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 Second Quarter of Fiscal 2018 [Japanese Standards]

October 26, 2017

Listed Company Name: Nisshin Seifun Group Inc. Registered on Tokyo Stock Exchange
Code: 2002
URL: http://www.nisshin.com
Representative: Nobuki Kemmoku, Representative Director and President
Contact: Hideki Machida, General Manager, Public Communications Department (General Administration Division)
Tel.: +81-3-5282-6650
Date to submit the Quarterly Securities Report: November 14, 2017
Date to start distributing dividends: December 4, 2017
Supplementary materials 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 Second Quarter of Fiscal 2018 (April 1, 2017 to September 30, 2017)

(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 profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months of Fiscal 2018	262,140	(3.4)	13,102	14.0	15,593	10.4	10,553	4.0
First six months of Fiscal 2017	271,259	(1.9)	11,495	10.5	14,121	10.3	10,147	21.6

(Note) Comprehensive income: First six months of Fiscal 2018 ¥10,080 million (up 130.5 %)
First six months of Fiscal 2017 ¥4,374 million (down 7.8%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
First six months of Fiscal 2018	35.17	35.14
First six months of Fiscal 2017	33.63	33.59

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
September 30, 2017	563,187	403,316	69.2
March 31, 2017	557,568	406,805	70.6

(Reference) Equity capital: September 30, 2017: ¥389,736 million March 31, 2017: ¥393,620 million

2. Dividends

	Dividend per share				
	1Q End	2Q End	3Q End	Year-End	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2017	—	13.00	—	13.00	26.00
Fiscal 2018	—	14.00			
Fiscal 2018 (forecast)			—	14.00	28.00

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

3. Forecast of Consolidated Business Results for the Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	535,000	0.6	26,000	1.9	30,000	(1.1)	20,100	3.3	67.32

(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 "2. Quarterly Consolidated Financial Statements and Related Notes (4) Notes on Quarterly Consolidated Financial Statements [Adoption of Special Accounting Treatment for Preparing Quarterly Consolidated Financial Statements]" on page 11 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.: None
2) Changes in accounting policies other than the above: None
3) Changes in accounting estimates: None
4) Revisions restated: None

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

1) Number of shares issued and outstanding (including treasury shares)	As of September 30, 2017	304,357,891	As of March 31, 2017	304,357,891
2) Number of treasury shares	As of September 30, 2017	7,251,132	As of March 31, 2017	2,374,365
3) Average number of shares outstanding	First six months of Fiscal 2018	300,029,921	First six months of Fiscal 2017	301,754,088

* Audits are not required for quarterly earnings reports.

* 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 "1. Qualitative Information for the Period under Review (3) Forecast of Consolidated Business Results and Other Forward-looking Information" on page 5 of the Attachment.

(2) Supplementary materials for this report and results briefing materials (Japanese version only) 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 six months of the fiscal year ending March 31, 2018, while the Japanese economy continued to show signs of a modest recovery, primarily atop improved corporate earnings and a turnaround in capital investment, future performance in the corporate sector and the economy remained uncertain, reflecting belt-tightening behavior among consumers, labor shortages, and sociopolitical instability abroad, among other concerns.

Under these conditions, the Group created synergies by strengthening cooperation among its operating companies, capitalizing on its comprehensive group-wide capabilities in the quest for further growth. Guided by this, the Group launched initiatives under a new medium-term management plan, dubbed “NNI-120 II,” 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 moving apace toward solid profit growth through self-sustained business growth, including that of acquired businesses, and through new strategic investments. Additionally, the Group is taking a more proactive stance to shareholder returns, and conducted a purchase of treasury shares with an upper cap of ¥10 billion from May to October of 2017.

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, including through the development of an optimized production framework. The Group also continued to expand the overseas business.

As a result, consolidated net sales for the first six months of the fiscal year ending March 31, 2018, decreased 3.4% year on year to ¥262,140 million. Along with falling wheat flour prices in the previous year, this reflected the effects of the exclusion of a subsidiary from the scope of consolidation in September 2016 following the transfer of its shares to another entity. In terms of profits, due to growth in shipments of high-value-added products matched to consumer needs, measures to improve profitability, including cost reduction efforts, and the shifting of advertising and other promotion expenses to the second half of the year, operating profit was ¥13,102 million, up 14.0% year on year. Ordinary profit increased by 10.4% to ¥15,593 million, and profit attributable to owners of parent rose by 4.0% to ¥10,553 million.

[Business Overview by Segment]

1) Flour Milling Segment

In the flour milling business, shipments of commercial wheat flour in Japan increased year on year, reflecting aggressive sales expansion measures and progress in attracting new customers, despite an adverse market environment characterized by continued belt-tightening among consumers.

Also in June 2017, 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 rose 4.6% in April 2017.

From the perspectives of production and distribution, we continued to advance measures to enhance productivity and to reduce fixed and other costs. Regarding food safety, we actively promoted additional measures related to the new JFS-E-C certification for food management systems, including by expanding the scope to cover both our head office and all plants in Japan.

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 product prices due to falling raw wheat prices in the previous year. In terms of profits, conditions were challenging, with sales competition encountered mainly in the North America region. In Canada, construction concluded in October 2017 to boost by approximately 80% the production capacity of Canadian subsidiary Rogers Foods Ltd.'s Chilliwack Plant. Elsewhere, construction to boost by approximately 70% the production capacity of U.S. subsidiary Miller Milling Company, LLC's Saginaw Plant is on track and scheduled to conclude in early 2019.

As a result, net sales of the Flour Milling Segment decreased 5.1% year on year to ¥113,868 million, due largely to the impact of falling wheat flour prices last year. Operating profit, meanwhile, increased 0.6% to ¥4,361 million, as cost reductions in Japan and the response to strategic outlays made in the previous year offset the impact on performance from competition in the overseas business.

2) Processed Food Segment

In the processed food business, for household-use products, in addition to efforts to expand the lineup of our strong-selling bottle-type products designed to address needs arising from an increase in eating alone and demand for meals that are easy to prepare, we enacted initiatives designed to stimulate consumption. In commercial-use products, we launched new products tailored to customer needs and 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 dishes and other prepared foods business that can provide full lineups across wide-ranging categories of products. We also completed construction to augment capacity at a prepared noodle production site in western Japan in April 2017, and completed construction of the new Nagoya Plant in September 2017. Operations also began at both sites as scheduled. As a result, sales in the processed food business were lower overall year on year, mainly due to effects from the exclusion of a subsidiary from the scope of consolidation in September 2016 following the transfer of its shares to another entity. This outcome came despite brisk growth in shipments of pastas, pasta sauces, prepared dishes and other prepared foods and frozen foods.

Also, in response to revised prices for commercial wheat flour due to the government's decision to revise the prices of imported wheat, the Company in July 2017 revised prices for its household-use wheat flour and commercial prepared mix products.

In the overseas business, sales were higher atop strong prepared mix business performance. Elsewhere, operations are running smoothly at a production plant for pasta sauces 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 in the yeast business were higher year on year, the result of brisk shipments mainly of fillings. However, sales in biotechnology were lower, primarily from a decrease in shipments of cultivation medium for testing. On a related note, in July 2017, the decision was made at overseas subsidiary Oriental Yeast India Pvt. Ltd. to build a yeast plant in India.

In the healthcare foods business, sales were flat year on year, reflecting a decline in sales of consumer products despite an increase in shipments of raw materials for pharmaceuticals.

As a result, net sales of the Processed Food Segment decreased 2.3% year on year to ¥127,340 million. Operating profit increased 22.2% to ¥7,194 million, as growth in shipments of high-value-added products tailored to consumer needs, cost reduction efforts, and the shifting of advertising and promotion expenses to the second half of the year offset expenses incurred in the launch of the new Nagoya Plant in the prepared dishes and other prepared foods business.

3) Others Segment

In the pet food business, sales were largely flat year on year despite sales promotion measures, including the aggressive launch of new products and TV commercials and campaigns, due to a challenging sales environment.

In the engineering business, sales decreased year on year, mainly due to the completion of large-scale construction projects in the first half of the previous year, despite growth in orders for projects in the mainstay plant engineering business.

In the mesh cloths business, sales were up from a year earlier, reflecting strong shipments of industrial materials and molded plastic products primarily for automotive components.

As a result, net sales of the Others Segment decreased 0.3% to ¥20,931 million, and operating profit increased 30.4% to ¥1,453 million, primarily atop improved plant construction profitability in the engineering business.

(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 increased ¥3,451 million from the previous fiscal year-end to ¥242,310 million, due largely to an increase in notes and accounts receivable – trade. Non-current assets increased ¥2,167 million to ¥320,877 million, primarily due to increases in property, plant and equipment and investment securities. As a result, total assets increased ¥5,619 million from the previous fiscal year-end to ¥563,187 million. Meanwhile, current liabilities rose ¥6,535 million to ¥96,369 million, mainly reflecting an increase in notes and accounts payable – trade. Non-current liabilities increased ¥2,572 million to ¥63,501 million. As a result, total liabilities rose ¥9,108 million from the previous fiscal year-end to ¥159,871 million. Net assets decreased ¥3,489 million to ¥403,316 million, including an increase due to profit attributable to owners of parent for the period, a decrease due to the payment of dividends and a decrease due to the purchase of treasury shares, etc.

The Company’s consolidated cash flows for the period under review were as follows.

Net cash provided by (used in) operating activities

An increase in cash and cash equivalents mainly due to profit before income taxes of ¥15,687 million and depreciation of ¥7,537 million surpassed a decrease in cash and cash equivalents from factors such as the payment of income taxes. This led to net cash provided by operating activities of ¥22,453 million for the period under review.

Net cash provided by (used in) investing activities

¥9,861 million was used for the purchase of property, plant, and equipment and intangible assets, while payments and purchases of time deposits with terms exceeding three months and securities exceeded proceeds from repayment and maturity for these items by ¥135 million, leading to net cash used in investing activities of ¥10,131 million.

Adding net cash used in investing activities to net cash provided by operating activities, free cash flow came to an inflow of ¥12,322 million.

Net cash provided by (used in) financing activities

To distribute profits to shareholders, the Company paid dividends of ¥3,926 million. Additionally, ¥9,427 million in cash was used for the purchase of treasury shares. Furthermore, repayment of short-term loans payable surpassed proceeds from long-term loans payable by ¥697 million, leading to net cash used in financing activities of ¥14,467 million.

As a result, consolidated cash and cash equivalents at the end of the second quarter of the fiscal year ending March 31, 2018 decreased ¥1,999 million from the previous year-end to ¥88,837 million.

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

The Japanese economy is facing concerns over its future, including ongoing societal aging and lackluster personal consumption triggered by fears about the future, as well as uncertainty abroad, namely policy implementation in the United States and the exit of the UK from the EU (Brexit). 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. By bringing the Group's comprehensive group-wide capabilities to the fore, we will pursue 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 high-value-added, core products and pursue advertising and other sales promotion measures, along with productivity enhancements and other cost-reduction efforts. At the same time, we will promote expansion in overseas business.

Furthermore, the now largely agreed upon economic partnership agreement (EPA) between Japan and Europe is expected to impact industries related to the Company's own operations. Consequently, we will continue to pay close attention to trends and respond appropriately to this EPA and the Trans-Pacific Partnership (TPP) trade agreement.

Also, the Company announced a revision of its commercial wheat flour prices in response to the government's decision to raise the prices of five classes of imported wheat by 3.6% on average from October 2017.

As a result of the above factors, consolidated net sales for the fiscal year ending March 31, 2018 are currently forecast to rise 0.6% year on year to ¥535,000 million, operating profit is projected to climb 1.9% to ¥26,000 million, ordinary profit is expected to decrease 1.1% to ¥30,000 million, and profit attributable to owners of parent is expected to increase 3.3% year on year to ¥20,100 million. These forecasts remain in line with initial projections. These projections reflect various factors, including an increase in advertising and promotion expenses in the second half of the year, anticipated expenses incurred in the launch of the new plant in Nagoya in the prepared dishes and other prepared foods business, and areas of uncertainty, notably the performance of the flour milling business overseas.

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 an interim dividend of ¥14, up ¥1 from the previous fiscal year, and a full-year dividend of ¥28 per share, up ¥2 from the previous fiscal year. This is set to result in an actual dividend increase for a fifth consecutive year.

2. Quarterly Consolidated Financial Statements and Related Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2017 (As of March 31, 2017)	Fiscal 2018 Second Quarter (As of September 30, 2017)
Assets		
Current assets		
Cash and deposits	85,458	83,580
Notes and accounts receivable – trade	69,584	72,149
Securities	7,094	7,137
Inventories	64,012	63,263
Other	12,906	16,386
Allowance for doubtful accounts	(197)	(208)
Total current assets	238,858	242,310
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	55,441	54,331
Machinery, equipment and vehicles, net	39,296	37,935
Land	41,447	41,270
Other, net	8,654	13,687
Total property, plant and equipment	144,840	147,225
Intangible assets		
Goodwill	7,050	6,188
Other	8,039	7,248
Total intangible assets	15,089	13,437
Investments and other assets		
Investment securities	151,963	153,361
Other	6,938	6,970
Allowance for doubtful accounts	(122)	(117)
Total investments and other assets	158,779	160,214
Total non-current assets	318,709	320,877
Total assets	557,568	563,187

(Millions of yen)

	Fiscal 2017 (As of March 31, 2017)	Fiscal 2018 Second Quarter (As of September 30, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	40,320	46,828
Short-term loans payable	9,745	6,185
Income taxes payable	5,437	4,064
Accrued expenses	18,265	18,858
Other	16,065	20,433
Total current liabilities	89,833	96,369
Non-current liabilities		
Long-term loans payable	4,967	7,732
Deferred tax liabilities	26,687	26,782
Provision for repairs	1,509	1,087
Net defined benefit liability	20,881	20,689
Other	6,883	7,208
Total non-current liabilities	60,928	63,501
Total liabilities	150,762	159,871
Net assets		
Shareholders’ equity		
Capital stock	17,117	17,117
Capital surplus	12,898	12,935
Retained earnings	293,165	299,791
Treasury shares	(2,026)	(11,307)
Total shareholders’ equity	321,154	318,536
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	65,475	66,246
Deferred gains or losses on hedges	93	(166)
Foreign currency translation adjustment	7,836	5,957
Remeasurements of defined benefit plans	(939)	(839)
Total accumulated other comprehensive income	72,466	71,199
Subscription rights to shares	175	187
Non-controlling interests	13,009	13,393
Total net assets	406,805	403,316
Total liabilities and net assets	557,568	563,187

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

[Quarterly Consolidated Statements of Income]

(Millions of yen)

	First six months of Fiscal 2017 (April 1, 2016 to September 30, 2016)	First six months of Fiscal 2018 (April 1, 2017 to September 30, 2017)
Net sales	271,259	262,140
Cost of sales	192,050	182,281
Gross profit	79,209	79,858
Selling, general and administrative expenses	67,713	66,755
Operating profit	11,495	13,102
Non-operating income		
Interest income	81	103
Dividend income	1,317	1,158
Share of profit of entities accounted for using equity method	1,217	1,189
Other	318	298
Total non-operating income	2,935	2,749
Non-operating expenses		
Interest expenses	107	99
Foreign exchange losses	154	23
Share issuance cost	–	53
Other	47	81
Total non-operating expenses	308	258
Ordinary profit	14,121	15,593
Extraordinary income		
Gain on sales of non-current assets	366	276
Gain on sales of investment securities	375	2
Gain on sales of shares of subsidiaries and associates	1,862	–
Total extraordinary income	2,604	278
Extraordinary losses		
Loss on retirement of non-current assets	157	184
Total extraordinary losses	157	184
Profit before income taxes	16,569	15,687
Total income taxes	5,805	4,423
Profit	10,763	11,264
Profit attributable to non-controlling interests	616	710
Profit attributable to owners of parent	10,147	10,553

[Quarterly Consolidated Statements of Comprehensive Income]

(Millions of yen)

	First six months of Fiscal 2017 (April 1, 2016 to September 30, 2016)	First six months of Fiscal 2018 (April 1, 2017 to September 30, 2017)
Profit	10,763	11,264
Other comprehensive income		
Valuation difference on available-for-sale securities	3,016	733
Deferred gains or losses on hedges	58	(262)
Foreign currency translation adjustment	(9,359)	(1,774)
Remeasurements of defined benefit plans	101	73
Share of other comprehensive income of entities accounted for by the equity method	(207)	46
Total other comprehensive income (loss)	(6,389)	(1,183)
Comprehensive income	4,374	10,080
(Breakdown)		
Comprehensive income attributable to owners of parent	4,771	9,286
Comprehensive income (loss) attributable to non-controlling interests	(397)	794

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	First six months of Fiscal 2017 (April 1, 2016 to September 30, 2016)	First six months of Fiscal 2018 (April 1, 2017 to September 30, 2017)
Cash flows from operating activities		
Profit before income taxes	16,569	15,687
Depreciation	8,062	7,537
Amortization of goodwill	619	615
Increase (decrease) in net defined benefit liability	(429)	(193)
Interest and dividend income	(1,398)	(1,262)
Interest expenses	107	99
Share of (profit) loss of entities accounted for using equity method	(1,217)	(1,189)
Loss (gain) on sales of investment securities	(375)	(2)
Loss (gain) on sales of shares of subsidiaries and associates	(1,862)	–
Decrease (increase) in notes and accounts receivable – trade	4,830	(2,779)
Decrease (increase) in inventories	1,831	419
Increase (decrease) in notes and accounts payable – trade	(6,539)	6,436
Other, net	(445)	1,446
Subtotal	19,753	26,816
Interest and dividend income received	1,944	2,238
Interest expenses paid	(71)	(98)
Income taxes paid	(6,979)	(6,503)
Net cash provided by (used in) operating activities	14,647	22,453
Cash flows from investing activities		
Payments into time deposits	(288)	(2,185)
Proceeds from withdrawal of time deposits	1,765	2,041
Purchase of securities	(957)	(1,717)
Proceeds from sales of securities	924	1,726
Purchase of property, plant and equipment and intangible assets	(7,117)	(9,861)
Proceeds from sales of property, plant and equipment and intangible assets	608	284
Purchase of investment securities	(20)	(19)
Proceeds from sales of investment securities	815	2
Purchase of shares of subsidiaries and associates	–	(40)
Proceeds from redemption of shares of subsidiaries and associates	2,713	–
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	3,097	–
Other, net	10	(360)
Net cash provided by (used in) investing activities	1,551	(10,131)
Cash flows from financing activities		
Increase in short-term loans payable	400	–
Decrease in short-term loans payable	(4,070)	(4,084)
Proceeds from long-term loans payable	1,236	3,387
Proceeds from sales of treasury shares	156	183
Purchase of treasury shares	(0)	(9,427)
Cash dividends paid	(3,621)	(3,926)
Other, net	(571)	(598)
Net cash provided by (used in) financing activities	(6,470)	(14,467)
Effect of exchange rate change on cash and cash equivalents	(1,665)	145
Net increase (decrease) in cash and cash equivalents	8,062	(1,999)
Cash and cash equivalents at beginning of period	72,960	90,837
Increase (decrease) in cash and cash equivalents resulting from change of fiscal year-end of subsidiaries	(527)	–
Cash and cash equivalents at end of period	80,495	88,837

(4) 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]

At a meeting of the Board of Directors on May 12, 2017, the Company resolved to purchase treasury shares, with an upper cap of 7 million shares or a total value of ¥10,000 million.
At the end of the second quarter of the fiscal year ending March 31, 2018, the Company purchased 4,953,000 treasury shares with a total value of ¥9,266 million. Primarily as a result of this purchase, the value of treasury shares increased by ¥9,281 million during first six months of the fiscal year, for a total value of ¥11,307 million as of the end of the second quarter of the fiscal year ending March 31, 2018.
Purchases of treasury shares based on this resolution were concluded on October 6, 2017.

[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 tax adjustments is included in “Total income taxes.”

[Segment Information, etc.]

[Segment information]

I. First six months of Fiscal 2017 (April 1, 2016 to September 30, 2016)

Information about net sales and 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	119,934	130,327	250,262	20,997	271,259	–	271,259
Intersegment sales and transfers	8,626	239	8,866	1,270	10,137	(10,137)	–
Total	128,561	130,567	259,128	22,268	281,396	(10,137)	271,259
Segment profit	4,335	5,889	10,224	1,114	11,338	156	11,495

Notes: 1. Business segment of “Others” is excluded from reportable segment, which includes pet food, engineering, mesh cloths, handling and storage businesses.
2. Segment profit adjustment refers to intersegment transaction eliminations and other.
3. Segment profit has been adjusted for the operating profit appearing in the quarterly consolidated statements of income.

II. First six months of Fiscal 2018 (April 1, 2017 to September 30, 2017)

Information about net sales and 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	113,868	127,340	241,209	20,931	262,140	–	262,140
Intersegment sales and transfers	7,856	224	8,080	972	9,053	(9,053)	–
Total	121,725	127,564	249,289	21,903	271,193	(9,053)	262,140
Segment profit	4,361	7,194	11,555	1,453	13,009	93	13,102

Notes: 1. Business segment of “Others” is excluded from reportable segment, which includes pet food, engineering, mesh cloths, handling and storage businesses.
2. Segment profit adjustment refers to intersegment transaction eliminations and other.
3. Segment profit has been adjusted for the operating profit appearing in the quarterly consolidated statements of income.