MATTERS DISCLOSED ON THE INTERNET
RELATED TO THE
CONVOCATION NOTICE OF
THE 170th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Notes to the Consolidated Financial Statements

Notes to the Non-consolidated Financial Statements

(from April 1, 2013 to March 31, 2014)

Nisshin Seifun Group Inc.

We provide shareholders with the Notes to the Consolidated Financial Statements and the Notes to the Non-consolidated Financial Statements, posted on the Company' website (http://www.nisshin.com), in accordance with laws and regulations and Article 15 of the Company's Articles of Incorporation.

Notes to the Consolidated Financial Statements

I. Basis of Presentation of Consolidated Financial Statements

1. Scope of consolidation

(1) Consolidated subsidiaries: 46 companies

- Names of principal subsidiaries: Nisshin Flour Milling Inc., Miller Milling Company, LLC, Champion Flour Milling Ltd., Nisshin Foods Inc., Nisshin Seifun Premix Inc., Ma•Ma-Macaroni Co., Ltd., Initio Foods Inc., Oriental Yeast Co., Ltd., Nisshin Pharma Inc., Nisshin Petfood Inc., Nisshin Engineering Inc., NBC Meshtec Inc.
- Of the remaining subsidiaries, Nisshin Managerial Technology Center Co., Ltd. and four other companies are not consolidated. The assets, net sales, net income and retained earnings of each non-consolidated subsidiary are small, and the aggregate effect on the consolidated financial statements is immaterial.

(2) Changes in the scope of consolidation

- Effective from the fiscal year under review, Vietnam Nisshin Seifun Co., Ltd. was newly established and included in the scope of consolidation of the Company.

2. Scope of the equity method

(1) Subsidiaries and affiliates accounted for by the equity method: 11 (1 non-consolidated subsidiary and 10 affiliates)

- Names of principal subsidiaries and affiliates accounted for by the equity method: Marubeni Nisshin Feed Co., Ltd., Tokatsu Foods Co., Ltd., Japan Logistic Systems Corp.
- The contributions to consolidated net income/loss, consolidated retained earnings and other consolidated financial statements of each of the four non-consolidated subsidiaries and six affiliates not accounted for by the equity method are negligible and immaterial in the aggregate.

(2) Changes in the scope of the equity method

- Effective from the fiscal year under review, the equity method was applied to one company due to an acquisition of shares.

(3) The financial statements for the accounting period of the company concerned are used in the cases of those subsidiaries and affiliates accounted for by the equity method whose accounting period differs from the consolidated accounting period.

3. Accounting periods of consolidated subsidiaries

The consolidated subsidiaries listed below have accounting periods that differ from the consolidated accounting period. Since the fiscal year-end of each of these companies is within three months of the consolidated fiscal year-end, the current financial statements at the fiscal year-end of each consolidated subsidiary are used. However, necessary adjustments are made for material transactions that occurred during the period between the subsidiary's fiscal year-end and the consolidated fiscal year-end.

Company name	Year-end
Rogers Foods Ltd.	January 31
Thai Nisshin Seifun Co., Ltd. and 18 others	December 31

4. Significant accounting policies

(1) Valuation standards and methodology for material assets

[1] Securities:

Held-to-maturity debt securities are stated at amortized cost.

Other securities

Securities with a readily determinable market value are stated at fair market value based on the quoted market price at the fiscal year-end (with any unrealized gains or losses being reported directly as a component of shareholders' equity and the cost of any securities sold being computed by the moving average method).

Securities with no readily determinable market value are stated at cost, with cost being determined by the moving average method.

[2] Derivatives:

Derivative financial instruments are stated at fair market value.

[3] Inventories:

Wheat flour and bran are stated at cost, with cost being determined mainly by the retail cost method, with balance sheet values reflecting write-downs for decreased profitability; other products are stated at cost, with cost being determined mainly by the periodic average method, with balance sheet values reflecting write-downs for decreased profitability.

Raw materials are stated at cost, with cost being determined by the first-in, first-out method, and balance sheet values reflecting write-downs for decreased profitability.

(2) Depreciation methods for material depreciable assets

[1] Property, plant and equipment (excluding lease assets):

The Company and domestic consolidated subsidiaries mainly apply the declining balance method. However, for buildings acquired on or after April 1, 1998 (excluding building fixtures), they apply the straight-line method.

Foreign consolidated subsidiaries mainly apply the straight-line method.

[2] Intangible assets (excluding lease assets):

Depreciation is computed by the straight-line method. Software used in-house is depreciated over its estimated useful life (within five years) based on the straight-line method.

[3] Lease assets:

Lease assets related to finance lease transactions that do not transfer ownership are depreciated using the straight-line method with estimated useful lives equal to lease terms, and zero residual values.

(3) Basis of material allowances

Allowance for doubtful accounts:

The Company and domestic consolidated subsidiaries provide for possible credit losses stemming from monetary receivables. Estimates of irrecoverable amounts are based on historical loan-loss ratios for general receivables, and on a consideration of feasibly recoverable amounts in individual cases of suspected bad debt or other specific dubious accounts. Specific claims are generally deemed irrecoverable in the case of foreign consolidated subsidiaries.

(4) Accounting treatment of retirement benefits

Regarding its retirement benefit asset and liability, in order to maintain retirement benefits for employees leaving the Company and already retired pension recipients, the Company subtracts retirement benefit asset from its retirement benefit obligation, based on estimates as of the end of the fiscal year under review.

[1] Imputation method for retirement benefit estimates

In computing its retirement benefit obligation, the Company applies straight-line attribution as the method for imputing its retirement benefit estimates through the end of the fiscal year under review.

[2] Treatment method for actuarial differences and expenses related to prior service cost

Prior service cost is amortized on a straight-line basis over a period equaling the average remaining service period of employees (mainly 15 years) expected to receive pension benefits as of the fiscal year-end.

Actuarial differences are amortized on a straight-line basis from the following fiscal year over a period equaling the average remaining service period of employees (mainly 15 years) expected to receive pension benefits as of the consolidated fiscal year-end.

(5) Significant hedging transactions

[1] Hedging transactions are accounted for on a deferred basis. However, the contracted exchange rates are applied in the case of any monetary claims, obligations or similar items denominated in foreign currencies with assigned foreign currency forwards or other hedging instruments.

[2] Hedging methods: Derivative transactions (including forward exchange contracts and currency options)
Hedged items: Any monetary receivables and payables and planned trading transactions that are denominated in foreign currencies

[3] The Company employs derivative financial instruments only for the aforementioned transactions purely to manage fluctuations in foreign currency exchange rates.

[4] Hedging evaluation

Since hedging methods and the target of each hedging transaction share the same conditions that apply at the start of hedging activities and throughout subsequent periods, the Company’s hedging approach enables exchange rate fluctuations to be offset completely. Hence, the Company considers its hedging method to be highly effective.

(6) Goodwill amortization and amortization periods

Goodwill is amortized using the straight-line method over a period of mainly 10 years beginning with the day on which it is realized. However, when the amount of goodwill is immaterial, it is amortized in total in the year it is realized.

(7) Consumption tax

All accounting transactions are booked exclusive of any national or local consumption taxes.

II. Notes to Changes in Accounting Policy

(Application of accounting standard for retirement benefits, etc.)

From the end of the fiscal year under review, the Company has applied the “Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012; herein, “the retirement benefit accounting standard”) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012; herein, “the retirement benefit guidance”). (Application excludes

content stipulated in paragraph 35 of the retirement benefit accounting standard and stipulated in paragraph 67 of the retirement benefit guidance.)

The Company has changed its previous accounting approach to retirement benefits, with pension assets now subtracted from retirement benefit obligation and posted as the Company's retirement benefit asset or liability. Accordingly, unrecognized actuarial differences and unrecognized prior service costs are posted as either retirement benefit asset or liability.

Application of the retirement benefit accounting standard is handled in line with the transitional process stipulated in paragraph 37 of the retirement benefit accounting standard. Consequently, at the end of the fiscal year under review, the Company added or subtracted any impact from this accounting change to "Remeasurements of defined benefit plans" listed under "Accumulated other comprehensive income."

As a result of this accounting change, "Accumulated other comprehensive income" at the end of the fiscal year under review decreased ¥1,831 million from the previous fiscal year-end.

III. Notes to the Consolidated Balance Sheets

1. Assets pledged as collateral

Buildings and structures (Note 1):	¥1,211 million
Machinery, equipment and vehicles (Note 1):	¥522 million
Investment securities (Note 2):	¥4,138 million
Other (Note 1):	¥113 million

Note 1: These assets are pledged as collateral against the short-term loans payable totaling ¥200 million.

Note 2: In order to secure loans payable of ¥8,300 million for affiliates, they were pledged as third party guarantee.
From the fiscal year under review, the maximum is set at ¥3,000 million.

2. Advanced depreciation of property, plant and equipment purchased with government subsidy
Accumulated advanced depreciation of property, plant and equipment: ¥370 million

3. Accumulated depreciation of property, plant and equipment: ¥254,832 million

4. Warranty liabilities
Guarantee for loans (housing loans) from financial institutions for employees: ¥44 million

5. Inventory

Merchandise and finished goods:	¥26,312 million
Work in process:	¥3,609 million
Raw materials and supplies:	¥28,561 million

IV. Notes to the Consolidated Statements of Changes in Net Assets

1. Type and number of issued shares at the end of the year
Common stock: 276,688,992 shares

2. Dividends

(1) Dividends paid

The following resolution was made at the Ordinary General Meeting of Shareholders held on June 26, 2013.

- Dividends on common stock

[1] Total dividends to be paid:	¥2,485 million
[2] Dividend per share:	¥10
[3] Date of record:	March 31, 2013
[4] Effective date:	June 27, 2013

The following resolution was made at the meeting of the Board of Directors held on October 30, 2013.

- Dividends on common stock

[1] Total dividends to be paid:	¥2,485 million
[2] Dividend per share:	¥10
[3] Date of record:	September 30, 2013
[4] Effective date:	December 6, 2013

(2) Dividends for which the record date came during the fiscal year ended March 31, 2014, but for which the effective date will come after said period

The following resolution will be proposed at the Ordinary General Meeting of Shareholders to be held on June 26, 2014.

- Dividends on common stock

[1] Total dividends to be paid:	¥2,734 million
[2] Source of dividends:	Retained earnings
[3] Dividend per share:	¥10
[4] Date of record:	March 31, 2014
[5] Effective date:	June 27, 2014

3. Class and number of shares to be issued or transferred upon exercise of the subscription rights to shares as of the consolidated fiscal year-end (excluding those whose exercise period has not commenced)

5-1st subscription rights to shares (August 13, 2007)	Common stock	46,200 shares
5-2nd subscription rights to shares (August 13, 2007)	Common stock	115,500 shares
6-1st subscription rights to shares (August 19, 2008)	Common stock	61,600 shares
6-2nd subscription rights to shares (August 19, 2008)	Common stock	158,400 shares
7-1st subscription rights to shares (August 18, 2009)	Common stock	79,200 shares
7-2nd subscription rights to shares (August 18, 2009)	Common stock	165,000 shares
8-1st subscription rights to shares (August 18, 2010)	Common stock	83,600 shares
8-2nd subscription rights to shares (August 18, 2010)	Common stock	151,800 shares
9-1st subscription rights to shares (August 18, 2011)	Common stock	72,600 shares
9-2nd subscription rights to shares (August 18, 2011)	Common stock	237,600 shares

V. Notes to Financial Instruments

1. Status of financial instruments

(1) Policy regarding financial instruments

The Group policy concerning cash holdings and temporary surplus funds for strategic investment and the like going forward dictates that such funds be used for marketable securities and time deposits with specific rates of yield and not for the purpose of securing gains from sales or speculative transactions. Furthermore, the said policy also requires that funds be secured by the most suitable method given prevailing market conditions, with loans from banks utilized for short-term financing requirements, and loans from banks, the issuance of bonds, capital increase and the like utilized for long-term financing needs.

In terms of investment securities, in principle, the Group acquires and retains stock related to business or capital tie-ups and the like with business partners.

The Group utilizes derivatives only as a hedge against the forms of risk detailed hereinafter but not for the purpose of securing gains from sales and speculative transactions.

(2) Details of financial instrument, associated risk, and risk management systems

Cash and deposits are principally used for time deposits while marketable securities generally take the form of bonds, and in both cases, therefore, the Group is exposed to the credit risk of the issuer and deposit holder and the risk of market price fluctuation. With the aim of minimizing and diversifying this risk, the internal rules of each Group company place limits on investment assets, issuers, investment periods, issuer and holder-specific investment amounts, and the like.

In terms of operating receivables in the form of trade notes and accounts receivable, the Group is exposed to the credit risk of the corresponding customers. As a countermeasure, the internal rules of each Group company establish systems for managing due dates and balances on an individual business partner basis and for regularly reassessing the financial standing of major business partners, thus ensuring that settlement concerns stemming from a worsening of the financial position of any such business partner or customer can be rapidly identified and addressed.

In terms of investment securities, which are stock related to business or capital tie-ups and the like with business partners, the Group is exposed to the risk of market price fluctuation, and systems have thus been established to regularly determine actual market value.

Trade notes and accounts payable, which constitute operating liabilities, expose the Group to liquidity risk; nevertheless, most have a payment period of no longer than one year, and each Group company deploys a number of different measures, such as the preparation of cash flow management plans and the like, in order to manage this risk.

Turning to derivative transactions, the Group utilizes forward exchange contracts, currency option transactions and the like for specific assets and liabilities denominated in foreign currencies, where this includes notes and account receivables/payables, with the aim of hedging the risk of future foreign-exchange fluctuation. Meanwhile, certain overseas consolidated subsidiaries manage the future risk of fluctuation in wheat prices, etc., using wheat futures and the like. Transactions such as these expose the Group to risk associated with general market fluctuation. As a means of minimizing such risk, each Group company acts in line with internal rules that prohibit the scale of any such dealings from exceeding actual demand, and furthermore, place limits on derivative transactions in the form of a fixed ratio of the total value thereof. It should also be noted that currency option transactions are restricted to the purchases of options only by said internal rules. Furthermore, such transactions are executed by the Finance and Accounting Division principally in line with the instructions of the administrative divisions of operating companies with which foreign-exchange fluctuation risk is associated. At certain consolidated subsidiaries, however, the corresponding finance department executes transactions based principally on the instructions of various internal administrative divisions. In order to effectively monitor and control derivative

transactions of this nature, the Group has implemented systems that require the Finance and Accounting Division and the finance departments of individual subsidiaries to obtain a derivative-transaction balance statement from banks and other similar institutions on a monthly basis, to cross-check this statement with actual balances, and among other measures, to submit a report to the Division Executive of the Finance and Accounting Division or the director in charge of the finance department and the director in charge of the administration department of each subsidiary. Furthermore, as the Group only conducts derivative transactions with financial institutions with high credit ratings, the risk of defaulting on contracts on the part of the counterparty is considered to be close to non-existent.

(3) Supplementary explanation concerning the market value of financial instruments

In the case of financial instruments with no determinable value based on market price, a fair value calculated in a reasonable manner is included. As fluctuation is factored into this calculated value, the selection of differing preconditions and the like may cause the fair value to change.

2. Market value of financial instruments

The book value, market value and difference between each for major balance sheet items as of March 31, 2014 (the balance sheet date) are presented as follows. Details of those balance sheet items whose market values are deemed highly difficult to determine are not included. (Please refer to Note 2).

(Millions of yen)

	Book value (*1)	Market value (*1)	Difference
(1) Cash and deposits	49,104	49,104	—
(2) Notes and accounts receivable-trade	67,486	67,486	—
(3) Short-term investment securities and investment securities			
Other securities	105,849	105,849	—
(4) Notes and accounts payable-trade	(45,785)	(45,785)	—
(5) Derivative transactions (*2)	(148)	(148)	—

(*1) Liabilities are shown in parentheses.

(*2) Net claims and debts resulting from derivative transactions are indicated as net amounts. Figures of total net debt are indicated in parentheses.

Note 1: Calculation method for the market values of financial instruments, marketable securities and derivative transactions.

(1) Cash and deposits, and (2) Notes and accounts receivable-trade

Given the short settlement period of the above items, the market value and book value are almost the same, and therefore, the corresponding book values are used.

(3) Short-term investment securities and investment securities

Shares are recorded at the stock-exchange price, and bonds are recorded at either the stock-exchange price or the price indicated by the transacting financial institution in question.

(4) Notes and accounts payable-trade

Given the short settlement period of the above items, the market value and book value are almost the same, and therefore, the corresponding book values are used.

(5) Derivatives

The market values of derivatives are recorded as the closing price for the corresponding futures or the price indicated by the transacting financial institution in question. It should be noted that forward exchange contracts and other foreign exchange contracts in which contracted exchange rates are applied are grouped together with hedged accounts payable, and the market value of the hedged accounts payable includes the values of the corresponding accounts payable.

Note 2: Financial instruments whose market values are deemed to be highly difficult to determine

Unlisted securities (book value ¥26,314 million) are deemed extremely difficult to value given the lack of a market value and the considerable cost that would be involved in estimating future cash flow. For this reason, these shares are not included in (3) Short-term investment securities and investment securities.

VI. Notes to Per Share Information

1. Net asset per share ¥1,187.80
2. Net income per share ¥55.23

Note: On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. Accordingly, net income per share is calculated by deeming the stock split to have occurred at the beginning of the consolidated fiscal year ended March 31, 2014.

VII. Notes to Material Subsequent Events

(Acquisition of four U.S. flour milling plants)

On April 24, 2014, subsidiary Miller Milling Company, LLC signed an asset transfer agreement for the acquisition of four flour milling plants from Cargill, Inc., Horizon Milling, LLC and ConAgra Foods Food Ingredients Company, Inc. (collectively herein, the “seller companies”).

1. Purpose of the acquisition

The United States is the largest flour milling market in the developed world. The Company advanced into this market with the purchase of Miller Milling Company, LLC in March 2012. In the U.S., the Group will further expand its business scope by leveraging the advantages of its flour milling business, namely strengths in development and technology, as well as the capacity to supply wheat flour of dependable quality.

Also, this acquisition will vastly increase the purchasing volume of raw materials by Miller Milling Company, LLC, and will diversify the type, variety, and production location of the raw material flour that it handles. This development, in turn, will make available a broader range of raw material information and acquisition of expertise than ever before. This is especially meaningful given the Group’s aspirations for the development of the flour milling business in the global market.

2. Seller companies

Cargill, Inc., Horizon Milling, LLC and ConAgra Foods Food Ingredients Company, Inc.

3. Assets for transfer

The acquisition includes four U.S.-based plants (Los Angeles Plant, Oakland Plant, Saginaw Plant and New Prague Plant) and their respective inventories as of the asset transfer date. Asset transfers pertaining to this transaction are scheduled to commence following approval by the U.S. Department of Justice.

*Los Angeles Plant will be acquired from Cargill, Inc. and Horizon Milling, LLC. The other three plants will be acquired from ConAgra Foods Food Ingredients Company, Inc.

4. Transferrable assets and liabilities

Under the asset transfer formula, the transfer will see the acquisition of four plants and their respective inventories as of the date of asset transfer from the seller companies. However, a detailed breakdown and monetary amounts remain undecided at this time.

The projected acquisition price for this acquisition is US$215 million (approx. ¥22.1 billion: US$1 equivalent to ¥103). Other miscellaneous expenses related to the acquisition are anticipated.

5. Transfer date

Late May 2014 (tentative)

VIII. Other Notes

1. All amounts have been rounded down to the nearest million yen.
2. Additional information

(Establishment of a joint venture (subsidiary) in Turkey)

At a meeting of the Board of Directors on January 29, 2014, the Company passed a resolution authorizing the establishment of a joint venture company in Ankara, Turkey, between subsidiary Nisshin Foods Inc., Marubeni Corporation, and Nuh’un Ankara Makarnasi Sanayi Ve Ticaret A.S., Turkey’s largest pasta manufacturer. This decision will result in the scheduled establishment of Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S. in May 2014.

(1) Purpose of the joint venture

The purpose of the joint venture is to bolster the production framework for pasta, one of the core product lines of the Group’s processed foods business, in an effort to spur further business expansion.

(2) Outline of the joint venture

[1] Name	Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S.
[2] Business	Production and sale of dried pasta, others
[3] Scale	Capital consisting of Turkish lira equivalent to US$22.5 million (approx. ¥2.3 billion: US$1 equivalent to ¥103)

(3) Ownership ratio after acquisition

Nisshin Seifun Group Inc.	3%
Nisshin Foods Inc.	48%
Marubeni Corporation	25%
Nuh’un Ankara Makarnasi Sanayi Ve Ticaret A.S.	24%

Notes to the Non-consolidated Financial Statements

I. Significant Accounting Policies

1. Valuation standards and methods for securities

Held-to-maturity debt securities are stated at amortized cost.

Equity in subsidiaries and affiliated companies: Stated at cost determined by the moving average method.

Other securities:

Securities with a readily determinable market value are stated at fair market value based on the quoted market price at the fiscal year-end (with any unrealized gains or losses being reported directly as a component of shareholders' equity and the cost of any securities sold being computed by the moving average method).

Securities with no readily determinable market value are stated at cost, with cost being determined by the moving average method.

2. Depreciation methods for fixed assets

Property, plant and equipment (excluding lease assets):

Depreciation on property, plant and equipment (excluding lease assets) is computed by the declining balance method. However, the straight-line method is applied for buildings (excluding building fixtures) acquired on or after April 1, 1998.

Intangible assets (excluding lease assets):

Depreciation on intangible assets (excluding lease assets) is computed by the straight-line method. Software used in-house is depreciated over its estimated useful life (five years) based on the straight-line method.

Lease assets:

Leased assets related to finance lease transactions that do not transfer ownership are depreciated using the straight-line method with estimated useful lives equal to lease terms, and zero residual values.

3. Accounting standards for allowances

Allowance for Directors' bonuses:

Provision is made for directors' bonuses based on the estimated amounts during the fiscal year under review.

Allowance for employees' retirement benefits:

Provision is made for employees' and already retired pension recipients' retirement benefits based on the estimated amounts of retirement benefit obligation and the fair value of the pension plan assets at the fiscal year-end.

[1] Imputation method for retirement benefit estimates

In computing its retirement benefit obligation, the Company applies straight-line attribution as the method for imputing its retirement benefit estimates through the end of the fiscal year under review.

[2] Treatment method for actuarial differences and expenses related to prior service cost

Prior service cost is amortized on a straight-line basis over a period equaling the average remaining service period of employees (15 years) expected to receive pension benefits as of the fiscal year-end.

Actuarial differences are amortized on a straight-line basis from the following fiscal year over a period equaling the average remaining service period of employees (15 years) expected to receive pension benefits as of the fiscal year-end.

4. Other significant matters regarding basis of presentation of non-consolidated financial statements

(1) Accounting treatment of retirement benefits

Unsettled amounts of unrecognized actuarial differences and unrecognized prior service cost relating to retirement benefits are accounted for in a different method from that applied to account for those in the consolidated financial statements.

(2) Accounting treatment of national consumption tax and local consumption tax

All accounting transactions are booked exclusive of any national or local consumption taxes.

(Changes in presentation)

Due to the application of the Company Calculation Rules (Ordinance of the Ministry of Justice No. 16, dated May 20, 2013), "Prepaid pension costs," which was conventionally included in "Long-term prepaid expenses," is individually listed, beginning with the fiscal year under review.

As a result, "Long-term prepaid expenses," which was individually listed in the previous fiscal year, is included in "Other" under "Investments and other assets" for the fiscal year under review due to a lessening of the monetary importance of this item.

II. Notes to the Non-consolidated Balance Sheets

1. Assets pledged as collateral

Stocks of subsidiaries and affiliates (Note) ¥3,897 million

Note: In order to secure loans payable of ¥8,300 million for affiliates, they were pledged as third party guarantee.

From the fiscal year under review, the maximum is set at ¥3,000 million.

2. Accumulated depreciation of property, plant and equipment	¥18,436 million
3. Warranty liabilities	¥44 million
4. Monetary claims and liabilities to affiliated companies	
Short-term monetary claims	¥1,082 million
Long-term monetary claims	¥33,609 million
Short-term monetary liabilities	¥3,859 million

III. Notes to the Non-consolidated Statements of Income

Transactions with affiliated companies	
Operating transactions	
Operating revenues	¥20,431 million
Operating expenses	¥804 million
Transactions other than operating transactions	¥513 million

IV. Notes to the Non-consolidated Statements of Changes in Net Assets

Class and number of shares of treasury stock as at the fiscal year-end.

Common stock	3,190,448 shares

V. Notes to Tax Effect Accounting

The Principal components of deferred tax assets and deferred tax liabilities are as follows.	(Millions of yen)
Deferred tax assets	
Allowance for employees' retirement benefits	1,262
Investment securities	956
Loss carried forward	507
Allowance for bonuses	197
Other	260
Gross Deferred tax assets	3,184
Amount offset by deferred tax liabilities	(1,795)
Net deferred tax assets	1,389
Valuation allowance	(951)
Total deferred tax assets	437
Deferred tax liabilities	
Unrealized holding gain on securities	(13,263)
Reserve for advanced depreciation on fixed assets	(1,142)
Retirement benefit trust repayment securities	(1,118)
Gross deferred tax liabilities	(15,525)
Amount offset by deferred tax assets	1,795
Deferred tax liabilities, net	(13,730)

(Additional information)

Regarding the effective tax rate used to calculate deferred tax assets and deferred tax liabilities, 35.5%, instead of 37.9% for the previous fiscal year, is used for the temporary differences, etc., at the end of the fiscal year under review that are to be removed by March 31, 2015, following the abolition of the Special Reconstruction Corporation Tax in accordance with the Act for Partial Revision of the Income Tax Act, etc. (Act No. 10 of 2014).

Due to this tax rate change, the amount of deferred tax liabilities at the end of the fiscal year under review (after deducting the amount of deferred tax assets) increased ¥28 million, and income tax – deferred recognized in the fiscal year under review increased ¥28 million.

VI. Notes to Related Party Transactions

Subsidiaries, Affiliated Companies, etc.

Attribute	Name of Company, etc.	Percentage of Voting Rights, etc. Held (Company stake)	Transactions with Related Party	Nature of Transactions	Transaction Value	Item	Year-end Balance
Subsidiary	Nisshin Flour Milling Inc.	Direct ownership (100.0%)	Licensing of trademark, etc., lending of working capital, leasing of commercial land, etc.	Receipt of license fee for trademark, etc. (Note 1)	¥4,675 million	—	—
Affiliate	Tokatsu Foods Co., Ltd.	Direct ownership (49.0%)	—	Pledge of collateral (Note 2)	¥8,300 million	—	—

Transaction conditions and methods used to determine conditions

Note 1: License fee for trademark, etc. is determined by multiplying the net sales, etc. of Nisshin Flour Milling Inc. by a certain rate. No consumption tax amounts are included in the transaction value.

Note 2: In order to secure Tokatsu Foods Co., Ltd.'s loans payable to financial institutions, the Company pledges the said affiliate's stocks it holds as third party guarantee. From the fiscal year under review, the maximum is set at ¥3,000 million. The transaction value represents the year-end balance of the collateral pledged against the loans.

VII. Notes to Per Share Information

1. Net asset per share ¥952.45
2. Net income per share ¥37.58

Note: On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. Accordingly, net income per share is calculated by deeming the stock split to have occurred at the beginning of the consolidated fiscal year ended March 31, 2014.

VIII. Other Notes

1. All amounts have been rounded down to the nearest million yen.
2. Additional information

(Establishment of a joint venture (subsidiary) in Turkey)

At a meeting of the Board of Directors on January 29, 2014, the Company passed a resolution authorizing the establishment of a joint venture company in Ankara, Turkey, between subsidiary Nisshin Foods Inc., Marubeni Corporation, and Nuh'un Ankara Makarnasi Sanayi Ve Ticaret A.S., Turkey's largest pasta manufacturer. This decision will result in the scheduled establishment of Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S. in May 2014.

(1) The purpose of the joint venture

The purpose of the joint venture is to bolster the production framework for pasta, one of the core product lines of the Group's processed foods business, in an effort to spur further business expansion.

(2) Outline of the joint venture

[1] Name Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S.
[2] Business Production and sale of dried pasta, others
[3] Scale Capital consisting of Turkish lira equivalent to US$22.5 million (approx. ¥2,318 million: US$1 equivalent to ¥103)

(3) Ownership ratio after acquisition

Nisshin Seifun Group Inc. 3%
Nisshin Foods Inc. 48%
Marubeni Corporation 25%
Nuh'un Ankara Makarnasi Sanayi Ve Ticaret A.S. 24%