Summary of Financial Statements for the Year Ended March 31, 2015 [Japanese Standards]

May 14, 2015

Listed Company Name: Nisshin Seifun Group Inc. Registered on Tokyo Stock Exchange
Code: 2002 URL: http://www.nisshin.com
Representative: Hiroshi Oeda, Representative Director and President
Contact: Hideki Machida, General Manager, Public Communications Department (General Administration Division)
Tel.: +81-3-5282-6650

Date to hold the Ordinary General Meeting of Shareholders to approve results: June 25, 2015
Date to start distributing dividends: June 26, 2015
Date to submit the Securities Report: June 25, 2015
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, 2015 (April 1, 2014 to March 31, 2015)

(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 2015	526,144	6.1	20,476	(8.1)	25,544	(0.1)	16,036	6.2
Fiscal 2014	495,930	8.9	22,274	2.5	25,579	3.4	15,098	10.3

(Note) Comprehensive income: Fiscal 2015: ¥50,988 million (up 113.0%)
Fiscal 2014: ¥23,936 million (down 0.0%)

	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 2015	53.28	53.22	4.6	5.0	3.9
Fiscal 2014	50.21	50.19	4.8	5.5	4.5

(Reference) Equity in earnings of affiliates: Fiscal 2015: ¥2,104 million Fiscal 2014: ¥839 million

(Note) On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. The Company also conducted a 1.1-for-1 stock split of shares of common stock on October 1, 2014. 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, 2015	549,307	378,715	66.8	1,218.49
March 31, 2014	471,039	334,092	68.9	1,079.82

(Reference) Equity capital: Fiscal 2015: ¥367,081 million Fiscal 2014: ¥324,775 million

(Note) On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. The Company also conducted a 1.1-for-1 stock split of shares of common stock on October 1, 2014. 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 2015	25,107	(43,636)	4,331	59,897
Fiscal 2014	25,058	(1,797)	(5,072)	72,685

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 2014	—	10.00	—	10.00	—	5,220	34.6	1.6
Fiscal 2015	—	10.00	—	12.00	—	6,353	39.6	1.8
Fiscal 2016 (forecast)	—	12.00	—	12.00	24.00		44.9	

(Note) On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. The Company also conducted a 1.1-for-1 stock split of shares of common stock on October 1, 2014. The year-end dividend will undergo an actual increase since there is no adjustment to the dividend per share in line with this stock split. For details regarding dividends, refer to "1. Analyses of Business Performance and Financial Position – (3) Basic Policy on Profit Distribution and Dividends for Fiscal 2015 and Fiscal 2016" on page 6 of the attached materials.

3. Forecast of Consolidated Business Results for the Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(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		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	278,000	12.6	7,800	(9.3)	9,800	(10.6)	6,300	(12.2)	20.91
Full year	570,000	8.3	20,500	0.1	24,300	(4.9)	16,100	0.4	53.44

* Notes

(1) Changes in important subsidiaries during the period under review (changes in specified subsidiaries involving a change in the scope of consolidation): Yes

New: 1 company Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S.

Excluded: —

(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 "V. 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, 2015	304,357,891	As of March 31, 2014	304,357,891
2) Number of treasury shares	As of March 31, 2015	3,098,077	As of March 31, 2014	3,590,768
3) Average number of shares outstanding	Fiscal 2015	300,996,604	Fiscal 2014	300,700,805

Note: On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. The Company also conducted a 1.1-for-1 stock split of shares of common stock on October 1, 2014. 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

Non-consolidated Financial Results for the Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(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 2015	16,744	(18.7)	4,641	(44.6)	6,536	(35.1)	6,811	(33.7)
Fiscal 2014	20,597	(36.5)	8,374	(56.7)	10,067	(52.0)	10,274	(51.0)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Fiscal 2015	22.63	22.60
Fiscal 2014	34.16	34.14

(Note) On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. The Company also conducted a 1.1-for-1 stock split of shares of common stock on October 1, 2014. 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, 2015	311,028	279,540	89.8	927.06
March 31, 2014	284,844	260,754	91.5	865.87

(Reference) Equity capital: Fiscal 2015: ¥279,361 million Fiscal 2014: ¥260,494 million

(Note) On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. The Company also conducted a 1.1-for-1 stock split of shares of common stock on October 1, 2014. Net assets per share are calculated by deeming the stock split to have occurred at the beginning of the previous fiscal year.

* 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 and 6 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, 2015, the Japanese economy showed signs of a modest recovery, as consumer sentiment staged a turnaround, seen in improvement in Japan's corporate performance and the country's employment and personal income landscape, as the yen's depreciation and high stock prices continued. Stimulating this growth was economic policies and financial deregulation pursued by the Japanese government and the Bank of Japan, respectively. The business environment for companies reliant on domestic demand, however, remained challenging, largely reflecting higher prices for imported raw materials and rising utility charges.

Under these conditions, the Group took steps to aggressively launch and expand sales of new products in each business area in a bid to energize markets, and worked to strengthen its business structure both domestically and abroad. In Japan, we moved to reinforce our cost competitiveness, and made strides in consolidating production in the Flour Milling Segment at large-scale plants located near ports. In the Processed Food Segment, we moved forward with preparations to begin operation of a new frozen food production site that will bolster our production and supply framework for frozen pasta. In the overseas business, several key initiatives marked steady progress, among them the acquisition of four flour milling plants in the United States, operations at a production plant in Vietnam for cooked and processed foods, and the construction of a pasta production site in Turkey.

As a result, consolidated net sales increased 6.1% year on year to ¥526,144 million, mainly atop expansion in the overseas business and sales growth domestically and abroad. In terms of profits, operating income was ¥20,476 million, down 8.1% year on year. Ordinary income decreased by 0.1% to ¥25,544 million, and net income increased by 6.2% to ¥16,036 million. The performance in profits largely reflected measures to reduce costs companywide, offset partially by rising costs for raw materials, higher sales expansion costs, and higher depreciation expenses for the flour milling plant in Fukuoka.

On October 1, 2014, the Company conducted a 1.1-for-1 stock split of shares of common stock. There was no adjustment made to the dividend per share as a result of the recent stock split, and there was an actual increase in the year-end dividend of ¥2 per share. Consequently, the Company plans to pay a full-year dividend of ¥22 per share.

[Business Overview by Segment]

(1) Flour Milling Segment

In the flour milling business, shipments of commercial wheat flour in Japan rose year on year. This growth was the result of progress in attracting new customers thanks to aggressive sales expansion measures, and came despite the impact of demand volatility triggered by a higher consumption tax rate.

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 consolidating production at large-scale plants located near ports in Japan. In the Kyushu region, such concentration of production has been completed with full-scale operations underway at the Fukuoka Plant in May 2014, taking over production formerly conducted by the inland Chikugo and Tosu plants prior to their closure. In the Chubu region, construction work on the addition of a new production line at the Chita Plant, scheduled to start operations in May 2015, is progressing smoothly. In the Kansai region, in April 2015 we completed construction to increase holding capacity by 25% at a raw wheat silo operated by Hanshin Silo Co., Ltd., located adjacent to the Higashinada Plant. This has resulted in the best structure yet for securing, storing and stably supplying raw wheat. Furthermore, for the Kanto region, we launched steps to increase raw wheat silo capacity by 25% at the Tsurumi Plant, scheduled to begin operating in June 2016.

The price of bran, a byproduct of the milling process, was weaker throughout the period.

In the overseas business, U.S. subsidiary Miller Milling Company, LLC acquired four flour milling plants in the United States in May 2014, giving it a network of six production sites and propelling it into the position of fourth largest flour milling company in the country. Together with operations in New Zealand, Canada, and Thailand, this move has expanded the proportion of overseas production capacity in the Flour Milling Segment to roughly 50%.

As a result, net sales of the Flour Milling Segment increased 14.2% from the previous fiscal year to ¥237,327 million. Operating income, meanwhile, fell 18.9% to ¥7,611 million, primarily due to an increase in costs related to sales expansion efforts in Japan and higher depreciation expenses for the Fukuoka Plant, which offset contributions from overseas subsidiaries.

(2) Processed Food Segment

In the processed food business, for household-use products, we launched new products to address needs arising from an increase in eating alone and demand for meals that are easy to prepare, proposed new eating options, and developed sales promotion measures—most notably TV commercials — and took other initiatives designed to stimulate consumption. In commercial-use products, we launched new products tailored to customer needs and took positive steps toward garnering new customers. These actions prompted brisk growth most notably in frozen food products and pasta sauces year on year. Sales in the prepared dishes and other prepared foods business rose year on year, as stronger product development capabilities attracted new customers, coupled with progress on measures to expand shipments of prepared foods to volume retailers. In the overseas business, we launched aggressive product proposals aimed at obtaining new customers, mainly in the ever-growing Chinese and Southeast Asian markets; however, the sales environment was volatile due to political instability in Thailand and other factors, and sales were lower than those of the previous fiscal year.

In response to rising costs for raw materials triggered by the yen's depreciation and high market prices, we revised pasta prices beginning from January 2015. Similar price revisions for frozen foods, pasta sauces, and prepared mix products went into effect in March 2015.

In terms of production, we made further strides in measures to strengthen product safety. We also strengthened cost competitiveness and took steps to develop a new production framework with the aim of optimizing production sites worldwide. At Vietnam Nisshin Seifun Co., Ltd., operations commenced from October 2014 at a production plant for pasta sauces and other cooked and processed foods, while Thai Nisshin Technomic Co., Ltd. boosted by its previous year's end production capacity for commercial prepared mix by 25%. Preparations are also progressing toward the start of full-scale operations in May 2015 at a pasta plant owned by joint venture Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S. in Turkey. Similarly in Japan, to bolster its production and supply structure in the growing frozen pasta market, the Company has built a new frozen food production site at the Kobe Plant of Ma•Ma-Macaroni Co., Ltd., with preparations moving toward the launch of operations in May 2015.

In the yeast business section of the yeast and biotechnology business, while sales of our mainstay yeast products were comparable to the previous fiscal year, sales decreased compared to a year earlier mainly as growth in fillings faltered. Sales in the biotechnology business section increased compared with the previous fiscal year, largely due to growth in sales of diagnostic reagents.

In the healthcare foods business, sales improved year on year, reflecting brisk sales of consumer products driven by aggressive sales promotion measures, coupled with a recovery in shipments of raw materials for pharmaceuticals.

As a result, net sales of the Processed Food Segment were up 0.8% from the same period of the previous fiscal year to ¥244,941 million. Operating income, however, fell 3.2% to ¥9,728 million, mainly due to rising costs for raw materials tracking the yen's depreciation and increased costs for sales expansion efforts in Japan.

(3) Others Segment

In the pet food business, shipments mainly of premium pet food were brisk chiefly due to sales promotion measures including the aggressive launch of new products and TV commercials, resulting in higher sales compared to the previous fiscal year.

In the engineering business, sales further strengthened in the mainstay plant engineering business, mainly attributable to a greater proportion of large-scale projects within the Group, with sales outside the Group decreased from the previous fiscal year.

In the mesh cloths business, sales surpassed the previous fiscal year's level, stimulated by increased shipments of metallic fiber mesh cloth used primarily in solar panels and brisk sales of forming filters mainly for automobile parts.

As a result, net sales of the Others Segment decreased 2.9% to ¥43,874 million, but operating income increased 25.1% to ¥3,540 million.

2) Business Outlook

For the Japanese economy, signs of a modest economic recovery are emerging, including a rebound in corporate performance and the employment landscape. The environment surrounding the Group, however, is projected to remain severe, reflecting the continued preference for lower-priced options among consumers and high prices for imported raw materials, among other factors. Under these circumstances, the Group will continue to fulfill our mission of securing stable supplies of wheat flour and other staple foods for the people, and will strive to provide customers with safe and reliable products. In each business, we are committed to developing new customer-centric products, as well as advancing advertising activities and other sales promotion measures alongside productivity improvements and similar cost reduction steps, all while continuing to promote overseas business expansion. In the flour milling business, we will conduct in Japan and overseas the promotion of value-added services that provide total solutions to customers, putting emphasis on further strengthening relationships with existing customers and attracting new customers. In the processed food business, we will pursue measures to boost brand loyalty and stimulate consumption by launching new products tailored to customer needs, continuously deploying advertising campaigns, and developing other sales promotion measures.

Considering the aforementioned factors, consolidated net sales for the fiscal year ending March 31, 2016 are forecast to rise 8.3% year on year to ¥570,000 million. From a profit perspective, operating income is projected to climb 0.1% to ¥20,500 million. Ordinary income is expected to fall 4.9% to ¥24,300 million, while profit attributable to owners of the parent is expected to increase 0.4% from the fiscal year under review to ¥16,100 million.

(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, 2015, was as follows.

Current assets increased ¥13,395 million from the previous fiscal year-end to ¥229,804 million, due to a decrease in cash and deposits and increases in notes and accounts receivable – trade and inventories etc. Noncurrent assets increased ¥64,872 million from the previous fiscal year-end to ¥319,503 million, primarily due to increases in property, plant and equipment and goodwill accompanying the acquisition of four flour milling plants in the United States, as well as an increase in investment securities. As a result, total assets increased ¥78,268 million from the previous fiscal year-end to ¥549,307 million. Meanwhile, current liabilities increased ¥21,807 million to ¥112,240 million, primarily due to increases in notes and accounts payable – trade and short-term loans payable. Noncurrent liabilities increased ¥11,837 million to ¥58,351 million, primarily due to increases in net defined benefit liability and deferred tax liabilities. As a result, total liabilities increased ¥33,644 million from the previous fiscal year-end to ¥170,592 million. Net assets increased ¥44,623 million to ¥378,715 million, chiefly reflecting an increase due to 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, 2015, was as follows.

Net cash provided by (used in) operating activities

Net cash provided by operating activities was ¥25,107 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 ¥25,427 million and depreciation and amortization of ¥14,747 million exceeded a decrease in cash and cash equivalents largely owing to an increase in operating capital, attributable mainly to an increase in inventories, and the payment of income taxes.

Net cash provided by (used in) investing activities

In addition to payments and purchases of time deposits with terms exceeding three months and short-term investment securities surpassing proceeds from their repayment and maturity by ¥2,791 million, ¥22,187 million for the acquisition of four flour milling plants in the United States and ¥19,009 million for the acquisition of tangible and intangible noncurrent assets led to net cash used in investing activities of ¥43,636 million.

Subtracting net cash used in investing activities from net cash provided by operating activities, free cash flow came to an outflow of ¥18,529 million.

Net cash provided by (used in) financing activities

To distribute profits to shareholders, the Company paid dividends of ¥5,472 million. However, proceeds from long-term loans payable and short-term loans payable surpassed repayment of loans by ¥8,942 million, leading to net cash provided by financing activities of ¥4,331 million.

As described above, cash and cash equivalents carried forward and cash provided by operating activities were allocated to the acquisition of four flour milling plants in the United States, strategic capital investment and the payment of dividends as returns to shareholders. At the end of the fiscal year ended March 31, 2015, consolidated cash and cash equivalents totaled ¥59,897 million, a decrease of ¥12,788 million from the previous fiscal year-end.

2) Outlook for the Next Fiscal Year

Cash and cash equivalents as of the March 31, 2016 are expected to be largely unchanged from levels as of the end of the fiscal year under review. Cash flow in the fiscal year ending March 31, 2016 will see cash inflows from an anticipated increase in profit attributable to owners of parent of ¥16,100 million used primarily for strategic capital investments 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 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015
Equity ratio (%)	67.5	66.9	68.9	66.8
Market value–based equity ratio (%)	57.6	68.8	65.8	77.5
Ratio of interest-bearing debt to operating cash flow (years)	0.3	0.2	0.4	0.8
Interest coverage ratio (times)	304.7	207.0	153.8	136.1

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 2015 and Fiscal 2016

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. From the fiscal year ending March 31, 2016, the Company is targeting a consolidated payout ratio of at least 40%.

On October 1, 2014, the Company conducted a 1.1-for-1 stock split of shares of common stock. There was no adjustment made to the dividend per share as a result of the recent stock split, and there was an actual increase in the year-end dividend of ¥2 per share. Consequently, the Company plans to pay a full-year dividend of ¥22 per share. 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 ¥12 per share.

With the aim of raising future 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 new medium-term management plan, “NNI-120 II.”* The Company will also adopt a more aggressive and flexible posture on dividends, the purchase of treasury stock and other shareholder return-related measures.

For the fiscal year ending March 31, 2016, the Company, in line with the aforementioned policy of profit distribution, plans to increase the dividend per share by ¥2 from the fiscal year under review to pay an annual dividend of ¥24 per share.

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

* Refer to “III. Business Policies - (2) Medium-to-Long-term Business Strategy and Target Indicators” on page 11 for details.

II. Business Group Performance

The Nisshin Seifun Group consists of 47 consolidated subsidiaries and 10 affiliates accounted for by the equity method. The following is a description of the businesses of these Group companies 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, Thai Nisshin Seifun Co., Ltd., a consolidated subsidiary in Thailand, produces pasta sauce and frozen food and Vietnam Nisshin Seifun Co., Ltd., a consolidated subsidiary, produces pasta sauce. Nisshin Foods is the primary importer and seller of these products in Japan. Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S., a consolidated subsidiary that manufactures and sells pastas and other products, was established in Turkey in June 2014.

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)

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.
	⦿ Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S.
	⦿ 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.	

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

Customers

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

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

In the fiscal year ended March 31, 2013, the Nisshin Seifun Group launched a medium-term management plan dubbed "NNI-120, Speed, Growth and Expansion." Under this plan, the Group made steady progress in reforming its business structure for the future. To this end, the Group pursued steps to acquire businesses and establish business bases outside Japan and to broadly expand its business scope, while moving in Japan to funnel new investment into growth businesses and develop a globally competitive production framework.

At the same time, the Group recognized the necessity of responding with speed and flexibility to change in order to achieve sustainable growth in a harsh business climate. Given these conditions, the Group has formulated a new management plan to replace its current plan. Called "NNI-120 II," the new plan has well-defined targets and is set to run through the fiscal year ending March 31, 2021.

Under the new management plan, the highest priority will shift dramatically, moving from "top-line (net sales) expansion" to "restructuring the earnings base," with a distinct focus on the bottom line. By enacting a new fundamental strategy anchored in restructuring the earnings base in core businesses and independent business growth, including that of acquired businesses, the Group is aiming for solid profit growth. As performance targets for the fiscal year ending March 31, 2021, the Group is aiming for net sales of ¥750 billion, operating income of ¥30 billion, and earnings per share (EPS) of ¥80. Pursuing the enhancement of capital efficiency, the Group will aggressively conduct forward-looking, strategic investments (M&A, capital investment), while striving in the distribution of profits to shareholders to raise its baseline payout ratio from 30% or more to 40% or more on a consolidated basis. In addition to considering options for raising dividends even further, the Group will also flexibly purchase its own shares in taking a more proactive stance to shareholder returns going forward.

In pursuing these strategies outlined in the new management plan, the Group will aim for growth in earnings per share (EPS) in terms of both profit growth and capital policies. At the same time, while seeking the right balance between capital efficiency and financial stability, the Group will strive to maintain and raise return on equity (ROE) above capital costs. Through these actions, the Group will look to maximize its long-term value.

(3) Issues to be Addressed

Japan’s food industry is grappling with an increasingly challenging business environment, including market contraction as the country’s population declines 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 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 new medium-term management plan to stimulate business growth.

Furthermore, the Group will take vigorous steps to conform with the “Corporate Governance Code” set to come into effect in June 2015, with the aim of realizing the Group’s sustainable growth and medium- to long-term improvement in corporate value.

1) Domestic Business Strategies

Regarding the flour milling business, while continuing efforts to stably supply products, we will develop products that accurately capture customer needs and promote value-added services that offer total solutions to customers, further strengthening customer relationships. As a measure to strengthen cost competitiveness, we are concentrating production at large-scale plants located near ports. In a follow-up to this effort, which saw full-scale operations underway at the Fukuoka Plant, and the completion of production consolidation in the Kyushu region in May 2014, progress is moving smoothly toward the start of operations at a new production line at the Chita Plant in Aichi, Japan, in May 2015. In addition, with the aim of further promoting the storage and stable supply of raw wheat, we are taking steps to boost raw wheat silo capacity. Following on from completion of the raw wheat silo operated by Hanshin Silo Co., Ltd. in April 2015 in the Kansai region, silo construction is progressing steadily at the Tsurumi Plant in the Kanto region, with operations scheduled to begin in June 2016.

In the processed food business, we will pursue measures to boost brand loyalty by launching new products to address needs arising from an increase in eating alone and demand for meals that are easy to prepare, coupled with aggressive sales promotion efforts. 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, construction continues apace at a new site for frozen food products at the Kobe Plant of Ma•Ma-Macaroni Co., Ltd., set to begin operating in May 2015, that will bolster our production and supply structure for frozen pasta. To cope with rising costs for raw materials triggered by the yen’s depreciation, we will take steps to lower costs through enhanced productivity, while striving to secure suitable levels of profit.

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

In the flour milling business, we will focus on swiftly implementing Post Merger Integration (PMI) at four flour milling plants newly acquired by U.S.-based subsidiary Miller Milling Company, LLC in May 2014. In tandem, we are committed to achieving independent growth in the U.S. market via sales expansion measures that leverage the Group’s strengths in flour milling technology and proposal capabilities. We will also focus on further expansion of the business base developed to date in existing businesses in New Zealand, Canada and Thailand.

In the processed food business, we envisage further expansion of the commercial prepared mix business given projected growth in the Asian market. In terms of production, along with bolstering cost competitiveness, we have moved to create a new production system anchored by optimal locations worldwide. This effort saw the start in October 2014 of a production plant for pasta sauces and other cooked and processed foods in Vietnam, and preparations for full-scale operations in May 2015 of a pasta production site in Turkey. At these new production sites, we are leveraging production technology and expertise in high-level quality control cultivated by the Company over many years. With our first focus on supplying high-quality products to the Japanese market, our view also includes capturing local sales overseas.

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 properly reflects 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 (EPAs), 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 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 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).

In such ways, the Group will continue to fulfill its corporate social responsibilities.

IV. Basic Policy Regarding Selection of Accounting Standards

Regarding the voluntary adoption of international financial reporting standards (IFRS), in light of a variety of available information, the Nisshin Seifun Group's policy at this time is to continue to investigate eventual adoption, with close consideration of the potential impact of the global comparability and application of financial data.

V. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

		Fiscal 2014 (As of March 31, 2014)		Fiscal 2015 (As of March 31, 2015)
Assets				
Current assets				
Cash and deposits		49,104		42,584
Notes and accounts receivable – trade		67,486		74,688
Short-term investment securities		28,869		25,565
Inventories	*1	58,484	*1	76,268
Deferred tax assets		5,597		5,274
Other		7,089		5,630
Allowance for doubtful accounts		(222)		(208)
Total current assets		216,409		229,804
Noncurrent assets				
Property, plant and equipment				
Buildings and structures, net	*2, *3, *5	49,187	*2, *3, *5	54,001
Machinery, equipment and vehicles, net	*2, *3, *5	35,089	*2, *3, *5	40,602
Land	*5	38,143	*5	40,497
Construction in progress		3,830		9,552
Other, net	*2, *5	2,689	*2, *5	4,048
Total property, plant and equipment		128,939		148,702
Intangible assets				
Goodwill		5,008		10,355
Other		7,990		11,273
Total intangible assets		12,998		21,629
Investments and other assets				
Investment securities	*4, *5	105,975	*4, *5	143,288
Net defined benefit asset		487		30
Deferred tax assets		3,808		3,118
Other	*4	2,553	*4	2,863
Allowance for doubtful accounts		(132)		(129)
Total investments and other assets		112,692		149,170
Total noncurrent assets		254,630		319,503
Total assets		471,039		549,307

(Millions of yen)

	Fiscal 2014 (As of March 31, 2014)	Fiscal 2015 (As of March 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	45,785	57,561
Short-term loans payable	*5 6,607	*5 17,175
Income taxes payable	4,481	3,157
Accrued expenses	17,725	17,042
Other	15,833	17,303
Total current liabilities	90,433	112,240
Noncurrent liabilities		
Long-term loans payable	3,367	3,874
Deferred tax liabilities	15,828	24,837
Provision for repairs	1,574	1,473
Net defined benefit liability	19,073	21,421
Long-term deposits received	5,658	5,589
Other	1,011	1,154
Total noncurrent liabilities	46,514	58,351
Total liabilities	136,947	170,592
Net assets		
Shareholders' equity		
Capital stock	17,117	17,117
Capital surplus	9,483	9,571
Retained earnings	266,581	275,194
Treasury stock	(3,088)	(2,659)
Total shareholders' equity	290,094	299,224
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32,253	57,298
Deferred gains or losses on hedges	21	118
Foreign currency translation adjustment	4,237	11,911
Remeasurements of defined benefit plans	(1,831)	(1,471)
Total accumulated other comprehensive income	34,680	67,857
Subscription rights to shares	260	179
Minority interests	9,057	11,454
Total net assets	334,092	378,715
Total liabilities and net assets	471,039	549,307

(2) Consolidated Statements of Income and Comprehensive Income

[Consolidated Statements of Income]

(Millions of yen)

	Fiscal 2014 (April 1, 2013 to March 31, 2014)	Fiscal 2015 (April 1, 2014 to March 31, 2015)
Net sales	495,930	526,144
Cost of sales	348,619	377,729
Gross profit	147,311	148,414
Selling, general and administrative expenses	125,036	127,937
Operating income	22,274	20,476
Non-operating income		
Interest income	214	203
Dividends income	1,742	1,905
Equity in earnings of affiliates	839	2,104
Rent income	323	328
Other	502	845
Total non-operating income	3,622	5,388
Non-operating expenses		
Interest expenses	166	179
Other	150	140
Total non-operating expenses	317	320
Ordinary income	25,579	25,544
Extraordinary income		
Gain on sales of noncurrent assets	147	950
Gain on sales of investment securities	507	67
Gain on liquidation of investment and securities	–	161
Gain on bargain purchase	285	–
Subsidy income	200	–
Other	–	44
Total extraordinary income	1,140	1,223
Extraordinary losses		
Loss on retirement of noncurrent assets	712	548
Litigation settlement	–	*1 732
Litigation expenses	*1 450	–
Loss on affiliate production base redeployment	183	–
Other	173	59
Total extraordinary losses	1,518	1,340
Income before income taxes and minority interests	25,201	25,427
Income taxes – current	9,159	6,871
Income taxes – deferred	23	1,684
Total income taxes	9,183	8,555
Income before minority interests	16,018	16,871
Minority interests in income	919	835
Net income	15,098	16,036

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Fiscal 2014 (April 1, 2013 to March 31, 2014)	Fiscal 2015 (April 1, 2014 to March 31, 2015)
Income before minority interests	16,018	16,871
Other comprehensive income		
Valuation difference on available-for-sale securities	2,341	24,990
Deferred gains or losses on hedges	(137)	96
Foreign currency translation adjustment	5,451	8,425
Remeasurements of defined benefit plans	–	329
Share of other comprehensive income of affiliates accounted for by the equity method	262	273
Total other comprehensive income	*1 7,918	*1 34,116
Comprehensive income	23,936	50,988
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	22,401	49,213
Comprehensive income attributable to minority interests	1,535	1,774

(3) Consolidated Statements of Changes in Net Assets

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

Fiscal 2015 (April 1, 2014 to March 31, 2015)

(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	9,483	266,581	(3,088)	290,094
Cumulative effects of changes in accounting policies			(1,950)		(1,950)
Restated balance	17,117	9,483	264,630	(3,088)	288,144
Changes of items during the period					
Dividends from surplus			(5,472)		(5,472)
Net income			16,036		16,036
Purchase of treasury stock				(20)	(20)
Disposal of treasury stock		87		448	536
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	87	10,563	428	11,080
Balance at the end of current period	17,117	9,571	275,194	(2,659)	299,224

	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	32,253	21	4,237	(1,831)	34,680	260	9,057	334,092
Cumulative effects of changes in accounting policies								(1,950)
Restated balance	32,253	21	4,237	(1,831)	34,680	260	9,057	332,141
Changes of items during the period								
Dividends from surplus								(5,472)
Net income								16,036
Purchase of treasury stock								(20)
Disposal of treasury stock								536
Net changes of items other than shareholders' equity	25,045	97	7,674	359	33,177	(80)	2,397	35,494
Total changes of items during the period	25,045	97	7,674	359	33,177	(80)	2,397	46,574
Balance at the end of current period	57,298	118	11,911	(1,471)	67,857	179	11,454	378,715

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2014 (April 1, 2013 to March 31, 2014)	Fiscal 2015 (April 1, 2014 to March 31, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	25,201	25,427
Depreciation and amortization	13,669	14,747
Amortization of goodwill	637	990
Litigation settlement	–	732
Increase (decrease) in retirement benefit liability	217	(238)
Decrease (increase) in retirement benefit asset	403	(30)
Interest and dividends income	(1,957)	(2,108)
Interest expenses	166	179
Equity in (earnings) losses of affiliates	(839)	(2,104)
Loss (gain) on sales of investment securities	(507)	(67)
Gain on bargain purchase	(285)	–
Decrease (increase) in notes and accounts receivable – trade	(1,391)	(5,955)
Decrease (increase) in inventories	5,027	(11,336)
Increase (decrease) in notes and accounts payable – trade	(11,089)	10,941
Other, net	967	209
Subtotal	30,220	31,385
Interest and dividends income received	2,372	2,271
Interest expenses paid	(162)	(184)
Litigation settlement paid	–	(732)
Income taxes paid	(7,372)	(7,633)
Net cash provided by (used in) operating activities	25,058	25,107
Net cash provided by (used in) investing activities		
Payments into time deposits	(4,739)	(21,342)
Proceeds from withdrawal of time deposits	22,496	14,533
Purchase of short-term investment securities	(20,640)	(4,382)
Proceeds from sales of short-term investment securities	20,638	8,400
Purchase of property, plant and equipment and intangible assets	(18,636)	(19,009)
Proceeds from sales of property, plant and equipment and intangible assets	61	1,314
Purchase of investment securities	(1,945)	(1,147)
Proceeds from sales of investment securities	708	147
Purchase of stocks of subsidiaries and affiliates	(559)	(62)
Payments for transfer of business	*2 (190)	*2 (22,187)
Other, net	1,009	99
Net cash provided by (used in) investing activities	(1,797)	(43,636)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	1,361	10,179
Decrease in short-term loans payable	(1,307)	(2,184)
Proceeds from long-term loans payable	309	950
Repayment of long-term loans payable	(6)	(2)
Proceeds from sales of treasury stock	151	536
Purchase of treasury stock	(28)	(20)
Cash dividends paid	(4,971)	(5,472)
Other, net	(582)	345
Net cash provided by (used in) financing activities	(5,072)	4,331
Effect of exchange rate change on cash and cash equivalents	1,247	1,409
Net increase (decrease) in cash and cash equivalents	19,435	(12,788)
Cash and cash equivalents at beginning of period	53,249	72,685
Cash and cash equivalents at end of period	*1 72,685	*1 59,897

(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: 47 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 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, Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S. 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: 10 (1 non-consolidated subsidiary and 9 affiliates)

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

   (2) Changes in the scope of the equity method

   - During the fiscal year under review, one affiliate was removed from the roster of equity-method affiliates due to voluntary liquidation.

   (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 19 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 calculating retirement benefit liability, the method for imputing the applicable period until the end of the fiscal year under review for the estimated retirement benefit is determined by the benefit calculation standard.

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 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, March 26, 2015; herein, "the retirement benefit guidance"), specifically content stipulated in paragraph 35 of the retirement benefit accounting standard and stipulated in paragraph 67 of the retirement benefit guidance. Consequently, the Company has revised its method for calculating its retirement benefit liability and service costs. The method for imputing the time period for estimated retirement benefits has been changed from a straight-line attribution method standard to a benefit calculation formula standard. In tandem, the methodology for deciding the discount rate has also been changed, from a discount rate based on the average remaining period of service to a method that employs a single weighted average discount rate that reflects the estimated period and payment of retirement benefits.

For the application of the retirement benefit accounting standard, pursuant to past adjustments stipulated in paragraph 37 of the retirement benefit accounting standard, monetary effects accompanying changes in the method for calculating retirement benefit liability and service costs are adjusted with retained earnings at the beginning of the period starting from the fiscal year under review.

As a result, net retirement benefit asset at the beginning of the period for the fiscal year under review declined by ¥487 million, while net retirement benefit liability increased by ¥2,568 million. In parallel, retained earnings declined by ¥1,950 million. These monetary effects had a negligible impact on financial performance for the fiscal year under review.

[Additional Information]

(Revision of deferred tax assets and deferred tax liabilities following corporate tax rate changes)

In accordance with the announcement on March 31, 2015 of the "Law Revising a Portion of the Income Tax Law" (2015 Law No. 9) and the "Law Revising a Portion of the Local Tax Law" (2015 Law No. 2), the corporate tax rate in Japan was lowered from the fiscal year beginning April 1, 2015. Consequently, the effective tax rate used for the calculation of deferred tax assets and liabilities, accounting for temporary actuarial differences expected to dissipate during the fiscal year beginning April 1, 2015, declined from its previous 35.5% to 33.0%; accounting for temporary actuarial differences expected to dissipate after the fiscal year beginning April 1, 2016, the effective tax rate will decline further to 32.2%.

Due to this change in tax rate, the monetary value of deferred tax liabilities (i.e., the monetary value after deduction of deferred tax assets) as of the end of the fiscal year under review decreased by ¥2,038 million, while total income taxes, posted as an expense for the fiscal year under review, increased by ¥695 million.

[Consolidated Balance Sheets]

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

1. Components of inventories

	Fiscal 2014	Fiscal 2015
Merchandise and finished goods	¥26,312 million	¥27,903 million
Work in process	¥3,609 million	¥4,614 million
Raw materials and supplies	¥28,561 million	¥43,749 million

2. Accumulated depreciation of property, plant and equipment

Fiscal 2014	Fiscal 2015
¥254,832 million	¥258,809 million

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

	Fiscal 2014	Fiscal 2015
Accumulated reduction entry of property, plant and equipment	¥370 million	¥368 million

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

	Fiscal 2014	Fiscal 2015
Investment securities	¥23,943 million	¥26,170 million
Others	¥157 million	¥180 million

5. Assets pledged as collateral

	Fiscal 2014	Fiscal 2015
Assets pledged as collateral		
Buildings and structures	¥1,211 million	¥1,134 million
Machinery, equipment and vehicles	¥522 million	¥489 million
Investment securities[Note]	¥4,138 million	¥5,324 million
Other	¥113 million	¥124 million
Secured debts		
Short-term loans payable	¥200 million	¥100 million

(Note) In order to secure loans payable of ¥6,600 million for affiliates (¥8,300 million in the previous fiscal year), investment securities (maximum set at ¥3,000 million) were pledged as a third-party guarantee.

[Consolidated Statements of Income]

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

1. Litigation settlement and litigation expenses

The Company has paid a settlement to former shareholders of the Company’s U.S.-based subsidiary Miller Milling Company, LLC following a settlement reached in a lawsuit pertaining to asset valuation at the time of the subsidiary’s acquisition. Litigation expenses incurred through the previous fiscal year were in relation to this lawsuit.

[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 2014	Fiscal 2015
Valuation difference on available-for-sale securities		
Gain in the current period	¥3,969 million	¥34,214 million
Reclassification adjustment	¥(505) million	¥(67) million
Before tax effect adjustment	¥3,464 million	¥34,146 million
Tax effect	¥(1,122) million	¥(9,155) million
Valuation difference on available-for-sale securities	¥2,341 million	¥24,990 million
Deferred gains or losses on hedges		
Gain (Loss) in the current period	¥(242) million	¥99 million
Reclassification adjustment	¥28 million	¥42 million
Before tax effect adjustment	¥(214) million	¥142 million
Tax effect	¥77 million	¥(45) million
Deferred gains or losses on hedges	¥(137) million	¥96 million
Foreign currency translation adjustment		
Gain in the current period	¥5,451 million	¥8,425 million
Remeasurements of defined benefit plans		
Gain in the current period	–	¥190 million
Reclassification adjustment	–	¥391 million
Before tax effect adjustment	–	¥581 million
Tax effect	–	¥(251) million
Remeasurements of defined benefit plans	–	¥329 million
Share of other comprehensive income of affiliates accounted for by the equity method		
Gain in the current period	¥262 million	¥273 million
Total other comprehensive income	¥7,918 million	¥34,116 million

[Consolidated Statements of Changes in Net Assets]

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

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 was made 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

Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

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	276,688	27,668	—	304,357
Treasury stock Common stock	3,264	320	486	3,098

Notes:

1. On October 1, 2014, 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:
   27,668 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,
   18 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
   485 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	—					179
Total		—					179

3. Dividends

(1) Dividends paid

The following resolution was made at the Ordinary General Meeting of Shareholders held on June 26, 2014.

- Dividends on common stock:

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

The following resolution was made at the meeting of the Board of Directors held on October 30, 2014.

- Dividends on common stock:

i)	Total dividends to be paid	¥2,737 million
ii)	Dividend per share	¥10
iii)	Record date	September 30, 2014
iv)	Effective date	December 5, 2014

(2) Dividends for which the record date came during the fiscal year ended March 31, 2015, 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 25, 2015.

- Dividends on common stock:

i)	Total dividends to be paid	¥3,616 million
ii)	Source of dividends	Retained earnings
iii)	Dividend per share	¥12
iv)	Record date	March 31, 2015
v)	Effective date	June 26, 2015

[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 2014 (As of March 31, 2014)	Fiscal 2015 (As of March 31, 2015)
Cash and deposits	¥49,104 million	¥42,584 million
Short-term investment securities	¥28,869 million	¥25,565 million
Total	¥77,974 million	¥68,150 million
Time deposits with maturities of more than three months	¥(325) million	¥(7,157) million
Debt securities with maturities of more than three months	¥(4,963) million	¥(1,096) million
Cash and cash equivalents at end of period	¥72,685 million	¥59,897 million

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

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.

Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

A breakdown of assets and liabilities of Miller Milling Company, LLC acquired by transfer of the four flour milling plants in the United States, a cost of transfer of business and net payments for transfer of business is presented as follows.

Current assets	¥4,427 million
Noncurrent assets	¥12,827 million
Goodwill	¥4,932 million
Cost of transfer of business	¥22,187 million
Cash and cash equivalents	–
Payments for transfer of business	¥(22,187) million

[M&A Activity]

(Business acquisition)

1. Overview of M&A activity

   On April 24, 2014, subsidiary Miller Milling Company, LLC signed an asset transfer agreement for the acquisition of four flour milling plants in the United States from Cargill, Inc., Horizon Milling, LLC and ConAgra Foods Food Ingredients Company, Inc. (Los Angeles Plant, Oakland Plant, Saginaw Plant and New Prague Plant), as well as the inventories of the plants as of the asset transfer date. The plants were officially acquired on May 25, 2014.

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

   (1) Rationale for M&A activity

   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 outstanding product development, technologies and capabilities 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) Date of acquisition

   May 25, 2014

2. The period for which acquired businesses results are included in quarterly consolidated financial statements of income

   From May 25, 2014 to December 31, 2014

3. Acquisition costs and their details of the business to be acquired

Compensation for the acquisition	¥21,645 million
Direct costs for acquisition	¥541 million
Acquisition costs	¥22,187 million

4. Amount of goodwill that arose, reasons for incidence and amortization method and period

   (1) Amount of goodwill that arose

   ¥4,932 million

   (2) Reasons for incidence

   The goodwill is attributable to the rational estimation of excess earnings power anticipated by future business development.

   (3) Amortization method and period

   Amortized using the straight-line method over a period of 10 years

5. Amount of assets received and liabilities undertaken on the date of the business combination and their breakdown

Current assets	¥4,427 million
Noncurrent assets	¥12,827 million
Total assets	¥17,254 million

   (Note) The amount of goodwill identified in "4. (1) Goodwill" above is not included in asset amount.

6. Estimated amount and calculation method for hypothetical impact on consolidated statements of income for the fiscal year under review assuming business combination was completed on the first day of the fiscal year under review

Net sales	¥13,000 million

   (Method for calculating estimates)

   The estimated amount is the difference between net sales calculated with the assumption that the business combination was completed on the first day of the fiscal year under review and net sales as stated in the consolidated statements of income. Due to its negligible impact on income, this amount was omitted. This note was not certified via audit.

[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, 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 statements of income.

Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(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	237,327	244,941	482,269	43,874	526,144	–	526,144
Intersegment sales and transfers	20,277	471	20,749	8,594	29,343	(29,343)	–
Total	257,605	245,413	503,018	52,469	555,487	(29,343)	526,144
Segment income	7,611	9,728	17,340	3,540	20,880	(403)	20,476
Segment assets	208,559	161,982	370,542	68,172	438,715	110,592	549,307
Other items							
Depreciation	7,999	5,663	13,663	1,346	15,010	(262)	14,747
Investment for affiliates accounted for by the equity method	2,451	8,199	10,651	15,349	26,001	–	26,001
Increase in property, plant and equipment and intangible assets	10,690	7,288	17,978	2,418	20,397	(501)	19,895

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 (¥120,520 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 statements of income.

[Related information]

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.

(2) Property, plant and equipment

(Millions of yen)

Japan	U.S.	Other regions	Total
113,025	7,265	8,648	128,939

Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)

1. Information by geographic segment

(1) Net sales

(Millions of yen)

Japan	Other regions	Total
441,378	84,765	526,144

Note: Net sales are classified based on customer location.

(2) Property, plant and equipment

(Millions of yen)

Japan	U.S.	Other regions	Total
116,467	20,752	11,483	148,702

Note: For the fiscal year under review, figures are disclosed since property, plant and equipment in the U.S. accounted for more than 10% of total property, plant and equipment posted in the consolidated balance sheets. Figures for the previous fiscal year are shown for comparison, although property, plant and equipment in the U.S. did not exceed 10% of total property, plant and equipment posted in the consolidated balance sheets.

[Amortization of goodwill and unamortized balance by reportable segment]

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

Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(Millions of yen)

	Flour Milling	Others	Total
Amortization for the year under review	965	24	990
Balance at end of the year under review	10,331	24	10,355

[Per Share Information]

(Yen)

	Fiscal 2014	Fiscal 2015
Net assets per share	1,079.82	1,218.49
Net income per share	50.21	53.28
Fully diluted net income per share	50.19	53.22

Notes

1. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. The Company also conducted a 1.1-for-1 stock split of shares of common stock on October 1, 2014. 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, 2014	As of March 31, 2015
Total net assets, as stated on the consolidated balance sheets (millions of yen)	334,092	378,715
Net assets associated with common stock (millions of yen)	324,775	367,081
Major components of the difference (millions of yen):		
Subscription rights to shares	260	179
Minority interests	9,057	11,454
Number of shares of common stock issued and outstanding (shares)	304,357,891	304,357,891
Number of treasury shares of common stock (shares)	3,590,768	3,098,077
Number of shares of common stock used in the calculation of net assets per share (shares)	300,767,123	301,259,814

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

	Fiscal 2014	Fiscal 2015
Net income, as stated on the consolidated statements of income (millions of yen)	15,098	16,036
Amount not attributable to owners of common stock (millions of yen)	—	—
Net income associated with common stock (millions of yen)	15,098	16,036
Average number of shares of common stock during the fiscal year (shares)	300,700,805	300,996,604
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	139,093	302,093
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 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)	• Subscription rights to shares Date of resolution at the General Meeting of Shareholders: June 26, 2008 (17 subscription rights to shares) (60 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 26, 2014 (96 subscription rights to shares) (211 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]

There are no applicable matters to be reported.