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Independent Auditor's Report

The Board of Directors
Nisshin Seifun Group Inc.

We have audited the accompanying consolidated financial statements of Nisshin Seifun Group Inc. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2015, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nisshin Seifun Group Inc. and its consolidated subsidiaries as at March 31, 2015, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 4.

Ernst & Young ShinNihon LLC

June 25, 2015

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Balance Sheets

As of March 31, 2015 and 2014

ASSETS	Millions of yen 2015	Millions of yen 2014	Thousands of U.S. dollars (Note 4) 2015
Current Assets:			
Cash and deposits (Notes 18 and 20)	¥ 42,584	¥ 49,104	$ 354,365
Notes and accounts receivable – trade (Note 18)	74,688	67,486	621,520
Short-term investment securities (Notes 18 and 20)	25,565	28,869	212,740
Inventories (Note 5)	76,268	58,484	634,668
Deferred tax assets (Note 15)	5,274	5,597	43,888
Other	5,630	7,089	46,850
Allowance for doubtful accounts	(208)	(222)	(1,731)
Total current assets	229,804	216,409	1,912,324
Property, Plant and Equipment (Notes 6 and 7):			
Land	40,497	38,143	336,998
Buildings and structures, net	54,001	49,187	449,372
Machinery, equipment and vehicles, net	40,602	35,089	337,871
Construction in progress	9,552	3,830	79,487
Other, net	4,048	2,689	33,686
Property, plant and equipment, net	148,702	128,939	1,237,430
Intangible Assets:			
Goodwill	10,355	5,008	86,170
Other	11,273	7,990	93,809
Total intangible assets	21,629	12,998	179,987
Investments and Other Assets:			
Investment securities (Notes 7, 18 and 19)	143,288	105,975	1,192,377
Net defined benefit asset (Note 8)	30	487	250
Deferred tax assets (Note 15)	3,118	3,808	25,947
Other	2,863	2,553	23,825
Allowance for doubtful accounts	(129)	(132)	(1,073)
Total investments and other assets	149,170	112,692	1,241,325
Total assets	¥ 549,307	¥ 471,039	$ 4,571,083

LIABILITIES AND NET ASSETS	Millions of yen 2015	Millions of yen 2014	Thousands of U.S. dollars (Note 4) 2015
Current Liabilities:			
Notes and accounts payable – trade (Note 18)	¥ 57,561	¥ 45,785	$ 478,996
Short-term loans payable (Note 7)	17,175	6,607	142,923
Income taxes payable (Note 15)	3,157	4,481	26,271
Accrued expenses	17,042	17,725	141,816
Other	17,303	15,833	143,988
Total current liabilities	112,240	90,433	934,010
Noncurrent Liabilities:			
Long-term loans payable (Note 7)	3,874	3,367	32,238
Deferred tax liabilities (Note 15)	24,837	15,828	206,682
Provision for repairs	1,473	1,574	12,258
Net defined benefit liability (Note 8)	21,421	19,073	178,256
Long-term deposits received	5,589	5,658	46,509
Other	1,154	1,011	9,603
Total noncurrent liabilities	58,351	46,514	485,570
Commitments and Contingent Liabilities (Note 16)			
Net Assets (Notes 9, 10 and 11):			
Shareholders' equity:			
Capital stock: authorized – 932,856,000 shares Issued – 304,357,891 shares in 2015 and 276,688,992 shares in 2014	17,117	17,117	142,440
Capital surplus	9,571	9,483	79,646
Retained earnings	275,194	266,581	2,290,039
Less: Treasury stock 3,098,077 shares in 2015 and 3,264,335 shares in 2014	(2,659)	(3,088)	(22,127)
Total shareholders' equity	299,224	290,094	2,490,006
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	57,298	32,253	476,808
Deferred gains on hedges	118	21	982
Foreign currency translation adjustment	11,911	4,237	99,118
Remeasurements of defined benefit plans (Note 8)	(1,471)	(1,831)	(12,241)
Total accumulated other comprehensive income	67,857	34,680	564,675
Subscription rights to shares	179	260	1,490
Minority interests	11,454	9,057	95,315
Total net assets	378,715	334,092	3,151,494
Total liabilities and net assets	¥ 549,307	¥ 471,039	$ 4,571,083

See notes to consolidated financial statements.

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statements of Income

For the Years Ended March 31, 2015 and 2014

	Millions of yen				Thousands of U.S. dollars (Note 4)	
	2015		2014		2015	
Net Sales	¥	526,144	¥	495,930	$	4,378,331
Cost of Sales (Notes 5 and 13)		377,729		348,619		3,143,289
Gross Profit		148,414		147,311		1,235,034
Selling, General and Administrative Expenses (Notes 9, 12 and 13)		127,937		125,036		1,064,633
Operating Income		20,476		22,274		170,392
Non-operating Income (Expenses):						
Interest income		203		214		1,689
Interest expenses		(179)		(166)		(1,490)
Dividends income		1,905		1,742		15,853
Equity in earnings of affiliates		2,104		839		17,509
Rent income		328		323		2,729
Gain on sales of noncurrent assets		950		147		7,905
Gain on sales of investment securities		67		507		558
Gain on liquidation of investment securities		161		-		1,340
Gain on bargain purchase		-		285		-
Subsidy income		-		200		-
Loss on retirement of noncurrent assets		(548)		(712)		(4,560)
Litigation settlement (Note 14)		(732)		-		(6,091)
Litigation related expenses (Note 14)		-		(450)		-
Expenses for reconstructuring of production base of subsidiaries and affiliates		-		(183)		-
Other, net		690		178		5,742
Total non-operating income, net		4,951		2,926		41,200
Income before Income Taxes and Minority Interests		25,427		25,201		211,592
Income Taxes (Note 15):						
Income taxes – current		6,871		9,159		57,177
Income taxes – deferred		1,684		23		14,013
Total income taxes		8,555		9,183		71,191
Income before Minority Interests		16,871		16,018		140,393
Minority Interests in Income		835		919		6,948
Net Income	¥	16,036	¥	15,098	$	133,444

See notes to consolidated financial statements.

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2015	2014	**2015**
Income before Minority Interests	**¥ 16,871**	¥ 16,018	**$ 140,393**
Other Comprehensive Income (Note 22):			
Valuation difference on available-for-sale securities	**24,990**	2,341	**207,955**
Deferred gains (losses) on hedges	**96**	(137)	**799**
Foreign currency translation adjustment	**8,425**	5,451	**70,109**
Remeasurements of defined benefit plans	**329**	-	**2,738**
Share of other comprehensive income of affiliates accounted for using equity method	**273**	262	**2,272**
Total other comprehensive income	**34,116**	7,918	**283,898**
Comprehensive Income	**¥ 50,988**	¥ 23,936	**$ 424,299**
Comprehensive Income Attributable to:			
Owners of the parent	**¥ 49,213**	¥ 22,401	**$ 409,528**
Minority interests	**1,774**	1,535	**14,762**

See notes to consolidated financial statements.

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statements of Changes in Net Assets

For the Years Ended March 31, 2015 and 2014

	Millions of yen										
	Shareholders' equity				Accumulated other comprehensive income						
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on available-for sale securities	Deferred gains on hedges	Foreign currency translation adjustment	Remeasu-rements of defined benefit plans	Subscription rights to shares	Minority interests	Total net assets
Balance at April 1, 2013	¥ 17,117	¥ 9,460	¥256,453	¥ (3,188)	¥ 29,894	¥ 148	¥ (833)	¥ -	¥ 232	¥ 8,150	¥317,436
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					2,358	(127)	5,070	(1,831)	27	906	6,404
Total changes of items during the period	-	23	10,127	100	2,358	(127)	5,070	(1,831)	27	906	16,655
Balance at March 31, 2014	**17,117**	**9,483**	**266,581**	**(3,088)**	**32,253**	**21**	**4,237**	**(1,831)**	**260**	**9,057**	**334,092**
Cumulative effects of changes in accounting policies			(1,950)								(1,950)
Restated balance at April 1, 2014	17,117	9,483	264,630	(3,088)	32,253	21	4,237	(1,831)	260	9,057	332,141
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					25,045	97	7,674	359	(80)	2,397	35,494
Total changes of items during the period	-	87	10,563	428	25,045	97	7,674	359	(80)	2,397	46,574
Balance at March 31, 2015	¥ 17,117	¥ 9,571	¥275,194	¥ (2,659)	¥ 57,298	¥ 118	¥ 11,911	¥ (1,471)	¥ 179	¥ 11,454	¥378,715

	Thousands of U.S. dollars (Note 4)										
	Shareholders' equity				Accumulated other comprehensive income						
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on available-for sale securities	Deferred gains on hedges	Foreign currency translation adjustment	Remeasu-rements of defined benefit plans	Subscription rights to shares	Minority interests	Total net assets
Balance at April 1, 2014	$ 142,440	$ 78,913	$ 2,218,366	$ (25,697)	$ 268,395	$ 175	$ 35,258	$ (15,237)	$ 2,164	$ 75,368	$ 2,780,161
Cumulative effects of changes in accounting policies			(16,227)								(16,227)
Restated balance at April 1, 2014	142,440	78,913	2,202,130	(25,697)	268,395	175	35,258	(15,237)	2,164	75,368	2,763,926
Changes of items during the period:											
Dividends from surplus			(45,535)								(45,535)
Net income			133,444								133,444
Purchase of treasury stock				(166)							(166)
Disposal of treasury stock		724		3,728							4,460
Net changes of items other than shareholders' equity					208,413	807	63,860	2,987	(666)	19,947	295,365
Total changes of items during the period	-	724	87,900	3,562	208,413	807	63,860	2,987	(666)	19,947	387,568
Balance at March 31, 2015	$ 142,440	$ 79,646	$ 2,290,039	$ (22,127)	$ 476,808	$ 982	$ 99,118	$ (12,241)	$ 1,490	$ 95,315	$ 3,151,494

See notes to consolidated financial statements.

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2015	2014	**2015**
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	**¥ 25,427**	¥ 25,201	**$ 211,592**
Depreciation and amortization	**14,747**	13,669	**122,718**
Amortization of goodwill	**990**	637	**8,238**
Litigation settlement	**732**	-	**6,091**
(Decrease) increase in net defined benefit liability	**(238)**	217	**(1,981)**
(Increase) decrease in net defined benefit asset	**(30)**	403	**(250)**
Interest and dividends income	**(2,108)**	(1,957)	**(17,542)**
Interest expenses	**179**	166	**1,490**
Equity in earnings of affiliates	**(2,104)**	(839)	**(17,509)**
Gain on sales of investment securities	**(67)**	(507)	**(558)**
Gain on bargain purchase	**-**	(285)	**-**
Increase in notes and accounts receivable – trade	**(5,955)**	(1,391)	**(49,555)**
(Increase) decrease in inventories	**(11,336)**	5,027	**(94,333)**
Increase (decrease) in notes and accounts payable – trade	**10,941**	(11,089)	**91,046**
Other	**209**	967	**1,739**
Subtotal	**31,385**	30,220	**261,172**
Interest and dividends income received	**2,271**	2,372	**18,898**
Interest expenses paid	**(184)**	(162)	**(1,531)**
Litigation settlement paid	**(732)**	-	**(6,091)**
Income taxes paid	**(7,633)**	(7,372)	**(63,518)**
Net cash provided by operating activities	**25,107**	25,058	**208,929**
Cash Flows from Investing Activities:			
Payments into time deposits	**(21,342)**	(4,739)	**(177,598)**
Proceeds from withdrawal of time deposits	**14,533**	22,496	**120,937**
Purchase of short-term investment securities	**(4,382)**	(20,640)	**(36,465)**
Proceeds from sales of short-term investment securities	**8,400**	20,638	**69,901**
Purchase of property, plant and equipment and intangible assets	**(19,009)**	(18,636)	**(158,184)**
Proceeds from sales of property, plant and equipment and intangible assets	**1,314**	61	**10,935**
Purchase of investment securities	**(1,147)**	(1,945)	**(9,545)**
Proceeds from sales of investment securities	**147**	708	**1,223**
Purchase of stocks of subsidiaries and affiliates	**(62)**	(559)	**(516)**
Payments for transfer of business (Note 20)	**(22,187)**	(190)	**(184,630)**
Other, net	**99**	1,009	**824**
Net cash used in investing activities	**(43,636)**	(1,797)	**(363,119)**
Cash Flows from Financing Activities:			
Increase in short-term loans payable	**10,179**	1,361	**84,705**
Decrease in short-term loans payable	**(2,184)**	(1,307)	**(18,174)**
Proceeds from long-term loans payable	**950**	309	**7,905**
Repayment of long-term loans payable	**(2)**	(6)	**(17)**
Proceeds from sales of treasury stock	**536**	151	**4,460**
Purchase of treasury stock	**(20)**	(28)	**(166)**

Cash dividends paid	(5,472)	(4,971)	(45,535)
Other, net	345	(582)	2,871
Net cash provided by (used in) financing activities	4,331	(5,072)	36,041
Effect of Exchange Rate Change on Cash and Cash Equivalents	1,409	1,247	11,725
Net (Decrease) Increase in Cash and Cash Equivalents	(12,788)	19,435	(106,416)
Cash and Cash Equivalents at Beginning of Period	72,685	53,249	604,851
Cash and Cash Equivalents at End of Period (Note 20)	¥ 59,897	¥ 72,685	$ 498,436

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

For the Years Ended March 31, 2015 and 2014

1. Summary of Significant Accounting Policies

(a) Basis of Presentation

Nisshin Seifun Group Inc. (the "Company") and its domestic subsidiaries maintain their accounting records and prepare their financial statements in accordance with accounting principles generally accepted in Japan, and its overseas subsidiaries maintain their books of account in conformity with those of their respective countries of domicile.

The accompanying consolidated financial statements of the Company and its consolidated subsidiaries are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan and are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

As permitted by the Financial Instruments and Exchange Act of Japan, amounts of less than one million yen have been omitted. Consequently, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sum of the individual amounts.

(b) Principles of Consolidation and Accounting for Investment in Unconsolidated Subsidiaries and Affiliates

The accompanying consolidated financial statements include the accounts of the Company and its significant subsidiaries (together, the "Group"). As of March 31, 2015, the number of consolidated subsidiaries was 47.

In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries are recorded based on the fair value at the time the Company acquired control of the respective subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Investments in subsidiaries and affiliates which are not consolidated and accounted for by the equity method are stated at cost as adjusted for equity in undistributed earnings and losses from the date of acquisition. As of March 31, 2015, the number of subsidiaries and affiliates accounted for by the equity method was 10.

Differences between the cost and the underlying net equity at fair value of investments in consolidated subsidiaries and in companies which are accounted for by the equity method have been amortized by the straight-line method for a period of mainly 10 years. However, immaterial goodwill is charged to income in the year of acquisition.

1. Summary of Significant Accounting Policies (continued)

(c) Translation of Foreign Currency Accounts

Current and non-current receivables and payables denominated in foreign currencies are translated at current rates of exchange prevailing at the balance sheet date and the resulting exchange gains or losses are recognized in earnings. Financial statements of overseas consolidated subsidiaries are translated into Japanese yen at the exchange rates in effect at the balance sheet date, with the exceptions that the components of net assets excluding minority interests are translated at their historical rates and that statement of income items are translated at the average rates of exchange in effect during the year.

Translation adjustments resulting from translation of foreign currency financial statements are presented as foreign currency translation adjustments and minority interests in the accompanying consolidated balance sheets.

(d) Cash Equivalents

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include short-term investment securities, time deposits and certificates of deposit, all of which mature or become due within three months of the date of acquisition.

Reconciliations between cash in the consolidated balance sheets and cash equivalents in the consolidated statements of cash flows are presented in Note 20.

(e) Inventories

Inventories are stated at the lower of cost or market.

For finished goods, cost for flour and bran is determined by the retail cost method and cost for other products is principally determined by the periodic average method. For raw materials, cost is principally determined by first-in-first-out method.

(f) Allowance for Doubtful Accounts

The Company and its domestic consolidated subsidiaries provide allowance for doubtful accounts principally at an amount computed based on the historical bad debt ratio during a certain reference period, plus an estimated uncollectible amount based on an analysis of certain individual accounts, including claims in bankruptcy.

Overseas consolidated subsidiaries provide allowance for doubtful accounts based on an estimate of uncollectible amounts for specific accounts.

1. Summary of Significant Accounting Policies (continued)

(g) Depreciation and Amortization (excluding leased assets)

Property, plant and equipment are carried at cost less accumulated depreciation.

Depreciation of property, plant and equipment is principally computed by the declining-balance method for the Company and its domestic consolidated subsidiaries (excluding buildings acquired on or after April 1, 1998), and by the straight-line method for overseas consolidated subsidiaries over the estimated useful lives of the respective assets. Depreciation of buildings acquired on or after April 1, 1998 is computed by the straight-line method for the Company and its domestic consolidated subsidiaries.

Amortization of intangible assets is computed by the straight-line method. Software for internal use is carried at cost less accumulated amortization, which is calculated by the straight-line method over its estimated useful life (within five years).

(h) Leases

All finance lease transactions are capitalized to recognize leased assets and lease obligations in the balance sheets and depreciated by the straight-line method over the lease period, with no residual value.

(i) Investment Securities

Securities other than those of subsidiaries and affiliates are classified into two categories: held-to-maturity or available-for-sale securities.

Held-to-maturity securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are reported at amortized cost. Securities classified as available-for-sale securities with fair market value are reported at fair value with unrealized gains and losses, net of the applicable taxes, reported in a separate component of net assets. Cost of available-for-sale securities with fair market value sold is determined by the moving-average method.

Securities classified as available-for-sale securities without fair market value are stated at cost determined by the moving-average method. For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

(j) Retirement Benefits

To provide for employees' and retired pension recipients' retirement benefits, the Group recorded the estimated amount of projected benefit obligation after deducting plan assets at the balance sheet date as net defined benefit asset and net defined benefit liability.

The benefit formula method is used to attribute expected benefits to the period through the end of the year in calculating projected benefit obligation.

Prior service cost is amortized by the straight-line method over a period equal to the average remaining years of service of the participants of the plans (mainly 15 years).

Actuarial gain or loss is amortized primarily by the straight-line method over a period equal to the average remaining years of service of the participants of the plans (mainly 15 years) from the year following the year in which the gain or loss is recognized.

1. **Summary of Significant Accounting Policies (continued)**

(k) Income Taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability method is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities.

Deferred income taxes are measured by applying currently enacted tax laws to the temporary differences.

(l) Distributions of Retained Earnings

Distributions of retained earnings are reflected in the accompanying consolidated financial statements for the following fiscal year upon shareholders' approval.

(m) Derivatives

The Group uses forward exchange contracts and currency option contracts as a means of hedging exposure to risks arising from fluctuation in foreign currencies. Certain overseas consolidated subsidiaries use commodity futures and options on wheat solely for the purpose of mitigating future risks arising from fluctuation in commodity prices. The Group does not enter into derivatives transactions for trading or speculative purposes.

Derivative financial instruments are classified and accounted for as follows: derivatives are carried at fair value with any changes in unrealized gains or losses charged or credited to income; however, for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of a high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions. In addition, if forward exchange contracts qualify for hedge accounting, the related hedged items such as foreign currency receivables and payables are translated at the corresponding contracted rates.

(n) Consumption Taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

2. Changes in Accounting Policies and Adoption of New Accounting Standards

Accounting Standard for Retirement Benefits, etc.

Effective March 31, 2015, the Company has applied the provisions indicated in the body text of paragraph 35 of "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan ("ASBJ") Statement No. 26, issued on May 17, 2012) and paragraph 67 of "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, issued on March 26, 2015). Consequently, the method for calculating the projected benefit obligation and service cost has been revised, the method for attributing expected benefits to each period has been changed from the straight-line method to the benefit formula basis and the method for determining the discount rate has been changed from the method based on an average remaining service period to the method using a single weighted-average discount rate reflecting the expected timing and amount of benefit payments.

With regard to the adoption of the standard and the guidance, the impact of the change in the method for calculating the projected benefit obligation and service cost was recognized in retained earnings as of April 1, 2014, in accordance with the transitional treatment provided in paragraph 37 of the standard.

As a result, net defined benefit asset decreased by ¥487 million ($4,053 thousand), net defined benefit liability increased by ¥2,568 million ($21,370 thousand) and retained earnings decreased by ¥1,950 million ($16,227 thousand) as of March 31, 2015. The impact on profit or loss for the year ended March 31, 2015 was immaterial.

3. Accounting Standards Issued but Not yet Effective

Accounting Standard for Business Combinations, etc.

On September 13, 2013, the ASBJ revised "Accounting Standard for Business Combinations" (ASBJ Statement No. 21), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22), "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7), "Accounting Standard for Earnings Per Share" (ASBJ Statement No. 2), "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10) and "Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4).

(1) Overview
These accounting standards and guidance have been revised mainly focusing on 1) treatments of changes in parent's ownership interests when the parent purchases or sells ownership interests in its subsidiaries while the parent retains its controlling interest in its subsidiaries, 2) acquisition related costs, 3) disclosure of net income and changes from minority interests to noncontrolling interests, and 4) provisional accounting procedures.

(2) Expected effective date
The Company expects to apply these standards and related guidance from the beginning of the year ending March 31, 2016. The treatment of provisional accounting procedures is expected to be applied effective for business combinations, which will occur on or after the beginning of the year ending March 31, 2016.

(3) Effects of the application
The Company is evaluating the effects at the time when the consolidated financial statements are prepared.

4. U.S. Dollar Amounts

The translation of yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made, as a matter of arithmetic computation only, at ¥120.17 = U.S.$1.00, the approximate rate of exchange in effect on March 31, 2015.

The translation should not be construed as a representation that yen have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

5. Inventories

Inventories at March 31, 2015 and 2014 comprised of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Merchandise and finished goods	**¥ 27,903**	¥ 26,312	**$ 232,196**
Work in process	**4,614**	3,609	**38,396**
Raw materials and supplies	**43,749**	28,561	**364,059**
Total	**¥ 76,268**	¥ 58,484	**$ 634,668**

Revaluation loss on inventories of ¥308 million ($2,563 thousand) and ¥399 million based on the lower of cost or market method was deducted from the carrying amounts of inventories at March 31, 2015 and 2014, respectively.

6. Property, Plant and Equipment

Accumulated depreciation of property, plant and equipment at March 31, 2015 and 2014 amounted to ¥258,809 million ($2,153,691 thousand) and ¥254,832 million, respectively. Accumulated reduction entry of property, plant and equipment purchased using funds from a government subsidy amounted to ¥368 million ($3,062 thousand) and ¥370 million at March 31, 2015 and 2014, respectively.

7. Short-Term and Long-Term Loans Payable

Short-term and long-term loans payable as of March 31, 2015 and 2014 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Short-term loans payable with average interest rate of 0.7178% at March 31, 2015	**¥ 16,268**	¥ 5,809	**$ 135,375**
Current portion of long-term loans payable with average interest rate of 1.5204% at March 31, 2015	**906**	797	**7,539**
Current portion of lease obligations	**311**	242	**2,588**
Total short-term loans payable	**17,486**	6,849	**145,511**
Long-term loans payable at March 31, 2015 with average interest rate of 1.3595%, less current portion, due from 2016 to 2027	**3,874**	3,367	**32,238**
Long-term lease obligations at March 31, 2015, due from 2016 to 2022	**671**	312	**5,584**
Total long-term loans payable	**4,545**	3,679	**37,821**
Total	**¥ 22,033**	¥ 10,529	**$ 183,349**

7. Short-Term and Long-Term Loans Payable (continued)

* Average interest rates of loans payable represent the weighted-average rates for the outstanding balances at March 31, 2015.
* Disclosure of average interest rates of lease obligations has been omitted because the amounts of lease obligations recorded on consolidated balance sheet at March 31, 2015 were calculated based on inclusive-of-interest method.

The annual maturities of long-term loans payable within 5 years of March 31, 2015, excluding the current portion, are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2017	¥ 1,221	$ 10,161
2018	1,211	10,077
2019	910	7,573
2020	527	4,385

The annual maturities of long-term lease obligations within 5 years of March 31, 2015 excluding the current portion are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2017	¥ 246	$ 2,047
2018	217	1,806
2019	157	1,306
2020	47	391

The Group has entered into certain line-of-credit agreements with major financial institutions amounting to ¥29,968 million ($249,380 thousand) and ¥17,900 million at March 31, 2015 and 2014, respectively.

Loans payable outstanding under these line-of-credit agreements amounted to ¥13,133 million ($109,287 thousand) and ¥2,512 million at March 31, 2015 and 2014, respectively.

Administrative expenses related to these line-of-credit agreements amounted to ¥16 million ($133 thousand) and ¥13 million for the years ended March 31, 2015 and 2014, respectively.

The carrying amounts of assets pledged as collateral at March 31, 2015 and 2014 for short-term loans payable of ¥100 million (¥832 thousand) and ¥200 million, respectively, are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Buildings and structures	¥ 1,134	¥ 1,211	$ 9,437
Machinery, equipment and vehicles	489	522	4,069
Investment securities (Note)	5,324	4,138	44,304
Other	124	113	1,032
Total	¥ 7,072	¥ 5,985	$ 58,850

Note: This is pledged as third party mortgage to collateralize loans payable of an affiliate of the Company.

8. Employees' Retirement Benefits

The Group has unfunded lump-sum retirement plans and defined contribution pension plans to provide for employees' retirement benefits. The Company and certain consolidated subsidiaries also have funded defined benefit corporate pension plans limited for retired pension recipients. Certain consolidated subsidiaries apply the simplified method in computing projected benefit obligation. Besides these retirement benefits, certain employees may be entitled to additional special retirement benefits based on the conditions under which termination occurs.

Defined benefit plans

(a) The changes in projected benefit obligation during the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Balance at beginning of year	¥ 29,011	¥ 30,581	$ 241,416
Cumulative effects of changes in accounting policies	3,055	-	25,422
Restated balance at beginning of year	32,067	30,581	266,847
Service cost	1,271	1,152	10,577
Interest cost	195	486	1,623
Actuarial gain	(80)	(155)	(666)
Retirement benefits paid	(3,095)	(3,064)	(25,755)
Other	18	11	150
Balance at end of year	¥ 30,376	¥ 29,011	$ 252,775

(b) The changes in plan assets during the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Balance at beginning of year	¥ 10,425	¥ 12,056	$ 86,752
Expected return on plan assets	104	120	865
Actuarial gain	109	13	907
Retirement benefits paid	(1,653)	(1,765)	(13,756)
Balance at end of year	¥ 8,986	¥ 10,425	$ 74,777

* Fair value of plan assets for the years ended March 31, 2015 and 2014 pertains to defined benefit corporate pension plans limited for retired pension recipients.

8. Employees' Retirement Benefits (continued)

(c) Reconciliation between the balances of projected benefit obligation and plan assets and net defined benefit liability and net defined benefit asset recorded on the consolidated balance sheets as of March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Funded projected benefit obligation	¥ 8,955	¥ 9,938	$ 74,519
Plan assets at fair value	(8,986)	(10,425)	(74,777)
	(30)	(487)	(250)
Unfunded projected benefit obligation	21,421	19,073	178,256
Net liability and asset recorded on the consolidated balance sheet	21,390	18,586	177,998
Net defined benefit liability	21,421	19,073	178,256
Net defined benefit asset	(30)	(487)	(250)
Net liability and asset recorded on the consolidated balance sheet	¥ 21,390	¥ 18,586	$ 177,998

(d) The components of retirement benefit costs for the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Service cost	¥ 1,271	¥ 1,152	$ 10,577
Interest cost	195	486	1,623
Expected return on plan assets	(104)	(120)	(865)
Amortization of actuarial loss	636	647	5,293
Amortization of prior service cost	(245)	(245)	(2,039)
Net retirement benefit costs	¥ 1,753	¥ 1,920	$ 14,588

* Retirement benefit costs incurred by consolidated subsidiaries that applied the simplified method were recorded as service cost.

(e) The components of remeasurements of defined benefit plans (before income tax effect) in other comprehensive income for the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Prior service cost	¥ (245)	¥ -	$ (2,039)
Actuarial gain	826	-	6,874
Total	¥ 581	¥ -	$ 4,835

(f) The components of remeasurements of defined benefit plans (before income tax effect) in accumulated other comprehensive income as of March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Unrecognized prior service cost	¥ (1,817)	¥ (2,062)	$ (15,120)
Unrecognized actuarial loss	3,835	4,662	31,913
Total	¥ 2,018	¥ 2,599	$ 16,793

8. Employees' Retirement Benefits (continued)

(g) Plan assets
(1) The components of plan assets are summarized as follows:

	2015	2014
General account	49%	49%
Bonds	48	48
Cash and deposits	3	3
Total	100%	100%

(2) Expected long-term rate of return
The expected long-term rate of return on plan assets is determined by considering current and expected distribution of plan assets and long-term rate of return derived from various components of the plan assets.

(h) Principal assumptions used for the actuarial calculation for the years ended March 31, 2015 and 2014 are set forth as follows:

		2015	2014
Discount rate	Principally	0.9%	1.7%
Expected long-term rate of return on plan assets	Principally	1.0%	1.0%

Defined contribution plans
The required contribution amount to defined contribution plans by the Group for the years ended March 31, 2015 and 2014 amounted to ¥776 million ($6,458 thousand) and ¥716 million, respectively.

9. Stock Option Plans

Stock option expenses included in "Selling, General and Administrative Expenses" in the accompanying consolidated statements of income for the years ended March 31, 2015 and 2014 amounted to ¥42 million ($350 thousand) and ¥52 million, respectively. Gain on forfeiture of unexercised stock options for the years ended March 31, 2015 and 2014 amounted to ¥43 million ($358 thousand) and ¥1 million, respectively.

At March 31, 2015, the Company and consolidated subsidiaries had the following stock option plans:

	2007 Plan	2008 Plan	2009 Plan	2010 Plan
Grantees	12 directors and 11 executive officers of the Company and 23 directors of consolidated subsidiaries	12 directors and 12 executive officers of the Company and 24 directors of consolidated subsidiaries	12 directors and 12 executive officers of the Company and 23 directors of consolidated subsidiaries	12 directors and 12 executive officers of the Company and 24 directors of consolidated subsidiaries
Type of stock	Common Stock	Common Stock	Common stock	Common stock
Number of shares granted	275,000 shares *1	321,860 shares *2	309,760 shares *2	318,230 shares *2
Grant date	August 13, 2007	August 19, 2008	August 18, 2009	August 18, 2010
Conditions for vesting	Not stated	Not stated	Not stated	Not stated
Service period	Not specified	Not specified	Not specified	Not specified
Exercisable period	July 27, 2009-July 26, 2014	August 20, 2010-July 30, 2015	August 19, 2011-August 1, 2016	August 19, 2012-August 1, 2017

9. Stock Option Plans (continued)

	2007 Plan *1	2008 Plan *2	2009 Plan *2	2010 Plan *2
Non-Vested (number of shares)				
Outstanding at beginning of the year	-	-	-	-
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Vested during the year	-	-	-	-
Outstanding at end of the year	-	-	-	-
Vested (number of shares)				
Outstanding at beginning of the year	161,700	242,000	268,620	258,940
Vested during the year	-	-	-	-
Exercised during the year	29,700	56,870	70,180	77,440
Forfeited during the year	132,000	70,180	62,920	41,140
Outstanding at end of the year	-	114,950	135,520	140,360
Exercise price (Yen)	¥1,089	¥1,155	¥936	¥909
Exercise price (U.S. dollars)	$9.06	$9.61	$7.79	$7.56
Weighted-average market price upon exercise (Yen)	¥1,189	¥1,424	¥1,154	¥1,152
Weighted-average market price upon exercise (U.S. dollars)	$9.89	$11.85	$9.60	$9.59
Fair value as of grant date (Yen)	¥93	¥166	¥192	¥179
Fair value as of grant date (U.S. dollars)	$0.77	$1.38	$1.60	$1.49

	2011 Plan	2012 Plan	2013 Plan	2014 Plan
Grantees	13 directors and 10 executive officers of the Company and 42 directors of consolidated subsidiaries	15 directors and 9 executive officers of the Company and 35 directors of consolidated subsidiaries	14 directors and 10 executive officers of the Company and 35 directors of consolidated subsidiaries	14 directors and 10 executive officers of the Company and 34 directors of consolidated subsidiaries
Type of stock	Common stock	Common stock	Common stock	Common stock
Number of shares granted	424,710 shares *2	388,410 shares *2	373,890 shares *2	337,700 shares *3
Grant date	August 18, 2011	August 16, 2012	August 20, 2013	August 19, 2014
Conditions for vesting	Not stated	Not stated	Not stated	Not stated
Service period	Not specified	Not specified	Not specified	Not specified
Exercisable period	August 19, 2013- August 1, 2018	August 17, 2014- August 1, 2019	August 21, 2015- August 3, 2020	August 20, 2016- August 2, 2021

9. Stock Option Plans (continued)

	2011 Plan *2	2012 Plan *2	2013 Plan *2	2014 Plan *3
Non-Vested (number of shares)				
Outstanding at beginning of the year	-	388,410	373,890	-
Granted during the year	-	-	-	337,700
Forfeited during the year	-	-	-	-
Vested during the year	-	388,410	-	-
Outstanding at end of the year	-	-	373,890	337,700
Vested (number of shares)				
Outstanding at beginning of the year	341,220	-	-	-
Granted during the year	-	388,410	-	-
Exercised during the year	99,220	174,240	-	-
Forfeited during the year	-	-	-	-
Outstanding at end of the year	242,000	214,170	-	-
Exercise price (Yen)	¥848	¥792	¥1,012	¥1,159
Exercise price (U.S. dollars)	$7.06	$6.59	$8.42	$9.64
Weighted-average market price upon exercise (Yen)	¥1,225	¥1,198	-	-
Weighted-average market price upon exercise (U.S. dollars)	$10.19	$9.97	-	-
Fair value as of grant date (Yen)	¥140	¥152	¥101	¥122
Fair value as of grant date (U.S. dollars)	$1.17	$1.26	$0.84	$1.02

*1 The Company carried out a stock split by the ratio of 1.1 shares per share on October 1, 2013. Number of shares and prices in the above tables are restated to reflect the stock split.

*2 The Company carried out a stock splits by the ratio of 1.1 shares per share on October 1, 2013 and on October 1, 2014. Number of shares and prices in the above tables are restated to reflect the stock splits.

*3 The Company carried out a stock split by the ratio of 1.1 shares per share on October 1, 2014. Number of shares and prices in the above tables are restated to reflect the stock split.

The fair value of options granted as of the grant date was estimated using the Black-Scholes option-pricing model based on the following assumptions:

	2014 Plan
Expected volatility *1 (%)	19.8
Expected remaining period *2 (years)	4.5
Expected dividends per share *3 (yen)	¥20
Expected dividends per share *3 (U.S. dollars)	$0.17
Risk free interest rate *4 (%)	0.13

*1 Expected volatility is estimated based on the actual stock price in the period from February 2010 to August 2014.

*2 As it is difficult to estimate the expected remaining period in a reasonable manner, it is determined to be the period from the grant date to the mid-point of the exercisable period.

*3 Expected dividends per share refer to the annual amount for the year ended March 31, 2014.

*4 Risk free interest rate represents the interest rate of government bonds whose remaining period corresponds to the expected remaining period of the above stock options.

Because it is difficult to estimate the forfeited number of stock options for future periods, estimation of the vested numbers is based on actual forfeitures in prior periods.

10. Shareholders' Equity

The Companies Act of Japan (the "Act") provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the capital stock account. Such distributions can be made at any time by resolution of the shareholders, or by the Board of Directors if certain conditions are met.

11. Supplemental Information for Consolidated Statements of Changes in Net Assets

(a) Type and number of outstanding shares

	Thousands of shares			
	Year ended March 31, 2015			
Types of shares	Balance at Beginning of Year	Increase in Shares during the Year	Decrease in Shares during the Year	Balance at Year End
Issued stock: Common stock	**276,688**	**27,668**	**-**	**304,357**
Treasury stock: Common stock	**3,264**	**320**	**486**	**3,098**

1. The Company carried out a stock split by the ratio of 1.1 shares per share of common stock on October 1, 2014.
2. Issued stock increased due to the stock split (27,668 thousand shares).
3. Treasury stock increased due to (a) the stock split (301 thousand shares), (b) a repurchase of odd-lot shares of less than one unit (18 thousand shares) and (c) acquisition of treasury stock by companies which are accounted for by the equity method (0 thousand shares).
4. Treasury stock decreased due to (a) a disposal of odd-lot shares of less than one unit (0 thousand shares) and (b) exercise of stock options (485 thousand shares).

	Thousands of shares			
	Year ended March 31, 2014			
Types of Shares	Balance at Beginning of Year	Increase in Shares during the Year	Decrease in Shares during the Year	Balance at Year End
Issued stock: Common stock	251,535	25,153	-	276,688
Treasury stock: Common stock	3,064	326	127	3,264

1. The Company carried out a stock split by the ratio of 1.1 shares per share of common stock on October 1, 2013.
2. Issued stock increased due to the stock split (25,153 thousand shares).
3. Treasury stock increased due to (a) the stock split (301 thousand shares), (b) a repurchase of odd-lot shares of less than one unit (25 thousand shares) and (c) acquisition of treasury stock by companies which are accounted for by the equity method (0 thousand shares).
4. Treasury stock decreased due to (a) a disposal of odd-lot shares of less than one unit (0 thousand shares) and (b) exercise of stock options (126 thousand shares).

(b) Subscription rights to shares

		Balance at March 31, 2015	
Category	Details of Options	Millions of yen	Thousands of U.S. dollars
Supplying company	Subscription rights to shares as stock options	**¥ 179**	**$ 1,490**
(Parent Company)	Total	**¥ 179**	**$ 1,490**

Category	Details of Options	Balance at March 31, 2014 Millions of yen
Supplying company	Subscription rights to shares as stock options	¥ 260
(Parent Company)	Total	¥ 260

11. Supplemental Information for Consolidated Statements of Changes in Net Assets (continued)

(c) Dividends

(1) Dividends paid to shareholders

Year ended March 31, 2015

Date of Approval	Resolution Approved by	Type of Shares	Amount		Amount per Share		Recording Date	Effective Date
			(Millions of yen)	(Thousands of U.S. dollars)	(Yen)	(U.S. dollars)		
June 26, 2014	**Annual general meeting of shareholders**	**Common stock**	**¥2,734**	**$ 22,751**	**¥10**	**$ 0.08**	**March 31, 2014**	**June 27, 2014**
October 30, 2014	**Board of directors**	**Common stock**	**¥2,737**	**$ 22,776**	**¥10**	**$ 0.08**	**September 30, 2014**	**December 5, 2014**

Year ended March 31, 2014

Date of Approval	Resolution Approved by	Type of Shares	Amount	Amount per Share	Recording Date	Effective Date
			(Millions of yen)	(Yen)		
June 26, 2013	Annual general meeting of shareholders	Common stock	¥2,485	¥10	March 31, 2013	June 27, 2013
October 30, 2013	Board of directors	Common stock	¥2,485	¥10	September 30, 2013	December 6, 2013

(2) Dividends with a cut-off date during the fiscal year but an effective date subsequent to the fiscal year

Year ended March 31, 2015

Date of Approval	Resolution Approved by	Type of Shares	Source of Dividends	Amount		Amount per Share		Cut-off Date	Effective Date
				(Millions of yen)	(Thousands of U.S. dollars)	(Yen)	(U.S. dollars)		
June 25, 2015	**Annual general meeting of shareholders**	**Common stock**	**Retained earnings**	**¥ 3,616**	**$ 30,091**	**¥ 12**	**$ 0.10**	**March 31, 2015**	**June 26, 2015**

Year ended March 31, 2014

Date of Approval	Resolution Approved by	Type of Shares	Source of Dividends	Amount	Amount per Share	Cut-off Date	Effective Date
				(Millions of yen)	(Yen)		
June 26, 2014	Annual general meeting of shareholders	Common stock	Retained earnings	¥ 2,734	¥ 10	March 31, 2014	June 27, 2014

12. Selling, General and Administrative Expenses

Selling, general and administrative expenses for the years ended March 31, 2015 and 2014 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Freight	**¥ 31,015**	¥ 28,633	**$ 258,093**
Sales promotion and sales incentives	**41,632**	42,337	**346,443**
Employees' salaries	**14,307**	13,920	**119,056**
Employees' bonuses and benefits	**10,107**	9,958	**84,106**
Retirement benefits	**1,449**	1,592	**12,058**
Other	**29,426**	28,594	**244,870**
Total	**¥127,937**	¥125,036	**$ 1,064,633**

13. Research and Development Expenses

Research and development expenses included in selling, general and administrative expenses and manufacturing costs were ¥5,467 million ($45,494 thousand) and ¥5,769 million for the years ended March 31, 2015 and 2014, respectively.

14. Litigation settlement

Litigation settlement is the payment to former shareholders of Miller Milling Company, LLC, which is a subsidiary of the Company in the U.S., in order to settle the litigation which relates to the appraisal value of its assets at the timing of the acquisition. Litigation related expenses recognized in the year ended March 31, 2014 are expenses which relate to the litigation.

15. Income Taxes

Income taxes applicable to the Group consist of corporate tax, inhabitants' taxes and enterprise taxes which, in the aggregate, resulted in a statutory tax rate of approximately 35.5% and 37.9% for the years ended March 31, 2015 and 2014, respectively.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities as of March 31, 2015 and 2014 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Deferred tax assets:			
Net defined benefit liability	**¥ 6,762**	¥ 6,436	**$ 56,270**
Provision for bonuses	**1,418**	1,580	**11,800**
Accrued sales incentives	**1,285**	1,590	**10,693**
Investment securities	**1,254**	1,323	**10,435**
Unrealized gain on noncurrent assets	**1,057**	982	**8,796**
Impairment loss	**656**	1,335	**5,459**
Loss carryforward	**643**	1,195	**5,351**
Intangible assets	**526**	235	**4,377**
Provision for repairs	**476**	558	**3,961**
Inventories	**416**	482	**3,462**
Depreciation and amortization	**293**	288	**2,438**
Unrealized gain on inventories	**274**	239	**2,280**
Accrued business office taxes	**259**	365	**2,155**
Other	**2,031**	1,788	**16,901**
Gross deferred tax assets	**17,356**	18,405	**144,429**
Valuation allowance	**(2,535)**	(2,531)	**(21,095)**
Amount offset by deferred tax liabilities	**(6,428)**	(6,468)	**(53,491)**
Deferred tax assets, net	**¥ 8,392**	¥ 9,405	**$ 69,834**

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	**¥ (26,792)**	¥ (17,642)	**$ (222,951)**
Reserve for reduction entry of noncurrent assets	**(1,937)**	(2,202)	**(16,119)**
Securities returned from employee retirement benefit trust	**(1,014)**	(1,118)	**(8,438)**
Other	**(1,524)**	(1,339)	**(12,682)**
Gross deferred tax liabilities	**(31,269)**	(22,303)	**(260,206)**
Amount offset by deferred tax assets	**6,428**	6,468	**53,491**
Deferred tax liabilities, net	**¥ (24,841)**	¥ (15,834)	**$ (206,715)**

15. Income Taxes (continued)

"Intangible assets" which was included in "Other" within "Gross deferred tax assets" in the year ended March 31, 2014 is separately disclosed since the amount is significant in the year ended March 31, 2015. In order to reflect the change of the presentation, the presentation of the footnote for the year ended March 31, 2014 has also been reclassified. As a result, "Other" of ¥2,024 million in the year ended March 31, 2014 has been reclassified as "Intangible assets" of ¥235 million and "Other" of ¥1,788 million.

Disclosure of the reconciliation between the statutory and effective tax rates for the year ended March 31, 2015 was as follows:

	Year ended March 31
	2015
Statutory tax rate	**35.5%**
Non-taxable dividend income and others	**(1.6)**
Non-deductible expenses	**1.4**
Tax credits	**(1.7)**
Effect of changes in statutory tax rate	**2.7**
Equity in earnings of affiliates	**(2.9)**
Other	**0.2**
Effective tax rate	**33.6%**

Disclosure of the reconciliation for the year ended March 31, 2014 has been omitted as the difference was less than 5% of the statutory tax rate.

The "Act on Partial Revision of the Income Tax Act" (Act No. 9 of 2015) and the "Act on Partial Revision of the Local Tax Act" (Act No. 2 of 2015) were promulgated on March 31, 2015 and the statutory tax rate will be reduced effective from years beginning on or after April 1, 2015. Accordingly, the statutory tax rate used to calculate deferred tax assets and deferred tax liabilities was changed from 35.5% to 33.0% and 32.2% for the temporary differences expected to reverse in the fiscal year beginning April 1, 2015 and temporary differences expected to reverse from the fiscal years beginning April 1, 2016, respectively. As a result of this change, deferred tax liabilities, net of deferred tax assets, decreased by ¥2,038 million ($16,959 thousand), income taxes—deferred increased by ¥695 million ($5,783 thousand) as of and for the year ended March 31, 2015.

16. Leases

The Group primarily leases information system equipment and software.

The future minimum lease commitments under noncancellable operating leases subsequent to March 31, 2015 are summarized as follows:

(As Lessee)

	Millions of yen	Thousands of U.S. dollars
Due within one year	**¥ 338**	**$ 2,813**
Due after one year	**990**	**8,238**
Total	**¥ 1,328**	**$ 11,051**

16. Leases (continued)

(As Lessor)

	Millions of yen		Thousands of U.S. dollars	
Due within one year	¥	88	$	732
Due after one year		382		3,179
Total	¥	470	$	3,911

17. Per Share Data

		2015		2014		2015
Net income per share:						
Basic	¥	53.28	¥	50.21	$	0.44
Diluted		53.22		50.19		0.44
Net assets per share	¥	1,218.49	¥	1,079.82	$	10.14

The Company carried out a stock split by the ratio of 1.1 shares per share of common stock on October 1, 2013. Also, the Company carried out a stock split by the ratio of 1.1 shares per share of common stock on October 1, 2014. Per share data as of and for the year ended March 31, 2014 was restated based on the assumption that the stock split was carried out at the beginning of the year ended March 31, 2014.

Basic net income per share is computed by dividing net income available for distribution to common shareholders by the weighted-average number of shares of common stock outstanding for the year, retroactively adjusted for stock splits.

With respect to the computation of diluted net income per share, both net income and the weighted-average number of shares of common stock outstanding are adjusted assuming the exercise of rights relevant to potentially issuable shares.

Net assets per share are computed by dividing the net assets excluding subscription rights to shares and minority interests by the number of shares of common stock outstanding at the year end.

17. Per Share Data (continued)

The bases for calculating basic and diluted net income per share are as follows:

	2015	2014
Net income available for distribution to common shareholders	¥ 16,036 million ($133,444 thousand)	¥ 15,098 million
Weighted average number of shares for basic net income	300,996,604 shares	300,700,805 shares
Increase in shares of common stock		
Subscription rights to shares	302,093 shares	139,093 shares
Number of shares for diluted net income	301,298,697 shares	300,839,898 shares
Summary of potentially issuable shares that do not have a dilutive effect on net income per share	96 and 211 subscription rights to shares approved by the annual general meeting of shareholders at June 26, 2014 17 and 60 subscription rights to shares approved by the annual general meeting of shareholders at June 26, 2008 Preferred stock issued by affiliates under equity method: TOKATU FOODS CO., LTD. type-B preferred stock (54,275 shares issued)	96 and 213 subscription rights to shares approved by the annual general meeting of shareholders at June 26, 2013 56 and 148 subscription rights to shares approved by the annual general meeting of shareholders at June 26, 2008 42 and 105 subscription rights to shares approved by the annual general meeting of shareholders at June 27, 2007 Preferred stock issued by affiliates under equity method: TOKATU FOODS CO., LTD. type-B preferred stock (54,275 shares issued)

The bases for calculating net assets per share are as follows:

	2015	2014	2015
Total net assets	¥ 378,715 million	¥ 334,092 million	$ 3,151,494 thousand
Amounts deducted from total net assets			
Subscription rights to shares	179 million	260 million	1,490 thousand
Minority interests	11,454 million	9,057 million	95,315 thousand
Net assets attributable to shares of common stock	367,081 million	324,775 million	3,054,681 thousand
Number of shares of common stock used in the calculation of net assets per share	301,259,814 shares	300,767,123 shares	

18. Financial Instruments

(a) Overview

(1) Investment policy of financial instruments

The Group mainly operates funds for future strategic investments and manages temporary surpluses by secured time deposits and short-term investment securities. The Group does not operate these funds for trading or speculative purposes. The Group obtains financing through bank borrowings for short-term financial requirements and bank loans, bond issuance and capital increases for long-term financial requirements, considering market conditions and other factors. Investment securities principally consist of equity securities of companies in which a business relationship has been established or capital alliances.

Derivative transactions are only utilized to hedge the following risks, and it is a policy not to enter into derivative transactions for trading or speculative purposes.

(2) Types of financial instruments and related risk and risk management

Cash and deposits are mainly time deposits and short-term investment securities are mainly debt securities. These are exposed to credit risk and market fluctuation risk. The Group minimizes and diversifies these risks according to internal rules that state certain specified limits.

Notes and accounts receivable - trade are exposed to credit risk. Each company in the Group follows internal rules and monitors credit conditions of customers periodically and manages the due date and balance per each customer.

Investment securities are mainly equity securities of companies in which a business relationship has been established or capital alliances and exposed to market fluctuation risk. The Group reviews fair values of these securities periodically.

Notes and accounts payable - trade are exposed to liquidity risk, however, most of them are due within one year and the Group manages the risk by preparing cash management plans.

(3) Supplemental information on fair value of financial instruments

As well as the values based on market prices, fair value of financial instruments includes values, which are reasonably calculated in case market prices do not exist. As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied. Also, for the contract amount and others regarding derivative transactions described in Note 21, the contract amount itself does not indicate market risk related to derivative transactions.

18. Financial Instruments (continued)

(b) Fair value of financial instruments

Carrying value on the consolidated balance sheets as of March 31, 2015 and 2014, fair value and differences are as follows. The financial instruments whose fair value is extremely difficult to determine are not included below.

	2015					
	Millions of yen			Thousands of U.S. dollars		
	Carrying Value	Fair Value	Difference	Carrying Value	Fair Value	Difference
Cash and deposits	¥ 42,584	¥ 42,584	¥ -	$ 354,365	$ 354,365	$ -
Notes and accounts receivable – trade	74,688	74,688	-	621,520	621,520	-
Short-term investment securities and investment securities:						
Other securities	137,652	137,652	-	1,145,477	1,145,477	-
Total assets	¥254,925	¥254,925	¥ -	$2,121,370	$2,121,370	$ -
Notes and accounts payable – trade	57,561	57,561	-	478,996	478,996	-
Total liabilities	¥ 57,561	¥ 57,561	¥ -	$ 478,996	$ 478,996	$ -
Derivative transactions: (*)						
Hedge accounting not applied	(181)	(181)	-	(1,506)	(1,506)	-
Hedge accounting applied	161	161	-	1,340	1,340	-
Total derivative transactions	¥ (19)	¥ (19)	¥ -	$ (158)	$ (158)	$ -

	2014		
	Millions of yen		
	Carrying Value	Fair Value	Difference
Cash and deposits	¥ 49,104	¥ 49,104	¥ -
Notes and accounts receivable - trade	67,486	67,486	-
Short-term investment securities and investment securities:			
Other securities	105,849	105,849	-
Total assets	¥222,440	¥222,440	¥ -
Notes and accounts payable - trade	45,785	45,785	-
Total liabilities	¥ 45,785	¥ 45,785	¥ -
Derivative transactions: (*)			
Hedge accounting not applied	(132)	(132)	-
Hedge accounting applied	(15)	(15)	-
Total derivative transactions	¥ (148)	¥ (148)	¥ -

(*) Net assets and liabilities arising from derivative transactions are presented on a net basis with liabilities shown in parenthesis.

18. Financial Instruments (continued)

Note 1: Valuation method for financial instruments and information of investment securities are as follows:

Assets:
Cash and deposits and Notes and accounts receivable - trade
The carrying value is deemed as the fair value since these are scheduled to be settled in a short period of time.

Short-term investment securities and investment securities
Fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or the price provided by the correspondent financial institutions.

Liabilities:
Notes and accounts payable – trade
The carrying value is deemed as the fair value since these are scheduled to be settled in a short period of time.

Derivative transactions:
Please refer to Note 21.

Note 2: Unlisted equity securities of ¥28,431 million ($236,590 thousand) and ¥26,314 million whose fair values are extremely difficult to determine as of March 31, 2015 and 2014, respectively, are not included in the above tables.

(c) The redemption schedule for financial instruments and securities with maturities as of March 31, 2015 and 2014 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
	Due in One Year or Less	Due in One Year or Less	Due in One Year or Less
Cash and deposits	**¥ 42,584**	¥ 49,104	**$ 354,365**
Notes and accounts receivable – trade	**74,688**	67,486	**621,520**
Short-term investment securities and investment securities:			
Other securities	**25,576**	28,873	**212,832**
Total	**¥ 142,850**	¥ 145,465	**$1,188,733**

19. Investment Securities

Investments in unconsolidated subsidiaries and affiliates included in "Investment securities" as of March 31, 2015 and 2014 amounted to ¥26,170 million ($217,775 thousand) and ¥23,943 million, respectively.

(a) Information regarding available-for-sale securities with fair market value

	2015					
	Millions of yen			Thousands of U.S. dollars		
	Carrying Value	Acquisition Cost	Unrealized Gains (Losses)	Carrying Value	Acquisition Cost	Unrealized Gains (Losses)
Securities whose carrying value exceeds their acquisition cost:						
Equity securities	¥112,033	¥ 27,880	¥ 84,152	$ 932,288	$ 232,005	$700,275
Bonds:						
Government and municipal bonds	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Other	-	-	-	-	-	-
Other	-	-	-	-	-	-
Subtotal	112,033	27,880	84,152	932,288	232,005	700,275
Securities whose carrying value does not exceed their acquisition cost:						
Equity securities	52	59	(6)	433	491	(50)
Bonds:						
Government and municipal bonds	8,565	8,566	(0)	71,274	71,282	(0)
Corporate bonds	-	-	-	-	-	-
Other	-	-	-	-	-	-
Other	17,000	17,000	-	141,466	141,466	-
Subtotal	25,618	25,626	(7)	213,181	213,248	(58)
Total	¥137,652	¥ 53,506	¥ 84,145	$ 1,145,477	$ 445,253	$700,216

	2014		
	Millions of yen		
	Carrying Value	Acquisition Cost	Unrealized Gains (Losses)
Securities whose carrying value exceeds their acquisition cost:			
Equity securities	¥ 75,428	¥ 25,280	¥ 50,148
Bonds:			
Government and municipal bonds	-	-	-
Corporate bonds	-	-	-
Other	-	-	-
Other	-	-	-
Subtotal	75,428	25,280	50,148
Securities whose carrying value does not exceed their acquisition cost:			
Equity securities	1,551	1,698	(147)
Bonds:			
Government and municipal bonds	18,860	18,861	(0)
Corporate bonds	-	-	-
Other	4,009	4,010	(0)
Other	6,000	6,000	-
Subtotal	30,420	30,569	(148)
Total	¥105,849	¥ 55,849	¥ 49,999

19. Investment Securities (continued)

(b) Sale of securities classified as available-for-sale securities

Information regarding the sale of securities classified as available-for-sale securities for the years ended March 31, 2015 and 2014 is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Proceeds from sales	¥ 147	¥ 709	$ 1,223
Aggregate gains on sales	67	507	558
Aggregate losses on sales	(0)	(0)	(0)

20. Cash and Cash Equivalents

(1) Cash and deposits on the accompanying consolidated balance sheets and cash and cash equivalents on the accompanying consolidated statements of cash flows are reconciled as of March 31, 2015 and 2014 as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Cash and deposits	¥ 42,584	¥ 49,104	$ 354,365
Short-term investment securities	25,565	28,869	212,740
Total	68,150	77,974	567,113
Time deposits with maturities of more than three months	(7,157)	(325)	(59,557)
Debt securities with maturities of more than three months	(1,096)	(4,963)	(9,120)
Cash and cash equivalents	¥ 59,897	¥ 72,685	$ 498,436

(2) Assets and liabilities increased by transfer of business

(a) Major components of assets and liabilities by the transfer of four flour milling plants in the U.S., which was acquired by Miller Milling Company, LLC. and details of the difference between the transfer costs of the business and net payment for the year ended March 31, 2015 were as follows:

	Millions of yen	Thousands of U.S. dollars
	2015	2015
Current assets	¥ 4,427	$ 36,839
Noncurrent assets	12,827	106,740
Goodwill	4,932	41,042
Transfer of business costs	22,187	184,630
Cash and cash equivalents	-	-
Net payment for the transfer of business	¥ (22,187)	$ (184,630)

(b) During the year ended March 31, 2014 the Company paid the unpaid balance of ¥190 million for the transfer of flour milling business division in New Zealand from Goodman Fielder New Zealand Ltd., which was acquired by Champion Flour Milling Ltd., which was newly established in the year ended March 31, 2013.

21. Derivatives

Derivative transactions for which hedge accounting is not applied at March 31, 2015 and 2014 are as follows:

	2015							
	Millions of yen				Thousands of U.S. dollars			
	Contract Amount and Others	Due after One Year	Fair Value	Unrealized Gain (Loss)	Contract Amount and Others	Due after One Year	Fair Value	Unrealized Gain (Loss)
Currency futures:								
Buy:								
Canadian dollars	¥ 1,064	¥ -	¥ (79)	¥ (79)	$ 8,854	$ -	$ (657)	$ (657)
Forward exchange contracts:								
Sell:								
U.S. dollars	¥ 250	¥ -	¥ (5)	¥ (5)	$ 2,080	$ -	$ (42)	$ (42)
Euro	57	-	0	0	474	-	0	0
Buy:								
U.S. dollars	894	-	8	8	7,439	-	67	67
Euro	106	-	(3)	(3)	882	-	(25)	(25)
Japanese yen	2	-	(0)	(0)	17	-	(0)	(0)
Total	¥ 2,377	¥ -	¥ (80)	¥ (80)	$ 19,780	$ -	$ (666)	$ (666)
Commodity futures:								
Sell:								
Wheat	¥ 5,154	¥ -	¥ (242)	¥ (242)	$ 42,889	$ -	$(2,014)	$(2,014)
Buy:								
Wheat	6,016	-	139	139	50,062	-	1,157	1,157
Commodity options:								
Sell put:								
Wheat	5	-	1	3	42	-	8	25
Total	¥ 11,176	¥ -	¥ (101)	¥ (98)	$ 93,002	$ -	$ (840)	$ (816)

21. Derivatives (continued)

	2014			
	Millions of yen			
	Contract Amount and Others	Due after One Year	Fair Value	Unrealized Gain (Loss)
Currency futures:				
Buy:				
Canadian dollars	¥ 1,082	¥ -	¥ (40)	¥ (40)
Forward exchange contracts:				
Sell:				
U.S. dollars	¥ 192	¥ -	¥ (3)	¥ (3)
Euro	23	-	(0)	(0)
Buy:				
U.S. dollars	913	-	20	20
Euro	79	-	1	1
Japanese yen	1	-	(0)	(0)
Total	¥ 2,293	¥ -	¥ (21)	¥ (21)
Commodity futures:				
Sell:				
Wheat	¥ 1,499	¥ -	¥ 88	¥ 88
Buy:				
Wheat	2,546	-	(223)	(223)
Commodity options:				
Sell put:				
Wheat	8	-	18	(10)
Sell call:				
Wheat	3	-	1	1
Buy put:				
Wheat	1	-	2	0
Buy call:				
Wheat	4	-	1	(2)
Total	¥ 4,064	¥ -	¥ (111)	¥ (145)

* Fair value of derivative transactions is stated based on the quoted market price and the price presented by the counterparty financial institutions.

21. Derivatives (continued)

Derivative transactions for which hedge accounting is applied at March 31, 2015 and 2014 are as follows:

	2015						
		Millions of yen			Thousands of U.S. dollars		
	Hedged Item	Contract Amount and Others	Due after One Year	Fair Value	Contract Amount and Others	Due after One Year	Fair Value
Benchmark method							
Forward exchange contracts:							
Sell:							
U.S. dollars	Anticipated foreign currency transactions	¥ 459	¥ -	¥ (51)	$ 3,820	$ -	$ (424)
Buy:							
U.S. dollars	Accounts payables	5,114	-	164	42,556	-	1,365
Thai baht		2,031	-	100	16,901	-	832
Australian dollars		62	-	(1)	516	-	(8)
Euro		712	-	(49)	5,925	-	(408)
Allocation method							
Forward exchange contracts:							
Sell:							
U.S. dollars	Accounts receivables	¥ 401	¥ -	¥ -	$ 3,337	$ -	$ -
Buy:							
U.S. dollars	Accounts payables	42	-	-	350	-	-
Thai baht		1	-	-	8	-	-
		¥ 8,826	¥ -	¥ 161	$ 73,446	$ -	$ 1,340

	2014			
		Millions of yen		
	Hedged Item	Contract Amount and Others	Due after One Year	Fair Value
Benchmark method				
Forward exchange contracts:				
Sell:				
U.S. dollars	Anticipated foreign currency transactions	¥ 457	¥ -	¥ (24)
Buy:				
U.S. dollars	Accounts payables	3,954	314	35
Thai baht		1,607	-	20
Australian dollars		1,560	-	(67)
Euro		568	-	20
Canadian dollars		2	-	0
Allocation method				
Forward exchange contracts:				
Buy:				
U.S. dollars	Accounts payables	¥ 87	¥ -	¥ -
Thai baht		0	-	-
		¥ 8,240	¥ 314	¥ (15)

22. Comprehensive Income

Reclassification adjustments and income tax effects attributable to other comprehensive income for the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Valuation difference on available-for-sale securities:			
Gains arising during the year	**¥ 34,214**	¥ 3,969	**$ 284,713**
Reclassification adjustments	**(67)**	(505)	**(558)**
Before income tax effects	**34,146**	3,464	**284,147**
Income tax effects	**(9,155)**	(1,122)	**(76,184)**
Total	**24,990**	2,341	**207,955**
Deferred gains (losses) on hedges:			
Gains (losses) arising during the year	**99**	(242)	**824**
Reclassification adjustments	**42**	28	**350**
Before income tax effects	**142**	(214)	**1,182**
Income tax effects	**(45)**	77	**(374)**
Total	**96**	(137)	**799**
Foreign currency translation adjustment:			
Adjustments arising during the year	**8,425**	5,451	**70,109**
Remeasurements of defined benefit plans:			
Adjustments arising during the year	**190**	-	**1,581**
Reclassification adjustments	**391**	-	**3,254**
Before income tax effects	**581**	-	**4,835**
Income tax effects	**(251)**	-	**(2,089)**
Total	**329**	-	**2,738**
Share of other comprehensive income in subsidiaries and affiliates accounted for using equity method:			
Adjustments arising during the year	**273**	262	**2,272**
Total other comprehensive income	**¥ 34,116**	¥ 7,918	**$ 283,898**

23. Related Party Transactions

Related party transactions for the year ended March 31, 2015 are as follows:

Category	Related party	Location	Capital	Details of business	Ownership (Owned) ratio (%)	Relationship
Affiliates	TOKATU FOODS CO., LTD.	Kohoku ward, Yokohama-shi, Kanagawa	¥100 million ($832 thousand)	Food manufacturing and sales	(Own) Direct 49.00	Concurrent officers and temporary assignment

Details of transaction	Transaction amount
Collateral deposit (Note)	¥6,600 million ($54,922 thousand)

Note: The Company provided shares of TOKATU FOODS CO., LTD. as third party mortgage to collateralize loans payable from financial institutions of TOKATU FOODS CO., LTD. Maximum amount is capped at ¥3,000 million ($24,965 thousand). Transaction amount shows outstanding balance of the loans payable as of March 31, 2015.

23. Related Party Transactions (continued)

Related party transactions for the year ended March 31, 2014 were as follows:

Category	Related party	Location	Capital	Details of business	Ownership (Owned) ratio (%)	Relationship
Affiliates	TOKATU FOODS CO., LTD.	Kohoku ward, Yokohama-shi, Kanagawa	¥100 million	Food manufacturing and sales	(Own) Direct 49.00	Concurrent officers and temporary assignment

Details of transaction	Transaction amount
Collateral deposit (Note)	¥8,300 million

Note: The Company provided shares of TOKATU FOODS CO., LTD. as third party mortgage to collateralize loans payable from financial institutions of TOKATU FOODS CO., LTD. Maximum amount is capped at ¥3,000 million from the year ended March 31, 2014. Transaction amount shows outstanding balance of the loans payable as of March 31, 2014.

24. Segment Information

1. Overview of reportable segments

The Group's reportable segments are those for which separate financial information is available and regular consideration by the Company's Board of Directors are being performed in order to decide how resources should be allocated among the Group and evaluate operating results. The Company, as a holding company, develops and determines group strategy, allocates management resources, and evaluates operations by business segments of "Flour Milling," "Processed Food" and other business which are classified by products and services. Therefore, the Group's reportable segment comprises of "Flour Milling" and "Processed Food."

Primary products for each business segment are summarized as follows:

Flour Milling .... Flour, bran
Processed Food .... Prepared mix, flour for consumer use, pasta, pasta sauce, frozen food, chilled food, cake and bread ingredients, biochemical products, life science business, healthcare foods

2. Method of calculating net sales, income, assets and other items by reportable segment

Accounting policies of the reportable segments are consistent to those described in Note 1. "Summary of Significant Accounting Policies." Income by reportable segment is based on operating income. Intersegment transactions are based on prevailing market price.

24. Segment Information (continued)

3. Net sales, income, assets and other items by reportable segment

	Millions of yen						
	2015						
	Reportable segment						
	Flour Milling	Processed Food	Subtotal	Other	Total	Adjustments	Consolidated
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 and amortization	¥ 7,999	¥ 5,663	¥ 13,663	¥ 1,346	¥ 15,010	¥ (262)	¥ 14,747
Investment in associates accounted for using 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

	Millions of yen						
	2014						
	Reportable segment						
	Flour Milling	Processed Food	Subtotal	Other	Total	Adjustments	Consolidated
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 and amortization	¥ 6,478	¥ 5,956	¥ 12,435	¥ 1,530	¥ 13,965	¥ (296)	¥ 13,669
Investment in associates accounted for using 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

	Thousands of U.S. dollars						
	2015						
	Reportable segment						
	Flour Milling	Processed Food	Subtotal	Other	Total	Adjustments	Consolidated
Net Sales:							
Sales to external customers	$ 1,974,927	$ 2,038,287	$ 4,013,223	$ 365,099	$ 4,378,331	$ -	$ 4,378,331
Intersegment sales and transfers	168,736	3,919	172,664	71,515	244,179	(244,179)	-
Total	2,143,671	2,042,215	4,185,887	436,623	4,622,510	(244,179)	4,378,331
Segment income	$ 63,335	$ 80,952	$ 144,296	$ 29,458	$ 173,754	$ (3,354)	$ 170,392
Segment assets	$ 1,735,533	$ 1,347,940	$ 3,083,482	$ 567,296	$ 3,650,786	$ 920,296	$ 4,571,083
Other items:							
Depreciation and amortization	$ 66,564	$ 47,125	$ 113,697	$ 11,201	$ 124,906	$ (2,180)	$ 122,718
Investment in associates accounted for using equity method	20,396	68,228	88,633	127,727	216,368	-	216,368
Increase in property, plant and equipment and intangible assets	88,957	60,647	149,605	20,121	169,735	(4,169)	165,557

24. Segment Information (continued)

1. The "Other" incorporates operations not included in reportable segments, including pet food, engineering, mesh cloths, handling and storage.

2. Adjustments of segment income refer to elimination of intersegment transactions. Adjustments of segment assets amounted to ¥120,520 million ($1,002,913 thousand) and ¥102,462 million for the years ended March 31, 2015 and 2014, respectively, consisted primarily of the Company's surplus funds (cash and deposits and short-term investment securities) and investment securities.

3. Segment income is adjusted to operating income on the consolidated statements of income.

4. Geographic information

(1) Sales

2015					
Millions of yen			Thousands of U.S. dollars		
Japan	Other areas	Total	Japan	Other areas	Total
¥441,378	**¥ 84,765**	**¥526,144**	**$3,672,947**	**$ 705,376**	**$4,378,331**

2014		
Millions of yen		
Japan	Other areas	Total
¥ 437,385	¥ 58,545	¥ 495,930

(2) Property, plant and equipment

2015			
Millions of yen			
Japan	U.S.	Other areas	Total
¥ 116,467	**¥ 20,752**	**¥ 11,483**	**¥ 148,702**

2014			
Millions of yen			
Japan	U.S.	Other areas	Total
¥ 113,025	¥ 7,265	¥ 8,648	¥ 128,939

2015			
Thousands of U.S. dollars			
Japan	U.S.	Other areas	Total
$ 969,185	**$ 172,689**	**$ 95,556**	**$ 1,237,430**

Property, plant and equipment in the U.S. is disclosed since it exceeds 10% of property, plant and equipment in the consolidated balance sheet as of March 31, 2015. The balance of property, plant and equipment in the U.S. as of March 31, 2014 is also disclosed as a comparable information.

24. Segment Information (continued)

5. Information about major customers

	2015		
	Name of the related segment	Millions of yen	Thousands of U.S. dollars
Mitsubishi Corporation	**Flour Milling, Processed Foods and Other**	**¥ 64,907**	**$ 540,126**

	2014	
	Name of the related segment	Millions of yen
Mitsubishi Corporation	Flour Milling, Processed Foods and Other	¥ 63,256

6. Information about amortization and unamortized balance of goodwill by reportable segment

	2015					
	Millions of yen			Thousands of U.S. dollars		
	Flour Milling	Other	Total	Flour Milling	Other	Total
Amortization	**¥ 965**	**¥ 24**	**¥ 990**	**$ 8,030**	**$ 200**	**$ 8,238**
Unamortized balance	**10,331**	**24**	**10,355**	**85,970**	**200**	**86,170**

	2014		
	Millions of yen		
	Flour Milling	Other	Total
Amortization	¥ 613	¥ 24	¥ 637
Unamortized balance	4,959	48	5,008

25. M&A Activity

<Business combination by the acquisition>

1. Overview of M&A activity

On April 24, 2014, Miller Milling Company, LLC, a subsidiary of the Company, entered into an asset transfer agreement for the acquisition of four flour milling plants in the U.S. (Los Angeles Plant, Oakland Plant, Saginaw Plant and New Prague Plant) and their respective inventories as of the asset transfer date from Cargill, Inc., Horizon Milling, LLC, and ConAgra Foods Food Ingredients Company, Inc., and acquired them 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 U.S. 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 U.S., the Group aims to further expand its business scope by leveraging the advantages of its flour milling business, strengths in product development and techniques and capacities to supply wheat flour that is consistent in quality.
Also, this acquisition will substantially 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 will make available a broader range of raw material information and acquisition of expertise. 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

25. M&A Activity (continued)

2. The period for which acquired company results are included in consolidated financial statements
   From May 25, 2014 to December 31, 2014

3. Acquisition cost details

	Millions of yen	Thousands of U.S. dollars
	2015	2015
Compensation for the acquisition	¥ 21,645	$ 180,120
Direct costs for acquisition	541	4,502
Total acquisition cost	¥ 22,187	$ 184,630

4. Amount, reasons, amortization method and period of goodwill

(1) Amount of goodwill
¥4,932 million ($41,042 thousand)

(2) Reasons
The incidence of goodwill is attributable to the excess earnings power expected from the future business development based on a reasonable estimate.

(3) Amortization method and period
Amortized using the straight-line method over a period of 10 years.

5. Details of the assets acquired and the liabilities undertaken at the acquisition date

	Millions of yen	Thousands of U.S. dollars
	2015	2015
Current assets	¥ 4,427	$ 36,839
Noncurrent assets	12,827	106,740
Total assets	¥ 17,254	$ 143,580

The amount of goodwill in 4. (1) is not included in the total assets acquired in the above table.

6. The impact of estimated amounts on the consolidated statements of income for the year ended March 31, 2015 under review on the assumption that the acquisition was completed on the commencement date of the consolidated fiscal year, and calculation methods
   Net sales: ¥13 billion ($108,180 thousand)

   (Calculation methods)
   The impact of estimated amounts is the difference between net sales calculated on the assumption that the acquisition was completed on the commencement date of the consolidated fiscal year and net sales recorded on the Company' consolidated statements of income. The impact on profit or loss was not presented because of immateriality. This note has not been certified by way of audit.