Summary of Financial Statements for the Year Ended March 31, 2014 [Japanese Standards]

May 14, 2014

Listed Company Name: Nisshin Seifun Group Inc. Registered on Tokyo Stock Exchange
Code: 2002 URL: http://www.nisshin.com
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Date to hold the Ordinary General Meeting of Shareholders to approve results: June 26, 2014
Date to start distributing dividends: June 27, 2014
Date to submit the Securities Report: June 26, 2014
Supplementary documents for this summary of financial statements: Yes
Results briefing for financial results: Yes (for analysts and institutional investors)

(Figures shown are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Year Ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(1) Consolidated Business Results

(The percentages indicate the rates of increase or decrease compared with the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2014	495,930	8.9	22,274	2.5	25,579	3.4	15,098	10.3
Fiscal 2013	455,566	3.1	21,740	(5.9)	24,742	(5.3)	13,688	2.7

(Note) Comprehensive income: Fiscal 2014: ¥23,936 million (down 0.0%)
Fiscal 2013: ¥23,945 million (up 33.3%)

	Net income per share	Fully diluted net income per share	Return on shareholders' equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal 2014	55.23	55.21	4.8	5.5	4.5
Fiscal 2013	50.08	—	4.6	5.5	4.8

(Reference) Equity in earnings of affiliates: Fiscal 2014: ¥839 million Fiscal 2013: ¥598 million
(Note) On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. Net income per share and fully diluted net income per share are calculated by deeming the stock split to have occurred at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2014	471,039	334,092	68.9	1,187.80
March 31, 2013	461,851	317,436	66.9	1,130.75

(Reference) Equity capital: Fiscal 2014: ¥324,775 million Fiscal 2013: ¥309,053 million
(Note) On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. Net assets per share are calculated by deeming the stock split to have occurred at the beginning of the previous consolidated fiscal year.

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2014	25,058	(1,797)	(5,072)	72,685
Fiscal 2013	34,479	(23,854)	(4,587)	53,249

2. Dividends

	Dividend per share					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1Q End	2Q End	3Q End	Year-End	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2013	—	10.00	—	10.00	20.00	4,970	36.3	1.7
Fiscal 2014	—	10.00	—	10.00	—	5,220	34.6	1.6
Fiscal 2015 (forecast)	—	10.00	—	10.00	20.00		33.1	

(Note) On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. For the fiscal year ended March 31, 2014, the year-end dividend will undergo an actual increase since there is no adjustment to the dividend per share in line with the stock split.

3. Forecast of Consolidated Business Results for the Year Ending March 31, 2015 (April 1, 2014 to March 31, 2015)

(The full-year percentages indicate the rates of increase or decrease compared with the previous fiscal year; the percentages for the first half are comparisons with the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	253,000	5.7	9,900	(3.9)	11,400	(3.8)	7,700	8.2	28.16
Full year	540,000	8.9	22,500	1.0	25,800	0.9	16,500	9.3	60.35

* Notes

(1) Changes in important subsidiaries during the period under review (changes in specified subsidiaries involving a change in the scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates and revisions restated

1) Changes in accounting policies associated with the revisions of accounting standards, etc.: Yes
2) Changes in accounting policies other than the above: None
3) Changes in accounting estimates: None
4) Revisions restated: None

Note: For details, please refer to "IV. Consolidated Financial Statements (5) Notes to the Consolidated Financial Statements [Changes in Accounting Policies]" on page 24 of the Attachment.

(3) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding (including treasury shares)	As of March 31, 2014	276,688,992	As of March 31, 2013	276,688,992
2) Number of treasury shares	As of March 31, 2014	3,264,335	As of March 31, 2013	3,370,954
3) Average number of shares outstanding	Fiscal 2014	273,364,368	Fiscal 2013	273,316,674

Note: On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. Number of shares issued and outstanding (common stock) is calculated as if the stock split occurred at the beginning of the previous consolidated fiscal year.

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Year Ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(1) Non-consolidated Business Results

(The percentages indicate the rates of increase or decrease compared with the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2014	20,597	(36.5)	8,374	(56.7)	10,067	(52.0)	10,274	(51.0)
Fiscal 2013	32,418	41.6	19,344	85.8	20,981	78.7	20,980	54.2

	Net income per share	Fully diluted net income per share
	Yen	Yen
Fiscal 2014	37.58	37.56
Fiscal 2013	76.74	—

(Note) On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. Net income per share and fully diluted net income per share are calculated by deeming the stock split to have occurred at the beginning of the previous fiscal year.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2014	284,844	260,754	91.5	952.45
March 31, 2013	278,192	254,095	91.3	928.57

(Reference) Equity capital: Fiscal 2014: ¥260,494 million Fiscal 2013: ¥253,862 million

(Note) On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. Net assets per share are calculated by deeming the stock split to have occurred at the beginning of the previous fiscal year.

2. Forecast of Non-consolidated Business Results for the Year Ending March 31, 2015 (April 1, 2014 to March 31, 2015)

(The full-year percentages indicate the rates of increase or decrease compared with the previous fiscal year; the percentages for the first half are comparisons with the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	11,000	(26.9)	4,200	(52.5)	5,000	(48.1)	5,600	(41.9)	20.48
Full year	17,000	(17.5)	3,600	(57.0)	5,400	(46.4)	6,000	(41.6)	21.94

* Statement regarding auditing status

This summary of financial statements falls outside the audit requirements of the Financial Instruments and Exchange Act. Audits of both consolidated and non-consolidated financial statements were under way as of the time this summary was disclosed.

* Statement regarding the proper use of financial forecasts and other special remarks

The statements contained in this document are based on various assumptions and do not constitute any guarantee or definite promise that projections of future performance or related business policies will actually be realized. For details of assumptions for financial forecasts and other related matters, please see pages 4-7 of the Attachment.

ATTACHMENT

Contents

I. Analysis of Business Performance and Financial Position

(1) Analysis of Business Performance

1) Overview of the Period under Review

During the fiscal year ended March 31, 2014, the Japanese economy showed signs of a modest recovery, primarily as corporate business performance and consumer spending staged a turnaround against the backdrop of a depreciated yen and high stock prices, stimulated by economic policies and financial deregulation pursued by the Japanese government and the Bank of Japan, respectively. The surrounding business environment for the Company, however, remained challenging, largely reflecting higher prices for imported raw materials and rising utility costs due to the yen's depreciation, and an increasingly entrenched preference for lower-priced options among consumers. Under these conditions, the Company moved to accelerate measures outlined in "NNI-120, Speed, Growth and Expansion," a medium-term management plan which positions top-line (net sales) and overseas business expansion as priority strategies and pursued aggressive promotional efforts in each of its businesses. In terms of overseas expansion efforts, in addition to consolidation effects from subsidiaries acquired from M&A activity and efforts to boost production capacity, progress from assertive policies by Group companies to expand shipments has now lifted the Company's ratio of sales outside of Japan to over 10%, as the overseas business continues to grow steadily. To bolster the production capacity for pasta and realize further business expansion, the Company decided to establish a joint venture and build a pasta plant, which is set to commence operations in April 2015, in Turkey. In conjunction with this move, the Company also decided to build a new frozen food production site in Japan at the Kobe Plant of Ma•Ma-Macaroni Co., Ltd. set to launch operations in May 2015. In the Flour Milling Segment, the new plant in Fukuoka, Japan, built as part of measures to bolster cost competitiveness, came on-line as scheduled in February 2014. Work is also proceeding apace on the addition of a new production line at the Chita Plant (Chita, Aichi, Japan), with operations scheduled to begin in May 2015. Meanwhile, the Company revised its wheat flour prices in response to the government's decision to raise the prices of five brands of imported wheat. On average, the price of imported wheat rose by 9.7% in April 2013, followed by a 4.1% increase in October 2013.

As a result, consolidated net sales increased by 8.9% year on year to ¥495,930 million for the fiscal year under review. Contributing factors to this increase were growth in shipments in the Flour Milling Segment and Processed Food Segment in the domestic market and overseas business expansion. In terms of profits, operating income rose by 2.5% to ¥22,274 million, ordinary income increased by 3.4% to ¥25,579 million, and net income rose by 10.3% to ¥15,098 million. The increase in profits resulted from increased shipments and Company-wide efforts to curb costs, as well as firm growth in bran prices in the Flour Milling Segment. The end result was both top- and bottom-line growth cumulative for the fiscal year under review.

On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. Regarding the annual dividend for the fiscal year ended March 31, 2014, there was no adjustment to the dividend per share in line with the stock split in order to enable an actual increase in dividend. Consequently, the Company plans to pay a dividend of ¥20 per share, unchanged from the previous fiscal year.

In addition, U.S.-based Miller Milling Company, LLC decided in April 2014 to newly acquire four flour milling plants in the United States. This purchase will bring the total number of plants under Miller Milling Company, LLC to six, and give it the fourth largest production capacity in the country.

[Business Overview by Segment]

(1) Flour Milling Segment

In the flour milling business, we continued to promote value-added services that provide total solutions to enhance relationships with customers in a bid to increase market share, resulting in year-on-year growth in shipments of domestic commercial wheat flour. In response to the government's decision to raise the prices of imported wheat in April and October 2013, we revised our prices for commercial wheat flour in June and again in December.

From the perspectives of production and distribution, we continued to carry out measures to enhance productivity and reduce fixed and other costs. In tandem, we are moving ahead with efforts to bolster cost competiveness by concentrating production at large-scale plants located near ports. Along with a new plant in Fukuoka, Japan, that came on-line as scheduled in February 2014, construction work began in October 2013 on the addition of a new production line at the Chita Plant in Aichi, Japan, scheduled to start operations in May 2015. Furthermore, the Company decided to increase holding capacity by 25% at a raw wheat silo operated by Hanshin Silo Co., Ltd., located adjacent to the Higashinada Plant. The silo is scheduled to commence operations in April 2015.

The price of bran, a byproduct of the milling process, remained favorable throughout the period.

In the overseas business, sales increased year on year, reflecting effects from the consolidation of two companies acquired via M&A activity – Miller Milling Company, LLC in the United States and Champion Flour Milling Ltd. in New Zealand. Sales growth was also stimulated by steady growth in shipments at Miller Milling Company, LLC, where we increased production capacity, and at Nisshin-STC Flour Milling Co., Ltd. in Thailand.

As a result, net sales of the Flour Milling Segment increased 16.0% from the previous fiscal year to ¥207,752 million, and operating income rose 10.3% to ¥9,381 million.

(2) Processed Food Segment

In the processed food business, sales of both household- and commercial-use products rose over the previous fiscal year. In household-use products, leveraging the Company's proprietary technology, growth was spurred by the launch of new products to address needs arising from an increase in eating alone and demand for meals that are easy to prepare. Aggressive sales promotion efforts, meanwhile, garnered new commercial customers. Similarly, sales of prepared dishes and other prepared foods business advanced from the previous fiscal year as a result of measures promoted to expand shipments of prepared foods to volume retailers.

Sales of the overseas business increased from the previous fiscal year, owing to aggressive product proposals aimed at obtaining new customers, mainly in the ever-growing Chinese and Southeast Asian markets. Meanwhile, the Company marked progress with work to boost production capacity for commercial prepared mix by 25% scheduled to come on-line by this year's end at Thai Nisshin Technomic Co., Ltd. The Company also launched construction at Vietnam Nisshin Seifun Co., Ltd. of a production plant for cooked and processed foods set to commence operation in the fall of 2014. To bolster the production capacity for pasta and realize further business expansion, the Company decided to establish a joint venture, Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S., and build a pasta plant, which is set to commence operations in April 2015 in Turkey. In conjunction with this move, the Company also decided to build a new frozen food production site at the Kobe Plant of Ma•Ma-Macaroni Co., Ltd. set to launch operations in May 2015.

In the yeast business section of the yeast and biotechnology business, sales increased compared to a year earlier, mainly as a result of growth in sales of yeast and fillings. Sales in the biotechnology business section increased compared with the previous fiscal year, largely due to growth in sales of coenzymes and other diagnostic reagents.

In the healthcare foods business, sales declined year on year despite brisk sales of consumer products driven by aggressive sales promotion measures, primarily due to volatile demand for raw materials for pharmaceuticals.

As a result, net sales of the Processed Food Segment increased 4.4% from the previous fiscal year to ¥243,007 million, but operating income declined 3.4% to ¥10,054 million.

(3) Others Segment

In the pet food business, while sales surpassed those of the previous fiscal year, the market environment continued to be severe mainly due to higher prices for imported raw materials caused by the depreciated yen, and more intense sales competition. This severity persisted despite robust shipments of premium pet food due in large part to the aggressive launch of new products.

In the engineering business, sales increased year on year mainly driven by solid performance from the mainstay plant engineering business and from equipment sales.

In the mesh cloths business, sales surpassed the previous fiscal year's level, stimulated by brisk sales of materials for screen-printing applications and forming filters mainly for automobile parts.

As a result, net sales of the Others Segment increased 3.7% to ¥45,171 million, but operating income declined 3.0% to ¥2,828 million.

2) Business Outlook

For the Japanese economy, signs of a modest economic recovery are emerging, including a rebound in corporate business performance, against the backdrop of a depreciated yen and high stock prices, coupled with a turnaround in consumer spending. The environment surrounding the Company, however, is projected to remain severe, reflecting factors such as the impact on consumer spending of a national consumption tax increase instituted in April 2014, high prices for imported raw materials due to the yen's depreciation and sustained high utility costs, and a continued preference for lower-priced options among consumers. Under these circumstances, we will continue to fulfill our mission of securing stable supplies of wheat flour and other staple foods for the Japanese people, and will strive to provide customers with safe and reliable products.

Furthermore, we will enact strategic measures in all of our businesses formulated in line with "NNI-120, Speed, Growth and Expansion," our medium-term management plan for pursuing both top-line (net sales) and overseas businesses expansion as priority strategies, as we enter the third year of this plan.

Considering the aforementioned factors, consolidated net sales for the fiscal year ending March 31, 2015 are forecast to rise 8.9% year on year to ¥540,000 million. From a profit perspective, operating income is projected to climb 1.0% to ¥22,500 million. Ordinary income is expected to rise 0.9% to ¥25,800 million, while net income is expected to increase 9.3% from the fiscal year under review to ¥16,500 million.

(1) Flour Milling Segment

In the flour milling business, we will further increase our market share by continuing efforts to: stably supply products, develop products that accurately address customer needs, capture new customers based on the promotion of value-added services that provide total solutions to customers, further strengthen customer relationships and engage in other aggressive sales promotion activities. From the production and distribution perspectives, we will implement productivity improvement and other cost-cutting measures while striving to secure earnings.

In the overseas business, U.S.-based Miller Milling Company, LLC, where production capacity was upgraded last year by 30%, decided in April 2014 to newly acquire four flour milling plants in the United States. This purchase will bring the total number of plants under Miller Milling Company, LLC to six, and give it the fourth largest production capacity in the country. Going forward, collaboration with Rogers Foods Ltd. in Canada is set to yield further growth in the North American market. Similarly, we are eyeing sales expansion by taking advantage of the Group's strengths in flour milling technology and proposals in the Asian market through Nisshin-STC Flour Milling Co., Ltd. in Thailand, where production capacity was upgraded by 20%, and in the Oceania market through Champion Flour Milling Ltd. in New Zealand.

(2) Processed Food Segment

In the processed food business, while an impact from the recent national consumption tax increase is anticipated, we will pursue measures to boost brand loyalty and expand sales by launching products that create new markets and propose new eating options, deploying aggressive advertising campaigns and other sales promotion measures. We will also continue to promote cost-cutting measures across each area of our purchase, production and distribution business processes to minimize the effects of higher prices for imported raw materials due to the yen's depreciation. In the prepared dishes and other prepared foods business, we will push for further business expansion most notably by developing and proposing a new menu of dishes that answer consumer needs. In the overseas business, we will make advancement in capturing new customers to expand business further. We will also strengthen initiatives regarding product safety and reliability.

As for the yeast business section of the yeast and biotechnology business, we will promote development of high-value-added products and proposal-based marketing efforts, our aim being to establish a firm position in the bakery products market while also striving to develop new markets additional to bakery products. In the biotechnology business section we will concentrate on bringing new products to market, focusing mainly on diagnostic reagents, and promote sales by utilizing overseas bases to actively deploy consistent services that support comprehensive research and development of new drugs.

In the healthcare foods business, together with striving to expand sales of raw materials for pharmaceutical products, we will take measures that include launching new consumer-oriented products and the aggressive promotion of related sales.

(3) Others Segment

In the pet food business, we will continue our efforts to become a premium pet food manufacturer, including in the therapeutic pet food market.

In the engineering business, utilizing core technology based on our original powder technology and other technologies, we aim to expand orders in the non-food field in addition to the food field—in which we excel—to aim at business expansion in each segment of plant engineering, contracted processing and equipment sales.

In the mesh cloths business, we will continue efforts to strengthen our business structure through cost reduction and other measures together with using our overseas production bases as hubs to focus on sales expansion in growing overseas markets.

(2) Analysis on Financial Position

1) Overview of the Period under Review

The status of assets, liabilities and net assets on a consolidated basis at the end of the fiscal year ended March 31, 2014, was as follows.

Current assets decreased ¥2,059 million from the previous fiscal year-end to ¥216,409 million, primarily due to a decrease in inventories. Noncurrent assets rose ¥11,247 million to ¥254,630 million, primarily due to an increase in property, plant and equipment by the building of the new Nisshin Flour Milling plant in Fukuoka. As a result, total assets stood at ¥471,039 million, up ¥9,188 million from the previous fiscal year-end. Current liabilities declined ¥9,040 million to ¥90,433 million reflecting decreases in notes and accounts payable – trade and other factors. Noncurrent liabilities amounted to ¥46,514 million, ¥1,573 million higher than the balance as of March 31, 2013, mainly due to an increase in deferred tax liabilities. Accounting for these factors, total liabilities decreased ¥7,467 million from the previous fiscal year-end to ¥136,947 million. Net assets increased ¥16,655 million year on year to ¥334,092 million, chiefly due to a rise in net income for the period, a decrease due to the payment of dividends, and an increase in accumulated other comprehensive income.

The status of consolidated cash flows for the fiscal year ended March 31, 2014, was as follows.

Net cash provided by (used in) operating activities

Net cash provided by operating activities was ¥25,058 million for the fiscal year under review. An increase in cash and cash equivalents mainly due to income before income taxes and minority interests of ¥25,201 million and depreciation and amortization of ¥13,669 million exceeded a decrease in cash and cash equivalents largely owing to an increase in operating capital, attributable mainly to a decrease in notes and accounts payable – trade, and the payment of income taxes.

Net cash provided by (used in) investing activities

Although proceeds from the repayment and maturity of time deposits with terms exceeding three months and short-term investment securities surpassed their payments and purchases by ¥17,755 million, the acquisition of tangible and intangible noncurrent assets including building the new Nisshin Flour Milling plant in Fukuoka totaling ¥18,636 million and other cash outflows led to net cash used in investing activities of ¥1,797 million.

Subtracting net cash used in investing activities from net cash provided by operating activities, free cash flow came to an inflow of ¥23,261 million.

Net cash provided by (used in) financing activities

To distribute profits to shareholders, the Company paid dividends of ¥4,971 million and undertook other spending for the period, leading to net cash used in financing activities of ¥5,072 million.

As described above, cash provided by operating activities was allocated to strategic capital investment and the payment of dividends as returns to shareholders. Moreover, cash increased as maturities and redemptions of strategic investments including time deposits with terms exceeding three months and sales of short-term investment securities undertaken to enhance the management efficiency of funds exceeded payments and purchases into these investments. At the end of the fiscal year ended March 31, 2014, consolidated cash and cash equivalents totaled ¥72,685 million, an increase of ¥19,435 million from the previous fiscal year-end.

2) Outlook for the Next Fiscal Year

The Company forecasts that cash and cash equivalents as of March 31, 2015, will decrease from those as of March 31, 2014, because the increase in funds, primarily due to net income of ¥16,500 million and cash reserves for strategic investment, will be used for strategic capital investment, such as the additional acquisition by U.S.-based Miller Milling Company, LLC of four flour milling plants in the United States, the building by Nisshin Flour Milling Inc. of a new production line at the Chita Plant, and the return of profits to shareholders.

3) Cash-flow Indicators

The main cash flow indicators for the Nisshin Seifun Group are as follows:

	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014
Equity ratio (%)	71.6	67.5	66.9	68.9
Market value–based equity ratio (%)	61.2	57.6	68.8	65.8
Ratio of interest-bearing debt to operating cash flow (years)	0.1	0.3	0.2	0.4
Interest coverage ratio (times)	461.6	304.7	207.0	153.8

Notes:

Equity ratio = Equity capital / Total assets

Market value-based equity ratio = Market capitalization / Total assets

Ratio of interest-bearing debt to operating cash flow = Interest-bearing debt / Operating cash flow

Interest coverage ratio = Operating cash flow / Interest expense

1. All of the above cash-flow indicators are calculated on a consolidated basis.
2. Market capitalization is calculated by multiplying the closing share price on the final trading day of the fiscal year by the total number of outstanding shares (excluding treasury common stock) as of the corresponding fiscal year-end.
3. Operating cash flow equals net cash provided by operating activities as stated in the consolidated statements of cash flows. Interest-bearing debt refers to bonds and debt as stated in the consolidated balance sheets. Interest expense is equal to interest payments as stated in the consolidated statements of cash flows.

(3) Basic Policy on Profit Distribution and Dividends for Fiscal 2014 and Fiscal 2015

The Company aims to meet the expectations of shareholders to distribute profits, taking into consideration the current and future profitability of its business and financial position, by undertaking the continuous payment of dividends based on a targeted payout ratio of at least 30% on a consolidated basis.

On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. Regarding the annual dividend for the fiscal year ended March 31, 2014, there was no adjustment to the dividend per share in line with the stock split in order to enable an actual increase in dividend. Consequently, the Company plans to pay a dividend of ¥20 per share, unchanged from the previous fiscal year. Accordingly, the Company will submit to the Ordinary General Meeting of Shareholders a proposal for distribution of surplus to pay a year-end dividend of ¥10 per share.

With the aim of raising corporate value, the Company allocates retained earnings for aggressive strategic investment in priority fields that offer the potential for growth and expansion outlined under its medium-term management plan, “NNI-120, Speed, Growth and Expansion.” The Company also adopts a flexible posture on shareholder returns.

For the fiscal year ending March 31, 2015, the Company plans to pay an annual dividend of ¥20 per share, in line with the aforementioned policy of profit distribution.

Furthermore, the Company has established a system of providing special privileges for shareholders owning 500 shares or more of the Company stock.

II. Business Group Performance

The Nisshin Seifun Group consists of 51 subsidiaries and 16 affiliates. The following is a description of the businesses of the Group's main subsidiaries and affiliates accounted for by the equity method by respective business segments.

(1) Flour Milling Segment

Nisshin Flour Milling Inc., a consolidated subsidiary, produces wheat flour and bran, a by-product, and sells them through sales agents. Fresh Food Service Co., Ltd., a consolidated subsidiary, primarily sells frozen foods and their ingredients and operates restaurants serving food using wheat flour-based commercial ingredients. It purchases wheat flour and other ingredients from Nisshin Flour Milling. Yamajo Shoji Co., Ltd., a consolidated subsidiary, and Ishikawa Co., Ltd., an affiliate accounted for by the equity method, are Nisshin Flour Milling sales agents. Ishikawa also sells packaging materials to Nisshin Flour Milling.

Miller Milling Company, LLC in the United States, Rogers Foods Ltd. in Canada and Nisshin-STC Flour Milling Co., Ltd. in Thailand, all of which are consolidated subsidiaries, produce wheat flour and sell it in the North American and Asian markets, respectively. Champion Flour Milling Ltd., a consolidated subsidiary in New Zealand, produces and sells wheat flour in New Zealand.

(2) Processed Food Segment

Nisshin Foods Inc., a consolidated subsidiary, produces and sells prepared mix and other processed food products. It sells wheat flour for household use purchased from Nisshin Flour Milling and frozen foods and other processed foods procured from companies outside the Nisshin Seifun Group. Nisshin Seifun Premix Inc., a consolidated subsidiary, produces and sells prepared mix. Ma•Ma-Macaroni Co., Ltd., a consolidated subsidiary, produces pasta whose primary ingredient is wheat flour produced by Nisshin Flour Milling and sells the pasta through Nisshin Foods. Initio Foods Inc., a consolidated subsidiary, produces and sells frozen and prepared foods and also directly operates concessions in stores including department stores. Daisen Ham Co., Ltd., also a consolidated subsidiary, produces and sells processed meat products.

Thai Nisshin Technomic Co., Ltd., a consolidated subsidiary in Thailand, manufactures prepared mix and sells it in Southeast Asia. Shin Nisshin Seifun Foods (Qingdao) Co., Ltd., a consolidated subsidiary in China, manufactures prepared mix and sells it in mainland China. PT. Indonesia Nisshin Technomic in Indonesia sells prepared mix in Southeast Asia. Medallion Foods, Inc., a consolidated subsidiary in the United States, produces pasta and Thai Nisshin Seifun Co., Ltd., a consolidated subsidiary in Thailand, produces pasta sauce and frozen food. Nisshin Foods is the primary importer and seller of these products in Japan. Vietnam Nisshin Seifun Co., Ltd., a consolidated subsidiary that manufactures and sells cooked and processed foods, was established in Vietnam in June 2013.

Oriental Yeast Co., Ltd., a consolidated subsidiary, manufactures and sells cake and bread ingredients and biochemical products, as well as operating a life science business.

Nisshin Pharma Inc., a consolidated subsidiary, manufactures and sells healthcare foods and pharmaceuticals.

Tokatsu Foods Co., Ltd., an affiliate accounted for by the equity method, produces and sells cooked foods, including *bento* lunch boxes, prepared foods and others.

(3) Others Segment

Nisshin Petfood Inc., a consolidated subsidiary, manufactures and sells pet foods.

Nisshin Engineering Inc., a consolidated subsidiary, undertakes design, contracted construction and management of production and processing facilities for grain, food products, and chemical products. In addition, it manufactures and sells powder-processing machines and engages in powder-processing, as well as engaging in contracted construction for some Nisshin Seifun Group companies.

NBC Meshtec Inc., a consolidated subsidiary, manufactures and sells mesh cloths and forming filters.

Marubeni Nisshin Feed Co., Ltd., an affiliate accounted for by the equity method, manufactures and sells compound feed.

Japan Logistic Systems Corp., an affiliate accounted for by the equity method, is engaged in overland freight shipping and storage. It ships and stores some of the Group's products. Nisshin Grain Silo Inc. and Hanshin Silo Co., Ltd., both consolidated subsidiaries as well as Chiba Kyodo Silo Co., Ltd., an affiliate accounted for by the equity method, are engaged in handling and storage operations for grain. Shinwa Development Co., Ltd., a consolidated subsidiary, operates sports facilities.

The diagram on the following page illustrates the structure of the Nisshin Seifun Group.

Nisshin Seifun Group Structure

Nisshin Seifun Group Inc. (Holding company)

○ Jinzhu (Yantai) Food Research and Development Co., Ltd.

Flour Milling Segment

Domestic	Overseas

⊙ Nisshin Flour Milling Inc.
  ⊙ Fresh Food Service Co., Ltd.
  ⊙ Yamajo Shoji Co., Ltd.
  ○ Ishikawa Co., Ltd.
	⊙ Miller Milling Company, LLC
	⊙ Champion Flour Milling Ltd.
	⊙ Rogers Foods Ltd.
	⊙ Nisshin-STC Flour Milling Co., Ltd.
	⊙ NSTC Trading Co., Ltd.

Processed Food Segment

Domestic	Overseas

(Processed food business)
⊙ Nisshin Foods Inc.
  ⊙ Nisshin Seifun Premix Inc.
  ⊙ Ma•Ma-Macaroni Co., Ltd.
  ⊙ Initio Foods Inc.
  ⊙ Daisen Ham Co., Ltd.
	⊙ Thai Nisshin Technomic Co., Ltd.
	⊙ Shin Nisshin Seifun Foods (Qingdao) Co., Ltd.
	⊙ PT. Indonesia Nisshin Technomic
	⊙ Medallion Foods, Inc.
	⊙ Thai Nisshin Seifun Co., Ltd.
	⊙ Vietnam Nisshin Seifun Co., Ltd.

(Yeast and biotechnology business)
⊙ Oriental Yeast Co., Ltd.
  ⊙ Pany Delica Co., Ltd.
  ⊙ OYC Foods Net Co., Ltd.
  ⊙ Nihon Bioresearch Inc.
  ⊙ Kitayama Labes Co., Ltd.
  ⊙ Oriental Bio Service Inc.
  ⊙ KBT Oriental Co., Ltd.
	⊙ OYC Americas, Inc.
	⊙ OYC EU B.V.

(Healthcare foods business) ⊙ Nisshin Pharma Inc.	
○ Tokatsu Foods Co., Ltd.	

Others Segment

Domestic	Overseas
(Pet food business) ⊙ Nisshin Petfood Inc.	
(Engineering business) ⊙ Nisshin Engineering Inc.	
(Mesh cloths business) ⊙ NBC Meshtec Inc. ⊙ NBC Metalmesh Inc.	⊙ PT. NBC Indonesia ⊙ Dynamesh, Inc. ⊙ NBC (Shanghai) Mesh Co., Ltd.
○ Marubeni Nisshin Feed Co., Ltd.	
○ Japan Logistic Systems Corp. ⊙ Nisshin Grain Silo Inc. ⊙ Hanshin Silo Co., Ltd. ○ Chiba Kyodo Silo Co., Ltd. ⊙ Shinwa Development Co., Ltd.	

→ Customers

7 other consolidated subsidiaries and 5 other affiliates accounted for by the equity method

⊙ Consolidated subsidiaries
○ Subsidiaries and affiliates accounted for by the equity method

Subsidiaries and Affiliates

Name	Location	Paid-in capital	Main business
Consolidated subsidiaries Nisshin Flour Milling Inc.	Chiyoda-ku, Tokyo	Millions of yen 14,875	Production and sales of wheat flour
Miller Milling Company, LLC	Minnesota, U.S.	86	Production and sales of wheat flour
Champion Flour Milling Ltd.	Auckland, New Zealand	3,491	Production and sales of wheat flour
Nisshin Foods Inc.	Chiyoda-ku, Tokyo	5,000	Sales of pasta, wheat flour for consumer use, frozen foods, other products Production and sales of prepared mix
Nisshin Seifun Premix Inc.	Chuo-ku, Tokyo	400	Production and sales of prepared mix
Ma•Ma-Macaroni Co., Ltd.	Utsunomiya, Tochigi	350	Production and sales of pasta
Initio Foods Inc.	Chiyoda-ku, Tokyo	487	Production and sales of frozen foods and prepared foods Direct operation of concessions in department stores, etc.
Oriental Yeast Co., Ltd.	Itabashi-ku, Tokyo	2,617	Production and sales of cake and bread ingredients and biochemical products, life science business
Nisshin Pharma Inc.	Chiyoda-ku, Tokyo	2,689	Production and sales of healthcare foods and pharmaceuticals, etc.
Nisshin Petfood Inc.	Chiyoda-ku, Tokyo	1,315	Production and sales of pet foods
Nisshin Engineering Inc.	Chuo-ku, Tokyo	107	Design, contracted construction and management of production facilities and other facilities, sales of powder-processing machines
NBC Meshtec Inc.	Hino-shi, Tokyo	1,992	Manufacturing and sales of mesh cloths and forming filters
34 other consolidated subsidiaries			
Affiliates accounted for by the equity method Marubeni Nisshin Feed Co., Ltd.	Chuo-ku, Tokyo	5,500	Production and sales of compound feed
Tokatsu Foods Co., Ltd.	Kohoku-ku, Yokohama, Kanagawa	100	Production and sales of such cooked foods as *bento* lunch boxes and prepared foods
Japan Logistic Systems Corp.	Shinagawa-ku, Tokyo	3,145	Overland freight shipping and storage.
8 other companies			

Notes: 1. Nisshin Flour Milling, Inc., Champion Flour Milling Ltd., Nisshin Foods Inc., Oriental Yeast Co., Ltd., Nisshin Pharma Inc., NBC Meshtec Inc., Nisshin-STC Flour Milling Co., Ltd. and PT. NBC Indonesia are specified subsidiaries of Nisshin Seifun Group Inc. Nisshin-STC Flour Milling Co., Ltd. and PT. NBC Indonesia are included in other consolidated subsidiaries.

2. The following company is listed on a stock exchange in Japan:
An affiliate accounted for by the equity method: Japan Logistic Systems Corp. (JASDAQ)

III. Business Policies

(1) Basic Business Policy

The Nisshin Seifun Group espouses two corporate philosophies: “the basis of business is built on trust” and “in tune with the changing business climate.” In combination with the principle “to contribute to a healthy and fruitful life for all,” these philosophies have formed the foundation for the Group to achieve continued growth and expansion of its businesses. In addition, the Group has adopted “Delivering Good Health and Reliability” as its corporate slogan. This expresses the commitment that every Nisshin Seifun Group member firm should strive to deliver products and services that contribute positively to health and build consumer trust.

Based on this philosophy, in its role as the holding company of the Nisshin Seifun Group, the Company specifies long-term maximization of corporate value as the key business goal. Group management prioritizes the investment of resources in core operations and businesses with growth potential.

The Group also promotes internal reform while fulfilling its corporate social responsibilities in terms of enhancing its internal control systems, legal and regulatory compliance, food safety, environmental protection and social contribution. The Nisshin Seifun Group is fully committed to gaining the support of all stakeholders, including shareholders, customers, business partners, employees and local communities.

(2) Medium-to-Long-term Business Strategy and Target Indicators

Taking a long-term perspective focused through 2020, our 120th year of operation, we launched our new medium-term management plan “NNI-120, Speed, Growth and Expansion” in April 2012.

Under this medium-term management plan, with the goals of achieving net sales of ¥1 trillion and a ratio of overseas sales to total net sales of at least 30% in the near future, we have positioned top-line (net sales) growth and overseas business expansion as our first order of business. In order to accomplish our established goals, we will upgrade and bolster our internal organization and proactively pursue M&As and alliances. In addition, we will engage in both the production and supply of safe and reliable products while putting in place a competitive cost structure that is more than capable of confronting the pressures imposed by imported products. In this manner, we will remain competitive in any and all environments.

Through the implementation of such strategies, the Group aims to achieve sustained growth in earnings per share (EPS) over the long term, while also greatly raising group value through raising net sales, ordinary income, net income and return on equity (ROE: defined as net income divided by shareholders’ equity).

(3) Issues to be Addressed

Japan’s food industry is grappling with a variety of concerns, among them market contraction as the country’s population declines, the impact of a higher consumption tax on consumer spending, and rising prices for imported raw materials due to the depreciated yen. Adding to these concerns is the projected acceleration in global competition depending on the outcome of international trade negotiations, including the Trans-Pacific Partnership (TPP) and economic partnership agreements (EPA).

Under these circumstances, the Nisshin Seifun Group will continue to fulfill its mission of securing stable supplies of wheat flour and other staple foods for the Japanese people, and will strive to provide customers with safe and reliable products from all of its businesses. At the same time, we will move quickly to enact the strategies contained in our medium-term management plan to stimulate business growth and expansion.

1) Domestic Business Strategies

Regarding the flour milling business, we will strengthen promotion of value-added services that offer total solutions to customers and realize a further increase in market share. As a measure to strengthen cost competitiveness, we are concentrating production at large-scale plants located near ports. This effort saw the start of operations at a new plant in Fukuoka, Japan, in February 2014, and the start of construction work on the addition of a new production line at the Chita Plant in Aichi, Japan, scheduled to start operations in May 2015.

In the processed food business, we will pursue measures to boost brand loyalty by launching products that create new markets and propose new eating options, deploying sales promotion measures and other promotional activities. At the same time, we will push for greater expansion in the growth fields of prepared dishes and other prepared foods and the frozen food product businesses. In the frozen food business, we decided to construct a new site for frozen food products at the Kobe Plant of Ma•Ma-Macaroni Co., Ltd., set to begin operating in May 2015.

In the yeast, biotechnology, healthcare foods, pet food, engineering and mesh cloths businesses, our plan is to seek growth by product and technology developments that will culminate in groups of businesses with real presence in their respective industries.

2) Overseas Business Strategies

The Group places expansion of overseas business as one of its top priority strategies and will actively promote overseas business strategies.

In the flour milling business, U.S.-based Miller Milling Company, LLC, where production capacity was upgraded last year by 30%, opted in April 2014 to newly acquire four flour milling plants in the United States. This purchase will bring the total number of plants under Miller Milling Company, LLC to six, and give it the fourth largest production capacity in the country. Going forward, collaboration with Rogers Foods Ltd. in Canada is set to yield further growth in the North American market. Similarly, we are eyeing sales expansion by taking advantage of the Group’s strengths in flour milling technology and proposals in the Asian market through Nisshin-STC Flour Milling Co., Ltd. in Thailand, where production capacity was upgraded by 20%, and in the Oceania market through Champion Flour Milling Ltd. in New Zealand.

In the processed food business, in line with further expansion of the prepared mix business and its projected growth in the Asian market, we will move to boost production capacity by 25% at Thai Nisshin Technomic Co., Ltd. by this year’s end. Similarly, construction is progressing with a scheduled start date this fall on a production plant for pasta sauces and other cooked and processed foods at Vietnam Nisshin Seifun Co., Ltd. in Vietnam, followed by construction with a scheduled start date of April 2015 of a pasta production site at joint venture Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S. With these moves, we are broadening our scope beyond the Japanese market to sell pasta-related products in overseas markets as well.

Moreover, in the flour milling, processed food, and bakery-related businesses in particular, we will move with speed to promote business expansion in new domains, either through the Company’s own proprietary efforts or through M&A and alliance opportunities.

3) R&D Strategies and Cost Strategies

The Group takes on the perspective of its customers in the development of new products, and is engaged in the creation of basic and core technologies in new domains. High value-added products that are novel and unique will be developed continuously. In research, we will clarify our priority research domains in order to promote the commercialization and practical application of research results. At the same time, we will establish research themes closely aligned with business strategies to increase efficiency and speed.

Regarding raw material and energy markets, for which significant fluctuations are expected to continue, the Nisshin Seifun Group will work to reduce production and procurement costs and build an operational foundation that is capable of securing earnings that properly reflect changing costs.

4) Measures Addressing Systemic Changes in Wheat Policy, and Others

We anticipate that the progress of ongoing international trade negotiations, including the Trans-Pacific Partnership (TPP) and economic partnership agreements (EPA), will have a major impact on the current regime regarding wheat policy and wheat-flour-related industries. While vigilantly monitoring conditions, including anticipated systemic changes, we will accelerate our drive to develop the Nisshin Seifun Group into a strong, globally competitive enterprise.

5) Corporate Social Responsibility (CSR)

The Nisshin Seifun Group has fulfilled its responsibilities as a corporate citizen in all its business activities and aims to retain its status as a corporate entity that plays an increasingly essential role in society. To this end, the Group established a Social Committee to study and develop basic attitudes and tangible actions with regard to all stakeholders.

The Nisshin Seifun Group has positioned implementation of CSR activities, such as quality assurance systems, environmental conservation and enhanced compliance through internal control, as one of its top management priorities and is taking thoroughgoing steps to ensure a Group-wide commitment.

Regarding quality assurance (QA), to ensure the delivery to customers of safe and reliable products, we are strengthening our hand in the areas of food safety and food defense. The CR (Consumer Relations) Office, which is charged with the responsibilities of identifying consumer mindsets and social trends while providing timely and appropriate direction as to what actions need to be taken, will actively collect relevant consumer administrative information as well as consumer opinion and their needs. In this manner, every effort is made to enhance Group customer relations. Furthermore, to secure the stable supply of wheat flour and other staple foods for the Japanese people, we have enhanced preparation ahead of future disasters through our business continuity planning (BCP).

Regarding environmental preservation, we have always taken the initiative in working to reduce the environmental burden through energy saving, reduction of waste and responding to power-related issues.

For internal control, the Group is doing more than what is required by the Financial Instruments and Exchange Act by extensively reconstructing its internal control systems group-wide. These systems are monitored by a dedicated department to maintain their integrity and seek further improvements.

Further, the Nisshin Seifun Group, as a member of society, will make efforts to widen its range of social contribution activities. We will continue to support restoration of the areas affected by the Great East Japan Earthquake, make regional contributions through the Nisshin Seifun (Flour Milling) Museum as a regional tourism resource and educational asset, and support the activities of the WFP (World Food Program).

The Nisshin Seifun Group will continue to strive to fulfill its corporate social responsibilities.

IV. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2013 (As of March 31, 2013)		Fiscal 2014 (As of March 31, 2014)	
Assets				
Current assets				
Cash and deposits		56,722		49,104
Notes and accounts receivable – trade		65,393		67,486
Short-term investment securities		19,433		28,869
Inventories	*1	61,904	*1	58,484
Deferred tax assets		5,501		5,597
Other		9,723		7,089
Allowance for doubtful accounts		(210)		(222)
Total current assets		218,468		216,409
Noncurrent assets				
Property, plant and equipment				
Buildings and structures, net	*2, *3, *5	44,651	*2, *3, *5	49,187
Machinery, equipment and vehicles, net	*2, *3, *5	29,608	*2, *3, *5	35,089
Land	*5	36,152	*5	38,143
Construction in progress		7,735		3,830
Other, net	*2, *5	2,827	*2, *5	2,689
Total property, plant and equipment		120,975		128,939
Intangible assets				
Goodwill		4,373		5,008
Other		8,372		7,990
Total intangible assets		12,746		12,998
Investments and other assets				
Investment securities	*4, *5	100,643	*4, *5	105,975
Net defined benefit asset		–		487
Deferred tax assets		3,219		3,808
Other	*4	5,949	*4	2,553
Allowance for doubtful accounts		(152)		(132)
Total investments and other assets		109,660		112,692
Total noncurrent assets		243,382		254,630
Total assets		461,851		471,039

(Millions of yen)

	Fiscal 2013 (As of March 31, 2013)	Fiscal 2014 (As of March 31, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	56,309	45,785
Short-term loans payable	*5 5,260	*5 6,607
Income taxes payable	4,844	4,481
Accrued expenses	16,072	17,725
Other	16,988	15,833
Total current liabilities	99,474	90,433
Noncurrent liabilities		
Long-term loans payable	3,207	3,367
Deferred tax liabilities	14,619	15,828
Provision for retirement benefits	18,925	–
Provision for repairs	1,559	1,574
Net defined benefit liability	–	19,073
Long-term deposits received	5,485	5,658
Other	1,142	1,011
Total noncurrent liabilities	44,940	46,514
Total liabilities	144,414	136,947
Net assets		
Shareholders' equity		
Capital stock	17,117	17,117
Capital surplus	9,460	9,483
Retained earnings	256,453	266,581
Treasury stock	(3,188)	(3,088)
Total shareholders' equity	279,843	290,094
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	29,894	32,253
Deferred gains or losses on hedges	148	21
Foreign currency translation adjustment	(833)	4,237
Remeasurements of defined benefit plans	–	(1,831)
Total accumulated other comprehensive income	29,209	34,680
Subscription rights to shares	232	260
Minority interests	8,150	9,057
Total net assets	317,436	334,092
Total liabilities and net assets	461,851	471,039

(2) Consolidated Statements of Income and Comprehensive Income

[Consolidated Statements of Income]

(Millions of yen)

	Fiscal 2013 (April 1, 2012 to March 31, 2013)	Fiscal 2014 (April 1, 2013 to March 31, 2014)
Net sales	455,566	495,930
Cost of sales	316,141	348,619
Gross profit	139,424	147,311
Selling, general and administrative expenses	117,684	125,036
Operating income	21,740	22,274
Non-operating income		
Interest income	192	214
Dividends income	1,629	1,742
Equity in earnings of affiliates	598	839
Rent income	331	323
Other	539	502
Total non-operating income	3,291	3,622
Non-operating expenses		
Interest expenses	138	166
Other	150	150
Total non-operating expenses	289	317
Ordinary income	24,742	25,579
Extraordinary income		
Gain on sales of noncurrent assets	187	147
Gain on sales of investment securities	39	507
Gain on sales of investments in capital of subsidiaries and affiliates	47	–
Gain on bargain purchase	–	285
Subsidy income	–	200
Other	14	–
Total extraordinary income	289	1,140
Extraordinary losses		
Loss on retirement of noncurrent assets	524	712
Litigation expenses	170	450
Loss on affiliate production base redeployment	–	183
Impairment loss	1,764	–
Other	132	173
Total extraordinary losses	2,592	1,518
Income before income taxes and minority interests	22,438	25,201
Income taxes – current	9,331	9,159
Income taxes – deferred	(1,301)	23
Total income taxes	8,030	9,183
Income before minority interests	14,408	16,018
Minority interests in income	719	919
Net income	13,688	15,098

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Fiscal 2013 (April 1, 2012 to March 31, 2013)	Fiscal 2014 (April 1, 2013 to March 31, 2014)
Income before minority interests	14,408	16,018
Other comprehensive income		
Valuation difference on available-for-sale securities	7,074	2,341
Deferred gains or losses on hedges	3	(137)
Foreign currency translation adjustment	2,294	5,451
Share of other comprehensive income of affiliates accounted for by the equity method	164	262
Total other comprehensive income	*1 9,536	*1 7,918
Comprehensive income	23,945	23,936
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	22,628	22,401
Comprehensive income attributable to minority interests	1,317	1,535

(3) Consolidated Statements of Changes in Net Assets

Fiscal 2013 (April 1, 2012 to March 31, 2013)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	17,117	9,453	247,736	(3,186)	271,120
Changes of items during the period					
Dividends from surplus			(4,970)		(4,970)
Net income			13,688		13,688
Purchase of treasury stock				(30)	(30)
Disposal of treasury stock		6		29	36
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	6	8,717	(1)	8,723
Balance at the end of current period	17,117	9,460	256,453	(3,188)	279,843

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	22,776	170	(2,677)	–	20,269	188	7,220	298,798
Changes of items during the period								
Dividends from surplus								(4,970)
Net income								13,688
Purchase of treasury stock								(30)
Disposal of treasury stock								36
Net changes of items other than shareholders' equity	7,117	(22)	1,844	–	8,939	43	930	9,914
Total changes of items during the period	7,117	(22)	1,844	–	8,939	43	930	18,637
Balance at the end of current period	29,894	148	(833)	–	29,209	232	8,150	317,436

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

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	17,117	9,460	256,453	(3,188)	279,843
Changes of items during the period					
Dividends from surplus			(4,971)		(4,971)
Net income			15,098		15,098
Purchase of treasury stock				(28)	(28)
Disposal of treasury stock		23		128	151
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	23	10,127	100	10,251
Balance at the end of current period	17,117	9,483	266,581	(3,088)	290,094

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	29,894	148	(833)	–	29,209	232	8,150	317,436
Changes of items during the period								
Dividends from surplus								(4,971)
Net income								15,098
Purchase of treasury stock								(28)
Disposal of treasury stock								151
Net changes of items other than shareholders' equity	2,358	(127)	5,070	(1,831)	5,470	27	906	6,404
Total changes of items during the period	2,358	(127)	5,070	(1,831)	5,470	27	906	16,655
Balance at the end of current period	32,253	21	4,237	(1,831)	34,680	260	9,057	334,092

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2013 (April 1, 2012 to March 31, 2013)	Fiscal 2014 (April 1, 2013 to March 31, 2014)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	22,438	25,201
Depreciation and amortization	13,749	13,669
Impairment loss	1,764	–
Amortization of goodwill	330	637
Increase (decrease) in provision for retirement benefits	494	–
Increase (decrease) in retirement benefit liability	–	217
Decrease (increase) in prepaid pension costs	430	–
Decrease (increase) in retirement benefit asset	–	403
Interest and dividends income	(1,822)	(1,957)
Interest expenses	138	166
Equity in (earnings) losses of affiliates	(598)	(839)
Loss (gain) on sales of investment securities	(38)	(507)
Gain on bargain purchase	–	(285)
Decrease (increase) in notes and accounts receivable – trade	67	(1,391)
Decrease (increase) in inventories	943	5,027
Increase (decrease) in notes and accounts payable – trade	6,183	(11,089)
Other, net	251	967
Subtotal	44,335	30,220
Interest and dividends income received	2,214	2,372
Interest expenses paid	(166)	(162)
Income taxes paid	(11,903)	(7,372)
Net cash provided by (used in) operating activities	34,479	25,058
Net cash provided by (used in) investing activities		
Payments into time deposits	(32,060)	(4,739)
Proceeds from withdrawal of time deposits	40,042	22,496
Purchase of short-term investment securities	(17,964)	(20,640)
Proceeds from sales of short-term investment securities	15,984	20,638
Purchase of property, plant and equipment and intangible assets	(17,407)	(18,636)
Proceeds from sales of property, plant and equipment and intangible assets	396	61
Purchase of investment securities	(1,657)	(1,945)
Proceeds from sales of investment securities	200	708
Purchase of stocks of subsidiaries and affiliates	(7,700)	(559)
Payments for transfer of business	*3 (3,564)	*3 (190)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	*2 (235)	–
Other, net	113	1,009
Net cash provided by (used in) investing activities	(23,854)	(1,797)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	41	1,361
Decrease in short-term loans payable	(384)	(1,307)
Proceeds from long-term loans payable	2,932	309
Repayment of long-term loans payable	(1,523)	(6)
Proceeds from sales of treasury stock	36	151
Purchase of treasury stock	(30)	(28)
Cash dividends paid	(4,970)	(4,971)
Other, net	(688)	(582)
Net cash provided by (used in) financing activities	(4,587)	(5,072)
Effect of exchange rate change on cash and cash equivalents	823	1,247
Net increase (decrease) in cash and cash equivalents	6,862	19,435
Cash and cash equivalents at beginning of period	46,387	53,249
Cash and cash equivalents at end of period	*1 53,249	*1 72,685

(5) Notes to the Consolidated Financial Statements

[Going Concern Considerations]

There are no applicable matters to be reported.

[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 principles

(1) Valuation standards and methodology for material assets

a. 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.

b. Derivatives

Derivative financial instruments are stated at fair market value.

c. 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

a. 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.

b. 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.

c. 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.

a. 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.

b. 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

a. 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.

b. 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.

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

d. 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) Cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents as stated in the consolidated statements of cash flows consist of cash in hand, readily available deposits, and any short-term liquid investments with a maturity not exceeding three months at the time of purchase whose value is not subject to significant fluctuation risk.

(8) Consumption tax

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

[Changes in Accounting Policies]

(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.

[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 establishment of the joint venture

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

[Consolidated Balance Sheets]

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

1. Components of inventories

	Fiscal 2013	Fiscal 2014
Merchandise and finished goods	¥24,316 million	¥26,312 million
Work in process	¥3,592 million	¥3,609 million
Raw materials and supplies	¥33,996 million	¥28,561 million

2. Accumulated depreciation of property, plant and equipment

Fiscal 2013	Fiscal 2014
¥244,383 million	¥254,832 million

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

	Fiscal 2013	Fiscal 2014
Accumulated reduction entry of property, plant and equipment	¥357 million	¥370 million

4. Amounts corresponding to non-consolidated subsidiaries and affiliates are as follows.

	Fiscal 2013	Fiscal 2014
Investment securities	¥23,810 million	¥23,943 million
Others	¥182 million	¥157 million

5. Assets pledged as collateral

	Fiscal 2013	Fiscal 2014
Assets pledged as collateral		
Buildings and structures	¥1,260 million	¥1,211 million
Machinery, equipment and vehicles	¥520 million	¥522 million
Investment securities[Note]	¥3,766 million	¥4,138 million
Other	¥117 million	¥113 million
Secured debts		
Short-term loans payable	¥200 million	¥200 million

(Note) In order to secure loans payable of ¥8,300 million for affiliates, investment securities were pledged as a third-party guarantee.
From the fiscal year under review, the maximum is set at ¥3,000 million.

6. Warranty liabilities

Fiscal 2013	Fiscal 2014
¥60 million	¥44 million

[Consolidated Statements of Income]

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

[Consolidated Statements of Comprehensive Income]

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

1. Amount for reclassification adjustment pertaining to other comprehensive income and tax effect

	Fiscal 2013	Fiscal 2014
Valuation difference on available-for-sale securities		
Gain in the current period	¥10,969 million	¥3,969 million
Reclassification adjustment	¥(0) million	¥(505) million
Before tax effect adjustment	¥10,968 million	¥3,464 million
Tax effect	¥(3,893) million	¥(1,122) million
Valuation difference on available-for-sale securities	¥7,074 million	¥2,341 million
Deferred gains or losses on hedges		
Gain (Loss) in the current period	¥21 million	¥(242) million
Reclassification adjustment	¥(13) million	¥28 million
Before tax effect adjustment	¥8 million	¥(214) million
Tax effect	¥(4) million	¥77 million
Deferred gains or losses on hedges	¥3 million	¥(137) million
Foreign currency translation adjustment		
Gain in the current period	¥2,294 million	¥5,451 million
Share of other comprehensive income of affiliates accounted for by the equity method		
Gain in the current period	¥164 million	¥262 million
Total other comprehensive income	¥9,536 million	¥7,918 million

[Consolidated Statements of Changes in Net Assets]

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

Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

1. Type and number of issued shares and treasury stock

(Thousands of shares)

	Number of shares at the beginning of the year	Increase in shares during the year	Decrease in shares during the year	Number of shares at the end of the year
Issued shares Common stock	251,535	—	—	251,535
Treasury stock Common stock	3,062	30	27	3,064

Notes:

1. Portion of the increase in common stock accounted for by treasury stock:
   30 thousand shares, as result of repurchasing sub-MTU (minimum trading unit) shares
2. Portion of the decrease in common stock accounted for by treasury stock:
   1 thousand shares, as result of selling sub-MTU (minimum trading unit) shares, and
   26 thousand shares, as result of exercise of stock options

2. Subscription rights to shares and treasury subscription rights to shares

Category	Composition of subscription rights to shares	Type of shares to be issued	Number of shares to be issued				Balance at the end of the year (millions of yen)
			At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year	
Nisshin Seifun Group, Inc. (parent company)	Subscription rights to shares as stock options	—					232
Total		—					232

3. Dividends

(1) Dividends paid

The following resolution was made at the Ordinary General Meeting of Shareholders held on June 27, 2012.

- Dividends on common stock:

i)	Total dividends to be paid	¥2,485 million
ii)	Dividend per share	¥10
iii)	Record date	March 31, 2012
iv)	Effective date	June 28, 2012

The following resolution was made at the meeting of the Board of Directors held on October 30, 2012.

- Dividends on common stock:

i)	Total dividends to be paid	¥2,485 million
ii)	Dividend per share	¥10
iii)	Record date	September 30, 2012
iv)	Effective date	December 7, 2012

(2) Dividends for which the record date came during the fiscal year ended March 31, 2013, but for which the effective date will come after said period

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

- Dividends on common stock:

i)	Total dividends to be paid	¥2,485 million
ii)	Source of dividends	Retained earnings
iii)	Dividend per share	¥10
iv)	Record date	March 31, 2013
v)	Effective date	June 27, 2013

Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

1. Type and number of issued shares and treasury stock

(Thousands of shares)

	Number of shares at the beginning of the year	Increase in shares during the year	Decrease in shares during the year	Number of shares at the end of the year
Issued shares Common stock	251,535	25,153	—	276,688
Treasury stock Common stock	3,064	326	127	3,264

Notes:

1. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock.
2. Portion of the increase in common stock accounted for by issued shares:
   25,153 thousand shares, as result of stock split
3. Portion of the increase in common stock accounted for by treasury stock:
   301 thousand shares, as result of stock split,
   25 thousand shares, as result of repurchasing sub-MTU (minimum trading unit) shares, and
   0 thousand shares, as result of portion of treasury shares (Company's own shares) belonging to the Company acquired by affiliates accounted for by the equity method
4. Portion of the decrease in common stock accounted for by treasury stock:
   0 thousand shares, as result of selling sub-MTU (minimum trading unit) shares, and
   126 thousand shares, as result of exercise of stock options

2. Subscription rights to shares and treasury subscription rights to shares

Category	Composition of subscription rights to shares	Type of shares to be issued	Number of shares to be issued				Balance at the end of the year (millions of yen)
			At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year	
Nisshin Seifun Group, Inc. (parent company)	Subscription rights to shares as stock options	—					260
Total		—					260

3. 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:

i)	Total dividends to be paid	¥2,485 million
ii)	Dividend per share	¥10
iii)	Record date	March 31, 2013
iv)	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:

i)	Total dividends to be paid	¥2,485 million
ii)	Dividend per share	¥10
iii)	Record date	September 30, 2013
iv)	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:

i)	Total dividends to be paid	¥2,734 million
ii)	Source of dividends	Retained earnings
iii)	Dividend per share	¥10
iv)	Record date	March 31, 2014
v)	Effective date	June 27, 2014

[Consolidated Statements of Cash Flows]

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

1. The reconciliation between fiscal year-end balance of cash and cash equivalents and amounts stated in the consolidated balance sheets is as follows.

	Fiscal 2013 (As of March 31, 2013)	Fiscal 2014 (As of March 31, 2014)
Cash and deposits	¥56,722 million	¥49,104 million
Short-term investment securities	¥19,433 million	¥28,869 million
Total	¥76,156 million	¥77,974 million
Time deposits with maturities of more than three months	¥(18,065) million	¥(325) million
Debt securities with maturities of more than three months	¥(4,841) million	¥(4,963) million
Cash and cash equivalents at end of period	¥53,249 million	¥72,685 million

2. Breakdown of main assets and liabilities of companies that became consolidated subsidiaries as a result of the purchase of shares

   Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

   Accounts payable in the amount of ¥128 million for acquisition of equity interests in Miller Milling Company, LLC and two other companies that became newly consolidated subsidiaries in the previous fiscal year, and additional acquisition cost of ¥106 million, for a total expenditure of ¥235 million.

3. Major breakdown of the assets and liabilities increased by transfer of business

   Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

   A breakdown of the assets and liabilities of newly established Champion Flour Milling Ltd. acquired by transfer of the flour milling business of Goodman Fielder in New Zealand, a cost of transfer of business and net payments for transfer of business is presented as follows.

Current assets	¥1,076 million
Noncurrent assets	¥2,466 million
Goodwill	¥263 million
Current liabilities	¥(37) million
Noncurrent liabilities	¥(13) million
Cost of transfer of business	¥3,755 million
Payable portion	¥(190) million
Cash and cash equivalents	—
Payments for transfer of business	¥(3,564) million

Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

Expenditure consisted of accounts payable in the amount of ¥190 million for newly established Champion Flour Milling Ltd. in the previous fiscal year to acquire by transfer the flour milling business of Goodman Fielder in New Zealand.

[Segment Information, etc.]

[Segment information]

1. Outline of reportable segment

The Nisshin Seifun Group's reportable segments and the other businesses are components of the Group, for which discrete financial information is available and the operating results are regularly reviewed by the Company's Board of Directors to make decisions about resources to be allocated to and assess the performance of the segments.

The Company, as the holding company of the Group, plans and determines group strategies for, allocates resources to and assesses the performance of each of its businesses, which are classified by type of products and services in Flour Milling, Processed Food and Others.

The Group designates the Flour Milling and Processed Food segments as its reportable segments. Major products of the reportable segments are as follows.

Flour Milling:	Wheat flour, bran
Processed Food:	Prepared mix, wheat flour for household-use, pasta, pasta sauce, frozen food, chilled food, cake and bread ingredients, biochemical products, life science business, healthcare foods

2. Calculation methods of net sales, profit (loss), assets and other items for each reportable segment

The accounting methods used for reportable segments are largely the same as those discussed under "Basis of Presentation of Consolidated Financial Statements." Segment income figures are the same as operating income figures. Intersegment sales and transfers are based on market prices.

3. Information about net sales, profit (loss), assets and other items for each reportable segment

Year Ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(Millions of yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Carried on consolidated financial statements (Note 3)
	Flour Milling	Processed Food	Total				
Net sales							
Sales to external customers	179,127	232,867	411,995	43,570	455,566		455,566
Intersegment sales and transfers	18,241	469	18,711	4,394	23,105	(23,105)	—
Total	197,369	233,336	430,706	47,965	478,672	(23,105)	455,566
Segment income	8,504	10,411	18,915	2,915	21,831	(91)	21,740
Segment assets	159,052	145,839	304,892	62,270	367,162	94,688	461,851
Other items							
Depreciation	6,337	6,044	12,381	1,641	14,023	(274)	13,749
Investment for affiliates accounted for by the equity method	1,893	7,579	9,472	14,162	23,635	—	23,635
Increase in property, plant and equipment and intangible assets	9,637	6,398	16,036	1,652	17,689	(485)	17,203

Notes:

1. Business segment of "Others" is excluded from reportable segment, which includes pet food, engineering, mesh cloths, handling and storage businesses.
2. Segment income adjustment refers to intersegment transaction eliminations.
   The adjustment in segment assets includes the Group's assets (¥105,067 million): mainly, the Company's surplus operating cash (cash and deposits and short-term investment securities) and investment securities.
3. Segment income has been adjusted for the operating income appearing in the consolidated financial statements.

Year Ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(Millions of yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Carried on consolidated financial statements (Note 3)
	Flour Milling	Processed Food	Total				
Net sales							
Sales to external customers	207,752	243,007	450,759	45,171	495,930	—	495,930
Intersegment sales and transfers	20,046	488	20,535	4,987	25,522	(25,522)	—
Total	227,798	243,496	471,294	50,158	521,453	(25,522)	495,930
Segment income	9,381	10,054	19,435	2,828	22,264	9	22,274
Segment assets	167,931	149,387	317,319	61,134	378,454	92,585	471,039
Other items							
Depreciation	6,478	5,956	12,435	1,530	13,965	(296)	13,669
Investment for affiliates accounted for by the equity method	2,144	7,014	9,159	14,584	23,744	—	23,744
Increase in property, plant and equipment and intangible assets	11,742	6,143	17,885	796	18,682	(391)	18,290

Notes:

1. Business segment of "Others" is excluded from reportable segment, which includes pet food, engineering, mesh cloths, handling and storage businesses.
2. Segment income adjustment refers to intersegment transaction eliminations.
   The adjustment in segment assets includes the Group's assets (¥102,462 million): mainly, the Company's surplus operating cash (cash and deposits and short-term investment securities) and investment securities.
3. Segment income has been adjusted for the operating income appearing in the consolidated financial statements.

[Related information]

Year Ended March 31, 2013 (April 1, 2012 to March 31, 2013)

1. Information by geographic segment

(1) Net sales

(Millions of yen)

Japan	Other regions	Total
420,449	35,116	455,566

Note: Net sales are classified based on customer location.

(2) Property, plant and equipment

(Millions of yen)

Japan	Other regions	Total
108,177	12,798	120,975

Year Ended March 31, 2014 (April 1, 2013 to March 31, 2014)

1. Information by geographic segment

(1) Net sales

(Millions of yen)

Japan	Other regions	Total
437,385	58,545	495,930

Note: Net sales are classified based on customer location.

* For the fiscal year under review, figures are disclosed since overseas sales accounted for more than 10% of net sales posted in the consolidated statements of income.

Figures for the previous fiscal year are shown for comparison, although overseas sales did not exceed 10% of net sales posted in the consolidated statements of income.

(2) Property, plant and equipment

(Millions of yen)

Japan	Other regions	Total
113,025	15,914	128,939

[Noncurrent asset impairment losses by reportable segment]

Year Ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(Millions of yen)

	Flour Milling
Impairment loss	1,764

Year Ended March 31, 2014 (April 1, 2013 to March 31, 2014)

There are no applicable matters to be reported.

[Amortization of goodwill and unamortized balance by reportable segment]

Year Ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(Millions of yen)

	Flour Milling	Others	Total
Amortization for the year under review	306	24	330
Balance at end of the year under review	4,301	72	4,373

Year Ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(Millions of yen)

	Flour Milling	Others	Total
Amortization for the year under review	613	24	637
Balance at end of the year under review	4,959	48	5,008

[Per Share Information]

(Yen)

	Fiscal 2013	Fiscal 2014
Net assets per share	1,130.75	1,187.80
Net income per share	50.08	55.23
Fully diluted net income per share	—	55.21

Notes

1. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. Accordingly, net assets per share, net income per share and fully diluted net income per share are calculated by deeming the stock split to have occurred at the beginning of the previous consolidated fiscal year.

2. The basis of calculation for net assets per share

	As of March 31, 2013	As of March 31, 2014
Total net assets, as stated on the consolidated balance sheets (millions of yen)	317,436	334,092
Net assets associated with common stock (millions of yen)	309,053	324,775
Major components of the difference (millions of yen):		
Subscription rights to shares	232	260
Minority interests	8,150	9,057
Number of shares of common stock issued and outstanding (shares)	276,688,992	276,688,992
Number of treasury shares of common stock (shares)	3,370,954	3,264,335
Number of shares of common stock used in the calculation of net assets per share (shares)	273,318,038	273,424,657

3. Fully diluted net income per share data for fiscal 2013 has not been disclosed because there were no potential shares of common stock that had a dilutive effect.

4. The basis of calculation for net income per share and fully diluted net income per share

	Fiscal 2013	Fiscal 2014
Net income, as stated on the consolidated statements of income (millions of yen)	13,688	15,098
Amount not attributable to owners of common stock (millions of yen)	—	—
Net income associated with common stock (millions of yen)	13,688	15,098
Average number of shares of common stock during the fiscal year (shares)	273,316,674	273,364,368
Adjustment to net income (millions of yen)	—	—
Main components of increase in number of shares of common stock used in calculation of fully diluted net income per share (shares): Subscription rights to shares	—	126,913
Details of shares not included in calculation of fully diluted net income per share due to non-dilutive effect	• Subscription rights to shares Date of resolution at the General Meeting of Shareholders: June 28, 2005 (68 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 27, 2007 (47 subscription rights to shares) (107 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 26, 2008 (80 subscription rights to shares) (168 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 25, 2009 (80 subscription rights to shares) (172 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 25, 2010 (86 subscription rights to shares) (177 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 28, 2011 (93 subscription rights to shares) (258 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 27, 2012 (104 subscription rights to shares) (217 subscription rights to shares) • Preferred stocks issued by an affiliate accounted for by the equity method Tokatsu Foods Co., Ltd. Class B preferred stocks: (Number of shares issued and outstanding: 54,275)	• Subscription rights to shares Date of resolution at the General Meeting of Shareholders: June 27, 2007 (42 subscription rights to shares) (105 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 26, 2008 (56 subscription rights to shares) (148 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 26, 2013 (96 subscription rights to shares) (213 subscription rights to shares) • Preferred stocks issued by an affiliate accounted for by the equity method Tokatsu Foods Co., Ltd. Class B preferred stocks: (Number of shares issued and outstanding: 54,275)

[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 United States, the Group will further expand its business scope by leveraging the advantages of its flour milling business, namely strengths in product development and techniques and capacities to supply wheat flour that is consistent in 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 wheat 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 include 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)