

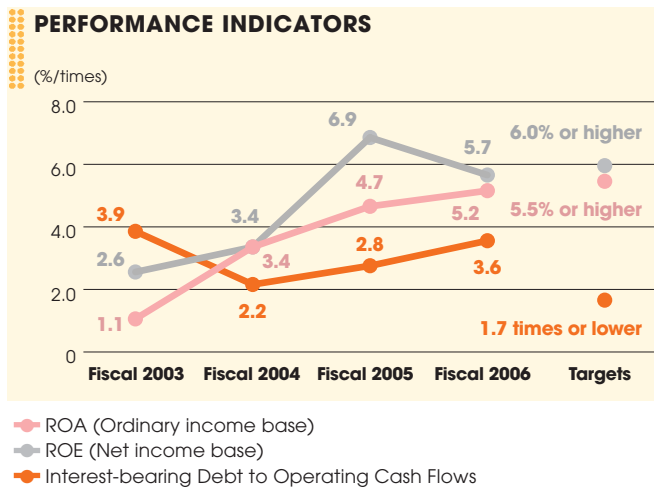
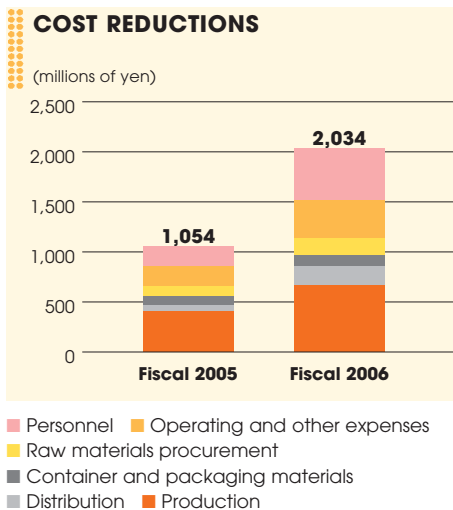
MESSAGE FROM THE MANAGEMENT

Thanks to the support of all our stakeholders, the Nisshin OilliO Group celebrated its 100th anniversary in March 2007, and was able to generally implement the three-year medium-term management plan *AHEAD* successfully. To build on this achievement, we will ensure solid growth aimed at the next 100 years by undertaking a new 10-year basic management vision we call *GROWTH 10*.

OPERATING ENVIRONMENT

In fiscal 2006, the year ended March 31, 2007, the Japanese economy saw continued growth in corporate earnings and capital expenditures. However, consumer spending was sluggish and crude oil prices also rose steeply. Thus, despite the recovery trend, there was still some cause for concern. In the oils and meal industry, the Group's operating environment remained challenging. Changes in the structure of demand for vegetable oils and fats stemming from the increased use of biofuels and a rise in the energy cost burden due to high crude oil prices were compounded by a weakening yen on foreign exchange markets.

FISCAL 2006 RESULTS AND THE *AHEAD* PLAN



In fiscal 2006, as the three-year medium-term management plan *AHEAD* approached its completion, the Nisshin OilliO Group developed new products founded on original technologies and implemented measures to boost sales of high-value-added products. We also continued to strive to establish appropriate selling prices and pare back costs. Intercontinental Specialty Fats Sdn. Bhd. (ISF) and Mogi Tofu Co., Ltd. were newly included as consolidated subsidiaries, cost reductions had a positive effect, and gift packages enjoyed robust demand. As a result, net sales rose 12.2% to ¥241,668 million, operating income grew 22.7% to ¥7,835 million, and ordinary income increased 13.7% to ¥10,234 million. However, as the Company posted large extraordinary gains in the previous fiscal year, net income declined 13.1% to ¥6,202 million.

Owing to the above factors, ROA was 5.2%, versus the target of 5.5% in the *AHEAD* plan, while ROE reached 5.7%, against the respective target of a minimum of 6.0%. In addition, although net sales fell short of the plan's ¥250,000 million target, ordinary income attained the target of at least ¥10,000 million.



LEFT:
JOKEI AKITANI
 Chairman

RIGHT:
KAZUO OGOME
 President

Thus, we are happy to report that the Group generally managed to successfully achieve the targets of the three-year medium-term management plan *AHEAD*.

PROGRESS WITH THE *GROWTH 10* PLAN

The Nisshin OilliO Group has formulated a 10-year basic management vision called *GROWTH 10*—*Generating new value by harnessing the natural power of plants*, which begins in fiscal 2007. Through the implementation of this vision, while further developing existing businesses, our aim is to transform the Nisshin OilliO Group into a truly international organization by opening up new business fields and creating new value through original technologies.

During *GROWTH 10* Phase 1, covering the four-year period from fiscal 2007 to fiscal 2010, we will strive to realize price adjustments that are in line with costs and ensure stable product supply. At the same time, by strengthening cost competitiveness through the unrelenting pursuit of greater efficiency and by continually launching high-value-added products and firmly establishing them in the market, we will endeavor to generate stable earnings.

WORKING TOGETHER WITH STAKEHOLDERS

The Group will work to implement the *GROWTH 10* vision so that over the next century too, we can harness the natural power of plants with original technologies and supply high-value-added products and services. In this way, we will strive to further increase corporate value.

October 2007

JOKEI AKITANI
 Chairman

KAZUO OGOME
 President