MATTERS DISCLOSED ON THE INTERNET
RELATED TO THE
CONVOCATION NOTICE OF
THE 175th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Subscription Rights to Shares

Consolidated Statement of Changes in Net Assets

Notes to the Consolidated Financial Statements

Non-consolidated Statement of Changes in Net Assets

Notes to the Non-consolidated Financial Statements

(from April 1, 2018 to March 31, 2019)

Nisshin Seifun Group Inc.

We provide shareholders with the Subscription Rights to Shares, the Consolidated Statement of Changes in Net Assets, the Notes to the Consolidated Financial Statements, the Non-consolidated Statement of Changes in Net Assets, and the Notes to the Non-consolidated Financial Statements, posted on the Company's website (https://www.nisshin.com/english/shareholders/meeting.html), in accordance with laws and regulations and Article 15 of the Company's Articles of Incorporation.

Subscription Rights to Shares

[1] Status of subscription rights to shares as of March 31, 2019

	Number of subscription rights to shares granted	Class and number of shares issuable upon exercise of subscription rights to shares	Issuance price upon exercise of subscription rights to shares	Persons granted subscription rights to shares	Amount payable upon exercise of subscription rights to shares	Exercise period
10-1st subscription rights to shares (Granted on August 16, 2012)	0	Common Stock 0 shares (1,210 shares per subscription right to shares)	Without charge	Directors of the Company	¥958,320 per subscription right to shares	August 17, 2014 – August 1, 2019
10-2nd subscription rights to shares (Granted on August 16, 2012)	17	Common Stock 20,570 shares (1,210 shares per subscription right to shares)	Without charge	Executive Officers of the Company and some Directors of its consolidated subsidiaries	¥958,320 per subscription right to shares	August 17, 2014 – August 1, 2019
11-1st subscription rights to shares (Granted on August 20, 2013)	22	Common Stock 26,620 shares (1,210 shares per subscription right to shares)	Without charge	Directors of the Company	¥1,224,520 per subscription right to shares	August 21, 2015 – August 3, 2020
11-2nd subscription rights to shares (Granted on August 20, 2013)	24	Common Stock 29,040 shares (1,210 shares per subscription right to shares)	Without charge	Executive Officers of the Company and some Directors of its consolidated subsidiaries	¥1,224,520 per subscription right to shares	August 21, 2015 – August 3, 2020
12-1st subscription rights to shares (Granted on August 19, 2014)	43	Common Stock 47,300 shares (1,100 shares per subscription right to shares)	Without charge	Directors of the Company	¥1,274,900 per subscription right to shares	August 20, 2016 – August 2, 2021
12-2nd subscription rights to shares (Granted on August 19, 2014)	106	Common Stock 116,600 shares (1,100 shares per subscription right to shares)	Without charge	Executive Officers of the Company and some Directors of its consolidated subsidiaries	¥1,274,900 per subscription right to shares	August 20, 2016 – August 2, 2021
13-1st subscription rights to shares (Granted on August 19, 2015)	81	Common Stock 81,000 shares (1,000 shares per subscription right to shares)	Without charge	Directors of the Company	¥1,748,000 per subscription right to shares	August 20, 2017 – August 1, 2022
13-2nd subscription rights to shares (Granted on August 19, 2015)	169	Common Stock 169,000 shares (1,000 shares per subscription right to shares)	Without charge	Executive Officers of the Company and some Directors of its consolidated subsidiaries	¥1,748,000 per subscription right to shares	August 20, 2017 – August 1, 2022
14-1st subscription rights to shares (Granted on August 15, 2016)	107	Common Stock 107,000 shares (1,000 shares per subscription right to shares)	Without charge	Directors of the Company	¥1,753,000 per subscription right to shares	August 16, 2018 – August 1, 2023

	Number of subscription rights to shares granted	Class and number of shares issuable upon exercise of subscription rights to shares	Issuance price upon exercise of subscription rights to shares	Persons granted subscription rights to shares	Amount payable upon exercise of subscription rights to shares	Exercise period
14-2nd subscription rights to shares (Granted on August 15, 2016)	222	Common Stock 222,000 shares (1,000 shares per subscription right to shares)	Without charge	Executive Officers of the Company and some Directors of its consolidated subsidiaries	¥1,753,000 per subscription right to shares	August 16, 2018 – August 1, 2023

Conditions for exercise of the above subscription rights to shares:

1) Persons granted an allotment of the subscription rights to shares (hereinafter referred to as the "holders") shall be a Director or Executive Officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) at the time of the exercise of the subscription rights to shares. However, the holders who are no longer a Director or Executive Officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) may exercise the rights up until two (2) years after stepping aside or two (2) years after the commencement of the exercise period of the subscription rights to shares, whichever is later.
2) An heir of the holder shall be allowed to inherit the subscription rights to shares, provided that he/she completes the procedures to change the holder.
3) Subscription rights to shares may not be transferred, securitized or otherwise disposed of under any circumstances.
4) Where a holder is dismissed from the position of Director or Executive Officer, or under certain other circumstances, the exercise of the subscription rights to shares may be deemed inappropriate considering the purpose of the granting of rights, and in such case said rights will be forfeited immediately.

[2] Subscription rights to shares granted as remuneration for performance of duty and held by Directors of the Company as of March 31, 2019

Segment	Name	Number of subscription rights to shares	Number of persons holding subscription rights to shares
Directors (excluding Outside Directors)	10-1st subscription rights to shares	0	0
	11-1st subscription rights to shares	12	2
	12-1st subscription rights to shares	24	4
	13-1st subscription rights to shares	58	8
	14-1st subscription rights to shares	71	9
Outside Directors	10-1st subscription rights to shares	0	0
	11-1st subscription rights to shares	0	0
	12-1st subscription rights to shares	0	0
	13-1st subscription rights to shares	3	1
	14-1st subscription rights to shares	10	2

The outline of the above subscription rights to shares are described in [1].

[3] Subscription rights to shares granted as remuneration for performance of duty to employees during the fiscal year ended March 31, 2019.
There are no applicable matters to be reported.

Consolidated Statement of Changes in Net Assets

(For the Fiscal Year Ended March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	17,117	12,894	306,415	(11,695)	324,732
Changes of items during the period					
Dividends from surplus			(9,209)		(9,209)
Profit attributable to owners of parent			22,268		22,268
Purchase of treasury shares				(190)	(190)
Disposal of treasury shares		(37)		483	445
Change of fiscal term of consolidated subsidiaries			230		230
Change in ownership interest of parent due to transactions with non-controlling interests		26			26
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(11)	13,289	292	13,571
Balance at the end of current period	17,117	12,882	319,705	(11,403)	338,303

(Millions of yen)

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	69,467	(473)	6,352	(800)	74,546	189	14,327	413,794
Changes of items during the period								
Dividends from surplus								(9,209)
Profit attributable to owners of parent								22,268
Purchase of treasury shares								(190)
Disposal of treasury shares								445
Change of fiscal term of consolidated subsidiaries								230
Change in ownership interest of parent due to transactions with non-controlling interests								26
Net changes of items other than shareholders' equity	(6,797)	80	(2,266)	72	(8,911)	(21)	415	(8,517)
Total changes of items during the period	(6,797)	80	(2,266)	72	(8,911)	(21)	415	5,053
Balance at the end of current period	62,669	(393)	4,086	(728)	65,634	167	14,743	418,848

Notes to the Consolidated Financial Statements

I. Basis of Presentation of Consolidated Financial Statements

1. Scope of consolidation

(1) Consolidated subsidiaries: 48 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., Joyous Foods Co., Ltd., Oriental Yeast Co., Ltd., Nisshin Pharma Inc., Nisshin Petfood Inc., Nisshin Engineering Inc., NBC Meshtec Inc.
- Of the remaining subsidiaries, Nisshin Management & Technical Consulting Inc. and 3 other companies are not consolidated. The assets, net sales, profit/loss and retained earnings of each non-consolidated subsidiary are small, and the aggregate effect on the consolidated financial statements is immaterial.

(2) Changes in scope of consolidation

- From the fiscal year ended March 31, 2019, newly established subsidiary Vietnam Nisshin Technomic Co., Ltd. is included within the scope of consolidation.

2. Scope of the equity method

(1) Subsidiaries and affiliates accounted for by the equity method: 10 companies (1 non-consolidated subsidiary and 9 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 profit/loss, consolidated retained earnings and other consolidated financial statements of 3 non-consolidated subsidiaries and 5 affiliates not accounted for by the equity method are negligible and immaterial in the aggregate.

(2) 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

For consolidated subsidiaries with accounting periods ending on either December 31 or January 31, the Company previously used the financial statements of subsidiaries available as of the respective dates, with adjustments for any material transactions occurring during the period between the subsidiary's fiscal year-end and the consolidated fiscal year-end. In a move to provide more accurate disclosure on the consolidated financial statements, from the fiscal year ended March 31, 2019, the Company adopted an approach whereby certain consolidated subsidiaries (Miller Milling Company, LLC and eight other companies) adopted the consolidated fiscal year-end of March 31 or conducted a provisional calculation of results as of March 31. Profit and losses for applicable consolidated subsidiaries from January 1, 2018 or February 1, 2018 to March 31, 2018 have been adjusted as changes in retained earnings.

The fiscal year ends on December 31 for Thai Nisshin Seifun Co., Ltd. and eleven other companies. 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, as before. 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.

4. Accounting principles

(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 leased assets):

The Company and domestic consolidated subsidiaries mainly apply the declining balance method. However, the straight-line method is applied for buildings (excluding building fixtures) acquired on or after April 1, 1998 and building fixtures and structures acquired on or after April 1, 2016.

Foreign consolidated subsidiaries mainly apply the straight-line method.

[2] Intangible assets (excluding leased assets):

Depreciation is computed by the straight-line method. Software used in-house is depreciated over its estimated useful life (within 5 years) based on the straight-line method.

[3] Leased 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) Basis of material allowances

[1] 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 receivables are generally deemed irrecoverable in the case of foreign consolidated subsidiaries.

[2] Provision for repairs:

To prepare for expenditure associated with the periodic repair of plant facilities, certain consolidated subsidiaries provide for a portion of the total projected expenditure to be incurred until the end of the fiscal year ended March 31, 2019.

(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 pension plan assets from its projected benefit obligation, based on estimates as of the end of the consolidated fiscal year ended March 31, 2019.

[1] Imputation method for retirement benefit estimates

In calculating projected benefit obligation, the method for imputing the applicable period until the end of the consolidated fiscal year ended March 31, 2019 for the estimated retirement benefit is determined by the benefit calculation standard.

[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 consolidated 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 purchase put/call options)

Hedged items: Any monetary receivables and payables and planned trading transactions that are denominated in foreign currencies

[3] The Company employs hedging methods only for hedged items purely to manage fluctuations in foreign currency exchange rates.

[4] Hedging evaluation

Since hedging methods and hedged items 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 fiscal year it is realized.

(7) Consumption tax

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

II. Changes in Disclosure

(Changes accompanying application of "Partial Amendments to Accounting Standard for Tax Effect Accounting")

"Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) has been applied from the beginning of the fiscal year ended March 31, 2019. As a result, the Company has adopted a methodology whereby deferred tax assets are disclosed under "Investments and other assets," and deferred tax liabilities are disclosed under "Non-current liabilities."

III. Notes to the Consolidated Balance Sheet

1. Reduction entry of property, plant and equipment purchased with government subsidy and others

   Accumulated reduction entry of property, plant and equipment: ¥351 million

2. Accumulated depreciation of property, plant and equipment: ¥284,258 million
3. Components of inventories

Merchandise and finished goods:	¥24,681 million
Work in process:	¥5,479 million
Raw materials and supplies:	¥43,188 million

IV. Notes to the Consolidated Statement of Change in Net Assets

1. Class and number of issued shares at the end of the consolidated fiscal year ended March 31, 2019

   Common stock: 304,357,891 shares

2. Dividends

(1) Dividends paid

The following resolution was made at the Ordinary General Meeting of Shareholders held on June 27, 2018.

- Dividends on common stock

[1] Total dividends to be paid:	¥4,455 million
[2] Dividend per share:	¥15
[3] Record date:	March 31, 2018
[4] Effective date:	June 28, 2018

(Note) Total dividends to be paid include ¥0 million of the dividends to the Company shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

The following resolution was made at the meeting of the Board of Directors held on October 29, 2018.

- Dividends on common stock

[1] Total dividends to be paid:	¥4,754 million
[2] Dividend per share:	¥16
[3] Record date:	September 30, 2018
[4] Effective date:	December 7, 2018

(Note) Total dividends to be paid include ¥1 million of the dividends to the Company shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

(2) Dividends for which the record date came during the consolidated fiscal year ended March 31, 2019, but for which the effective date will come during the following consolidated fiscal year

The following resolution will be proposed at the Ordinary General Meeting of Shareholders to be held on June 26, 2019.

- Dividends on common stock

[1] Total dividends to be paid:	¥4,755 million
[2] Source of dividends:	Retained earnings
[3] Dividend per share:	¥16
[4] Record date:	March 31, 2019
[5] Effective date:	June 27, 2019

(Note) Total dividends to be paid include ¥0 million of the dividends to the Company shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

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

10-2nd subscription rights to shares (Granted on August 16, 2012)	Common stock	20,570 shares
11-1st subscription rights to shares (Granted on August 20, 2013)	Common stock	26,620 shares
11-2nd subscription rights to shares (Granted on August 20, 2013)	Common stock	29,040 shares
12-1st subscription rights to shares (Granted on August 19, 2014)	Common stock	47,300 shares
12-2nd subscription rights to shares (Granted on August 19, 2014)	Common stock	116,600 shares
13-1st subscription rights to shares (Granted on August 19, 2015)	Common stock	81,000 shares
13-2nd subscription rights to shares (Granted on August 19, 2015)	Common stock	169,000 shares
14-1st subscription rights to shares (Granted on August 15, 2016)	Common stock	107,000 shares
14-2nd subscription rights to shares (Granted on August 15, 2016)	Common stock	222,000 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, the Group has a policy for retaining stocks when such retaining contributes to medium- to long-term improvement in corporate value and is reasonable in terms of facilitating and strengthening business tie-ups and joint businesses or building and strengthening long-term and stable business relationships.

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 and deposit holders, investment periods, issuer and holder-specific investment amounts, and the like.

In terms of operating receivables in the form of notes and accounts receivable – trade, 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.

Investment securities are stocks related to business or capital tie-ups and the like with business partners, which are exposed to the risk of market price fluctuation. Thus, systems have been established to regularly determine actual market value, and with respect to each of the cross-shareholding stocks retained, to verify yearly at the Board of Directors the validity of retaining stocks after examining the rationality of reasons for cross-shareholding, their trading situations, revenue and financial conditions, shareholder returns, creditworthiness, and other factors, and making comparisons between benefits/risks and capital costs associated with cross-shareholding.

Notes and accounts payable – trade 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 accounts receivable – trade and notes and accounts payable – trade, 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, etc. 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 of the Company principally in line with the instructions of the responsible 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 responsible 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 of the Company or 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 of the Company 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

The market value of financial instruments includes value based on market price or value calculated in a reasonable manner when there is no market price. 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, 2019 (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	101,974	101,974	—
(2) Notes and accounts receivable – trade	76,245	76,245	—
(3) Securities and investment securities			
Other securities	126,063	126,063	—
(4) Notes and accounts payable – trade	(54,936)	(54,936)	—
(5) Derivative transactions (*2)	(861)	(861)	—

(*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, 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) 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) Derivative transactions

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 receivable and accounts payable, and the market value of the hedged accounts receivable and accounts payable includes the values of the corresponding accounts receivable and accounts payable.

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

Unlisted securities (book value ¥28,165 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) Securities and investment securities.

VI. Notes to Per Share Information

1. Net assets per share ¥1,359.49 (Note 1)
2. Earnings per share ¥74.98 (Note 2)

Note 1: When calculating net assets per share, the Company shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan are included in the treasury shares excluded from the number of shares of common stock issued and outstanding at the end of the consolidated fiscal year. As of March 31, 2019, 21,900 Company shares were held in the aforementioned trust.

Note 2: When calculating earnings per share, the Company shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan are included in the treasury shares excluded when calculating the average number of shares of common stock during the fiscal year.
For the consolidated fiscal year ended March 31, 2019, the average number of shares of common stock for the Company shares held in the aforementioned trust was 31,808 shares.

VII. Notes on Material Subsequent Events

(Acquisition-based merger)

At a meeting of the Board of Directors held February 27, 2019, the Company and its subsidiary Nisshin Flour Milling Inc. ("Nisshin Flour Milling") resolved to purchase PFG Topco1 Pty Limited ("PFG"), the parent company of Australian flour milling company Allied Pinnacle Pty Limited ("Allied Pinnacle"). For this acquisition, the Company and Nisshin Flour Milling concluded a share purchasing agreement to acquire 100% of PFG shares from Pacific Equity Partners, an Australian private equity fund, etc. The acquisition took place on April 1, 2019.

1. Outline of the Merger
   (1) Name and business lines of acquired company
   Name: PFG Topco1 Pty Limited (holding company owning all shares of Allied Pinnacle)
   Business lines: Production and sales of wheat flour, prepared mix, and bakery good-related ingredients
   (2) Rationale for the merger
   In May 2018, the Group formulated a long-term vision entitled "NNI 'Compass for the Future'." As part of this vision, the Group is working to further raise its profile as "a globally-operating company that assists 'healthy lifestyles' and plays a critical role in building 'the food infrastructure' of the future." To this end, the Group has positioned the overseas flour milling business as one of its operations for driving growth.
   In recent years, Nisshin Flour Milling has moved aggressively to expand its overseas business, purchasing U.S.-based Miller Milling Company, LLC in 2012, establishing Champion Flour Milling Ltd. in New Zealand in 2013 following the purchase of a flour milling operation there, and conducting the purchase of production assets of Thailand-based Pacific Flour Milling Co., Ltd. in 2018, among other actions. The Group's latest acquisition will further accelerate measures of this kind to expand its overseas business.

   Australia's market for wheat flour-related products such as breads, cakes, and noodles is supported by the high population growth rate in the developed world (approximately 1.6% annually), coupled with a strong economy boasting 26 years of continued positive growth, and rising demand for high-value-added products (organic products, etc.) in step with growing health consciousness among consumers. For these reasons, sustained market growth is anticipated going forward.

   Allied Pinnacle is a leading company with a top share of Australia's wheat flour market (excluding flour used in starch production and other industrial applications), and also controls a significant share of the market for prepared mix and bakery good-related ingredients. Allied Pinnacle has business dealings with a number of major names in bread, confection and bakery good production, and has built a solid position in the wheat flour-related market.

   Following the purchase, the combination of expertise possessed by both Allied Pinnacle and the Group will enhance competitiveness as we seek to drive further business expansion forward. Similarly, we hope to create synergies between Allied Pinnacle and New Zealand-based Champion Flour Milling Ltd. that promote sales expansion and improved operational efficiency, taking advantage of the sales and distribution networks of both companies.

   Additionally, the opportunity to develop business in Australia, a major wheat producer, as well as gather wheat-related information and create relationships with wheat producers and grain companies, is also extremely meaningful from the perspective of strengthening the Group's raw material procurement capabilities.

Furthermore, the overlapping of Allied Pinnacle's sales network with the Group's own sales channels will also enable the capture of demand not only in Oceania but in the Asia market, where the shift to a more western diet is occurring rapidly and demand for wheat flour is robust. For its part, the Group is reinforcing its foundations as a company responsible for "food infrastructure" in the promising Oceania and Asia markets, aiming to achieve both "the maximization of corporate value" and "sustainable, cyclical growth."

(3) Date of merger
April 1, 2019

(4) Legal form of merger
Share acquisition at cash value

(5) Post-merger name
PFG Topco1 Pty Limited

(6) Percentage of voting rights acquired
100%

(7) Principal evidence supporting acquisition decision
Following share acquisition at cash value, the Company and Nisshin Flour Milling acquired 100% of voting rights.

2. Breakdown of acquisition cost and type of compensation

Compensation for acquisition	Cash and deposits	AUD 574 million
Acquisition cost		AUD 574 million

Note: The amount of compensation for the share acquisition represents a rough estimate at the initial point of acquisition. The Company is set to determine this amount following an adjustment based on net interest-bearing debt and other items present upon conclusion of the acquisition.

3. Name and amount of principal acquisition-related expenses
Advisory costs, etc. ¥1,100 million (estimate)

4. Method for procuring funds for payment
Acquisition funds were supplied entirely from funds on hand.

5. Amount of subsequent goodwill, reasons for occurrence, depreciation method and depreciation period
To be decided.

6. Amount and principal breakdown of assets and liabilities assumed on date of merger
To be decided.

7. Other
To repay PFG's external borrowings, the Company on April 1, 2019 borrowed AUD450 million from Mizuho Bank, Ltd., and loaned the entire amount to PFG on the same date.

VIII. Additional Information

1. Acquisition-based merger
At a meeting of the Board of Directors held March 26, 2019, the Company resolved and concluded a share transfer agreement to acquire from other external shareholders 51% of the existing shares of common stock of the Company's affiliate Tokatsu Foods Co., Ltd. ("Tokatsu Foods"), a comprehensive supplier of prepared dishes. As a result of the acquisition, Tokatsu Foods is expected to become a consolidated subsidiary of the Company during the fiscal year ending March 31, 2020.

(1) Outline of the merger

[1] Name and business lines of acquired company
Name: Tokatsu Foods Co., Ltd.
Business lines: Freshly prepared dishes business (production and sales of bento boxes, seasoned rice balls, sandwiches, prepared dishes, noodles, salads and other prepared foods), frozen prepared dishes business (production and sales of commercial-use frozen bento boxes, frozen prepared dishes, frozen noodles)

[2] Rationale for the merger
The Company has positioned the prepared dishes and other prepared foods business as a growth field, and is taking steps to groom it as one of the Group's core operations. In December 2012, the Company entered a capital tie-up with Tokatsu Foods, followed in January 2016 with the consolidation of Joyous Foods Co., Ltd., a supplier of prepared noodles, as a subsidiary. The Company conducted the current acquisition after determining that doing so would contribute to further expansion of its prepared dishes and other prepared foods and frozen foods businesses.
Established in 1968, Tokatsu Foods has a leading presence in Japan as a comprehensive supplier of prepared dishes, and has developed a deli prepared dishes business targeting convenience stores along with a delivery route-focused frozen prepared dishes business. Prior to the merger, the Company had, over many years, developed a collaborative relationship with Tokatsu Foods, both through outsourcing

the production of deli prepared dishes and frozen foods to Tokatsu Foods, and through a capital tie-up. The current acquisition will further enhance these relations, with hopes to leverage the Group's basic research expertise and product development capabilities to stimulate expansion of the Group's prepared dishes and other prepared foods business and its frozen foods business.

[3] Date of merger (scheduled)
July 4, 2019

[4] Legal form of merger
Share acquisition at cash value

[5] Post-merger name
Tokatsu Foods Co., Ltd.

[6] Percentage of voting rights acquired

1. Shareholding prior to transfer	55,725 shares (Number of voting rights: 55,725) (Percentage of voting rights: 49%)
2. Shares for acquisition	58,000 shares (Number of voting rights: 58,000)
3. Shareholding following transfer	113,725 shares (Number of voting rights: 113,725) (Percentage of voting rights: 100%)

[7] Principal evidence supporting acquisition decision
Following share acquisition at cash value, the Company acquired 100% of voting rights.

(2) Acquisition cost and difference from total cost of individual transactions required for the acquisition
To be decided.

(3) Breakdown of acquisition cost and type of compensation
Cash and deposits for use in additional acquisition of shares
¥15,080 million

(4) Name and amount of principal acquisition-related expenses
To be decided.

(5) Method for procuring funds for payment
Acquisition funds will be supplied entirely from funds on hand.

(6) Amount of subsequent goodwill, reasons for occurrence, depreciation method and depreciation period
To be decided.

(7) Amount and principal breakdown of assets and liabilities assumed on date of merger
To be decided.

2. Stock-based Remuneration Plan

The Company has introduced a stock-based remuneration plan (the "Plan") for the Directors and the Executive Officers of the Company and the Directors of the major subsidiaries of the Company (the "Eligible Directors, etc.").

For the Company shares vested in the Eligible Directors, etc. under the Plan, transfer and other disposal are prohibited for 3 years from the time of vesting based on the share vesting rules. The Plan is intended to improve motivation of the Eligible Directors, etc. to contribute to enhanced medium- to long-term corporate value and the awareness of management with an emphasis on the shareholders through the interests of the Eligible Directors, etc. aligned with those of shareholders.

Accounting treatments concerning the Plan are in compliance with the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (PITF No. 30, revised on March 26, 2015).

(1) Outline of transactions
Under the Plan, the Company shares vested in the Eligible Directors, etc. are acquired by a trust established by the Company (the "Trust") using the money that the Company and the major subsidiaries contribute, and are vested in the Eligible Directors, etc. through the Trust. The Company shares calculated by a specific calculation method and cash for tax propose, which are determined based on the stock remuneration base amount set out according to the positions and other factors of the Eligible Directors, etc., are vested in and granted to the Eligible Directors, etc. each year.

(2) The Company shares remaining in the Trust
The Company shares remaining in the Trust are recorded at book value in the Trust (excluding the amount of incidental expenses) as treasury shares under net assets. At the end of the consolidated fiscal year ended

March 31, 2019, the book value of the corresponding treasury shares was ¥46 million and the number thereof was 21,900 shares.

IX. Other Notes

All amounts have been rounded down to the nearest million yen.

Non-consolidated Statement of Changes in Net Assets

(For the Fiscal Year Ended March 31, 2019)

(Millions of yen)

	Shareholders' equity					
		Capital surplus			Retained earnings	
						Other retained earnings
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for dividends
Balance at the beginning of current period	17,117	9,500	264	9,764	4,379	2,000
Cumulative effects of changes in accounting policies						
Balance at the beginning of current period reflecting changes in accounting policies	17,117	9,500	264	9,764	4,379	2,000
Changes of items during the period						
Provision of reserve for advanced depreciation of non-current assets						
Reversal of reserve for advanced depreciation of non-current assets						
Dividends from surplus						
Profit						
Purchase of treasury shares						
Disposal of treasury shares			(37)	(37)		
Net changes of items other than shareholders' equity						
Total changes of items during the period	—	—	(37)	(37)	—	—
Balance at the end of current period	17,117	9,500	226	9,726	4,379	2,000

	Shareholders' equity			
	Retained earnings			
	Other retained earnings			
	Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	Total retained earnings
Balance at the beginning of current period	2,562	170,770	53,231	232,943
Cumulative effects of changes in accounting policies			26	26
Balance at the beginning of current period reflecting changes in accounting policies	2,562	170,770	53,257	232,970
Changes of items during the period				
Provision of reserve for advanced depreciation of non-current assets	110		(110)	—
Reversal of reserve for advanced depreciation of non-current assets	(40)		40	—
Dividends from surplus			(9,209)	(9,209)
Profit			14,987	14,987
Purchase of treasury shares				
Disposal of treasury shares				
Net changes of items other than shareholders' equity				
Total changes of items during the period	69	—	5,707	5,777
Balance at the end of current period	2,632	170,770	58,965	238,747

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments				
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	Subscription rights to shares	Total net assets
Balance at the beginning of current period	(11,688)	248,137	51,363	(96)	51,266	189	299,593
Cumulative effects of changes in accounting policies		26					26
Balance at the beginning of current period reflecting changes in accounting policies	(11,688)	248,164	51,363	(96)	51,266	189	299,620
Changes of items during the period							
Provision of reserve for advanced depreciation of non-current assets		—					—
Reversal of reserve for advanced depreciation of non-current assets		—					—
Dividends from surplus		(9,209)					(9,209)
Profit		14,987					14,987
Purchase of treasury shares	(190)	(190)					(190)
Disposal of treasury shares	483	445					445
Net changes of items other than shareholders' equity			(5,621)	10	(5,611)	(21)	(5,632)
Total changes of items during the period	292	6,032	(5,621)	10	(5,611)	(21)	399
Balance at the end of current period	(11,395)	254,196	45,741	(86)	45,655	167	300,019

Notes to the Non-consolidated Financial Statements

I. Significant Accounting Policies

1. Valuation standards and methodology for securities

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

Shares of 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. Valuation standards and methodology for derivatives

Derivative financial instruments are stated at fair market value.

3. Depreciation methods for non-current assets

Property, plant and equipment (excluding leased assets):

Depreciation on property, plant and equipment (excluding leased 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 and building fixtures and structures acquired on or after April 1, 2016.

Intangible assets (excluding leased assets):

Depreciation on intangible assets (excluding leased assets) is computed by the straight-line method. Software used in-house is depreciated over its estimated useful life (5 years) based on the straight-line method.

Leased 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.

4. Basis of material allowances

Allowance for doubtful accounts:

The Company provides 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.

Provision for directors' bonuses:

Provision is made for directors' bonuses based on the estimated amounts during the fiscal year ended March 31, 2019.

Provision for retirement benefits:

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

[1] Imputation method for retirement benefit estimates

In calculating projected benefit obligation, the method for imputing the applicable period until the end of the fiscal year ended March 31, 2019 for the estimated retirement benefit is determined by the benefit calculation standard.

[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.

If the pension plan assets at the end of the fiscal year ended March 31, 2019 exceeded the projected benefit obligation less actuarial differences and others, the amount in excess was recognized as prepaid pension cost and included in "Other" under "Investments and other assets."

5. 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 purchase put/call options)

Hedged items: Any monetary receivables and payables and planned trading transactions that are denominated in foreign currencies.

(3) The Company employs hedging methods only for hedged items purely to manage fluctuations in foreign currency exchange rates.

(4) Hedging evaluation

Since hedging methods and hedged items 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. 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) Consumption tax

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

II. Notes to Changes in Accounting Policy

(Changes accompanying application of "Implementation Guidance on Tax Effect Accounting")

"Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018) has been applied from the beginning of the fiscal year ended March 31, 2019. Accordingly, the Company has revised the accounting treatment of taxable temporary difference pertaining to subsidiaries' shares, etc.

Changes made to the accounting policies in line with the amendments to this implementation guidance shall be applied retroactively, and the cumulative monetary effect associated with the changes in accounting policy has been reflected in the amount of net assets at the beginning of the fiscal year ended March 31, 2019.

The resulting effects had a negligible impact on the non-consolidated financial statements.

III. Notes to Changes in the Presentation Method

(Changes accompanying application of "Partial Amendments to Accounting Standard for Tax Effect Accounting")

"Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) has been applied from the beginning of the fiscal year ended March 31, 2019. As a result, the Company has adopted a methodology whereby deferred tax assets are disclosed under "Investments and other assets," and deferred tax liabilities are disclosed under "Non-current liabilities."

(Non-consolidated Statement of Income)

"Commission for purchase of treasury shares" under "Non-operating expenses" which was presented separately in the previous fiscal year is included in "Other" under "Non-operating expenses" for the fiscal year ended March 31, 2019 because they became insignificant in terms of amount.

IV. Notes to the Non-consolidated Balance Sheet

1. Accumulated depreciation of property, plant and equipment	¥18,800 million
2. Monetary claims and liabilities to affiliated companies	
Short-term monetary claims	¥590 million
Short-term monetary liabilities	¥44,198 million

V. Notes to the Non-consolidated Statement of Income

Transactions with affiliated companies	
Operating transactions	
Operating revenues	¥24,989 million
Operating expenses	¥793 million
Transactions other than operating transactions	¥464 million

VI. Notes to the Non-consolidated Statement of Changes in Net Assets

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

Common stock	7,153,189 shares

(Note) The number of treasury shares of common stock at the end of the fiscal year ended March 31, 2019 includes 21,900 shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

VII. 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	
Provision for retirement benefits	989
Investment securities	510
Provision for bonuses	179
Other	349
Gross deferred tax assets	2,029
Valuation allowance	(600)
Total deferred tax assets	1,428
Deferred tax liabilities	
Valuation difference on available-for-sale securities	19,756
Reserve for advanced depreciation of non-current assets	1,160
Retirement benefit trust repayment securities	964
Total deferred tax liabilities	21,881
Deferred tax liabilities, net	20,453

VIII. Notes to Related Party Transactions

Subsidiaries, Affiliated Companies, etc.

(Millions of yen)

Category	Name of Company, etc.	Percentage of Voting Rights, etc.	Transactions with Related Party	Nature of Transactions	Transaction Value (Note 1)	Item	Year-end Balance
Subsidiaries	Nisshin Flour Milling Inc.	Direct holding 100.0	Licensing of trademark, etc., Lending and receipt of funds, Leasing of commercial land, etc., Concurrent serving of officers	Receipt of license fee for trademark, etc. (Note 2)	4,560	—	—
				Receipt of funds (Note 3)	7,284	Deposits received	11,049
				Payment of interests (Note 3)	0	Accrued expenses	0
				Repayment of investment funds (Note 4)	3,020	Long-term loans receivable from subsidiaries and associates	22,755
				Receipt of interests (Note 4)	235	Other under Current assets	19

Category	Name of Company, etc.	Percentage of Voting Rights, etc.	Transactions with Related Party	Nature of Transactions	Transaction Value (Note 1)	Item	Year-end Balance
Subsidiaries	Nisshin Foods Inc.	Direct holding 100.0	Licensing of trademark, etc., Lending and receipt of funds, Leasing of commercial land, etc., Concurrent serving of officers	Receipt of funds (Note 3)	7,088	Deposits received	7,631
				Payment of interests (Note 3)	0	Accrued expenses	0
				Lending of investment funds (Note 4)	1,560	Long-term loans receivable from subsidiaries and associates	3,874
				Repayment of investment funds (Note 4)	654		
				Receipt of interests (Note 4)	48	Other under Current assets	4
	Oriental Yeast Co., Ltd.	Direct holding 100.0	Licensing of trademark, etc., Lending and receipt of funds, Concurrent serving of officers	Lending of investment funds (Note 4)	685	Long-term loans receivable from subsidiaries and associates	6,941
				Receipt of interests (Note 4)	64	Other under Current assets	5
	Nissin Pharma Inc.	Direct holding 100.0	Licensing of trademark, etc., Lending and receipt of funds, Leasing of offices, Concurrent serving of officers	Receipt of funds (Note 3)	3,506	Deposits received	3,717
				Payment of interests (Note 3)	0	Accrued expenses	0
	Nisshin Engineering Inc.	Direct holding 100.0	Licensing of trademark, etc., Receipt of funds, Leasing of offices, Concurrent serving of officers	Receipt of funds (Note 3)	12,856	Deposits received	12,316
				Payment of interests (Note 3)	1	Accrued expenses	0
	NBC Meshtec Inc.	Direct holding 100.0	Licensing of trademark, etc., Lending and receipt of funds, Concurrent serving of officers	Lending of working capital (Note 5)	4,213	Long-term loans receivable from subsidiaries and associates	4,275
				Receipt of interests (Note 5)	42	Other under Current assets	3

Transaction conditions and methods used to determine conditions

Note 1: No consumption tax amounts are included in the transaction value.

Note 2: License fee for trademark, etc. is determined by multiplying the net sales, etc. of Nisshin Flour Milling Inc. by a certain rate.

Note 3: Receipt of funds is transactions through cash management system (CMS), and the transaction value presented is the average balance during the fiscal year. The interest rates are reasonably determined taking market interest rates into consideration.

Note 4: The lending rates on investment funds are reasonably determined taking market interest rates into consideration.

Note 5: Lending of working capital is transactions through cash management system (CMS), and the transaction value presented is the average balance during the fiscal year. The interest rate is reasonably determined taking market interest rates into consideration.

Directors, Major Individual Shareholders, etc.

Category	Name of company, etc., or individual	Percentage of Voting Rights, etc.	Transactions with Related Party	Nature of Transactions	Transaction Value	Item	Year-end Balance
Director and his/her close relative	Yuji Koike	Directly held 0.0	Director of the Company	Exercise of subscription rights to shares (Note 1)	¥10 million	—	—
	Akio Mimura	Directly held 0.0	Director of the Company	Exercise of subscription rights to shares (Note 1)	¥10 million	—	—

Transaction conditions and methods used to determine conditions

Note 1: This refers to the exercise during the fiscal year ended March 31, 2019 of stock options granted by the resolutions of the Ordinary General Meeting of Shareholders held on June 26, 2014, and June 25, 2015. The “Transaction Value” represents the amount determined by multiplying the number of shares granted by the exercise of the stock options during the fiscal year ended March 31, 2019 by the exercise price.

IX. Notes to Per Share Information

1. Net asset per share ¥1,008.91 (Note 1)
2. Earnings per share ¥50.44 (Note 2)

Note 1: When calculating net assets per share, the Company shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan are included in the treasury shares excluded from the number of shares of common stock issued and outstanding at the end of the fiscal year.
As of March 31, 2019, 21,900 Company shares were held in the aforementioned trust.

Note 2: When calculating earnings per share, the Company shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan are included in the treasury shares excluded when calculating the average number of shares of common stock during the fiscal year.
For the fiscal year ended March 31, 2019, the average number of shares of common stock for the Company shares held in the aforementioned trust was 31,808 shares.

X. Notes on Material Subsequent Events

(Acquisition-based merger)

At a meeting of the Board of Directors held February 27, 2019, the Company and subsidiary Nisshin Flour Milling Inc. (“Nisshin Flour Milling”) resolved to purchase PFG Topco1 Pty Limited (“PFG”), the parent company of Australian flour milling company Allied Pinnacle Pty Limited. For this acquisition, the Company and Nisshin Flour Milling concluded a share purchasing agreement to acquire 100% of PFG shares from Pacific Equity Partners, an Australian private equity fund, etc. The acquisition took place on April 1, 2019.

The Company made a loan of ¥36 billion to Nisshin Flour Milling on April 1, 2019 for the Acquisition.

The notes regarding other information are omitted because the same information is provided in the Notes to the Consolidated Financial Statements (Notes on Material Subsequent Events).

XI. Additional Information

(Acquisition-based merger)

At a meeting of the Board of Directors held March 26, 2019, the Company resolved and concluded a share transfer agreement to acquire from other external shareholders 51% of the existing shares of common stock of the Company's affiliate Tokatsu Foods Co., Ltd., a comprehensive supplier of prepared dishes.

The notes regarding other information are omitted because the same information is provided in the Notes to the Consolidated Financial Statements (Additional Information).

(Stock-based Remuneration Plan)

The note is omitted because the same information is provided in the Notes to the Consolidated Financial Statements (Additional Information).

XII. Other Notes

All amounts have been rounded down to the nearest million yen.