsecured bonds due 2014	10,000	10,000	102,041
1.3% unsecured bonds due 2011	5,000		51,020
1.5% unsecured bonds due 2013	5,000		51,020
1.2% unsecured bonds due 2010	200		2,041
1.5% unsecured bonds due 2011	50		510
Loans from banks, due through 2016 with interest rates ranging from 0.5% to 4.7% (2009) and from 0.8% to 5.9% (2008)			
—Unsecured	9,552	3,380	97,471
Obligations under finance leases	1,083		11,051
Total	40,885	23,380	417,194
Less current portion	(2,445)	(3,340)	(24,949)
Long-term debt, less current portion	¥38,440	¥20,040	$392,245

The aggregate annual maturities of long-term debt, excluding finance leases (see Note 9), as of March 31, 2009 were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2010	¥ 2,445	$ 24,949
2011	7,010	71,530
2012	6,510	66,429
2013	6,165	62,908
2014	8,745	89,235
2015 and thereafter	10,010	102,143
Total	¥40,885	$417,194

4. 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 40.6% for the years ended March 31, 2009 and 2008.

The tax effects of significant temporary differences and tax loss carryforwards, which resulted in deferred tax assets and liabilities at March 31, 2009 and 2008 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Deferred tax assets:			
Liability for retirement benefits	**¥ 2,579**	¥ 2,788	**$ 26,316**
Tax loss carryforwards	**2,171**	1,240	**22,153**
Accrued expenses	**1,535**	1,031	**15,663**
Unrealized profits on sales of fixed assets	**130**	105	**1,327**
Inventories	**133**	48	**1,357**
Impairment loss on long-lived assets	**740**	319	**7,551**
Other	**1,606**	1,188	**16,388**
Less valuation allowance	**(2,963)**	(2,030)	**(30,235)**
Total	**5,931**	4,689	**60,520**
Deferred tax liabilities:			
Gain on securities transferred of the retirement benefit trust fund	**1,325**	1,325	**13,520**
Property, plant and equipment	**4,452**	4,889	**45,429**
Unrealized gain on available-for-sale securities	**21**	928	**214**
Other	**1,409**	1,604	**14,377**
Total	**7,207**	8,746	**73,540**
Net deferred tax liabilities	**¥(1,276)**	¥(4,057)	**$(13,020)**

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, 2009 and 2008 is as follows:

	2009	2008
Normal effective statutory tax rate	**40.6%**	40.6%
Expenses not deductible for income tax purposes	**2.3**	6.8
Per capita levy of corporate tax	**0.9**	1.0
Elimination of intercompany dividends	**2.4**	6.3
Amortization of goodwill	**5.9**	7.0
Difference from effective statutory tax rate of consolidated subsidiaries	**(1.8)**	1.5
Equity in earnings (losses) of associated companies	**0.8**	(0.4)
Temporary difference due to not unrecognized deferred taxes	**1.9**	(3.6)
Research and development expenses deductible for income taxes	**(1.7)**	(1.7)
Effect of tax reforms	**(5.0)**	
Other—net	**(3.4)**	(1.6)
Actual effective tax rate	**42.9%**	55.9%

5. RELATED PARTY DISCLOSURES

Transactions of the Company with affiliated companies for the years ended March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Sales	**¥69,561**	¥59,030	**$709,806**
Purchases	**64,212**	78,660	**655,224**

The balances due to or from these affiliated companies at March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Trade accounts receivable	**¥11,030**	¥12,448	**$112,551**
Other assets	**224**		**2,286**
Trade accounts payable	**7,058**	7,708	**72,020**

6. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥2,386 million ($24,347 thousand) and ¥2,254 million for the years ended March 31, 2009 and 2008, respectively.

7. RETIREMENT AND PENSION PLANS

The Company and its domestic consolidated subsidiaries have severance payment plans for employees, directors and corporate auditors. The contributory funded defined benefit plan, which is established under the Japanese Welfare Pension Insurance Law, covers a substitutional portion of the governmental pension program managed by the Company on behalf of the government and a corporate portion established at the discretion of the Company. According to the enactment of the Defined Benefit Pension Plan Law in April 2002, the Company applied for an exemption from obligation to pay benefits for future employee services related to the substitutional portion, which would result in the transfer of pension obligations and related assets to the government by another subsequent application, and also applied for transfer of the substitutional portion of past pension obligations to the government and obtained approval from the Ministry of Health, Labour and Welfare.

The Company thereafter transferred the substitutional portion of the pension obligations and related assets to the government on February 6, 2006 and recognized ¥79 million as other income for the difference between the balance of the retirement benefit liabilities brought forward and the amount actually transferred for the year ended March 31, 2006.

The liability for employees' retirement benefits at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Projected benefit obligation	**¥ 18,411**	¥ 18,358	**$ 187,867**
Fair value of plan assets	**(10,742)**	(14,211)	**(109,612)**
Unrecognized prior service cost	**1,330**	1,454	**13,571**
Unrecognized actuarial loss	**(8,493)**	(4,774)	**(86,663)**
Unrecognized transitional obligation	**(20)**	(40)	**(204)**
Prepaid pension expense	**720**	156	**7,347**
Net liability	**¥ 1,206**	¥ 943	**$ 12,306**

The components of net periodic benefit costs for the years ended March 31, 2009 and 2008 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Service cost	**¥ 660**	¥ 670	**$ 6,735**
Interest cost	**360**	358	**3,673**
Expected return on plan assets	**(795)**	(810)	**(8,112)**
Amortization of prior service cost	**(124)**	(124)	**(1,265)**
Recognized actuarial loss	**434**	185	**4,428**
Amortization of transitional obligation	**20**	20	**204**
Net periodic benefit costs	**¥ 555**	¥ 299	**$ 5,663**

Assumptions used for the years ended March 31, 2009 and 2008 are set forth as follows:

	2009	2008
Discount rate	**2.2%**	2.2%
Expected rate of return on plan assets	**5.8%**	4.9%
Amortization period of prior service cost	**14–17 years**	14–17 years
Recognition period of actuarial gain	**14–17 years**	14–17 years
Amortization period of transitional obligation—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.

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, 2009 and 2008 of ¥1,099 million ($11,214 thousand) and ¥1,313 million, respectively.

8. EQUITY

Since May 1, 2006, Japanese companies have been subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

A. DIVIDENDS—Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having a Board of Directors, (2) having independent auditors, (3) having a Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. The Company meets all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

B. INCREASES/DECREASES AND TRANSFER OF COMMON STOCK, RESERVE AND SURPLUS—The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

C. TREASURY STOCK AND TREASURY STOCK ACQUISITION RIGHTS—The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

9. LEASES

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

Total lease payments for the years ended March 31, 2009 and 2008 were ¥263 million ($2,684 thousand) and ¥491 million, respectively.

For the year ended March 31, 2008, the Group recorded an impairment loss of ¥1 million on certain leased property held under finance leases that do not transfer ownership and an allowance for impairment loss on leased property.

Pro forma Information for the Year Ended March 31, 2008

Pro forma information of leased property such as acquisition cost, accumulated depreciation, accumulated impairment loss, obligations under finance lease, depreciation expense and interest expense of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the year ended March 31, 2008 was as follows:

	Millions of Yen
Machinery and Equipment	2008
Acquisition cost	¥ 2,250
Accumulated depreciation	(1,306)
Accumulated impairment loss	(1)
Net leased property	¥ 943

Obligations under finance leases:

	Millions of Yen
	2008
Due within one year	¥409
Due after one year	534
Total	¥943

The amount of obligations under finance leases includes the imputed interest expense portion. Depreciation expense, which is not reflected in the accompanying consolidated statement of income computed by the straight-line method, was ¥491 million for the year ended March 31, 2008.

10. COMMITMENTS AND CONTINGENT LIABILITIES

The Group was contingently liable at March 31, 2009, for guarantees of employee's housing loans and guarantees of assigned lease liability, totaling ¥524 million ($5,347 thousand) and ¥0 million ($0 thousand), respectively.

The Group executed a ¥40,989 million ($418,255 thousand) committed borrowing facility with a domestic banking group during the fiscal year ended March 31, 2009.

11. 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 consolidated 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 associated with foreign currency transactions. The Group enters into commodity futures in the normal course of business to determine 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 volatility in market conditions, including interest and foreign exchange rates. Credit risk is the possibility that a loss may result from a counter party'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 risk. Derivative transactions in a loss position that exceed 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, 2009:

	Millions of Yen			Thousands of U.S. Dollars		
	2009			2009		
	Contract Amount	Fair Value	Unrealized Gain/Loss	Contract Amount	Fair Value	Unrealized Gain/Loss
Interest rate swaps (fixed rate receipt, floating rate payment)	¥700	¥(24)	¥(24)	$7,143	$(245)	$(245)

Foreign currency forward contracts which qualify for hedge accounting for the years ended March 31, 2009 and 2008 are excluded from the disclosure of market value information.

12. SUBSEQUENT EVENT

The following appropriation of retained earnings at March 31, 2009 was approved at the Company's shareholders meeting held on June 25, 2009:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥5.00 ($0.05) per share	¥862	$8,796

13. SEGMENT INFORMATION

The Group operates in the following segments:

Oils and meal consist of food products for home and food service use, as well as edible oils and fats for processed food manufacturers.

Healthy foods and soy protein consist of therapeutic foods, health foods and foods taken in liquid form.

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

Other consists 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, computing-related services and garden supplies.

Information about industry segments and geographical segments of the Group for the years ended March 31, 2009 and 2008 is as follows:

(1) INDUSTRY SEGMENTS

A. SALES AND OPERATING INCOME (LOSS)

	Millions of Yen					
	2009					
	Oils and Meal	Healthy Foods & Soy Protein	Fine Chemicals	Other	Eliminations/ Corporate	Consolidated
Sales to customers	¥312,610	¥ 8,696	¥5,254	¥11,365		¥337,925
Intersegment sales	1,605	1,037	730	14,284	¥(17,656)	
Total sales	314,215	9,733	5,984	25,649	(17,656)	337,925
Operating expenses	306,422	10,783	6,126	24,006	(17,684)	329,653
Operating income (loss)	¥ 7,793	¥ (1,050)	¥ (142)	¥ 1,643	¥ 28	¥ 8,272

B. TOTAL ASSETS, DEPRECIATION AND CAPITAL EXPENDITURES

	Millions of Yen					
	2009					
	Oils and Meal	Healthy Foods & Soy Protein	Fine Chemicals	Other	Eliminations/ Corporate	Consolidated
Total assets	¥170,656	¥5,404	¥5,433	¥12,428	¥23,567	¥217,488
Depreciation and amortization	5,671	229	181	575		6,656
Capital expenditures	3,387	289	44	365		4,085

A. SALES AND OPERATING INCOME (LOSS)

	Millions of Yen					
	2008					
	Oils and Meal	Healthy Foods & Soy Protein	Fine Chemicals	Other	Eliminations/ Corporate	Consolidated
Sales to customers	¥272,648	¥ 8,616	¥5,405	¥11,527		¥298,196
Intersegment sales	2,049	667	703	14,087	¥(17,506)	
Total sales	274,697	9,283	6,108	25,614	(17,506)	298,196
Operating expenses	271,174	10,062	5,682	24,662	(17,498)	294,082
Operating income (loss)	¥ 3,523	¥ (779)	¥ 426	¥ 952	¥ (8)	¥ 4,114

B. TOTAL ASSETS, DEPRECIATION AND CAPITAL EXPENDITURES

	Millions of Yen					
	2008					
	Oils and Meal	Healthy Foods & Soy Protein	Fine Chemicals	Other	Eliminations/ Corporate	Consolidated
Total assets	¥177,338	¥6,260	¥5,533	¥13,166	¥3,527	¥205,824
Depreciation and amortization	5,305	160	162	505		6,132
Capital expenditures	2,618	223	31	142		3,014

A. SALES AND OPERATING INCOME (LOSS)

	Thousands of U.S. Dollars					
	2009					
	Oils and Meal	Healthy Foods & Soy Protein	Fine Chemicals	Other	Eliminations/ Corporate	Consolidated
Sales to customers	**$3,189,898**	**$ 88,735**	**$53,612**	**$115,969**		**$3,448,214**
Intersegment sales	**16,378**	**10,582**	**7,449**	**145,755**	**$(180,164)**	
Total sales	**3,206,276**	**99,317**	**61,061**	**261,724**	**(180,164)**	**3,448,214**
Operating expenses	**3,126,756**	**110,031**	**62,510**	**244,959**	**(180,450)**	**3,363,806**
Operating income (loss)	**$ 79,520**	**$ (10,714)**	**$ (1,449)**	**$ 16,765**	**$ 286**	**$ 84,408**

B. TOTAL ASSETS, DEPRECIATION AND CAPITAL EXPENDITURES

	Thousands of U.S. Dollars					
	2009					
	Oils and Meal	Healthy Foods & Soy Protein	Fine Chemicals	Other	Eliminations/ Corporate	Consolidated
Total assets	**$1,741,387**	**$55,143**	**$55,439**	**$126,816**	**$240,480**	**$2,219,265**
Depreciation and amortization	**57,867**	**2,337**	**1,847**	**5,867**		**67,918**
Capital expenditures	**34,561**	**2,949**	**449**	**3,725**		**41,684**

(2) GEOGRAPHICAL SEGMENTS

The geographical segments of the Company and its subsidiaries for the years ended March 31, 2009 and 2008 are summarized as follows:

	Millions of Yen			
	2009			
	Japan	Asia	Eliminations/ Corporate	Consolidated
Sales to customers	**¥254,785**	**¥83,140**		**¥337,925**
Interarea transfer	**242**	**4,821**	**¥(5,063)**	
Total sales	**255,027**	**87,961**	**(5,063)**	**337,925**
Operating expenses	**248,021**	**86,694**	**(5,062)**	**329,653**
Operating income	**¥ 7,006**	**¥ 1,267**	**¥ (1)**	**¥ 8,272**
Total assets	**¥189,830**	**¥29,400**	**¥(1,742)**	**¥217,488**

	Thousands of U.S. Dollars			
	2009			
	Japan	Asia	Eliminations/ Corporate	Consolidated
Sales to customers	**$2,599,847**	**$848,367**		**$3,448,214**
Interarea transfer	**2,469**	**49,194**	**$(51,663)**	
Total sales	**2,602,316**	**897,561**	**(51,663)**	**3,448,214**
Operating expenses	**2,530,826**	**884,633**	**(51,653)**	**3,363,806**
Operating income	**$ 71,490**	**$ 12,928**	**$ (10)**	**$ 84,408**
Total assets	**$1,937,041**	**$300,000**	**$(17,776)**	**$2,219,265**

	Millions of Yen			
	2008			
	Japan	Asia	Eliminations/ Corporate	Consolidated
Sales to customers	¥225,293	¥72,903		¥298,196
Interarea transfer	638	3,597	¥(4,235)	
Total sales	225,931	76,500	(4,235)	298,196
Operating expenses	223,505	74,776	(4,199)	294,082
Operating income	¥ 2,426	¥ 1,724	¥ (36)	¥ 4,114
Total assets	¥174,028	¥34,424	¥(2,628)	¥205,824

(3) SALES TO FOREIGN CUSTOMERS

Sales to foreign customers for the years ended March 31, 2009 and 2008 amounted to ¥86,174 million ($879,327 thousand) and ¥72,758 million, respectively.

Deloitte Touche Tohmatsu
MS Shibaura Building
4-13-23, Shibaura
Minato-ku, Tokyo 108-8530
Japan

Tel: +81(3)3457 7321
Fax: +81(3)3457 1694
www.deloitte.com/jp

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Nisshin OilliO Group, Ltd.:

We have audited the accompanying consolidated balance sheets of The Nisshin OilliO Group, Ltd. (the "Company") and consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Nisshin OilliO Group, Ltd. and consolidated subsidiaries as of March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits 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.a. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu

June 25, 2009

Member of
Deloitte Touche Tohmatsu

CORPORATE DATA

BOARD OF DIRECTORS AND CORPORATE AUDITORS

PRESIDENT
Kazuo Ogome*

SENIOR MANAGING DIRECTORS
Fumio Imokawa*
Takao Imamura*
Toru Morino*
Susumu Watanabe*

MANAGING DIRECTORS
Yoshihito Tamura
Akira Seto

DIRECTORS
Takashi Fujii
Yoshiharu Ninomiya
Hidetoshi Ogami
Sadayuki Yoshida
Shoji Kayanoma
Mitsuo Minami
Takehiko Kakiuchi
Daisuke Okada

STANDING CORPORATE AUDITORS
Shigeru Nakadai
Kyouji Nishizaki

CORPORATE AUDITORS
Kiyoshi Matsuo
Shuichiro Sekine

* Representative Director
(As of June 25, 2009)

HEAD OFFICE
1-23-1, Shinkawa,
Chuo-ku, Tokyo 104-8285, Japan
Phone: (03) 3206-5005
Facsimile: (03) 3206-6458
http://www.nisshin-oillio.com

DATE OF ESTABLISHMENT
March 7, 1907

PAID-IN CAPITAL
¥16,332 million

NUMBER OF SHARES OF COMMON STOCK AUTHORIZED
388,350,000 shares

NUMBER OF SHARES OF COMMON STOCK ISSUED
173,339,287 shares

NUMBER OF SHAREHOLDERS
16,747

CONSOLIDATED SUBSIDIARIES
Settsu Oil Mills Co., Ltd.
Nisshin Shoji Co., Ltd.
Nisshin Logistics Co., Ltd.
NSP Co., Ltd.
Daito Cacao Co., Ltd.
Marketing Force Japan, Inc.
Nisshin Plant Engineering Co., Ltd.
The Golf Joy Co., Ltd.
Nisshin Marine Tech Co., Ltd.
Dalian Nisshin Oil Mills, Ltd.
Shanghai Nisshin Oil & Fats, Ltd.
Southern Nisshin Bio-Tech Sdn. Bhd.
The Nisshin OilliO (China) Investment Co., Ltd.
Intercontinental Specialty Fats Sdn. Bhd.
T.&C. Manufacturing Co., Pte. Ltd.
Nisshin Finance Co., Ltd.
Yamakiu Transport Co., Ltd.
Yoko Engineering Co., Ltd.
Mogi Tofu Co., Ltd.

EQUITY-METHOD AFFILIATES
PIETRO Co., Ltd.
Wakou Shokuhin Co., Ltd.
Ten Corporation Co., Ltd.
Saiwai Shoji Co., Ltd.
Nisshin Shokai Co., Ltd.
President Nisshin Corp.
Zhang Jia Gang President Nisshin Food Corp.

NISSHIN OilliO

The Nisshin OilliO Group, Ltd.
1-23-1, Shinkawa, Chuo-ku, Tokyo 104-8285, Japan
http://www.nisshin-oillio.com

Printed in Japan on recycled paper using soy ink