Disclaimer: This document is a translation of the Japanese original. The Japanese original has been disclosed in Japan in accordance with Japanese accounting standards and the Financial Instruments and Exchange Act. This document does not contain or constitute any guarantee and the Company will not compensate any losses and/or damage stemming from actions taken based on this document. In the case that there is any discrepancy between the Japanese original and this document, the Japanese original is assumed to be correct.

Summary of Financial Statements for the First Quarter of Fiscal 2017 [Japanese Standards]

July 26, 2016

Listed Company Name: Nisshin Seifun Group Inc. Registered on Tokyo Stock Exchange
Code: 2002
URL: http://www.nisshin.com
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Date to submit the Quarterly Securities Report: August 10, 2016
Date to start distributing dividends: —
Supplementary documents for this summary of financial statements: Yes
Results briefing for financial results: None

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

1. Consolidated Financial Results for the First Quarter of Fiscal 2017 (April 1, 2016 to June 30, 2016)

(1) Consolidated Business Results

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three months of Fiscal 2017	135,923	(2.6)	5,184	3.6	7,227	4.3	5,252	13.4
First three months of Fiscal 2016	139,610	15.4	5,003	25.7	6,926	21.6	4,630	43.3

(Note) Comprehensive income: First three months of Fiscal 2017: ¥3,427 million (down 56.2%)
First three months of Fiscal 2016: ¥7,819 million (up 19.8%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
First three months of Fiscal 2017	17.41	17.38
First three months of Fiscal 2016	15.37	15.34

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2016	541,967	386,042	68.9
March 31, 2016	550,305	386,485	67.8

(Reference) Equity capital: June 30, 2016: ¥373,212 million March 31, 2016: ¥373,375 million

2. Dividends

	Dividend per share				
	1Q End	2Q End	3Q End	Year-End	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2016	—	12.00	—	12.00	24.00
Fiscal 2017	—				
Fiscal 2017 (forecast)		13.00	—	13.00	26.00

(Note) Revision to the latest forecast of dividends: None

3. Forecast of Consolidated Business Results for the Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(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	0.6	10,800	3.8	12,900	0.8	8,700	4.3	28.84
Full year	560,000	0.6	24,300	2.2	28,300	0.7	18,700	6.5	61.99

(Note) Revision to the latest forecast of business results: None

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

(2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements: Yes
Note: For details, please refer to "Matters Concerning Summary Information (Notes)" on page 5 of the Attachment.

(3) 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 "Matters Concerning Summary Information (Notes)" on page 5 of the Attachment.

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

1) Number of shares issued and outstanding (including treasury shares)	As of June 30, 2016	304,357,891	As of March 31, 2016	304,357,891
2) Number of treasury shares	As of June 30, 2016	2,628,566	As of March 31, 2016	2,674,306
3) Average number of shares outstanding	First three months of Fiscal 2017	301,712,464	First three months of Fiscal 2016	301,312,083

* Status of execution of the quarterly review of financial statements
Because this Summary of Financial Statements is not subject to the review of quarterly financial statements under the Financial Instruments and Exchange Act, the procedures for said review are not completed at the time of disclosing this summary.

* Statement regarding the proper use of financial forecasts and other special remarks
(1) 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 refer to "Forecast of Consolidated Business Results and Other Forward-looking Information" on page 4 of the Attachment.
(2) Supplementary materials for this report can be found on the Company's website.

Contents of the Attachment

1. Qualitative Information for the Period under Review

(1) Business Performance

[Overview of the Period under Review]

During the first three months of the fiscal year ending March 31, 2017, the Japanese economy showed signs of a modest recovery. However, concerns over the economy's future continued as economic slowdown in China and other emerging markets, the exit of the United Kingdom from the EU and other issues caused global economic uncertainty to intensify. A stall in consumer sentiment in Japan, among other factors, also contributed to economic concern.

Under these conditions, the Group launched initiatives under a new medium-term management plan, dubbed "NNI-120 II," first announced in May 2015 and scheduled to conclude in fiscal 2021 (year ending March 31, 2021). Together with an emphasis on restructuring the earnings foundation in core businesses, the Group is aiming for solid profit growth through self-sustained business growth, including that of acquired businesses, and new strategic investments, while taking a more proactive stance to shareholder returns.

The Group took steps to aggressively launch and expand sales of new products in each business in a bid to energize markets, and continued efforts to enhance cost competitiveness and strengthen its business structure both domestically and abroad. In the flour milling business, these efforts focused on consolidating production at large-scale plants located near ports, and in the processed food business on building an optimal production framework globally. Elsewhere, the Group pursued initiatives to boost brand value primarily through sports sponsorship and conducted aggressive advertising and promotional activities.

As a result, consolidated net sales for the first three months of the fiscal year ending March 31, 2017, decreased 2.6% year on year to ¥135,923 million, mainly reflecting falling raw wheat prices. In terms of profits, however, operating income was ¥5,184 million, up 3.6% year on year. Ordinary income increased by 4.3% to ¥7,227 million, and profit attributable to owners of parent rose by 13.4% to ¥5,252 million.

[Business Overview by Segment]

1) Flour Milling Segment

In the flour milling business, shipments of commercial wheat flour in Japan declined year on year despite aggressive sales expansion measures and progress in attracting new customers. This outcome was largely due to volatile demand accompanying revisions to wheat prices.

Also in July 2016, the Company revised its commercial wheat flour prices in response to the government's decision to change the prices of five classes of imported wheat. On average, the Government's price for imported wheat declined 7.1% in April 2016.

From the perspectives of production and distribution, we advanced measures to enhance productivity, notably by concentrating production at large-scale plants located near ports in Japan, and carried out measures to reduce fixed and other costs. We also completed construction to increase holding capacity by 25% at a raw wheat silo at the Tsurumi Plant in June 2016, putting a structure in place for securing, storing and stably supplying raw wheat in response to demand that is greater than ever before.

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

In the overseas business, sales were lower year on year despite increased shipments overall thanks to aggressive sales expansion, mainly reflecting lower raw wheat prices. To meet growing demand on the west coast of North America, construction is moving forward to boost by 80% the production capacity of Canadian subsidiary Rogers Foods Ltd.'s Chilliwack Plant, located on the outskirts of Vancouver. The plant is scheduled to begin operations in autumn

2017, and is marking steady progress toward that goal.

As a result, net sales of the Flour Milling Segment decreased 8.1% year on year to ¥61,479 million. Operating income, meanwhile, rose 12.3% to ¥2,022 million.

2) Processed Food Segment

In the processed food business, for household-use products, we launched *Nisshin Iroirotsukureru Karaage Flour*, a new product in our strong-selling bottle-type flour series designed to address needs arising from an increase in eating alone and demand for meals that are easy to prepare, and conducted sales promotion measures— most notably TV commercials—among other proactive initiatives designed to stimulate consumption. In commercial-use products, we launched new products tailored to customer needs and aggressively carried out proposal activities geared toward garnering new customers. In the prepared dishes and other prepared foods business, we have developed and are steadily expanding a comprehensive prepared foods business defined by a wide-ranging product lineup. As a result, sales in the processed food business were higher overall compared to a year earlier despite continued belt-tightening among consumers. This outcome reflected the impact of new household-use products, brisk growth in shipments of prepared dishes and other prepared foods, and benefits from the consolidation of Joyous Foods Co., Ltd. in January 2016. In the overseas business, sales were lower as competition in the Southeast Asian market intensified. Elsewhere, operations are running smoothly at a production plant for pasta sources and other cooked and processed foods in Vietnam and a pasta plant in Turkey. Both sites were built as part of efforts to develop a globally optimized, cost-competitive production framework.

In the yeast and biotechnology business, sales declined year on year, reflecting differences in shipment schedules in the biotechnology business section.

In the healthcare foods business, sales were lower year on year despite brisk sales of consumer products driven by aggressive sales promotion measures, reflecting volatility in demand for raw materials for pharmaceuticals.

As a result, net sales of the Processed Food Segment increased 3.9% from the same period of the previous fiscal year to ¥64,707 million. Operating income declined 5.4% to ¥2,677 million.

3) Others Segment

In the pet food business, shipments mainly of *JP Style* brand and other 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 same period of the previous fiscal year.

In the engineering business, sales decreased year on year, mainly due to struggling growth in orders for projects in the mainstay plant engineering business.

In the mesh cloths business, sales were on par with the previous fiscal year’s level.

As a result, net sales of the Others Segment decreased 6.7% to ¥9,737 million, and operating income declined 5.7% to ¥366 million.

(2) Financial Position

The status of assets, liabilities and net assets on a consolidated basis at the end of the period under review was as follows.

Current assets decreased ¥4,242 million from the previous fiscal year-end to ¥229,156 million, due largely to a decrease in notes and accounts receivable – trade. Noncurrent assets decreased

¥4,096 million from the previous fiscal year-end to ¥312,810 million, primarily due to decreases in property, plant and equipment and intangible assets. As a result, total assets decreased ¥8,338 million from the previous fiscal year-end to ¥541,967 million. Meanwhile, current liabilities decreased ¥9,512 million to ¥97,290 million, primarily due to decreases in notes and accounts payable – trade and short-term loans payable. Noncurrent liabilities increased ¥1,616 million to ¥58,634 million, primarily due to increases in long-term loans payable and deferred tax liabilities. As a result, total liabilities decreased ¥7,895 million from the previous fiscal year-end to ¥155,924 million. Net assets decreased ¥442 million to ¥386,042 million, chiefly reflecting an increase due to profit attributable to owners of parent for the period, a decrease due to the payment of dividends and a decrease in accumulated other comprehensive income.

(3) Forecast of Consolidated Business Results and Other Forward-looking Information

The Japanese economy is facing concerns over its future, including worsening performance among export-driven companies due to factors such as instability overseas and sharp volatility in exchange rates. Similarly, the Group’s business environment is projected to remain adverse due, in part, to the continued preference for lower-priced options among consumers in Japan. Under these circumstances, the Group will continue to fulfill our mission to secure the stable supply of safe and reliable wheat flour and other staple foods. Through steady implementation of strategies formulated under our new medium-term management plan, “NNI-120 II,” we are committed to working in every business to develop new products and pursue advertising and other sales promotion measures designed from the customer’s perspective, along with productivity enhancements and other cost-reduction efforts. At the same time, we will promote expansion in overseas business.

Furthermore, industries related to the Company are also likely to be impacted by the Trans-Pacific Partnership (TPP) trade agreement largely agreed upon in October 2015, which will require that we continue to pay close attention to trends and respond appropriately.

Consolidated net sales for the fiscal year ending March 31, 2017 are forecast to rise 0.6% year on year to ¥560,000 million, operating income is projected to climb 2.2% to ¥24,300 million, ordinary income is expected to increase 0.7% to ¥28,300 million, and profit attributable to owners of parent is expected to increase 6.5% year on year to ¥18,700 million. These forecasts remain in line with initial projections.

With respect to dividends, one of the basic policies of the new medium-term management plan is to maintain a payout ratio of at least 40% on a consolidated basis. Consequently, in line with initial projections, the Company plans to pay a full-year dividend of ¥26 per share, up ¥2 from the previous fiscal year. This is set to result in an actual dividend increase for a fourth consecutive year.

2. Matters Concerning Summary Information (Notes)

(1) Changes in Important Subsidiaries during the Period under Review

[Changes in specified subsidiaries involving a change in the scope of consolidation]

There are no applicable matters to be reported.

(2) Adoption of Special Accounting Treatment for Preparing Quarterly Consolidated Financial Statements

Tax expenses are calculated in accordance with Paragraph 12, "Method for Using the Statutory Effective Tax Rate," of the Practical Guidelines on Tax-Effect Accounting for Preparation of Interim Financial Statements, pursuant to the provision of Paragraph 19 of the Guidance on the Accounting Standard for Quarterly Financial Reporting.

The amount of "Income taxes – deferred" is included in "Total income taxes."

(3) Changes in Accounting Policies, Changes in Accounting Estimates and Revisions Restated

[Changes in accounting policies]

In accordance with revisions to corporate tax law in Japan, the Company has applied the "Practical Solution on Accounting for Changes in Depreciation Method related to the 2016 Tax Law Reform" (PITF No. 32, June 17, 2016) from the first quarter of the current fiscal year. The subsequent result is a switch from the declining-balance method to the straight-line method for depreciation and amortization pertaining to equipment for buildings and structures purchased after April 1, 2016.

These monetary effects had a negligible impact on financial performance for the first quarter of the fiscal year ending March 31, 2017.

(4) Additional information

[Changes in accounting period of consolidated subsidiary]

For more accurate disclosure in consolidated financial statements, from the first quarter of the current fiscal year, the fiscal accounting date of December 31 for consolidated subsidiary Joyous Foods Co., Ltd. has been changed to March 31.

In line with this decision, income/loss for the period beginning with the merger date for the subsidiary, January 29, 2016, through March 31, 2016 has been adjusted within changes in retained earnings.

[Implementation guidance on recoverability of deferred tax assets]

From the first quarter of the current fiscal year, the Company has applied the "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26, March 28, 2016).

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2016 (As of March 31, 2016)	Fiscal 2017 First Quarter (As of June 30, 2016)
Assets		
Current assets		
Cash and deposits	61,665	72,069
Notes and accounts receivable – trade	72,871	66,545
Short-term investment securities	13,790	6,527
Inventories	72,038	68,201
Other	13,242	16,001
Allowance for doubtful accounts	(210)	(189)
Total current assets	233,398	229,156
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	56,657	58,271
Machinery, equipment and vehicles, net	43,079	42,076
Land	42,152	41,626
Other, net	9,450	6,835
Total property, plant and equipment	151,339	148,809
Intangible assets		
Goodwill	8,610	7,754
Other	9,879	9,065
Total intangible assets	18,489	16,820
Investments and other assets		
Investment securities	140,347	140,114
Other	6,854	7,189
Allowance for doubtful accounts	(124)	(124)
Total investments and other assets	147,077	147,180
Total noncurrent assets	316,907	312,810
Total assets	550,305	541,967

(Millions of yen)

	Fiscal 2016 (As of March 31, 2016)	Fiscal 2017 First Quarter (As of June 30, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	51,348	46,897
Short-term loans payable	15,219	12,231
Income taxes payable	5,227	1,866
Provision	238	72
Accrued expenses	18,534	15,849
Other	16,233	20,373
Total current liabilities	106,802	97,290
Noncurrent liabilities		
Long-term loans payable	4,386	5,226
Provision	1,521	1,569
Net defined benefit liability	21,892	21,536
Deferred tax liabilities	22,621	23,616
Other	6,595	6,685
Total noncurrent liabilities	57,017	58,634
Total liabilities	163,820	155,924
Net assets		
Shareholders' equity		
Capital stock	17,117	17,117
Capital surplus	12,834	12,842
Retained earnings	281,324	282,875
Treasury stock	(2,289)	(2,249)
Total shareholders' equity	308,987	310,585
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	55,974	57,861
Deferred gains or losses on hedges	(301)	(417)
Foreign currency translation adjustment	9,859	6,301
Remeasurements of defined benefit plans	(1,144)	(1,119)
Total accumulated other comprehensive income	64,387	62,626
Subscription rights to shares	147	155
Non-controlling interests	12,962	12,674
Total net assets	386,485	386,042
Total liabilities and net assets	550,305	541,967

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

[Quarterly Consolidated Statements of Income]

(Millions of yen)

	First three months of Fiscal 2016 (April 1, 2015 to June 30, 2015)	First three months of Fiscal 2017 (April 1, 2016 to June 30, 2016)
Net sales	139,610	135,923
Cost of sales	101,405	96,407
Gross profit	38,205	39,516
Selling, general and administrative expenses	33,201	34,331
Operating income	5,003	5,184
Non-operating income		
Interest income	48	37
Dividends income	1,273	1,254
Equity in earnings of affiliates	436	768
Other	235	160
Total non-operating income	1,993	2,221
Non-operating expenses		
Interest expenses	44	55
Foreign exchange losses	–	102
Other	26	21
Total non-operating expenses	70	178
Ordinary income	6,926	7,227
Extraordinary income		
Gain on sales of noncurrent assets	–	42
Gain on sales of investment securities	6	357
Total extraordinary income	6	399
Extraordinary losses		
Loss on retirement of noncurrent assets	109	42
Total extraordinary losses	109	42
Profit before income taxes	6,823	7,584
Total income taxes	1,966	2,044
Profit	4,857	5,539
Profit attributable to non-controlling interests	226	287
Profit attributable to owners of parent	4,630	5,252

[Quarterly Consolidated Statements of Comprehensive Income]

(Millions of yen)

	First three months of Fiscal 2016 (April 1, 2015 to June 30, 2015)	First three months of Fiscal 2017 (April 1, 2016 to June 30, 2016)
Profit	4,857	5,539
Other comprehensive income		
Valuation difference on available-for-sale securities	3,160	1,898
Deferred gains or losses on hedges	(32)	(106)
Foreign currency translation adjustment	(261)	(3,828)
Remeasurements of defined benefit plans	64	51
Share of other comprehensive income of affiliates accounted for by the equity method	32	(126)
Total other comprehensive income	2,962	(2,111)
Comprehensive income	7,819	3,427
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,575	3,491
Comprehensive income attributable to non-controlling interests	244	(63)

(3) Notes on Quarterly Consolidated Financial Statements

[Notes on the Premise of a Going Concern]

There are no applicable matters to be reported.

[Notes on a Significant Change in Shareholders' Equity]

There are no applicable matters to be reported.

[Segment Information, etc.]

[Segment information]

I. First three months of Fiscal 2016 (April 1, 2015 to June 30, 2015)

1. Information about net sales, profit (loss) for each reportable segment

(Millions of yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Carried on quarterly consolidated statements of income (Note 3)
	Flour Milling	Processed Food	Total				
Net sales Sales to external customers	66,925	62,250	129,176	10,433	139,610	–	139,610
Intersegment sales and transfers	4,720	123	4,844	1,607	6,451	(6,451)	–
Total	71,646	62,374	134,021	12,041	146,062	(6,451)	139,610
Segment income	1,801	2,829	4,631	389	5,020	(16)	5,003

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 and other.
3. Segment income has been adjusted for the operating income appearing in the quarterly consolidated statements of income.

2. Information about goodwill, etc. for each reportable segment

(Material changes in goodwill)

From the first quarter under review, the Company has applied the “Revised Accounting Standard for Business Combinations” (ASBJ Statement No. 21; September 13, 2013) and other accounting standards. The reduction in goodwill resulting from this change was ¥1,252 million in the Flour Milling Segment.

II. First three months of Fiscal 2017 (April 1, 2016 to June 30, 2016)

Information about net sales, profit (loss) for each reportable segment

(Millions of yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Carried on quarterly consolidated statements of income (Note 3)
	Flour Milling	Processed Food	Total				
Net sales Sales to external customers	61,479	64,707	126,186	9,737	135,923	–	135,923
Intersegment sales and transfers	4,604	121	4,726	643	5,369	(5,369)	–
Total	66,084	64,828	130,912	10,380	141,293	(5,369)	135,923
Segment income	2,022	2,677	4,700	366	5,067	117	5,184

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 and other.
3. Segment income has been adjusted for the operating income appearing in the quarterly consolidated statements of income.