170th Fiscal Term (April 1, 2013 to March 31, 2014)

Securities Report

Nisshin Seifun Group Inc.

Contents

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Part A: Company Information

[1] Company Overview

(1) Principal Business Performance Indicators

1. Consolidated business performance indicators

Fiscal term		166th	167th	168th	169th	170th
Years ended March 31		2010	2011	2012	2013	2014
Net sales	(millions of yen)	443,728	424,156	441,963	455,566	495,930
Ordinary income	(millions of yen)	29,327	27,839	26,132	24,742	25,579
Net income	(millions of yen)	16,839	14,187	13,326	13,688	15,098
Comprehensive income	(millions of yen)	—	12,503	17,962	23,945	23,936
Net assets	(millions of yen)	303,226	285,249	298,798	317,436	334,092
Total assets	(millions of yen)	396,317	389,418	431,956	461,851	471,039
Net assets per share	(yen)	997.92	1,019.98	1,066.11	1,130.75	1,187.80
Net income per share	(yen)	61.61	51.90	48.76	50.08	55.23
Fully diluted net income per share	(yen)	61.60	51.90	—	—	55.21
Equity ratio	(%)	68.8	71.6	67.5	66.9	68.9
Return on equity	(%)	6.4	5.1	4.7	4.6	4.8
Price-earnings ratio (p/e)	(times)	17.81	16.80	18.66	23.22	20.53
Cash flows from operating activities	(millions of yen)	47,484	34,856	26,078	34,479	25,058
Cash flows from investing activities	(millions of yen)	(52,393)	(16,067)	(15,244)	(23,854)	(1,797)
Cash flows from financing activities	(millions of yen)	(5,684)	(6,373)	(6,134)	(4,587)	(5,072)
Cash and cash equivalents at end of year	(millions of yen)	29,975	42,087	46,387	53,249	72,685
Number of employees [average number of part-time employees]	(persons)	5,283 [1,768]	5,452 [1,825]	5,582 [1,893]	5,765 [1,883]	5,650 [1,940]

Notes:

1. Consumption taxes and other taxes are not included in net sales.
2. The Accounting Standard for Earnings per Share (Accounting Standards Board of Japan (ASBJ) Statement No. 2, released on June 30, 2010) and the Guidance on the Accounting Standard for Earnings per Share (ASBJ Guidance No. 4, released on June 30, 2010) were retroactively applied with respect to the calculation of fully diluted net income per share for the 167th fiscal term. There was no material impact as a result of application.
3. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. Net assets per share, net income per share and fully diluted net income per share are calculated by deeming the stock split to have occurred at the beginning of the 166th fiscal term.
4. Fully diluted net income per share data for the 168th and 169th fiscal terms have not been disclosed because there were no potential shares of common stock that had a dilutive effect.

2. Non-consolidated business performance indicators

Fiscal term		166th	167th	168th	169th	170th
Years ended March 31		2010	2011	2012	2013	2014
Net sales	(millions of yen)	24,437	25,034	22,886	32,418	20,597
Ordinary income	(millions of yen)	12,028	13,164	11,739	20,981	10,067
Net income	(millions of yen)	13,104	12,864	13,604	20,980	10,274
Paid-in capital	(millions of yen)	17,117	17,117	17,117	17,117	17,117
Shares issued and outstanding	(thousand shares)	251,535	251,535	251,535	251,535	276,688
Net assets	(millions of yen)	214,563	221,159	233,342	254,095	260,754
Total assets	(millions of yen)	232,592	237,180	255,029	278,192	284,844
Net assets per share	(yen)	784.50	808.38	852.81	928.57	952.45
Total dividends per share (interim dividend amount)	(yen) (yen)	22.00 (10.00)	20.00 (10.00)	20.00 (10.00)	20.00 (10.00)	20.00 (10.00)
Net income per share	(yen)	47.93	47.05	49.76	76.74	37.58
Fully diluted net income per share	(yen)	47.92	47.05	—	—	37.56
Equity ratio	(%)	92.2	93.2	91.4	91.3	91.5
Return on equity	(%)	6.3	5.9	6.0	8.6	4.0
Price-earnings ratio (p/e)	(times)	22.89	18.53	18.29	15.15	30.18
Dividend payout ratio	(%)	41.7	38.6	36.5	23.7	50.8
Number of employees [average number of part-time employees]	(persons)	262 [15]	276 [16]	298 [20]	299 [22]	305 [24]

Notes:

1. Consumption taxes and other taxes are not included in net sales.
2. The total dividend per share of ¥22.00 for the 166th fiscal term included a commemorative dividend of ¥2.00 to celebrate the Company's 110th anniversary.
3. The Accounting Standard for Earnings per Share (Accounting Standards Board of Japan (ASBJ) Statement No. 2, released on June 30, 2010) and the Guidance on the Accounting Standard for Earnings per Share (ASBJ Guidance No. 4, released on June 30, 2010) were retroactively applied with respect to the calculation of fully diluted net income per share for the 167th fiscal term. There was no material impact as a result of application.
4. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. Net assets per share, net income per share and fully diluted net income per share are calculated by deeming the stock split to have occurred at the beginning of the 166th fiscal term. For its 170th fiscal term, the Company paid a total annual dividend of ¥20.00 per share, consisting of interim and year-end dividends of ¥10.00 per share, respectively. Accordingly, for shareholders holding shares prior to the recent stock split, this would translate into an annual dividend of about ¥21.00 per share, and translates into an annual dividend equivalent to ¥19.09 per share following the stock split.
5. Fully diluted net income per share data for the 168th and 169th fiscal terms have not been disclosed because there were no potential shares of common stock that had a dilutive effect.

(2) History

The predecessor of Nisshin Seifun Group Inc. was Tatebayashi Flour Milling Co., Ltd., a company established in 1900 to specialize in the manufacture and sales of wheat flour. In 1908, Tatebayashi Seifun bought Nisshin Flour Milling Co., Ltd., and changed its name to that of the Company it acquired.

Nisshin Flour Milling Co., Ltd. expanded operations steadily through plant constructions, mergers, and acquisitions. After World War II, the Company undertook extensive rationalization of its core flour milling operations and diversified its business into several areas. This process eventually created a corporate group that incorporated new businesses comprising processed food, compound feed, pet food, pharmaceuticals and engineering.

In July 2001, the Nisshin Seifun Group adopted a holding company structure, under which the Company holds all shares in each operating company covering the Group's principal business fields: flour milling, processed food, compound feed, pet food, and pharmaceuticals.

Date	Event
October 1900	Tatebayashi Flour Milling Co., Ltd. established in Tatebayashi (Gunma).
February 1908	Acquired Nisshin Flour Milling Co., Ltd.; company name changed to that of acquired entity.
February 1926	Construction of the Tsurumi Plant completed.
1934	Nippon Bolting Cloth, Co., Ltd. (predecessor of NBC Meshtec Inc.) established.
1949	Reconstruction and expansion of plants damaged during World War II largely completed.
May 1949	Shares listed on the Tokyo Stock Exchange.
February 1961	Compound feed production and research operations of affiliate Nisshin Feed Co., Ltd. absorbed by Nisshin Flour Milling Co., Ltd.
September 1963	Research operations in Tokyo and Osaka consolidated into a new facility, the Central Research Laboratory in Oimachi (now Fujimino), Saitama.
July 1965	Acquired Nisshin Nagano Chemical Co., Ltd., which was renamed Nisshin Chemicals Co., Ltd.
October 1965	Prepared mix production and research operations of affiliate Nisshin Foods Co., Ltd. absorbed by Nisshin Flour Milling Co., Ltd.
December 1966	Established Nisshin-DCA Foods Inc., a joint venture with DCA Food Industries Inc. of the U.S. (later renamed Nisshin Technomic Co., Ltd. in 1997).
February 1968	Construction of food production lines within the Nagoya Plant completed.
October 1970	Nisshin Pet Food Co., Ltd. established.
April 1972	Nisshin Engineering Co., Ltd. established.
April 1978	Fresh Food Service Co., Ltd. established.
October 1987	Operations of Nisshin Foods Co., Ltd. and Nisshin Chemicals Co., Ltd. absorbed by Nisshin Flour Milling Co., Ltd. in a merger.
March 1988	Thai Nisshin Seifun Co., Ltd., a joint venture, established in Thailand; operations commenced in January 1989.
September 1989	Canadian flour milling company Rogers Foods Ltd. acquired by Nisshin Flour Milling Co., Ltd.
October 1989	The Nasu Research Center established in Nasu (now Nasu Shiobara), Tochigi, by transferring operations from Second Central Research Laboratory.
September 1990	The Chiba Plant expanded to include a fourth flour milling facility (Mill D).
August 1991	Nisshin-STC Flour Milling Co., Ltd., a joint venture, established in Thailand; operations started in March 1993.
September 1994	The Higashinada Plant expanded to include a third flour milling facility (Mill C).
April 1996	Nisshin Kyorin Pharmaceutical Co., Ltd., a joint venture with Kyorin Pharmaceutical Co., Ltd., commenced operations. (Nisshin Kyorin Pharmaceutical Co., Ltd., merged with Kyorin Pharmaceutical Co., Ltd., the former joint venture partner of Nisshin Pharma Inc., in October 2008.)
October 1996	Medallion Foods, Inc. established in the U.S.
October 1997	Frozen food operations of Nisshin Flour Milling Co., Ltd. transferred to newly established Nisshin Foods Co., Ltd.
March 1998	Head office relocated to Chiyoda-ku, Tokyo.
April 1999	Operations of Nisshin Technomic Co., Ltd. absorbed by Nisshin Flour Milling Co., Ltd. in a merger.
October 1999	Management stake in SANKO Co., Ltd. acquired by Nisshin Flour Milling Co., Ltd.
July 2001	New corporate entity created with operating companies (Nisshin Flour Milling Inc., Nisshin Foods Inc., Nisshin Feed Inc., Nisshin Petfood Inc., and Nisshin Pharma Inc.) under a holding company (Nisshin Seifun Group Inc.)
April 2002	Qingdao Nisshin Seifun Foods Co., Ltd. established in China.
October 2002	The Tsurumi Plant of Nisshin Flour Milling Inc. expanded to include a seventh flour milling facility (Mill G).
April 2003	Acquired additional shares in Oriental Yeast Co., Ltd., making it a consolidated subsidiary.

Date	Event
October 2003	Operations commenced at Marubeni Nisshin Feed Co., Ltd. (an affiliate accounted for by the equity method), a joint venture created through the merger of Nisshin Feed Inc. with Marubeni Feed Co., Ltd.
March 2004	Initio Foods Inc. established.
December 2004	A new flour milling facility constructed by Rogers Foods Ltd. in Chilliwack, British Columbia, Canada.
July 2005	Shin Nisshin Seifun Foods (Qingdao) Co., Ltd. established in China. Started full-scale operations in April 2007.
October 2005	Initio Foods Inc. took over SANKO Co., Ltd. in a merger.
November 2005	Established Jinzhu (Yantai) Food Research and Development Co., Ltd., a joint venture with Nichirei Corporation, in China. The venture commenced operations in October 2006.
June 2007	Shin Nisshin Seifun Foods (Qingdao) Co., Ltd. took over Qingdao Nisshin Seifun Foods Co., Ltd. in a merger.
January 2008	Thai Nisshin Technomic Co., Ltd. opened the R&D Office Center & Sales Office at in Thailand.
February 2008	OYC Shanghai Co., Ltd. (later renamed Nisshin Seifun OYC (Shanghai) Co., Ltd. in 2011), established in China.
September 2008	The Higashinada Plant of Nisshin Flour Milling Inc. expanded its flour milling facilities (Mills D and E).
July 2009	The Tatebayashi Plant of Nisshin Foods Inc. expanded its prepared mix production line.
December 2010	Through tender offers for the shares and other methods, additionally acquired shares in consolidated subsidiaries Oriental Yeast Co., Ltd., and NBC Meshtec Inc. to obtain 100% ownership.
May 2011	Acquired additional shares in Hanshin Silo Co., Ltd., and made it a consolidated subsidiary.
June 2011	Established Eurogerm (Shanghai) Trading Co., Ltd. (an affiliate accounted for by the equity method), a joint venture with Eurogerm S.A., in China.
January 2012	Oriental Yeast India Pvt. Ltd. established in India.
March 2012	Acquired U.S.-based flour milling company Miller Milling Company, LLC.
October 2012	Established Nisshin Seifun Premix Inc.
November 2012	Opened the Nisshin Seifun (Flour Milling) Museum in Tatebayashi, Gunma.
December 2012	Acquired shares of Tokatsu Foods Co., Ltd. (an affiliate accounted for by the equity method)
February 2013	Acquired a flour milling business in New Zealand, which was subsequently launched as Champion Flour Milling Ltd.
April 2013	Began full-scale business at PT. Indonesia Nisshin Technomic in Indonesia.
June 2013	Established Vietnam Nisshin Seifun Co., Ltd. in Vietnam.
February 2014	The Fukuoka Plant of Nisshin Flour Milling Inc. came on-line.

(3) Business Overview

The Nisshin Seifun Group consists of 51 subsidiaries and 16 affiliates. The following is a description of the businesses of the Group and the relationships among the subsidiaries and affiliates within their respective business segments. Business groupings are the same as those described in "Notes to the Consolidated Financial Statements of (1) Consolidated Financial Statements, etc. in [5] Financial Accounts."

Nisshin Seifun Group is a specified listed company stipulated in Article 49, Paragraph 2 of Cabinet Office Regulations pertaining to regulations regarding the trade of marketable securities. Accordingly, standards for determining the relative insignificance of material facts with respect to insider trading regulations are decided based on consolidated figures.

1. Flour Milling Segment

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

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

2. Processed Food Segment

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

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

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

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

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

3. Others Segment

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

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

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

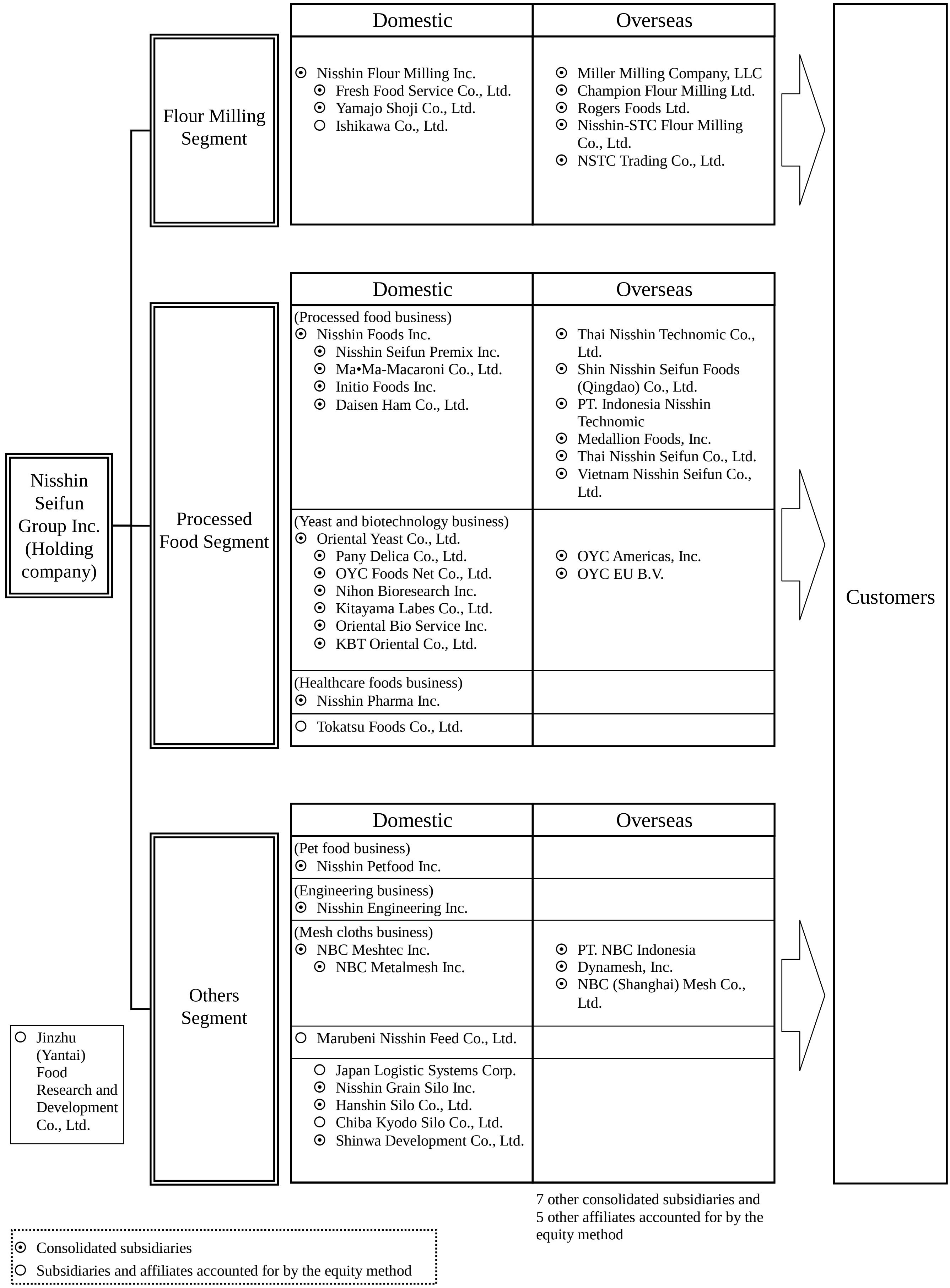
Marubeni Nisshin Feed Co., Ltd., an affiliate accounted for by the equity method, manufactures and sells compound feed.

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

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

*Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S. was established in Turkey in June 2014 to produce and sell dried pasta..

Nisshin Seifun Group Structure



(4) Subsidiaries and Affiliates

Name	Location	Paid-in capital (millions of yen)	Main businesses	Share of voting rights (indirect ownership) (%)	Details of relationship	
					Directors	Comments
Consolidated subsidiaries						
Nisshin Flour Milling Inc.	Chiyoda-ku, Tokyo	14,875	Production and sales of wheat flour	100.0	Concurrent 6 Temporarily transferred 2 Transferred 5	The Company provides a partial loan for working capital and rents commercial land, buildings and office space
Miller Milling Company, LLC	Minnesota, U.S.	86	Production and sales of wheat flour	100.0 (100.0)	Concurrent 2	None
Champion Flour Milling Ltd.	Auckland, New Zealand	3,491	Production and sales of wheat flour	100.0 (75.0)	Concurrent 2	None
Nisshin Foods Inc.	Chiyoda-ku, Tokyo	5,000	Sales of pasta, wheat flour for household use, frozen foods, other products Production and sales of prepared mix	100.0	Concurrent 5 Temporarily transferred 3 Transferred 3	The Company provides a partial loan for working capital and rents commercial land and office space
Nisshin Seifun Premix Inc.	Chuo-ku, Tokyo	400	Production and sales of prepared mix	100.0 (100.0)	Concurrent 1 Temporarily transferred 2	The Company rents commercial land and office space
Ma•Ma-Macaroni Co., Ltd.	Utsunomiya, Tochigi	350	Production and sales of pasta	68.1 (53.1)	Concurrent 2 Temporarily transferred 1	None
Initio Foods Inc.	Chiyoda-ku, Tokyo	487	Production and sales of frozen and prepared dishes Direct operation of concessions in department stores, etc.	100.0 (63.0)	Concurrent 3 Temporarily transferred 3	The Company provides partial loan for working capital and rents office space
Oriental Yeast Co., Ltd.	Itabashi-ku, Tokyo	2,617	Production and sales of cake and bread ingredients and biochemical products, life science business	100.0	Concurrent 2 Temporarily transferred 1 Transferred 3	The Company provides partial loan for working capital
Nisshin Pharma Inc.	Chiyoda-ku, Tokyo	2,689	Production and sales of healthcare foods and pharmaceuticals, etc.	100.0	Concurrent 4 Temporarily transferred 2 Transferred 2	The Company provides a partial loan for working capital and rents office space
Nisshin Petfood Inc.	Chiyoda-ku, Tokyo	1,315	Production and sales of pet foods	100.0	Concurrent 4 Temporarily transferred 2 Transferred 2	The Company provides a partial loan for working capital and rents buildings and office space
Nisshin Engineering Inc.	Chuo-ku, Tokyo	107	Design, contracted construction and management of production facilities and other facilities, sales of powder-processing machines	100.0	Concurrent 3 Temporarily transferred 1 Transferred 5	The Company rents office space
NBC Meshtec Inc.	Hino, Tokyo	1,992	Production and sales of mesh cloths and forming filters	100.0	Concurrent 2 Transferred 3	The Company provides a partial loan for working capital
34 other consolidated subsidiaries						
Affiliates accounted for by the equity method						
Marubeni Nisshin Feed Co., Ltd.	Chuo-ku, Tokyo	5,500	Production and sales of compound feed	40.0	Concurrent 3 Temporarily transferred 1 Transferred 2	The Company rents commercial land and buildings
Tokatsu Foods Co., Ltd.	Kohoku-ku, Yokohama, Kanagawa	100	Production and sales of such cooked foods as *bento* lunch boxes and prepared foods	49.0	Concurrent 2 Temporarily transferred 1	The Company provides collateral for loans
Japan Logistic Systems Corp.	Shinagawa-ku, Tokyo	3,145	Overland freight shipping and storage	25.6 (20.5)	Temporarily transferred 1	None
8 other companies						

Notes:

1. Nisshin Flour Milling, Inc., Champion Flour Milling Ltd., Nisshin Foods Inc., Oriental Yeast Co., Ltd., Nisshin Pharma Inc., NBC Meshtec Inc., Nisshin-STC Flour Milling Co., Ltd. and PT. NBC Indonesia are specified subsidiaries of Nisshin Seifun Group Inc. Nisshin-STC Flour Milling Co., Ltd. and PT. NBC Indonesia are included in other consolidated subsidiaries.
2. Japan Logistic Systems Corp. also submits separate regulatory filings.
3. Figures in parentheses in the percentage of voting rights column indicate shares attributable to indirect ownership.

4. Financial data for subsidiaries accounting for more than 10% of consolidated net sales (excluding any sales transactions between consolidated subsidiaries) are shown in the table below.

(Millions of yen)

Company name	Net sales	Ordinary income	Net income	Net assets	Total assets
Nisshin Flour Milling, Inc.	179,262	9,257	5,768	56,549	118,075
Nisshin Foods Inc.	126,812	3,784	2,202	25,880	55,118
Oriental Yeast Co., Ltd.	61,313	2,667	1,797	15,655	33,717

(5) Employees

1. Consolidated level

(As of March 31, 2014)

Business segment	Number of employees	
Flour Milling	1,397	[72]
Processed Food	3,205	[1,490]
Others	663	[320]
Corporate (across the Group divisions)	385	[58]
Total	5,650	[1,940]

Note:

Numbers refer to full-time employees only. Additional figures for the average numbers of part-time staff employed during the fiscal year are provided in square brackets.

2. Non-consolidated level

(As of March 31, 2014)

Number of employees	Average age (years)	Average length of service (years)	Average annual pay (yen)
305 [24]	42.2	17.9	8,770,310

Notes:

1. Numbers refer to full-time employees only. An additional figure for the average number of part-time staff employed during the fiscal year is provided in square brackets.
2. Average annual pay includes bonuses and any non-standard wages.
3. Employees of Nisshin Seifun Group Inc. are entirely included in Corporate (across the Group divisions).

3. Labor unions

Nisshin Seifun Group workers are members of in-house unions, including the Nisshin Flour Milling Workers' Union. There are no matters to report regarding labor-management relations.

[2] Review of Operations and Financial Position

(1) Review of Operations

1. Results

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

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

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

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

The following is a review of operations by business segment.

(1) Flour Milling Segment

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

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

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

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

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

(2) Processed Food Segment

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

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

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

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

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

(3) Others Segment

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

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

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

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

2. Cash flows

Net cash provided by (used in) operating activities

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

Net cash provided by (used in) investing activities

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

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

Net cash provided by (used in) financing activities

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

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

(2) Status of Production, Orders Received and Sales

1. Production

Production values by segment during the fiscal year ended March 31, 2014 are as follows.

(Millions of yen)

Segment name	Year ended March 31, 2013	Year ended March 31, 2014	Change (%)
Flour Milling	169,556	198,748	17.2
Processed Food	120,833	122,073	1.0
Others	22,024	23,115	5.0
Total	312,414	343,937	10.1

Notes:

1. The above financial amounts use average sales prices during the fiscal year under review. Intersegment transactions have been eliminated.
2. Figures do not include consumption taxes.

2. Orders received

The Company does not produce a significant volume based on orders and this item is therefore omitted.

3. Sales

Sales values by segment during the fiscal year ended March 31, 2014 are as follows.

(Millions of yen)

Segment name	Year ended March 31, 2013	Year ended March 31, 2014	Change (%)
Flour Milling	179,127	207,752	16.0
Processed Food	232,867	243,007	4.4
Others	43,570	45,171	3.7
Total	455,566	495,930	8.9

Notes:

1. Intersegment transactions have been eliminated.
2. Transactions with major business partners and the ratio of corresponding sales to total sales are shown in the table below.

(Millions of yen)

Business partner	Year ended March 31, 2013		Year ended March 31, 2014	
	Value	Proportion (%)	Value	Proportion (%)
Mitsubishi Corp.	58,627	12.9	63,256	12.8

3. Figures do not include consumption taxes.

The status of changes in the prices of major raw materials and the selling prices of major products are described in “(1) Review of Operations.”

(3) Issues to be Addressed

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

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

1. Domestic business strategies

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

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

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

2. Overseas business strategies

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

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

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

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

3. R&D strategies and cost strategies

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

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

4. Measures addressing systemic changes in wheat policy, and others

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

5. Corporate social responsibility (CSR)

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

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

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

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

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

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

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

6. Basic policies regarding control of the corporation

(1) Brief description of the basic policies

As a provider of food, the Company believes that its chief responsibility, as well as a source of generating corporate value, is to provide safe food on a continuous basis. To secure and improve the Company’s corporate value and the common interests of the shareholders, it is essential to ensure high levels of safety and the quality of its products, as well as stable supply. If anyone without such belief made a large-scale purchase of the Company’s shares and behaved in ways contrary to the Company’s medium- to long-term business policies, such as making excessive reductions in production and/or R&D expenses only to improve short-term financial performance, such actions would cause damage to the Company’s corporate value and the common interests of the shareholders. Moreover, there are other forms of stock purchase that might do harm to the Company’s corporate value and the common interests of the shareholders.

To take action against such harmful acts, the Company believes that the advanced disclosure of sufficient information must be made, such as: the management policies and business plans envisioned by a potential purchaser of the Company’s shares; the possible impact of the proposed acquisition on the Company’s shareholders, the management of the Nisshin Seifun Group and all of the Group’s stakeholders; and the purchaser’s views regarding corporate social responsibility, including the matter of food safety. Also, a reasonable length of time to review such proposal and ample capacity to negotiate with such purchaser must also be ensured.

(2) Measures that contribute to the effective utilization of the Company’s assets, structuring of the appropriate form of the business group and the realization of other basic policies on control of the corporation

As a pure holding company, the Company is responsible for proposing management strategies for the Group, the efficient distribution of management resources and the auditing and monitoring of business activities. By optimizing the markets of each operating company, the Company has guaranteed a high level of safety and quality for products, as well as ensuring a steady supply. Moreover, through the mutual strengthening of corporate value between operating companies, the corporate value of the Group as a whole has been improved. Under the above system, the Group aims to maintain and improve a high level of technological capability, including the manufacturing technology and development and analysis capabilities required to support product safety and quality. The Group will implement ongoing and systematic capital expenditure from a long term perspective. At the same time, the Group will focus on employee training that can ensure and improve levels of specialist skills, the introduction of ongoing auditing and instruction systems related to product quality and facilities, internal controls, and the construction and ongoing implementation of compliance systems. We will also work hard to build and maintain trust relationships with the Company's stakeholders, including our customers and local society.

(3) Measures to prevent a decision on the Company's financial and business policies from being controlled by a party who is deemed inappropriate according to the basic policies

The Company introduced the countermeasures to large-scale acquisitions of the Company's shares using a gratis allotment of subscription rights to shares (hereinafter "the Plan"), in line with Article 49 of its Articles of Incorporation and the "Renewal of the Resolution to Approve Gratis Allotments of Subscription Rights to Shares for Securing and Improving Corporate Value of the Company and the Common Interests of the Shareholders," which were approved by the 168th Ordinary General Meeting of Shareholders held on June 27, 2012, with the aim of securing and improving the corporate value of the Company and the common interests of the shareholders. The outline of the Plan is as follows.

1) The Board of Directors shall ask any party who attempts a Specified Acquisition to present a written Acquisition Proposal to ask for a resolution of the Board of Directors not to take countermeasures including the gratis allotment of the Subscription Rights to Shares defined in Paragraph 6 below (hereinafter "the Confirmation Resolution") against that proposal. In order to implement prompt operation of the Plan, the Board of Directors may establish a reply deadline and request the provision of additional information in respect to any parties making a proposal in connection with a Specified Acquisition. Even in this case, the reply deadline shall be set with a maximum limit of 60 business days starting from the day on which the provision of information was requested of the Proposed Acquirer by the Board of Directors and the Corporate Value Committee shall commence its deliberation and discussion upon expiry of such reply deadline. "Specified Acquisition" means: a) an act of purchasing the Company's share certificates, etc., that would result in the holdings of 20% or more of the Company's share certificates, etc. (including similar acts as specified by the Board of Directors); or b) an act of commencing a tender offer that would result in the holdings of 20% or more of the Company's share certificates, etc. "Acquisition Proposal" means a document that contains the Company's management policies and business plans after said acquisition, evidence used to calculate prices, proof of acquisition funds, any possible impact on the Company's stakeholders and information related to Items 4) i. or vii. that is reasonably demanded by the Company.
2) Upon receiving the Acquisition Proposal, the Board of Directors shall promptly submit it to the Corporate Value Committee, which is composed only of the Outside Directors and the Outside Audit & Supervisory Board Members of the Company.
3) The Corporate Value Committee shall investigate said Acquisition Proposal and discuss whether or not to pass a resolution (hereinafter referred to as a "Recommendation Resolution") recommending that the Board of Directors passes a Confirmation Resolution in regard to said Acquisition Proposal. The Recommendation Resolution shall be passed by a majority of all members, and the results of said Recommendation Resolution shall be disclosed. The period for such deliberation and discussion by the Corporate Value Committee shall be a maximum of 60 business days (or a maximum of 90 business days for Acquisition Proposals other than those that specify only cash in Japanese currency as the compensation and set no upper limit to the number of shares to be purchased) upon the receipt of the Acquisition Proposal from the Board of Directors. Only when reasonable grounds exist, the period for the deliberation and discussion may be extended to a maximum of 30 business days. However, in this case, the grounds for the extension and the intended extension period will be disclosed.
4) Deliberations and discussion regarding the Recommendation Resolution by the Corporate Value Committee shall be made by faithfully forming an accurate judgment as to whether the Acquisition Proposal can satisfy the Company's purposes of securing and improving corporate value and the common interests of the shareholders. The Corporate Value Committee must issue a Recommendation Resolution for Acquisition Proposals that meet all of the below requirements. Moreover, even in the case of Acquisition Proposals where some of the following criteria have not been met, a Recommendation Resolution shall be made when deemed appropriate in the light of securing and improving the corporate value of the Company and the common interests of shareholders.
    i. The acquisition does not fall under any of the following types of action:
        a. Buyout of the Company's shares to demand that the Company or its related party purchase said shares at an inflated price;
        b. Management that achieves an interest for the Proposed Acquirer, its group company or other related party to the detriment of the Company, such as temporary control of the Company's management for transfer of the Company's material assets;
        c. Diversion of the Company's assets to secure or repay debts of the Proposed Acquirer, its group company or other related party;
        d. Realization of temporary high returns to the detriment of ongoing growth of the Company, such as temporary control of the Company's management to decrease the assets and funds that are required for the Company's business expansion, product development, etc., for years ahead; and

e. Other types of action through which the Proposed Acquirer, its group company or other related party earns interest by unjustly causing harm to the interests of the Company's stakeholders, including the Company's shareholders, business partners, customers and employees.

ii. The scheme and content of the deal proposed by the Acquisition Proposal comply with the relevant laws and regulations.

iii. The scheme and content of the deal proposed by the Acquisition Proposal do not threaten to have the effect of compelling shareholders to sell their shares.

iv. The true information necessary for deliberations on the Acquisition Proposal is provided in the appropriate timing, such as upon request of the Company, and sincere responses are made in other ways, by complying with the procedures specified by the Plan.

v. The period for the Company to deliberate the Acquisition Proposal is secured (including deliberation and presentation of its alternative proposals to the Company's shareholders). This period is specified as a maximum of 60 business days upon the receipt of the Acquisition Proposal, a maximum of 90 business days for Acquisition Proposals other than those that specify only cash in the Japanese currency as compensation and set no upper limit to the number of shares to be purchased, or a longer period of days if required on reasonable grounds.

vi. The conditions of the acquisition contained in the Acquisition Proposal are not inappropriate or insufficient with a view to the Company's corporate value or the common interests of shareholders.

vii. The Acquisition Proposal is reasonably recognized to satisfy the purposes of securing and improving the Company's corporate value and the common interests of the shareholders.

5) A Confirmation Resolution of the Company's Board of Directors shall be made according to the Recommendation Resolution of the Corporate Value Committee. In case the Corporate Value Committee issues the Recommendation Resolution, the Board of Directors must make the Confirmation Resolution promptly, unless there are particular reasons that are clearly against the Directors' duty of care. Countermeasures, such as a Gratis Allotment of Subscription Rights to Shares, cannot be taken against the Acquisition Proposal for which the Confirmation Resolution is made.

6) In the event that the Specified Acquirer—which is defined as a person or company that executed the Specified Acquisition and failed to obtain the Confirmation Resolution by the time such acquisition was executed—appears, the Board of Directors shall disclose the identifying of the appearance of the Specified Acquirer and issue a resolution that identifies and determines the necessary conditions for effecting a gratis allotment of Subscription Rights to Shares, including the record and effective dates for such allotment, and execute the gratis allotment of Subscription Rights to Shares after publicly announcing details of matters that have been determined. "Subscription Rights to Shares" is defined as the subscription rights to shares whose exercise is restricted for the Specified Acquirer and its related parties, which are collectively defined as the Specified Acquirer.

   In such a case that it is revealed that the ratio of holdings of the Company's share certificates, etc., by the Specified Acquirer falls below 20% by the date that is specified elsewhere by the Board of Directors and which should be earlier than three business days prior to the record date for the gratis allotment, the Board of Directors can defer the effect of a gratis allotment of Subscription Rights to Shares.

7) In the case that a gratis allotment of Subscription Rights to Shares is effected, the Company shall implement the gratis allotment of Subscription Rights to Shares to all shareholders, except the Company, as of the record date for the gratis allotment at a ratio of one Subscription Right to Share for every one share of the Company's common stock held, and the number of shares to be issued per one Subscription Right to Share will not exceed two and be determined elsewhere by the Board of Directors. The value of assets invested to exercise one Subscription Right to Share shall be ¥1 multiplied by the number of shares to be issued per one Subscription Right to Share.

8) Exercisable Subscription Rights to Shares can be acquired by the Company. For the Subscription Rights to Shares held by shareholders other than the Specified Acquirer, this is accomplished in exchange for common shares of the Company of a number equal to the integral part of the number of said Subscription Rights to Shares multiplied by the number of shares to be issued per Subscription Right to Share. For other Subscription Rights to Shares, this is accomplished in exchange for Subscription Rights to Shares with restriction on transfer (restriction on the exercise of the rights by the Specified Acquirer) of the same number as the Subscription Rights to Shares that are acquired by the Company.

(4) Judgment of the Board of Directors and its Reasons

The Plan complies with the basic policies described in Item (1) above, and it is carefully devised as follows to ensure its reasonability. Therefore, the Plan protects the corporate value of the Company and the common interests of the shareholders and does not pursue the personal interests of the Company's management.

1) The Plan received prior approval of the shareholders at the 168th Ordinary General Meeting of Shareholders on June 27, 2012, pursuant to the provision of Article 49 of the Company's Articles of Incorporation.

2) The term of office of the Company's Directors is one year and the timing of reelection is concurrent among all Directors. In addition, the resolution on dismissal of Directors has the same weight as that of an ordinary resolution at a General Meeting of Shareholders. Therefore, the Plan can be abolished by a resolution of the Board of Directors through the election or dismissal of Directors by an ordinary resolution at a single General Meeting of Shareholders.
3) To secure the neutrality of judgment relating to the Plan, the Corporate Value Committee, composed only of Outside Directors and the Outside Audit & Supervisory Board Members of the Company, shall deliberate the Acquisition Proposal, under legal obligations as the management of the Company, to determine if the proposal meets the purposes of securing and improving the Company's corporate value and the common interests of the shareholders. It is also required that the Board of Directors makes a Confirmation Resolution upon receipt of a Recommendation Resolution to that effect from the Corporate Value Committee, unless there are particular reasons that are clearly against the Directors' duty of care.
4) To enhance the objectivity of judgment relating to the Plan, it is required that the Corporate Value Committee issues a Recommendation Resolution toward any Acquisition Proposal that satisfies all of the requirements specified in Paragraph (3) Items 4) i. to vii. above.
5) Subject to approval at the General Meeting of Shareholders, the Plan can be revised every year by a resolution of the Board of Directors. This allows the Plan to adjust itself to the development of the related laws and regulations and various other business environments surrounding the Company.
6) The validity of an Approval Resolution at the General Meeting of Shareholders is three years from the date of the General Meeting of Shareholders. Upon the passage of three years, the Board of Directors will present a Plan that reflects any revisions, including reflections on its supplementary conditions, for approval by the shareholders.
7) The Plan satisfies all of the requirements for legality (to avoid suspension of the issuance of Subscription Rights to Shares, etc.) and rationality (to gain the understanding of shareholders, investors and other stakeholders) specified in the "Securing and/or Improving Corporate Value and Common Interests of Shareholders: Takeover Defense Guidelines" released on May 27, 2005, by the Ministry of Economy, Trade and Industry and the Ministry of Justice. Moreover, the Plan is in accordance with the recommendations of the June 30, 2008 report of the Ministry of Economy, Trade and Industry's Corporate Value Study Group entitled "Takeover Defense Measures in Light of Recent Environmental Changes."

(4) Business and Other Risks

Risks that could have an impact on the business performance, share price and financial position of the Nisshin Seifun Group are outlined below.

All matters relating to the future in the sections below are based on the current views of the Nisshin Seifun Group as of the date of filing this Securities Report in Japanese (June 26, 2014).

1. Economic conditions and industry environment

The Nisshin Seifun Group continues to work to reinforce its earnings base so as to minimize the impact of economic and industry conditions on business results. However, increased competition in the Japanese domestic market may cause shipment levels to fluctuate or prices of the Company’s major products to decline. Other risks include losses caused by the failure of investment or business partners.

2. Progress of international trade negotiations, including TPP and wheat policy reform

The Nisshin Seifun Group has undertaken structural reforms in its flour milling and processed food businesses to strengthen itself against risks inherent to these businesses. However, future developments in, the government’s response to, and outcomes of international trade negotiations including the Trans-Pacific Partnership (TPP) are expected to significantly impact wheat flour-related industries, which include the Group’s flour milling and processed food businesses. In addition, our flour milling and processed food businesses remain vulnerable to risks related to changes in the Japanese government’s current trade strategy including the management procedures (purchase, stockpiling and sale, etc.) of wheat and domestic flour and flour-related secondary processing market disruptions and realignment of related industries according to the progress of the government’s domestic wheat policy review.

3. Product safety

Growing concerns over food safety put increasing pressure on the food industry to ensure the safety of the food it supplies. The Nisshin Seifun Group continues to upgrade efforts to improve its product quality assurance systems including food defense measures, but events beyond the scope of the Company’s projection due to external and other factors could lead to product recalls or the discovery of defective items. The Nisshin Seifun Group is exposed to similarly unpredictable risks, which could result in defective items, also on the raw material procurement side.

4. Sharp increases in raw materials prices

The Nisshin Seifun Group continues to aim to develop low-cost operations to ensure that earnings are more resistant to the possibility of future wheat market deregulation. Nevertheless, the Company may not be in a position to achieve cost reductions in the event of fluctuations in raw material market conditions, movements in distribution costs as a result of crude oil price hikes and higher purchasing costs due to increases in the prices of such essential input materials as packaging. In addition, the Group’s business performance could be adversely affected if a significant rise in the cost of purchasing raw materials and products due to an increase in imported wheat prices and other reasons was not offset by revisions in the selling prices of wheat flour, processed foods and other products.

5. Foreign exchange movements (principally yen-dollar, yen-euro and yen-baht)

Although the Nisshin Seifun Group uses currency forwards and other hedging tools to minimize the impact of foreign exchange movements on results, the sourcing of some raw materials and other inputs from overseas exposes some Group operations to the risk of variance in purchasing costs due to currency market fluctuations, particularly in processed food. The operational performance and financial position of overseas operations may also vary due to changes in the value of the yen. In the flour milling business, the level of prices for imported bran, which vary according to foreign exchange movements, also affects the price of bran, a milling by-product.

6. Contract manufacturing

The Nisshin Seifun Group contracts out the manufacturing of some products to optimize production efficiency. Although the Company makes strenuous efforts to ensure that contract manufacturers adhere to the same levels of quality control and input purchase stability, the Company remains exposed to the risk of the business failure of subcontractors due to circumstances beyond its control. Any such eventuality could result in higher purchasing costs or an interruption in product supply.

7. Information and system-related risks

The Nisshin Seifun Group has established appropriate levels of management controls for its internal systems. Problems encountered with the operation of these systems have the potential to interrupt supplies to customers or to incur extra costs. Although the Nisshin Seifun Group maintains proper controls to thwart viruses and other computer-related problems and manage IT systems, any unforeseen attacks by viruses or unauthorized access to internal systems have the potential to interrupt supplies to customers. Other information- and system-related risks include the leakage of operationally sensitive data or confidential personal information, which could also result in higher costs or damage to the Company's reputation.

8. Alliances with other companies and realization of corporate acquisition benefits

The Nisshin Seifun Group forms alliances with other companies and conducts corporate acquisitions as part of efforts to optimize use of management resources, as well as to realize growth and expansion. The inability to progress as initially planned with respect to alliances or businesses post acquisition could result in the failure to realize expected benefits.

9. Facility security and natural disasters

The Nisshin Seifun Group continues to work to upgrade its safety and site management systems to ensure the security of production plants and other facilities and to prevent accidents such as fires or explosions. We are implementing seismic strengthening initiatives and liquefaction countermeasures at our mainstay plants to prevent any injury to personnel or damage to facilities should such natural disasters as earthquakes, storms and floods occur. The Group is also undertaking a review of its capabilities including the additional formulation of a business continuity plan (BCP) in response to the future envisioned incidence of a major earthquake. However, events beyond the scope of the Company's projections, including developments such as epidemics or pandemics of new strains of influenza, could lead to damage or to the interruption of product supplies to customers.

10. Regulatory compliance

Although the Nisshin Seifun Group continues to focus on upgrading legal and regulatory compliance, unforeseen events have the potential to result in higher costs.

11. Overseas incidents

Although the Nisshin Seifun Group makes efforts to prevent accidents at its overseas operations, the performance of these businesses is subject to various economic and political risks, and risks associated with developments such as epidemics or pandemics of new strains of influenza, that could result in a downturn in the overseas business and higher costs.

12. Intellectual property

Notwithstanding ongoing efforts by the Nisshin Seifun Group to protect its intellectual property, the launch and sale of similar products by other firms could be potentially detrimental to the value of the Company's brands. In addition, the Company also faces the risk of possible future claims against it by other companies for intellectual property infringement.

13. Environmental management

The environmental impact of the Nisshin Seifun Group's businesses is relatively low compared to other industries. Nevertheless, the Company continues to make assiduous efforts to improve the environmental profile of the Nisshin Seifun Group's business activities in terms of environmental management systems, energy efficiency and waste reduction. Despite such efforts, events beyond the scope of the Company's projections could force the Company to undertake measures that result in higher costs.

(5) Legal and Contractual Matters

At a meeting of the Board of Directors on January 29, 2014, the Company passed a resolution authorizing the establishment of a joint venture company in Turkey between subsidiary Nisshin Foods Inc., Marubeni Corporation, and Nuh'un Ankara Makarnasi Sanayi Ve Ticaret A.S., Turkey's largest pasta manufacturer, with a joint venture agreement signed on the same date. The joint venture company was established on June 10, 2014. The purpose of the joint venture is to bolster the production framework for pasta, one of the core product lines of the Group's processed foods business, in an effort to spur further business expansion.

An outline of the joint venture company is shown below.

(1) Name: Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S.

(2) Location: Ankara, Turkey

(3) Business: Production and sale of dried pasta, others

(4) Capital: 42.75 million Turkish lira

(5) Ownership: Nisshin Seifun Group Inc. 3%, Nisshin Foods Inc. 48%, Marubeni Corporation 25%, Nuh'un Ankara Makarnasi Sanayi Ve Ticaret A.S. 24%

(6) Research and Development

The Nisshin Seifun Group (the Company and its consolidated subsidiaries) operates various research and development (R&D) facilities. As part of the Company's organizational structure, the Research Center for Basic Science Research and Development focuses primarily on the research of basic technologies. The Research Center for Production and Technology focuses mainly on the development of production technology and nanotechnology for adoption in each of the Group's business operations. Consolidated subsidiaries operate separate R&D organizations with specialized functions tailored to each business field. These subsidiaries are: Nisshin Flour Milling Inc. (in the Flour Milling Segment); Nisshin Foods Inc., Oriental Yeast Co., Ltd., Nisshin Pharma Inc. (in the Processed Food Segment); Nisshin Petfood Inc., Nisshin Engineering Inc., and NBC Meshtec Inc. (in the Others Segment). During the fiscal year under review, the Research Center for Basic Science Research and Development switched over to a three-laboratory framework under which research is now conducted, consisting of the Food Processing Research Section, the Cereals Function Research Section, and the Microbe Control Research Section .

R&D program goals vary widely. All Group R&D organizations seek to identify prospective ingredients for new products and undertake basic research to create new technology. They also create new products to meet market needs and preferences and develop food processing technologies while improving existing products, automating production systems, and developing and applying powder and granular technologies. The Nisshin Seifun Group also actively seeks to further cooperation among Group research centers, and with other research institutions, to enhance specialist research expertise and promote adoption of the latest technical innovations. Through these efforts, the Group aggressively seeks to conduct highly effective R&D activities that generate new business opportunities.

Consolidated R&D expenditures totaled ¥5,769 million in the fiscal year ended March 31, 2014. This figure also includes ¥1,358 million in R&D spending that cannot be attributed to any particular segment. The following is an overview of the main R&D programs and results in the fiscal year under review.

1. Flour Milling Segment

Research in this segment is centered on the New Product Development Center and the Cereal Science Research Center of Tsukuba. These centers collaborate with the Company's Research Center for Basic Science Research and Development and the Research Center for Production and Technology to conduct R&D focused on the development of new flour-processing technologies, and grain science and grain flour-processing technologies focused on wheat and wheat flour. Major achievements include the release of *Yume Hiryu*, a type of flour for Chinese-style noodles that captures the characteristic quality of *Yume Chikara* wheat produced in Hokkaido, Japan.

R&D expenditures attributable to this segment totaled ¥530 million.

2. Processed Food Segment

Led by Nisshin Foods Inc.'s food product development center, and in collaboration with the Company's Research Center for Basic Science Research and Development and the Research Center for Production and Technology, R&D in this segment is focused on developing new processed foods across all temperature ranges, including prepared mix products, dried noodles, pastas, microwavable retort pouch foods, frozen foods, prepared dishes and other prepared foods. One major achievement included in frozen foods is the release of lasagna, gratin and soups in the popular *Ma•Ma Hazumu Nama Pasta* series. Another was in the new *Ma•Ma Gold* frozen pasta series, where we achieved affordably priced entrees while maintaining a satisfactory level of quality. In dried pasta, we introduced a line of thin udon noodles in the *Jukusei Kiwami* series, a brand of dried noodles featuring the "three-layer manufacturing method," our own proprietary technology. The foods division of Oriental Yeast Co., Ltd. engaged in the R&D of baking yeasts and other bakery products through its Laboratory of Yeast & Fermentation and four flour-based food product development centers. The biotechnology division, meanwhile, conducted R&D through the Nagahama Institute for Biochemical Science and the Biochemical Production and Development Institute—two research sites within the Nagahama Institute. Nisshin Pharma Inc.'s Health Care Research Center concentrated mainly on developing various food supplements and the development of functional food ingredients through alliances with government and academic institutions. Major achievements included the release of *Ichoha+PS*, a premium version of the *Ichoha* food supplement containing the brain function enhancement supplement phosphatidylserine.

R&D expenditures attributable to this segment totaled ¥3,178 million.

3. Others Segment

Nisshin Petfood Inc. conducts R&D at its Nasu Research Center that addresses the pet's health functioning and preferences. One major achievement was enhancement of the lineup of the *JP Style Dietetics* series of therapeutic pet foods sold through animal hospitals, together with the release of the *fine Aroma+* series of food for dogs and cats, created with the preference and convenience of pets and their owners in mind. In cooperation with the Company's Research Center for Production and Technology, Nisshin Engineering Inc.'s Powder-Processing Business Department conducts R&D programs on various types of machinery for powder grinding and classification and technologies for producing nano-particles using thermal plasma. In addition, NBC Meshtec Inc. conducts R&D efforts to develop new products and materials for screen-printing and industrial use.

R&D expenditures attributable to this segment totaled ¥702 million.

(7) Analysis of Financial Position, Performance and Cash Flows

All matters relating to the future in the sections below are based on the current views of the Nisshin Seifun Group as of the date of filing this Securities Report in Japanese (June 26, 2014).

1. Significant accounting policies and estimates

The Consolidated Financial Statements of the Nisshin Seifun Group are prepared in conformity with accounting standards that are generally accepted in Japan.

In preparing the Consolidated Financial Statements, the Nisshin Seifun Group makes the following estimates and assumptions that have a material impact on the reported values of assets and liabilities as of the balance-sheet date, the disclosure of contingent liabilities, and the reported values of income and expenditure. While the Company makes such estimates and assumptions based on various factors deemed rational based on the analysis of historical performance and business conditions, the uncertainties inherent in the estimation process mean that actual performance can differ from forecasts.

(1) Allowance for doubtful accounts

The Nisshin Seifun Group provides for possible credit losses stemming from monetary claims and other receivables. Estimates of irrecoverable amounts are determined by considering historical loan-loss ratios for general receivables and on a consideration of recoverable amounts on a case-by-case basis in instances of suspected bad debt or other dubious accounts. Additional credit-loss provisions are made in some cases following any deterioration in the financial condition of a customer that results in diminution of payment capabilities.

(2) Write-downs of investment securities

The Nisshin Seifun Group holds securities for investment purposes. Securities with a readily determinable market value are stated at fair market value and securities with no readily determinable market value are stated at cost. Investment securities with a readily determinable market value are written down if the market value of the securities falls below 50% of acquisition value. A write-down may also be made depending on the financial position of the issuer of the securities in question if the decline in market value falls between 30% and 50% of the acquisition price. Investment securities with no readily determinable market value are written down if the effective price of the securities in question falls markedly to a level significantly less than the acquisition price, unless a recovery in value is deemed probable.

Having previously written down the value of investment securities as required, the Nisshin Seifun Group currently holds no securities where such measures are deemed necessary. However, further write-downs may become necessary in the future if a fall in financial market prices or deterioration in the financial performance of companies in which the Group has invested results in unrealized losses relative to the book value or otherwise precipitates conditions under which such value is irrecoverable.

(3) Impairment of noncurrent assets

No losses for the impairment of noncurrent assets were recorded for the fiscal year under review. Such losses may arise in the future if changes in operating conditions cause the recoverable value of any Nisshin Seifun Group assets to fall significantly below book value.

(4) Deferred tax assets

The Nisshin Seifun Group estimates deferred tax assets by fully investigating forecast recoverable amounts based on projections of future taxable income and tax payments. Any changes in the amounts of deferred tax assets deemed recoverable may result in a reduction in deferred tax assets, or in an adjustment to profit if additional deferred tax assets are booked.

(5) Retirement benefit expenses and pension liabilities

Calculations of retirement benefit expenses for the Group's lump-sum retirement benefit plan and defined-benefit corporate pension plan limited to retired pension recipients, and related pension liabilities are based on actuarial assumptions. These assumptions include the discount rate, projected future remuneration levels, employee turnover and retirement rates, the mortality rate (based on the most recent statistical data), and the expected rate of return on pension plan assets. The discount rate is based on the market yield of bonds and other financial instruments with a recent rating equivalent to AA from multiple ratings agencies at the fiscal year-end, while the expected rate of return on pension plan assets is determined according to the investment policy of pension assets and the historical performance of each asset class within the pension fund portfolio. The effects of material changes in these assumptions or any differences between actual results and the assumptions are cumulative and subject to recognition on a regular basis over future periods. Hence, such changes and differences could potentially have a material effect on the future values of pension-related expenses and liabilities.

2. Analysis of financial performance in the fiscal year under review and significant factors influencing results

(1) Net sales and operating income

During the fiscal year ended March 31, 2014, the Japanese economy showed signs of a modest recovery, primarily as corporate business performance and consumer spending staged a turnaround against the backdrop of a depreciated yen and high stock prices, stimulated by economic policies and financial deregulation pursued by the Japanese government and the Bank of Japan, respectively. The surrounding business environment for the Company, however, remained challenging, largely reflecting higher prices for imported raw materials and rising utility costs due to the yen's depreciation, and an increasingly entrenched preference for lower-priced options among consumers.

Under these conditions, in the flour milling business, we continued to promote value-added services that provide total solutions to enhance relationships with customers in a bid to increase market share, resulting in year-on-year growth in shipments of domestic commercial wheat flour. In response to the government's decision to raise the prices of imported wheat in April and October 2013, we revised our prices for commercial wheat flour in June and again in December. From the perspectives of production and distribution, we continued to carry out measures to enhance productivity and reduce fixed and other costs. In tandem, we are moving ahead with efforts to bolster cost competiveness by concentrating production at large-scale plants located near ports. Along with a new plant in Fukuoka, Japan, that came on-line as scheduled in February 2014, construction work began in October 2013 on the addition of a new production line at the Chita Plant in Aichi, Japan, scheduled to start operations in May 2015. Furthermore, the Company decided to increase holding capacity by 25% at a raw wheat silo operated by Hanshin Silo Co., Ltd., located adjacent to the Higashinada Plant. The silo is scheduled to commence operation in April 2015. The price of bran, a byproduct of the milling process, remained favorable throughout the period. In the overseas business, sales increased year on year, reflecting effects from the consolidation of two companies acquired via M&A activity – Miller Milling Company, LLC in the United States and Champion Flour Milling Ltd. in New Zealand. Sales growth was also stimulated by steady growth in shipments at Miller Milling Company, LLC, where we increased production capacity, and at Nisshin-STC Flour Milling Co., Ltd. in Thailand. On the profit side, earnings rose atop firm growth in bran prices and cost reduction measures, as well as favorable performance in operations outside Japan.

In the processed food business, sales of both household- and commercial-use products rose over the previous fiscal year. In household-use products, leveraging the Company's proprietary technology, growth was spurred by the launch of new products to address needs arising from an increase in eating alone and demand for meals that are easy to prepare. Aggressive sales promotion efforts, meanwhile, garnered new commercial customers. Similarly, sales of prepared dishes and other prepared foods business advanced from the previous fiscal year as a result of measures promoted to expand shipments of prepared foods to volume retailers. Sales of the overseas business increased from the previous fiscal year, owing to aggressive product proposals aimed at obtaining new customers, mainly in the ever-growing Chinese and Southeast Asian markets. Meanwhile, the Company marked progress with work to boost production capacity for commercial prepared mix by 25% scheduled to come on-line by this year's end at Thai Nisshin Technomic Co., Ltd. The Company also launched construction at Vietnam Nisshin Seifun Co., Ltd. of a production plant for cooked and processed foods set to commence operation in the fall of 2014. To bolster the production capacity for pasta and realize further business expansion, the Company decided to establish a joint venture, Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S., and build a pasta plant, which is set to commence operations in April 2015 in Turkey. In conjunction with this move, the Company also decided to build a new frozen food production site at the Kobe Plant of Ma•Ma-Macaroni Co., Ltd. set to launch operations in May 2015. In the yeast business section of the yeast and biotechnology business, sales increased compared to a year earlier, mainly as a result of growth in sales of yeast and fillings. Sales in the biotechnology section increased compared with the previous fiscal year, largely due to growth in sales of coenzymes and other diagnostic reagents. In the healthcare foods business, sales declined year on year despite brisk sales of consumer products driven by aggressive sales promotion measures, primarily due to volatile demand for raw materials for pharmaceuticals. As a result, while net sales of the Processed Food Segment were higher year on year, operating income declined on growth primarily in sales promotion costs.

In the Others Segment, while sales of the pet food business surpassed those of the previous fiscal year, the market environment continued to be severe mainly due to higher prices for imported raw materials caused by the depreciated yen, and more intense sales competition. This severity persisted despite robust shipments of premium pet food due in large part to the aggressive launch of new products. In the engineering business, sales increased year on year mainly driven by solid performance from the mainstay plant engineering business and from equipment sales. In the mesh cloths business, sales surpassed the previous fiscal year's level, stimulated by brisk sales of materials for screen-printing applications and forming filters mainly for automobile parts. As a result, while net sales of the Others Segment climbed year on year, operating income declined, mainly from worsening sales conditions in the pet food business.

Consolidated net sales increased by ¥40,364 million, or 8.9%, from the previous fiscal year to ¥495,930 million, and the gross margin decreased by 0.9 percentage point from the previous fiscal year to 29.7 percentage points. Selling, general and administrative expenses increased by ¥7,352 million, primarily because of an increase in sales promotion expenses in the Processed Food Segment. As a result, consolidated operating income increased by ¥534 million, or 2.5%, to ¥22,274 million, and the operating margin decreased by 0.3 percentage point from the previous fiscal year to 4.5 percentage points.

(2) Ordinary income

Net financial income amounted to ¥1,790 million, an increase of ¥106 million compared with the previous fiscal year. Equity in earnings of affiliates totaled ¥839 million, or a year-on-year increase of ¥241 million, mainly reflecting profit growth at companies involved in prepared dishes and other prepared foods. Other miscellaneous income on a net basis amounted to ¥674 million, or a year-on-year decrease of ¥44 million.

Non-operating income on a net basis amounted to ¥3,305 million, which represented a year-on-year increase of ¥303 million. Ordinary income increased by ¥837 million, or 3.4%, to ¥25,579 million.

(3) Net income

Extraordinary income of ¥1,140 million was offset by extraordinary losses totaling ¥1,518 million, resulting in net extraordinary loss of ¥378 million. Income before income taxes and minority interests amounted to ¥25,201 million, an increase of ¥2,762 million compared with the previous fiscal year. The principal components of extraordinary income included a gain on sales of investment securities of ¥507 million. The major item of extraordinary losses was a loss on retirement of noncurrent assets of ¥712 million.

Net income for the fiscal year under review was ¥15,098 million, after the deduction of total income taxes (¥9,183 million) and minority interests in income (¥919 million) from income before income taxes and minority interests. This represented an increase of ¥1,410 million, or 10.3%, compared with the previous fiscal year.

Net income per share was ¥55.23 or an increase of ¥5.15 from the previous fiscal year. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. Net income per share is calculated by deeming the stock split to have occurred at the beginning of the previous fiscal year. Return on equity (ROE) was 4.8%, representing a year-on-year increase of 0.2 percentage point.

3. Business strategy status and outlook

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

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

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

4. Capital financing and liquidity

In the fiscal year ended March 31, 2014, net cash provided by operating activities totaled ¥25.0 billion, of which ¥18.6 billion was allocated to the purchase of property, plant and equipment and intangible assets, including the construction of a new Fukuoka Plant by Nisshin Flour Milling Inc. The Company also sought to raise returns on cash reserves allocated for future strategic investments by investing in time deposits with terms greater than three months and short-term investment securities to ensure greater security and efficiency of investments. The amount of these investments matured or redeemed exceeded the amount of those deposited or purchased by ¥17.7 billion in the fiscal year under review, which resulted in positive free cash flow of ¥23.2 billion. In terms of financing activities, dividends paid came to ¥4.9 billion representing efforts by the Company to return profits to shareholders. As a result, net cash used in financing activities amounted to ¥5.0 billion. The year-end balance of cash and cash equivalents increased by ¥19.4 billion from the previous fiscal year-end to ¥72.6 billion at the end of March 2014.

Total consolidated debt amounted to ¥9.9 billion at the end of March 2014. Based on the operating cash flow and the balance of cash and cash equivalents, the Nisshin Seifun Group regards the current level of internal liquidity as ample for financing long-term business development and repayments of interest-bearing liabilities.

In an effort to meet the objectives outlined in the “NNI-120, Speed, Growth and Expansion” medium-term management plan, the Nisshin Seifun Group engages proactively in strategic investment in priority fields, securing needed capital from both internal and external funding sources. To secure funds internally, the Group previously introduced a cash management system (CMS), under which the funds of consolidated subsidiaries in Japan are managed on an integrated basis, coupled with current measures to extensively minimize assets. As for the external sources, the Group will procure interest-bearing debt and other funding by taking advantage of its sound financial position.

5. Long-term management issues and future policies

The Nisshin Seifun Group is aware of possible medium- and long-term changes in business conditions in the flour milling and processed food industries due to fluctuations in prices of grain and other raw materials on a global basis, the anticipated deregulation of the wheat market and changes in demographic trends in Japan such as the declining birthrate, higher life expectancy, and the shrinking population. These factors could have a significant impact on Group performance.

The Nisshin Seifun Group is advancing Group management that continues to emphasize the allocation of resources to core and growth businesses as part of a basic management policy designed to maximize its long-term corporate value. In developing Group operations, we have positioned top-line (net sales) growth and overseas business expansion as our first order of business. In order to accomplish our established goals, we will upgrade and bolster our internal organization and proactively pursue M&As and alliances. In addition, we will engage in both the production and supply of safe and reliable products while ensuring and strengthening a competitive cost structure that is more than capable of confronting the pressures imposed by imported products. In this manner, we will remain competitive in any and all environments. In the development of new products, high value-added products that are novel and unique will be developed continuously. In research, we will clarify our priority research domains in order to promote the commercialization and practical application of research results. At the same time, we will establish research themes closely aligned with business strategies to increase efficiency and speed. Furthermore, with significant fluctuations expected to continue in the raw material and energy markets, the Group will work to reduce production and procurement costs and build an operational foundation that properly reflects changing costs and is capable of securing earnings. In addition to pushing forward these management strategies, we will at the same time promote self innovation while fulfilling our corporate social responsibilities in terms of enhancing our internal control systems, thorough compliance, food safety, environmental protection and social contribution. By doing so, the Group will step up efforts to gain the support of all stakeholders, including shareholders, customers, business partners, employees and local communities.

Today, Japan is grappling with a variety of concerns, including market contraction as the country’s population declines, the impact of a higher consumption tax on consumer spending, and rising prices for imported raw materials due to the depreciated yen. Adding to these concerns is the increase in global competition which depending on the outcome of international trade negotiations such as the Trans-Pacific Partnership (TPP) and economic partnership agreements (EPAs), is projected to accelerate. Under these circumstances, the Nisshin Seifun Group will continue to fulfill its mission of securing stable supplies of wheat flour and other staple foods for the Japanese people, and will strive to provide customers with safe and reliable products from all of its businesses. At the same time, we will move quickly to enact the strategies contained in our medium-term management plan to stimulate business growth and expansion.

[3] Facilities and Capital Expenditures

(1) Capital Expenditures

The Nisshin Seifun Group (the Company and its consolidated subsidiaries) makes capital investment with the aim of raising production capacity and ensuring product safety. The following is a breakdown of capital expenditures for the fiscal year ended March 31, 2014, based on actual expenditures.

	Year ended March 31, 2014 (millions of yen)	Year-on-year change (%)
Flour Milling	11,947	35.3
Processed Food	6,042	(19.6)
Others	993	(35.2)
Subtotal	18,984	6.2
Elimination/common-use	(347)	—
Total	18,636	7.1

Capital investments in the Flour Milling Segment were focused on increasing production capacity and enhancing product safety, in conjunction with the construction by Nisshin Flour Milling Inc. of the Fukuoka Plant, which came on-line in February 2014.

Capital investments in the Processed Food Segment were principally made to increase production capacity and improve product safety.

Capital investments in the Others Segment were principally made to increase production capacity.

All capital investment within the Nisshin Seifun Group during the fiscal year under review was financed internally from cash flow.

(2) Principal Facilities

The main facilities of the Nisshin Seifun Group (the Company and its consolidated subsidiaries) are listed in the tables below.

1. Nisshin Seifun Group Inc. and domestic consolidated subsidiaries

(As of March 31, 2014)

Company name	Site name (location)	Business segment	Facility type/purpose	Book value (millions of yen)					Number of employees (persons)
				Buildings and structures	Machinery, equipment and vehicles	Land (thousand m^2)	Other	Total	
Nisshin Flour Milling Inc.	Tsurumi Plant (Kawasaki-ku, Kawasaki)	Flour Milling	Wheat flour production	5,278	3,157	(Note 4) 5,470 (79)	228	14,134	133 [2]
Nisshin Flour Milling Inc.	Fukuoka Plant (Chuo-ku, Fukuoka)	Flour Milling	Wheat flour production	4,146	4,558	(Note 4) 2,520 (19)	95	11,321	(Note 8) 6 [0]
Nisshin Flour Milling Inc.	Higashinada Plant (Higashinada-ku, Kobe)	Flour Milling	Wheat flour production	(Note 5) 5,477	2,573	(Note 4) 1,803 (30)	134	9,988	89 [1]
Nisshin Flour Milling Inc.	Chiba Plant (Mihama-ku, Chiba)	Flour Milling	Wheat flour production	2,193	1,381	(Note 4) 294 (43)	53	3,922	80 [4]
Nisshin Flour Milling Inc.	Chita Plant (Chita)	Flour Milling	Wheat flour production	1,344	712	(Note 4) 67 (32)	465	2,590	47 [3]
Nisshin Flour Milling Inc.	Nagoya Plant (Nakagawa-ku, Nagoya)	Flour Milling	Wheat flour production	955	919	(Note 4) 69 (20)	87	2,030	59 [5]
Nisshin Foods Inc.	Tatebayashi Plant (Tatebayashi)	Processed Food	Prepared mix production	882	848	(Note 4) 210 (27)	44	1,986	40 [37]
Nisshin Seifun Premix Inc.	Nagoya Plant (Nakagawa-ku, Nagoya)	Processed Food	Prepared mix production	1,125	955	(Note 4) 47 (13)	45	2,175	69 [26]
Ma•Ma-Macaroni Co., Ltd.	Head Office and Utsunomiya Plant (Utsunomiya)	Processed Food	Pasta production	552	1,351	27 (23)	56	1,988	64 [191]
Ma•Ma-Macaroni Co., Ltd.	Kobe Plant (Higashinada-ku, Kobe)	Processed Food	Pasta production	243	455	393 (16)	21	1,114	44 [53]
Daisen Ham Co., Ltd.	Head Office and Yonago Plant (Yonago)	Processed Food	Production of processed meats	1,244	525	210 (35)	106	2,087	211 [226]
Oriental Yeast Co., Ltd.	Tokyo Plant (Itabashi-ku, Tokyo)	Processed Food	Yeast manufacture	850	828	0 (11)	85	1,764	52 [18]
Oriental Yeast Co., Ltd.	Osaka Plant (Suita)	Processed Food	Production of yeast and other items	1,429	1,105	169 (22) (Note 7) [5]	60	2,764	72 [18]
Oriental Yeast Co., Ltd.	Biwa Plant (Nagahama, Shiga)	Processed Food	Production of flour paste, *kansui* powder, baking powders and other items	662	563	709 (36)	39	1,974	37 [21]
Pany Delica Co., Ltd.	Head Office and Tomisato Plant (Tomisato, Chiba)	Processed Food	Production of fillings and mayonnaise	(Note 4) 937	(Note 4) 730	(Note 4) 708 (23)	(Note 4) 84	2,462	54 [28]
NBC Meshtec Inc.	Yamanashi Tsuru Plant (Tsuru)	Others	Production of mesh cloths and forming filters	1,157	560	447 (35)	114	2,280	214 [90]
NBC Meshtec Inc.	Shizuoka Kikugawa Plant (Kikugawa)	Others	Production of mesh cloths and forming filters	1,030	258	1,032 (69)	38	2,360	37 [10]
Nisshin Seifun Group Inc.	Head Office and Institutes and Laboratories (Chiyoda-ku, Tokyo, Fujimino, Saitama and others)		Office, and research and development	3,778	534	(Note 4) 10,011 (40)	664	14,989	282 [24]

2. Overseas subsidiaries

(As of March 31, 2014)

Company name	Site name (location)	Business segment	Facility type/purpose	Book value (millions of yen)					Number of employees (persons)
				Buildings and structures	Machinery, equipment and vehicles	Land (thousand m^2)	Other	Total	
Rogers Foods Ltd.	Chilliwack Plant (Canada)	Flour Milling	Wheat flour production	748	616	130 (41)	4	1,499	31 [0]
Miller Milling Company, LLC	Winchester Plant (U.S.A.)	Flour Milling	Wheat flour production	711	2,739	85 (38)	249	3,785	46 [0]
Miller Milling Company, LLC	Fresno Plant (U.S.A.)	Flour Milling	Wheat flour production	462	1,615	224 (130)	2	2,305	28 [0]
Champion Flour Milling Ltd.	Christchurch Plant (New Zealand)	Flour Milling	Wheat flour production	650	322	660 (15)	12	1,646	48 [0]
Thai Nisshin Technomic Co., Ltd.	Head Office and a plant (Thailand)	Processed Food	Prepared mix production	398	140	(Note 4) 16 (10)	123	678	242 [0]

Notes:

1. Book values in the “Other” column refer to the total for tools, furniture and fixtures, construction in progress and lease assets.
2. There were no principal facilities that were not in operation as of March 31, 2014.
3. Numbers of employees in square brackets refer to part-time workers.
4. Figures refer to land owned and leased by Nisshin Seifun Group Inc. or other consolidated subsidiaries including Nisshin Associates Inc.
5. Figure includes buildings owned and leased by Nisshin Seifun Group Inc.
6. Book values in the “Total” column include lease assets as mentioned in Notes 4 and 5 above.
7. Figures in parentheses in the “Land” column refer to leased areas.
8. In addition to the number of employees listed, plans call for reassigning the employees of both the Tosu Plant and the Chikugo Plant, which are scheduled for closure by June 2014.

(3) Facility Construction and Disposal Plans

Capital expenditure plans by the Nisshin Seifun Group (the Company and its consolidated subsidiaries) primarily aim to raise production capacity and ensure product safety, etc.

As of March 31, 2014, funds which are planned to be allocated for the construction of facilities (actual expenditure) amounted to ¥19,000 million. Plans call for this entire sum to be financed internally from cash flows.

Plans for construction or disposal of major facilities at the end of the fiscal year ended March 31, 2014 are listed below.

1. Construction of major facilities, etc.

Company name	Location	Business segment	Facility type/purpose	Planned investment amount		Funds procurement method	Scheduled commencement / completion		Increased capacity after completion
				Total amount (millions of yen)	Amount already paid (millions of yen)		Commencement	Completion	
Nisshin Flour Milling Inc. Chita Plant	Chita, Aichi	Flour Milling	Wheat flour production	6,000	267	Internal cash flow	October, 2013	May, 2015	Raw material milling tonnage 320 tons per day

2. Disposal of major facilities, etc.

With the connection of the new Fukuoka Plant by Nisshin Flour Milling Inc., the Tosu Plant and the Chikugo Plant will be closed by June 2014.

[4] Other Matters Related to Nisshin Seifun Group Inc.

(1) Share-Related Matters

1. Total number of shares, etc,

(1) Total number of shares authorized to be issued

Share type	Total number of shares authorized to be issued (shares)
Common stock	932,856,000
Total	932,856,000

(2) Total number of shares issued and outstanding

Share type	Shares issued and outstanding on March 31, 2014	Shares issued and outstanding at date of filing (June 26, 2014)	Exchanges on which stock is listed / Certified associations of financial instruments dealers to which the Company is affiliated	Comments
Common stock	276,688,992	276,688,992	Tokyo Stock Exchange (First Section)	Common stock is the standard type of shares issued by the Company without limitations on the shareholders' rights, and 100 shares form a minimum trading unit (MTU).
Total	276,688,992	276,688,992	—	—

2. Subscription rights to shares, etc.

The Company has granted the subscription rights to shares detailed below in line with the provisions of the Companies Act.

<Subscription rights to shares granted on August 13, 2007>

Subscription rights to shares granted as part of the remuneration for directors as stipulated in Article 361 of the Companies Act.

Date of the ordinary resolution at the General Meeting of Shareholders: June 27, 2007 Date of the resolution of the Board of Directors: July 26, 2007		
	Subscription rights to shares outstanding at the most recent year-end (March 31, 2014)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2014)
Number of the subscription rights to shares granted	42 (Note 1)	32 (Note 1)
Of the above, number of the treasury subscription rights to shares	—	—
Share type issuable on the exercise of the subscription rights to shares	Common stock (Note 2)	Same as the left column.
Total number of issuable shares on the exercise of the subscription rights to shares	46,200 (Note 6)	35,200 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,197,900 per subscription right to shares (Notes 3, 6)	Same as the left column.
Exercise period	July 27, 2009 – July 26, 2014	Same as the left column.
Issuance price and capital increase per share on the exercise of the subscription rights to shares	Issuance price per share: ¥1,089 Capital increase per share: ¥545 (Note 6)	Same as the left column.
Exercise conditions of the subscription rights to shares	(Note 4)	Same as the left column.
Transfer conditions of the subscription rights to shares	Approval of the Board of Directors is required for the acquisition of any subscription rights to shares by means of transfer.	Same as the left column.
Share settlement	—	—
Issuance of the subscription rights to shares as a result of reorganization	(Note 5)	Same as the left column.

Notes:

1. The number of shares corresponding to each subscription right to shares shall equal 1,100.
2. Common stock is the standard type of shares issued by the Company without limitations on the shareholders' rights, and 100 shares form a minimum trading unit.
3. In the event of a stock split or share consolidation subsequent to the date of granting the subscription rights to shares (hereinafter referred to as the "grant date"), the amount payable on the exercise of the subscription rights to shares (hereinafter referred to as the "exercise price") shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{1}{\text{Split/consolidation ratio}}$$

In addition, in the event of any new share issuance or treasury stock disposals at less than market price (excluding any share issuance or treasury stock disposals associated with the exercising of the subscription rights to shares) subsequent to the grant date, the exercise price shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of newly issued shares} \times \text{Amount paid per share}}{\text{Share price prior to new issuance}}}{\text{Number of shares already issued} + \text{Number of newly issued shares}}$$

"Number of shares already issued" in the above formula shall equal the total number of shares outstanding, less the number of shares of treasury stock owned by the Company. In the case of treasury stock disposals, "Number of newly issued shares" in the above formula shall be taken to mean "Number of shares of treasury stock in disposal," "Amount paid per share" shall be taken to mean "Disposal value per share," and "Share price prior to new issuance" shall be taken to mean "Share price prior to disposal."

Furthermore, in the event, subsequent to the grant date, of unavoidable reasons that require the adjustment of the exercise price, such as if the Company conducts a merger (except that the Company ceases to exist due to the merger) or becomes a full-ownership parent company as a result of the stock exchange, the Company reserves the right to adjust the exercise price within a reasonable range.

4. The exercise conditions of the subscription rights to shares are as follows:
   (1) Persons granted an allotment of the subscription rights to shares (hereinafter referred to as the "holders") must be a director or an executive officer of the Company or one of its consolidated subsidiaries at the time that the subscription right to shares is exercised. However, the holders that are no longer a director or an executive officer of the Company or one of its consolidated subsidiaries may exercise the subscription rights to shares up to two years from the date when the holder retired from the Company or the beginning date of the exercise period, whichever comes later.
   (2) A designated successor that inherits the subscription rights to shares on the death of the holder may own and exercise such subscription rights to shares on the same terms, provided proof of inheritance and other ownership procedures are completed within 10 months of the death of the original holder. However, another person may not inherit such subscription rights to shares on the death of the new holder.
   (3) The subscription rights to shares may not be sold, pawned, or otherwise disposed of under any circumstances.
   (4) The subscription rights to shares shall be subject to immediate forfeiture under any circumstances that are deemed to invalidate vesting rights, including, but not limited to: the dismissal of the holder from the position as director or executive officer; voluntary resignation from such post (except for reasons of illness or injury); imprisonment or worse for a criminal offense; or appointment to a directorship or senior advisory position at a company that is a direct competitor of the Company or one of its subsidiaries.
   (5) Other conditions shall be as stipulated in the subscription rights to shares vesting contracts concluded between the Company and the holders, based on resolutions of the Board of Directors.
5. If any contracts and/or plans concerning reorganization of the Nisshin Seifun Group specify the issuance of the subscription rights to shares on the stock of any companies generated as a result of reorganization schemes as described below, such subscription rights to shares shall be issued according to the ratio of said reorganization.
   (1) Merger, only if the Company ceases to exist.
   The surviving company in the merger or a company established as a result of merger
   (2) Corporate demerger through absorption
   A company that is absorbed and inherits all or part of the rights and obligations the Company has concerning a particular business, as a result of corporate demerger
   (3) Corporate demerger through establishment
   A company newly established as a result of corporate demerger
   (4) Stock exchange
   A company that acquires all of the Company's shares issued and outstanding
   (5) Stock transfer
   A company established as a result of stock transfer
6. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. For this reason, the total number of issuable shares on the exercise of the subscription rights to shares, the amount payable on the exercise of the subscription rights to shares, and the issuance price and capital increase per share on the exercise of the subscription rights to shares have been adjusted accordingly.

Subscription rights to shares granted for the Company's executive officers and certain directors of the Company's consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) as stipulated in Articles 236, 238, and 239 of the Companies Act.

Date of the special resolution at the General Meeting of Shareholders: June 27, 2007 Date of the resolution of the Board of Directors: July 26, 2007		
	Subscription rights to shares outstanding at the most recent year-end (March 31, 2014)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2014)
Number of the subscription rights to shares granted	105 (Note 1)	95 (Note 1)
Of the above, number of the treasury subscription rights to shares	—	—
Share type issuable on the exercise of the subscription rights to shares	Common stock (Note 2)	Same as the left column.
Total number of issuable shares on the exercise of the subscription rights to shares	115,500 (Note 6)	104,500 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,197,900 per subscription right to shares (Notes 3, 6)	Same as the left column.
Exercise period	July 27, 2009 – July 26, 2014	Same as the left column.
Issuance price and capital increase per share on the exercise of the subscription rights to shares	Issuance price per share: ¥1,089 Capital increase per share: ¥545 (Note 6)	Same as the left column.
Exercise conditions of the subscription rights to shares	(Note 4)	Same as the left column.
Transfer conditions of the subscription rights to shares	Approval of the Board of Directors is required for the acquisition of any subscription rights to shares by means of transfer.	Same as the left column.
Share settlement	—	—
Issuance of the subscription rights to shares as a result of reorganization	(Note 5)	Same as the left column.

Notes:

1. The number of shares corresponding to each subscription right to shares shall equal 1,100.
2. Common stock is the standard type of shares issued by the Company without limitations on the shareholders' rights, and 100 shares form a minimum trading unit.
3. In the event of a stock split or share consolidation subsequent to the date of granting the subscription rights to shares (hereinafter referred to as the "grant date"), the amount payable on the exercise of the subscription rights to shares (hereinafter referred to as the "exercise price") shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{1}{\text{Split/consolidation ratio}}$$

In addition, in the event of any new share issuance or treasury stock disposals at less than market price (excluding any share issuance or treasury stock disposals associated with the exercising of the subscription rights to shares) subsequent to the grant date, the exercise price shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of newly issued shares} \times \text{Amount paid per share}}{\text{Share price prior to new issuance}}}{\text{Number of shares already issued} + \text{Number of newly issued shares}}$$

"Number of shares already issued" in the above formula shall equal the total number of shares outstanding, less the number of shares of treasury stock owned by the Company. In the case of treasury stock disposals, "Number of newly issued shares" in the above formula shall be taken to mean "Number of shares of treasury stock in disposal," "Amount paid per share" shall be taken to mean "Disposal value per share," and "Share price prior to new issuance" shall be taken to mean "Share price prior to disposal."

Furthermore, in the event, subsequent to the grant date, of unavoidable reasons that require the adjustment of the exercise price, such as if the Company conducts a merger (except that the Company ceases to exist due to the merger) or becomes a full-ownership parent company as a result of the stock exchange, the Company reserves the right to adjust the exercise price within a reasonable range.

4. The exercise conditions of the subscription rights to shares are as follows:

(1) Persons granted an allotment of the subscription rights to shares (hereinafter referred to as the "holders") must be a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas

subsidiaries) at the time that the subscription right to shares is exercised. However, the holders that are no longer a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) may exercise the subscription rights to shares up to two years from the date when the holder retired from the Company or the beginning date of the exercise period, whichever comes later.

(2) A designated successor that inherits the subscription rights to shares on the death of the holder may own and exercise such subscription rights to shares on the same terms, provided proof of inheritance and other ownership procedures are completed within 10 months of the death of the original holder. However, another person may not inherit such subscription rights to shares on the death of the new holder.

(3) The subscription rights to shares may not be sold, pawned, or otherwise disposed of under any circumstances.

(4) The subscription rights to shares shall be subject to immediate forfeiture under any circumstances that are deemed to invalidate vesting rights, including, but not limited to: the dismissal of the holder from the position as director or executive officer; voluntary resignation from such post (except for reasons of illness or injury); imprisonment or worse for a criminal offense; or appointment to a directorship or senior advisory position at a company that is a direct competitor of the Company or one of its subsidiaries.

(5) Other conditions shall be as stipulated in the subscription rights to shares vesting contracts concluded between the Company and the holders, based on resolutions of the Board of Directors.

5. If any contracts and/or plans concerning reorganization of the Nisshin Seifun Group specify the issuance of the subscription rights to shares on the stock of any companies generated as a result of reorganization schemes as described below, such subscription rights to shares shall be issued according to the ratio of said reorganization.

   (1) Merger, only if the Company ceases to exist.
   The surviving company in the merger or a company established as a result of merger

   (2) Corporate demerger through absorption
   A company that is absorbed and inherits all or part of the rights and obligations the Company has concerning a particular business, as a result of corporate demerger

   (3) Corporate demerger through establishment
   A company newly established as a result of corporate demerger

   (4) Stock exchange
   A company that acquires all of the Company’s shares issued and outstanding

   (5) Stock transfer
   A company established as a result of stock transfer

6. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. For this reason, the total number of issuable shares on the exercise of the subscription rights to shares, the amount payable on the exercise of the subscription rights to shares, and the issuance price and capital increase per share on the exercise of the subscription rights to shares have been adjusted accordingly.

<Subscription rights to shares granted on August 19, 2008>

Subscription rights to shares granted as part of the remuneration for directors as stipulated in Article 361 of the Companies Act.

Date of the ordinary resolution at the General Meeting of Shareholders: June 26, 2008 Date of the resolution of the Board of Directors: July 30, 2008		
	Subscription rights to shares outstanding at the most recent year-end (March 31, 2014)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2014)
Number of the subscription rights to shares granted	56 (Note 1)	56 (Note 1)
Of the above, number of the treasury subscription rights to shares	—	—
Share type issuable on the exercise of the subscription rights to shares	Common stock (Note 2)	Same as the left column.
Total number of issuable shares on the exercise of the subscription rights to shares	61,600 (Note 6)	61,600 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,397,000 per subscription right to shares (Notes 3, 6)	Same as the left column.
Exercise period	August 20, 2010 – July 30, 2015	Same as the left column.
Issuance price and capital increase per share on the exercise of the subscription rights to shares	Issuance price per share: ¥1,270 Capital increase per share: ¥635 (Note 6)	Same as the left column.
Exercise conditions of the subscription rights to shares	(Note 4)	Same as the left column.
Transfer conditions of the subscription rights to shares	Approval of the Board of Directors is required for the acquisition of any subscription rights to shares by means of transfer.	Same as the left column.
Share settlement	—	—
Issuance of the subscription rights to shares as a result of reorganization	(Note 5)	Same as the left column.

Notes:

1. The number of shares corresponding to each subscription right to shares shall equal 1,100.
2. Common stock is the standard type of shares issued by the Company without limitations on the shareholders' rights, and 100 shares form a minimum trading unit.
3. In the event of a stock split or share consolidation subsequent to the date of granting the subscription rights to shares (hereinafter referred to as the "grant date"), the amount payable on the exercise of the subscription rights to shares (hereinafter referred to as the "exercise price") shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{1}{\text{Split/consolidation ratio}}$$

In addition, in the event of any new share issuance or treasury stock disposals at less than market price (excluding any share issuance or treasury stock disposals associated with the exercising of the subscription rights to shares) subsequent to the grant date, the exercise price shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of newly issued shares} \times \text{Amount paid per share}}{\text{Share price prior to new issuance}}}{\text{Number of shares already issued} + \text{Number of newly issued shares}}$$

"Number of shares already issued" in the above formula shall equal the total number of shares outstanding, less the number of shares of treasury stock owned by the Company. In the case of treasury stock disposals, "Number of newly issued shares" in the above formula shall be taken to mean "Number of shares of treasury stock in disposal," "Amount paid per share" shall be taken to mean "Disposal value per share," and "Share price prior to new issuance" shall be taken to mean "Share price prior to disposal."

Furthermore, in the event, subsequent to the grant date, of unavoidable reasons that require the adjustment of the exercise price, such as if the Company conducts a merger (except that the Company ceases to exist due to the merger) or becomes a full-ownership parent company as a result of the stock exchange, the Company reserves the right to adjust the exercise price within a reasonable range.

4. The exercise conditions of the subscription rights to shares are as follows:
   (1) Persons granted an allotment of the subscription rights to shares (hereinafter referred to as the "holders") must be a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas

subsidiaries) at the time that the subscription right to shares is exercised. However, the holders that are no longer a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) may exercise the subscription rights to shares up to two years from the date when the holder retired from the Company or the beginning date of the exercise period, whichever comes later.

(2) A designated successor that inherits the subscription rights to shares on the death of the holder may own and exercise such subscription rights to shares on the same terms, provided proof of inheritance and other ownership procedures are completed within 10 months of the death of the original holder. However, another person may not inherit such subscription rights to shares on the death of the new holder.

(3) The subscription rights to shares may not be sold, pawned, or otherwise disposed of under any circumstances.

(4) The subscription rights to shares shall be subject to immediate forfeiture under any circumstances that are deemed to invalidate vesting rights, including, but not limited to: the dismissal of the holder from the position as director or executive officer; voluntary resignation from such post (except for reasons of illness or injury); imprisonment or worse for a criminal offense; or appointment to a directorship or senior advisory position at a company that is a direct competitor of the Company or one of its subsidiaries.

(5) Other conditions shall be as stipulated in the subscription rights to shares vesting contracts concluded between the Company and the holders, based on resolutions of the Board of Directors.

5. If any contracts and/or plans concerning reorganization of the Nisshin Seifun Group specify the issuance of the subscription rights to shares on the stock of any companies generated as a result of reorganization schemes as described below, such subscription rights to shares shall be issued according to the ratio of said reorganization.

(1) Merger, only if the Company ceases to exist.
The surviving company in the merger or a company established as a result of merger

(2) Corporate demerger through absorption
A company that is absorbed and inherits all or part of the rights and obligations the Company has concerning a particular business, as a result of corporate demerger

(3) Corporate demerger through establishment
A company newly established as a result of corporate demerger

(4) Stock exchange
A company that acquires all of the Company’s shares issued and outstanding

(5) Stock transfer
A company established as a result of stock transfer

6. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. For this reason, the total number of issuable shares on the exercise of the subscription rights to shares, the amount payable on the exercise of the subscription rights to shares, and the issuance price and capital increase per share on the exercise of the subscription rights to shares have been adjusted accordingly.

Subscription rights to shares granted for the Company's executive officers and certain directors of the Company's consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) as stipulated in Articles 236, 238, and 239 of the Companies Act.

Date of the special resolution at the General Meeting of Shareholders: June 26, 2008 Date of the resolution of the Board of Directors: July 30, 2008		
	Subscription rights to shares outstanding at the most recent year-end (March 31, 2014)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2014)
Number of the subscription rights to shares granted	144 (Note 1)	139 (Note 1)
Of the above, number of the treasury subscription rights to shares	—	—
Share type issuable on the exercise of the subscription rights to shares	Common stock (Note 2)	Same as the left column.
Total number of issuable shares on the exercise of the subscription rights to shares	158,400 (Note 6)	152,900 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,397,000 per subscription right to shares (Notes 3, 6)	Same as the left column.
Exercise period	August 20, 2010 – July 30, 2015	Same as the left column.
Issuance price and capital increase per share on the exercise of the subscription rights to shares	Issuance price per share: ¥1,270 Capital increase per share: ¥635 (Note 6)	Same as the left column.
Exercise conditions of the subscription rights to shares	(Note 4)	Same as the left column.
Transfer conditions of the subscription rights to shares	Approval of the Board of Directors is required for the acquisition of any subscription rights to shares by means of transfer.	Same as the left column.
Share settlement	—	—
Issuance of the subscription rights to shares as a result of reorganization	(Note 5)	Same as the left column.

Notes:

1. The number of shares corresponding to each subscription right to shares shall equal 1,100.
2. Common stock is the standard type of shares issued by the Company without limitations on the shareholders' rights, and 100 shares form a minimum trading unit.
3. In the event of a stock split or share consolidation subsequent to the date of granting the subscription rights to shares (hereinafter referred to as the "grant date"), the amount payable on the exercise of the subscription rights to shares (hereinafter referred to as the "exercise price") shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{1}{\text{Split/consolidation ratio}}$$

In addition, in the event of any new share issuance or treasury stock disposals at less than market price (excluding any share issuance or treasury stock disposals associated with the exercising of the subscription rights to shares) subsequent to the grant date, the exercise price shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of newly issued shares} \times \text{Amount paid per share}}{\text{Share price prior to new issuance}}}{\text{Number of shares already issued} + \text{Number of newly issued shares}}$$

"Number of shares already issued" in the above formula shall equal the total number of shares outstanding, less the number of shares of treasury stock owned by the Company. In the case of treasury stock disposals, "Number of newly issued shares" in the above formula shall be taken to mean "Number of shares of treasury stock in disposal," "Amount paid per share" shall be taken to mean "Disposal value per share," and "Share price prior to new issuance" shall be taken to mean "Share price prior to disposal."

Furthermore, in the event, subsequent to the grant date, of unavoidable reasons that require the adjustment of the exercise price, such as if the Company conducts a merger (except that the Company ceases to exist due to the merger) or becomes a full-ownership parent company as a result of the stock exchange, the Company reserves the right to adjust the exercise price within a reasonable range.

4. The exercise conditions of the subscription rights to shares are as follows:
   (1) Persons granted an allotment of the subscription rights to shares (hereinafter referred to as the "holders") must be a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas

subsidiaries) at the time that the subscription right to shares is exercised. However, the holders that are no longer a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) may exercise the subscription rights to shares up to two years from the date when the holder retired from the Company or the beginning date of the exercise period, whichever comes later.

(2) A designated successor that inherits the subscription rights to shares on the death of the holder may own and exercise such subscription rights to shares on the same terms, provided proof of inheritance and other ownership procedures are completed within 10 months of the death of the original holder. However, another person may not inherit such subscription rights to shares on the death of the new holder.

(3) The subscription rights to shares may not be sold, pawned, or otherwise disposed of under any circumstances.

(4) The subscription rights to shares shall be subject to immediate forfeiture under any circumstances that are deemed to invalidate vesting rights, including, but not limited to: the dismissal of the holder from the position as director or executive officer; voluntary resignation from such post (except for reasons of illness or injury); imprisonment or worse for a criminal offense; or appointment to a directorship or senior advisory position at a company that is a direct competitor of the Company or one of its subsidiaries.

(5) Other conditions shall be as stipulated in the subscription rights to shares vesting contracts concluded between the Company and the holders, based on resolutions of the Board of Directors.

5. If any contracts and/or plans concerning reorganization of the Nisshin Seifun Group specify the issuance of the subscription rights to shares on the stock of any companies generated as a result of reorganization schemes as described below, such subscription rights to shares shall be issued according to the ratio of said reorganization.

(1) Merger, only if the Company ceases to exist.
The surviving company in the merger or a company established as a result of merger

(2) Corporate demerger through absorption
A company that is absorbed and inherits all or part of the rights and obligations the Company has concerning a particular business, as a result of corporate demerger

(3) Corporate demerger through establishment
A company newly established as a result of corporate demerger

(4) Stock exchange
A company that acquires all of the Company’s shares issued and outstanding

(5) Stock transfer
A company established as a result of stock transfer

6. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. For this reason, the total number of issuable shares on the exercise of the subscription rights to shares, the amount payable on the exercise of the subscription rights to shares, and the issuance price and capital increase per share on the exercise of the subscription rights to shares have been adjusted accordingly.

<Subscription rights to shares granted on August 18, 2009>

Subscription rights to shares granted as part of the remuneration for directors as stipulated in Article 361 of the Companies Act.

Date of the ordinary resolution at the General Meeting of Shareholders: June 25, 2009 Date of the resolution of the Board of Directors: July 30, 2009		
	Subscription rights to shares outstanding at the most recent year-end (March 31, 2014)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2014)
Number of the subscription rights to shares granted	72 (Note 1)	72 (Note 1)
Of the above, number of the treasury subscription rights to shares	—	—
Share type issuable on the exercise of the subscription rights to shares	Common stock (Note 2)	Same as the left column.
Total number of issuable shares on the exercise of the subscription rights to shares	79,200 (Note 6)	79,200 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,131,900 per subscription right to shares (Notes 3, 6)	Same as the left column.
Exercise period	August 19, 2011 – August 1, 2016	Same as the left column.
Issuance price and capital increase per share on the exercise of the subscription rights to shares	Issuance price per share: ¥1,029 Capital increase per share: ¥515 (Note 6)	Same as the left column.
Exercise conditions of the subscription rights to shares	(Note 4)	Same as the left column.
Transfer conditions of the subscription rights to shares	Approval of the Board of Directors is required for the acquisition of any subscription rights to shares by means of transfer.	Same as the left column.
Share settlement	—	—
Issuance of the subscription rights to shares as a result of reorganization	(Note 5)	Same as the left column.

Notes:

1. The number of shares corresponding to each subscription right to shares shall equal 1,100.
2. Common stock is the standard type of shares issued by the Company without limitations on the shareholders' rights, and 100 shares form a minimum trading unit.
3. In the event of a stock split or share consolidation subsequent to the date of granting the subscription rights to shares (hereinafter referred to as the "grant date"), the amount payable on the exercise of the subscription rights to shares (hereinafter referred to as the "exercise price") shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{1}{\text{Split/consolidation ratio}}$$

In addition, in the event of any new share issuance or treasury stock disposals at less than market price (excluding any share issuance or treasury stock disposals associated with the exercising of the subscription rights to shares) subsequent to the grant date, the exercise price shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of newly issued shares} \times \text{Amount paid per share}}{\text{Share price prior to new issuance}}}{\text{Number of shares already issued} + \text{Number of newly issued shares}}$$

"Number of shares already issued" in the above formula shall equal the total number of shares outstanding, less the number of shares of treasury stock owned by the Company. In the case of treasury stock disposals, "Number of newly issued shares" in the above formula shall be taken to mean "Number of shares of treasury stock in disposal," "Amount paid per share" shall be taken to mean "Disposal value per share," and "Share price prior to new issuance" shall be taken to mean "Share price prior to disposal."

Furthermore, in the event, subsequent to the grant date, of unavoidable reasons that require the adjustment of the exercise price, such as if the Company conducts a merger (except that the Company ceases to exist due to the merger) or becomes a full-ownership parent company as a result of the stock exchange, the Company reserves the right to adjust the exercise price within a reasonable range.

4. The exercise conditions of the subscription rights to shares are as follows:
   (1) Persons granted an allotment of the subscription rights to shares (hereinafter referred to as the "holders") must be a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas

subsidiaries) at the time that the subscription right to shares is exercised. However, the holders that are no longer a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) may exercise the subscription rights to shares up to two years from the date when the holder retired from the Company or the beginning date of the exercise period, whichever comes later.

(2) A designated successor that inherits the subscription rights to shares on the death of the holder may own and exercise such subscription rights to shares on the same terms, provided proof of inheritance and other ownership procedures are completed within 10 months of the death of the original holder. However, another person may not inherit such subscription rights to shares on the death of the new holder.

(3) The subscription rights to shares may not be sold, pawned, or otherwise disposed of under any circumstances.

(4) The subscription rights to shares shall be subject to immediate forfeiture under any circumstances that are deemed to invalidate vesting rights, including, but not limited to: the dismissal of the holder from the position as director or executive officer; voluntary resignation from such post (except for reasons of illness or injury); imprisonment or worse for a criminal offense; or appointment to a directorship or senior advisory position at a company that is a direct competitor of the Company or one of its subsidiaries.

(5) Other conditions shall be as stipulated in the subscription rights to shares vesting contracts concluded between the Company and the holders, based on resolutions of the Board of Directors.

5. If any contracts and/or plans concerning reorganization of the Nisshin Seifun Group specify the issuance of the subscription rights to shares on the stock of any companies generated as a result of reorganization schemes as described below, such subscription rights to shares shall be issued according to the ratio of said reorganization.

(1) Merger, only if the Company ceases to exist.
The surviving company in the merger or a company established as a result of merger

(2) Corporate demerger through absorption
A company that is absorbed and inherits all or part of the rights and obligations the Company has concerning a particular business, as a result of corporate demerger

(3) Corporate demerger through establishment
A company newly established as a result of corporate demerger

(4) Stock exchange
A company that acquires all of the Company's shares issued and outstanding

(5) Stock transfer
A company established as a result of stock transfer

6. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. For this reason, the total number of issuable shares on the exercise of the subscription rights to shares, the amount payable on the exercise of the subscription rights to shares, and the issuance price and capital increase per share on the exercise of the subscription rights to shares have been adjusted accordingly.

Subscription rights to shares granted for the Company's executive officers and certain directors of the Company's consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) as stipulated in Articles 236, 238, and 239 of the Companies Act.

Date of the special resolution at the General Meeting of Shareholders: June 25, 2009 Date of the resolution of the Board of Directors: July 30, 2009		
	Subscription rights to shares outstanding at the most recent year-end (March 31, 2014)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2014)
Number of the subscription rights to shares granted	150 (Note 1)	129 (Note 1)
Of the above, number of the treasury subscription rights to shares	—	—
Share type issuable on the exercise of the subscription rights to shares	Common stock (Note 2)	Same as the left column.
Total number of issuable shares on the exercise of the subscription rights to shares	165,000 (Note 6)	141,900 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,131,900 per subscription right of shares (Notes 3, 6)	Same as the left column.
Exercise period	August 19, 2011 – August 1, 2016	Same as the left column.
Issuance price and capital increase per share on the exercise of the subscription rights to shares	Issuance price per share: ¥1,029 Capital increase per share: ¥515 (Note 6)	Same as the left column.
Exercise conditions of the subscription rights to shares	(Note 4)	Same as the left column.
Transfer conditions of the subscription rights to shares	Approval of the Board of Directors is required for the acquisition of any subscription rights to shares by means of transfer.	Same as the left column.
Share settlement	—	—
Issuance of the subscription rights to shares as a result of reorganization	(Note 5)	Same as the left column.

Notes:

1. The number of shares corresponding to each subscription right to shares shall equal 1,100.
2. Common stock is the standard type of shares issued by the Company without limitations on the shareholders' rights, and 100 shares form a minimum trading unit.
3. In the event of a stock split or share consolidation subsequent to the date of granting the subscription rights to shares (hereinafter referred to as the "grant date"), the amount payable on the exercise of the subscription rights to shares (hereinafter referred to as the "exercise price") shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{1}{\text{Split/consolidation ratio}}$$

In addition, in the event of any new share issuance or treasury stock disposals at less than market price (excluding any share issuance or treasury stock disposals associated with the exercising of the subscription rights to shares) subsequent to the grant date, the exercise price shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of newly issued shares} \times \text{Amount paid per share}}{\text{Share price prior to new issuance}}}{\text{Number of shares already issued} + \text{Number of newly issued shares}}$$

"Number of shares already issued" in the above formula shall equal the total number of shares outstanding, less the number of shares of treasury stock owned by the Company. In the case of treasury stock disposals, "Number of newly issued shares" in the above formula shall be taken to mean "Number of shares of treasury stock in disposal," "Amount paid per share" shall be taken to mean "Disposal value per share," and "Share price prior to new issuance" shall be taken to mean "Share price prior to disposal."

Furthermore, in the event, subsequent to the grant date, of unavoidable reasons that require the adjustment of the exercise price, such as if the Company conducts a merger (except that the Company ceases to exist due to the merger) or becomes a full-ownership parent company as a result of the stock exchange, the Company reserves the right to adjust the exercise price within a reasonable range.

4. The exercise conditions of the subscription rights to shares are as follows:

(1) Persons granted an allotment of the subscription rights to shares (hereinafter referred to as the "holders") must be a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas

subsidiaries) at the time that the subscription right to shares is exercised. However, the holders that are no longer a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) may exercise the subscription rights to shares up to two years from the date when the holder retired from the Company or the beginning date of the exercise period, whichever comes later.

(2) A designated successor that inherits the subscription rights to shares on the death of the holder may own and exercise such subscription rights to shares on the same terms, provided proof of inheritance and other ownership procedures are completed within 10 months of the death of the original holder. However, another person may not inherit such subscription rights to shares on the death of the new holder.

(3) The subscription rights to shares may not be sold, pawned, or otherwise disposed of under any circumstances.

(4) The subscription rights to shares shall be subject to immediate forfeiture under any circumstances that are deemed to invalidate vesting rights, including, but not limited to: the dismissal of the holder from the position as director or executive officer; voluntary resignation from such post (except for reasons of illness or injury); imprisonment or worse for a criminal offense; or appointment to a directorship or senior advisory position at a company that is a direct competitor of the Company or one of its subsidiaries.

(5) Other conditions shall be as stipulated in the subscription rights to shares vesting contracts concluded between the Company and the holders, based on resolutions of the Board of Directors.

5. If any contracts and/or plans concerning reorganization of the Nisshin Seifun Group specify the issuance of the subscription rights to shares on the stock of any companies generated as a result of reorganization schemes as described below, such subscription rights to shares shall be issued according to the ratio of said reorganization.

   (1) Merger, only if the Company ceases to exist.
   The surviving company in the merger or a company established as a result of merger

   (2) Corporate demerger through absorption
   A company that is absorbed and inherits all or part of the rights and obligations the Company has concerning a particular business, as a result of corporate demerger

   (3) Corporate demerger through establishment
   A company newly established as a result of corporate demerger

   (4) Stock exchange
   A company that acquires all of the Company's shares issued and outstanding

   (5) Stock transfer
   A company established as a result of stock transfer

6. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. For this reason, the total number of issuable shares on the exercise of the subscription rights to shares, the amount payable on the exercise of the subscription rights to shares, and the issuance price and capital increase per share on the exercise of the subscription rights to shares have been adjusted accordingly.

<Subscription rights to shares granted on August 18, 2010>

Subscription rights to shares granted as part of the remuneration for directors as stipulated in Article 361 of the Companies Act.

Date of the ordinary resolution at the General Meeting of Shareholders: June 25, 2010 Date of the resolution of the Board of Directors: July 29, 2010		
	Subscription rights to shares outstanding at the most recent year-end (March 31, 2014)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2014)
Number of the subscription rights to shares granted	76 (Note 1)	56 (Note 1)
Of the above, number of the treasury subscription rights to shares	—	—
Share type issuable on the exercise of the subscription rights to shares	Common stock (Note 2)	Same as the left column.
Total number of issuable shares on the exercise of the subscription rights to shares	83,600 (Note 6)	61,600 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,098,900 per subscription right to shares (Notes 3, 6)	Same as the left column.
Exercise period	August 19, 2012 – August 1, 2017	Same as the left column.
Issuance price and capital increase per share on the exercise of the subscription rights to shares	Issuance price per share: ¥999 Capital increase per share: ¥500 (Note 6)	Same as the left column.
Exercise conditions of the subscription rights to shares	(Note 4)	Same as the left column.
Transfer conditions of the subscription rights to shares	Approval of the Board of Directors is required for the acquisition of any subscription rights to shares by means of transfer.	Same as the left column.
Share settlement	—	—
Issuance of the subscription rights to shares as a result of reorganization	(Note 5)	Same as the left column.

Notes:

1. The number of shares corresponding to each subscription right to shares shall equal 1,100.
2. Common stock is the standard type of shares issued by the Company without limitations on the shareholders' rights, and 100 shares form a minimum trading unit.
3. In the event of a stock split or share consolidation subsequent to the date of granting the subscription rights to shares (hereinafter referred to as the "grant date"), the amount payable on the exercise of the subscription rights to shares (hereinafter referred to as the "exercise price") shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{1}{\text{Split/consolidation ratio}}$$

In addition, in the event of any new share issuance or treasury stock disposals at less than market price (excluding any share issuance or treasury stock disposals associated with the exercising of the subscription rights to shares) subsequent to the grant date, the exercise price shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of newly issued shares} \times \text{Amount paid per share}}{\text{Share price prior to new issuance}}}{\text{Number of shares already issued} + \text{Number of newly issued shares}}$$

"Number of shares already issued" in the above formula shall equal the total number of shares outstanding, less the number of shares of treasury stock owned by the Company. In the case of treasury stock disposals, "Number of newly issued shares" in the above formula shall be taken to mean "Number of shares of treasury stock in disposal," "Amount paid per share" shall be taken to mean "Disposal value per share," and "Share price prior to new issuance" shall be taken to mean "Share price prior to disposal."

Furthermore, in the event, subsequent to the grant date, of unavoidable reasons that require the adjustment of the exercise price, such as if the Company conducts a merger (except that the Company ceases to exist due to the merger) or becomes a full-ownership parent company as a result of the stock exchange, the Company reserves the right to adjust the exercise price within a reasonable range.

4. The exercise conditions of the subscription rights to shares are as follows:
   (1) Persons granted an allotment of the subscription rights to shares (hereinafter referred to as the "holders") must be a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas

subsidiaries) at the time that the subscription right to shares is exercised. However, the holders that are no longer a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) may exercise the subscription rights to shares up to two years from the date when the holder retired from the Company or the beginning date of the exercise period, whichever comes later.

(2) A designated successor that inherits the subscription rights to shares on the death of the holder may own and exercise such subscription rights to shares on the same terms, provided proof of inheritance and other ownership procedures are completed within 10 months of the death of the original holder. However, another person may not inherit such subscription rights to shares on the death of the new holder.

(3) The subscription rights to shares may not be sold, pawned, or otherwise disposed of under any circumstances.

(4) The subscription rights to shares shall be subject to immediate forfeiture under any circumstances that are deemed to invalidate vesting rights, including, but not limited to: the dismissal of the holder from the position as director or executive officer; voluntary resignation from such post (except for reasons of illness or injury); imprisonment or worse for a criminal offense; or appointment to a directorship or senior advisory position at a company that is a direct competitor of the Company or one of its subsidiaries.

5. If any contracts and/or plans concerning reorganization of the Nisshin Seifun Group specify the issuance of the subscription rights to shares on the stock of any companies generated as a result of reorganization schemes as described below, such subscription rights to shares shall be issued according to the ratio of said reorganization.

(1) Merger, only if the Company ceases to exist.
The surviving company in the merger or a company established as a result of merger

(2) Corporate demerger through absorption
A company that is absorbed and inherits all or part of the rights and obligations the Company has concerning a particular business, as a result of corporate demerger

(3) Corporate demerger through establishment
A company newly established as a result of corporate demerger

(4) Stock exchange
A company that acquires all of the Company’s shares issued and outstanding

(5) Stock transfer
A company established as a result of stock transfer

6. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. For this reason, the total number of issuable shares on the exercise of the subscription rights to shares, the amount payable on the exercise of the subscription rights to shares, and the issuance price and capital increase per share on the exercise of the subscription rights to shares have been adjusted accordingly.

Subscription rights to shares granted for the Company's executive officers and certain directors of the Company's consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) as stipulated in Articles 236, 238, and 239 of the Companies Act.

Date of the special resolution at the General Meeting of Shareholders: June 25, 2010 Date of the resolution of the Board of Directors: July 29, 2010		
	Subscription rights to shares outstanding at the most recent year-end (March 31, 2014)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2014)
Number of the subscription rights to shares granted	138 (Note 1)	121 (Note 1)
Of the above, number of the treasury subscription rights to shares	—	—
Share type issuable on the exercise of the subscription rights to shares	Common stock (Note 2)	Same as the left column.
Total number of issuable shares on the exercise of the subscription rights to shares	151,800 (Note 6)	133,100 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,098,900 per subscription right to shares (Notes 3, 6)	Same as the left column.
Exercise period	August 19, 2012 – August 1, 2017	Same as the left column.
Issuance price and capital increase per share on the exercise of the subscription rights to shares	Issuance price per share: ¥999 Capital increase per share: ¥500 (Note 6)	Same as the left column.
Exercise conditions of the subscription rights to shares	(Note 4)	Same as the left column.
Transfer conditions of the subscription rights to shares	Approval of the Board of Directors is required for the acquisition of any subscription rights to shares by means of transfer.	Same as the left column.
Share settlement	—	—
Issuance of the subscription rights to shares as a result of reorganization	(Note 5)	Same as the left column.

Notes:

1. The number of shares corresponding to each subscription right to shares shall equal 1,100.
2. Common stock is the standard type of shares issued by the Company without limitations on the shareholders' rights, and 100 shares form a minimum trading unit.
3. In the event of a stock split or share consolidation subsequent to the date of granting the subscription rights to shares (hereinafter referred to as the "grant date"), the amount payable on the exercise of the subscription rights to shares (hereinafter referred to as the "exercise price") shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{1}{\text{Split/consolidation ratio}}$$

In addition, in the event of any new share issuance or treasury stock disposals at less than market price (excluding any share issuance or treasury stock disposals associated with the exercising of the subscription rights to shares) subsequent to the grant date, the exercise price shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of newly issued shares} \times \text{Amount paid per share}}{\text{Share price prior to new issuance}}}{\text{Number of shares already issued} + \text{Number of newly issued shares}}$$

"Number of shares already issued" in the above formula shall equal the total number of shares outstanding, less the number of shares of treasury stock owned by the Company. In the case of treasury stock disposals, "Number of newly issued shares" in the above formula shall be taken to mean "Number of shares of treasury stock in disposal," "Amount paid per share" shall be taken to mean "Disposal value per share," and "Share price prior to new issuance" shall be taken to mean "Share price prior to disposal."

Furthermore, in the event, subsequent to the grant date, of unavoidable reasons that require the adjustment of the exercise price, such as if the Company conducts a merger (except that the Company ceases to exist due to the merger) or becomes a full-ownership parent company as a result of the stock exchange, the Company reserves the right to adjust the exercise price within a reasonable range.

4. The exercise conditions of the subscription rights to shares are as follows:
   (1) Persons granted an allotment of the subscription rights to shares (hereinafter referred to as the "holders") must be a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas

subsidiaries) at the time that the subscription right to shares is exercised. However, the holders that are no longer a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) may exercise the subscription rights to shares up to two years from the date when the holder retired from the Company or the beginning date of the exercise period, whichever comes later.

(2) A designated successor that inherits the subscription rights to shares on the death of the holder may own and exercise such subscription rights to shares on the same terms, provided proof of inheritance and other ownership procedures are completed within 10 months of the death of the original holder. However, another person may not inherit such subscription rights to shares on the death of the new holder.

(3) The subscription rights to shares may not be sold, pawned, or otherwise disposed of under any circumstances.

(4) The subscription rights to shares shall be subject to immediate forfeiture under any circumstances that are deemed to invalidate vesting rights, including, but not limited to: the dismissal of the holder from the position as director or executive officer; voluntary resignation from such post (except for reasons of illness or injury); imprisonment or worse for a criminal offense; or appointment to a directorship or senior advisory position at a company that is a direct competitor of the Company or one of its subsidiaries.

5. If any contracts and/or plans concerning reorganization of the Nisshin Seifun Group specify the issuance of the subscription rights to shares on the stock of any companies generated as a result of reorganization schemes as described below, such subscription rights to shares shall be issued according to the ratio of said reorganization.

   (1) Merger, only if the Company ceases to exist.
   The surviving company in the merger or a company established as a result of merger

   (2) Corporate demerger through absorption
   A company that is absorbed and inherits all or part of the rights and obligations the Company has concerning a particular business, as a result of corporate demerger

   (3) Corporate demerger through establishment
   A company newly established as a result of corporate demerger

   (4) Stock exchange
   A company that acquires all of the Company's shares issued and outstanding

   (5) Stock transfer
   A company established as a result of stock transfer

6. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. For this reason, the total number of issuable shares on the exercise of the subscription rights to shares, the amount payable on the exercise of the subscription rights to shares, and the issuance price and capital increase per share on the exercise of the subscription rights to shares have been adjusted accordingly.

<Subscription rights to shares granted on August 18, 2011>

Subscription rights to shares granted as part of the remuneration for directors as stipulated in Article 361 of the Companies Act.

Date of the ordinary resolution at the General Meeting of Shareholders: June 28, 2011 Date of the resolution of the Board of Directors: July 28, 2011		
	Subscription rights to shares outstanding at the most recent year-end (March 31, 2014)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2014)
Number of the subscription rights to shares granted	66 (Note 1)	63 (Note 1)
Of the above, number of the treasury subscription rights to shares	—	—
Share type issuable on the exercise of the subscription rights to shares	Common stock (Note 2)	Same as the left column.
Total number of issuable shares on the exercise of the subscription rights to shares	72,600 (Note 6)	69,300 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,025,200 per subscription right to shares (Notes 3, 6)	Same as the left column.
Exercise period	August 19, 2013 – August 1, 2018	Same as the left column.
Issuance price and capital increase per share on the exercise of the subscription rights to shares	Issuance price per share: ¥932 Capital increase per share: ¥466 (Note 6)	Same as the left column.
Exercise conditions of the subscription rights to shares	(Note 4)	Same as the left column.
Transfer conditions of the subscription rights to shares	Approval of the Board of Directors is required for the acquisition of any subscription rights to shares by means of transfer.	Same as the left column.
Share settlement	—	—
Issuance of the subscription rights to shares as a result of reorganization	(Note 5)	Same as the left column.

Notes:

1. The number of shares corresponding to each subscription right to shares shall equal 1,100.
2. Common stock is the standard type of shares issued by the Company without limitations on the shareholders' rights, and 100 shares form a minimum trading unit.
3. In the event of a stock split or share consolidation subsequent to the date of granting the subscription rights to shares (hereinafter referred to as the "grant date"), the amount payable on the exercise of the subscription rights to shares (hereinafter referred to as the "exercise price") shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{1}{\text{Split/consolidation ratio}}$$

In addition, in the event of any new share issuance or treasury stock disposals at less than market price (excluding any share issuance or treasury stock disposals associated with the exercising of the subscription rights to shares) subsequent to the grant date, the exercise price shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of newly issued shares} \times \text{Amount paid per share}}{\text{Share price prior to new issuance}}}{\text{Number of shares already issued} + \text{Number of newly issued shares}}$$

"Number of shares already issued" in the above formula shall equal the total number of shares outstanding, less the number of shares of treasury stock owned by the Company. In the case of treasury stock disposals, "Number of newly issued shares" in the above formula shall be taken to mean "Number of shares of treasury stock in disposal," "Amount paid per share" shall be taken to mean "Disposal value per share," and "Share price prior to new issuance" shall be taken to mean "Share price prior to disposal."

Furthermore, in the event, subsequent to the grant date, of unavoidable reasons that require the adjustment of the exercise price, such as if the Company conducts a merger (except that the Company ceases to exist due to the merger) or becomes a full-ownership parent company as a result of the stock exchange, the Company reserves the right to adjust the exercise price within a reasonable range.

4. The exercise conditions of the subscription rights to shares are as follows:
   (1) Persons granted an allotment of the subscription rights to shares (hereinafter referred to as the "holders") must be a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas

subsidiaries) at the time that the subscription right to shares is exercised. However, the holders that are no longer a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) may exercise the subscription rights to shares up to two years from the date when the holder retired from the Company or the beginning date of the exercise period, whichever comes later.

(2) A designated successor that inherits the subscription rights to shares on the death of the holder may own and exercise such subscription rights to shares on the same terms, provided proof of inheritance and other ownership procedures are completed within 10 months of the death of the original holder. However, another person may not inherit such subscription rights to shares on the death of the new holder.

(3) The subscription rights to shares may not be sold, pawned, or otherwise disposed of under any circumstances.

(4) The subscription rights to shares shall be subject to immediate forfeiture under any circumstances that are deemed to invalidate vesting rights, including, but not limited to: the dismissal of the holder from the position as director or executive officer; voluntary resignation from such post (except for reasons of illness or injury); imprisonment or worse for a criminal offense; or appointment to a directorship or senior advisory position at a company that is a direct competitor of the Company or one of its subsidiaries.

5. If any contracts and/or plans concerning reorganization of the Nisshin Seifun Group specify the issuance of the subscription rights to shares on the stock of any companies generated as a result of reorganization schemes as described below, such subscription rights to shares shall be issued according to the ratio of said reorganization.

(1) Merger, only if the Company ceases to exist.
The surviving company in the merger or a company established as a result of merger

(2) Corporate demerger through absorption
A company that is absorbed and inherits all or part of the rights and obligations the Company has concerning a particular business, as a result of corporate demerger

(3) Corporate demerger through establishment
A company newly established as a result of corporate demerger

(4) Stock exchange
A company that acquires all of the Company's shares issued and outstanding

(5) Stock transfer
A company established as a result of stock transfer

6. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. For this reason, the total number of issuable shares on the exercise of the subscription rights to shares, the amount payable on the exercise of the subscription rights to shares, and the issuance price and capital increase per share on the exercise of the subscription rights to shares have been adjusted accordingly.

Subscription rights to shares granted for the Company's executive officers and certain directors of the Company's consolidated subsidiaries (excluding any overseas subsidiaries) as stipulated in Articles 236, 238, and 239 of the Companies Act.

Date of the special resolution at the General Meeting of Shareholders: June 28, 2011 Date of the resolution of the Board of Directors: July 28, 2011		
	Subscription rights to shares outstanding at the most recent year-end (March 31, 2014)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2014)
Number of the subscription rights to shares granted	216 (Note 1)	206 (Note 1)
Of the above, number of the treasury subscription rights to shares	—	—
Share type issuable on the exercise of the subscription rights to shares	Common stock (Note 2)	Same as the left column.
Total number of issuable shares on the exercise of the subscription rights to shares	237,600 (Note 6)	226,600 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,025,200 per subscription right to shares (Notes 3, 6)	Same as the left column.
Exercise period	August 19, 2013 – August 1, 2018	Same as the left column.
Issuance price and capital increase per share on the exercise of the subscription rights to shares	Issuance price per share: ¥932 Capital increase per share: ¥466 (Note 6)	Same as the left column.
Exercise conditions of the subscription rights to shares	(Note 4)	Same as the left column.
Transfer conditions of the subscription rights to shares	Approval of the Board of Directors is required for the acquisition of any subscription rights to shares by means of transfer.	Same as the left column.
Share settlement	—	—
Issuance of the subscription rights to shares as a result of reorganization	(Note 5)	Same as the left column.

Notes:

1. The number of shares corresponding to each subscription right to shares shall equal 1,100.
2. Common stock is the standard type of shares issued by the Company without limitations on the shareholders' rights, and 100 shares form a minimum trading unit.
3. In the event of a stock split or share consolidation subsequent to the date of granting the subscription rights to shares (hereinafter referred to as the "grant date"), the amount payable on the exercise of the subscription rights to shares (hereinafter referred to as the "exercise price") shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{1}{\text{Split/consolidation ratio}}$$

In addition, in the event of any new share issuance or treasury stock disposals at less than market price (excluding any share issuance or treasury stock disposals associated with the exercising of the subscription rights to shares) subsequent to the grant date, the exercise price shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of newly issued shares} \times \text{Amount paid per share}}{\text{Share price prior to new issuance}}}{\text{Number of shares already issued} + \text{Number of newly issued shares}}$$

"Number of shares already issued" in the above formula shall equal the total number of shares outstanding, less the number of shares of treasury stock owned by the Company. In the case of treasury stock disposals, "Number of newly issued shares" in the above formula shall be taken to mean "Number of shares of treasury stock in disposal," "Amount paid per share" shall be taken to mean "Disposal value per share," and "Share price prior to new issuance" shall be taken to mean "Share price prior to disposal."

Furthermore, in the event, subsequent to the grant date, of unavoidable reasons that require the adjustment of the exercise price, such as if the Company conducts a merger (except that the Company ceases to exist due to the merger) or becomes a full-ownership parent company as a result of the stock exchange, the Company reserves the right to adjust the exercise price within a reasonable range.

4. The exercise conditions of the subscription rights to shares are as follows:

(1) Persons granted an allotment of the subscription rights to shares (hereinafter referred to as the "holders") must be a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas

subsidiaries) at the time that the subscription right to shares is exercised. However, the holders that are no longer a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) may exercise the subscription rights to shares up to two years from the date when the holder retired from the Company or the beginning date of the exercise period, whichever comes later.

(2) A designated successor that inherits the subscription rights to shares on the death of the holder may own and exercise such subscription rights to shares on the same terms, provided proof of inheritance and other ownership procedures are completed within 10 months of the death of the original holder. However, another person may not inherit such subscription rights to shares on the death of the new holder.

(3) The subscription rights to shares may not be sold, pawned, or otherwise disposed of under any circumstances.

(4) The subscription rights to shares shall be subject to immediate forfeiture under any circumstances that are deemed to invalidate vesting rights, including, but not limited to: the dismissal of the holder from the position as director or executive officer; voluntary resignation from such post (except for reasons of illness or injury); imprisonment or worse for a criminal offense; or appointment to a directorship or senior advisory position at a company that is a direct competitor of the Company or one of its subsidiaries.

5. If any contracts and/or plans concerning reorganization of the Nisshin Seifun Group specify the issuance of the subscription rights to shares on the stock of any companies generated as a result of reorganization schemes as described below, such subscription rights to shares shall be issued according to the ratio of said reorganization.

   (1) Merger, only if the Company ceases to exist.
   The surviving company in the merger or a company established as a result of merger

   (2) Corporate demerger through absorption
   A company that is absorbed and inherits all or part of the rights and obligations the Company has concerning a particular business, as a result of corporate demerger

   (3) Corporate demerger through establishment
   A company newly established as a result of corporate demerger

   (4) Stock exchange
   A company that acquires all of the Company's shares issued and outstanding

   (5) Stock transfer
   A company established as a result of stock transfer

6. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. For this reason, the total number of issuable shares on the exercise of the subscription rights to shares, the amount payable on the exercise of the subscription rights to shares, and the issuance price and capital increase per share on the exercise of the subscription rights to shares have been adjusted accordingly.

<Subscription rights to shares granted on August 16, 2012>

Subscription rights to shares granted as part of the remuneration for directors as stipulated in Article 361 of the Companies Act.

Date of the ordinary resolution at the General Meeting of Shareholders: June 27, 2012 Date of the resolution of the Board of Directors: July 26, 2012		
	Subscription rights to shares outstanding at the most recent year-end (March 31, 2014)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2014)
Number of the subscription rights to shares granted	104 (Note 1)	104 (Note 1)
Of the above, number of the treasury subscription rights to shares	—	—
Share type issuable on the exercise of the subscription rights to shares	Common stock (Note 2)	Same as the left column.
Total number of issuable shares on the exercise of the subscription rights to shares	114,400 (Note 6)	114,400 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥958,100 per subscription right to shares (Notes 3, 6)	Same as the left column.
Exercise period	August 17, 2014 – August 1, 2019	Same as the left column.
Issuance price and capital increase per share on the exercise of the subscription rights to shares	Issuance price per share: ¥871 Capital increase per share: ¥436 (Note 6)	Same as the left column.
Exercise conditions of the subscription rights to shares	(Note 4)	Same as the left column.
Transfer conditions of the subscription rights to shares	Approval of the Board of Directors is required for the acquisition of any subscription rights to shares by means of transfer.	Same as the left column.
Share settlement	—	—
Issuance of the subscription rights to shares as a result of reorganization	(Note 5)	Same as the left column.

Notes:

1. The number of shares corresponding to each subscription right to shares shall equal 1,100.
2. Common stock is the standard type of shares issued by the Company without limitations on the shareholders’ rights, and 100 shares form a minimum trading unit.
3. In the event of a stock split or share consolidation subsequent to the date of granting the subscription rights to shares (hereinafter referred to as the “grant date”), the amount payable on the exercise of the subscription rights to shares (hereinafter referred to as the “exercise price”) shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{1}{\text{Split/consolidation ratio}}$$

In addition, in the event of any new share issuance or treasury stock disposals at less than market price (excluding any share issuance or treasury stock disposals associated with the exercising of the subscription rights to shares) subsequent to the grant date, the exercise price shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of newly issued shares} \times \text{Amount paid per share}}{\text{Share price prior to new issuance}}}{\text{Number of shares already issued} + \text{Number of newly issued shares}}$$

“Number of shares already issued” in the above formula shall equal the total number of shares outstanding, less the number of shares of treasury stock owned by the Company. In the case of treasury stock disposals, “Number of newly issued shares” in the above formula shall be taken to mean “Number of shares of treasury stock in disposal,” “Amount paid per share” shall be taken to mean “Disposal value per share,” and “Share price prior to new issuance” shall be taken to mean “Share price prior to disposal.”

Furthermore, in the event, subsequent to the grant date, of unavoidable reasons that require the adjustment of the exercise price, such as if the Company conducts a merger (except that the Company ceases to exist due to the merger) or becomes a full-ownership parent company as a result of the stock exchange, the Company reserves the right to adjust the exercise price within a reasonable range.

4. The exercise conditions of the subscription rights to shares are as follows:
   (1) Persons granted an allotment of the subscription rights to shares (hereinafter referred to as the “holders”) must be a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas

subsidiaries) at the time that the subscription right to shares is exercised. However, the holders that are no longer a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) may exercise the subscription rights to shares up to two years from the date when the holder retired from the Company or the beginning date of the exercise period, whichever comes later.

(2) A designated successor that inherits the subscription rights to shares on the death of the holder may own and exercise such subscription rights to shares on the same terms, provided proof of inheritance and other ownership procedures are completed within 10 months of the death of the original holder. However, another person may not inherit such subscription rights to shares on the death of the new holder.

(3) The subscription rights to shares may not be sold, pawned, or otherwise disposed of under any circumstances.

(4) The subscription rights to shares shall be subject to immediate forfeiture under any circumstances that are deemed to invalidate vesting rights, including, but not limited to: the dismissal of the holder from the position as director or executive officer; voluntary resignation from such post (except for reasons of illness or injury); imprisonment or worse for a criminal offense; or appointment to a directorship or senior advisory position at a company that is a direct competitor of the Company or one of its subsidiaries.

5. If any contracts and/or plans concerning reorganization of the Nisshin Seifun Group specify the issuance of the subscription rights to shares on the stock of any companies generated as a result of reorganization schemes as described below, such subscription rights to shares shall be issued according to the ratio of said reorganization.

   (1) Merger, only if the Company ceases to exist.
   The surviving company in the merger or a company established as a result of merger

   (2) Corporate demerger through absorption
   A company that is absorbed and inherits all or part of the rights and obligations the Company has concerning a particular business, as a result of corporate demerger

   (3) Corporate demerger through establishment
   A company newly established as a result of corporate demerger

   (4) Stock exchange
   A company that acquires all of the Company's shares issued and outstanding

   (5) Stock transfer
   A company established as a result of stock transfer

6. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. For this reason, the total number of issuable shares on the exercise of the subscription rights to shares, the amount payable on the exercise of the subscription rights to shares, and the issuance price and capital increase per share on the exercise of the subscription rights to shares have been adjusted accordingly.

Subscription rights to shares granted for the Company's executive officers and certain directors of the Company's consolidated subsidiaries (excluding any overseas subsidiaries) as stipulated in Articles 236, 238, and 239 of the Companies Act.

Date of the special resolution at the General Meeting of Shareholders: June 27, 2012 Date of the resolution of the Board of Directors: July 26, 2012		
	Subscription rights to shares outstanding at the most recent year-end (March 31, 2014)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2014)
Number of the subscription rights to shares granted	217 (Note 1)	217 (Note 1)
Of the above, number of the treasury subscription rights to shares	—	—
Share type issuable on the exercise of the subscription rights to shares	Common stock (Note 2)	Same as the left column.
Total number of issuable shares on the exercise of the subscription rights to shares	238,700 (Note 6)	238,700 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥958,100 per subscription right to shares (Notes 3, 6)	Same as the left column.
Exercise period	August 17, 2014 – August 1, 2019	Same as the left column.
Issuance price and capital increase per share on the exercise of the subscription rights to shares	Issuance price per share: ¥871 Capital increase per share: ¥436 (Note 6)	Same as the left column.
Exercise conditions of the subscription rights to shares	(Note 4)	Same as the left column.
Transfer conditions of the subscription rights to shares	Approval of the Board of Directors is required for the acquisition of any subscription rights to shares by means of transfer.	Same as the left column.
Share settlement	—	—
Issuance of the subscription rights to shares as a result of reorganization	(Note 5)	Same as the left column.

Notes:

1. The number of shares corresponding to each subscription right to shares shall equal 1,100.
2. Common stock is the standard type of shares issued by the Company without limitations on the shareholders' rights, and 100 shares form a minimum trading unit.
3. In the event of a stock split or share consolidation subsequent to the date of granting the subscription rights to shares (hereinafter referred to as the "grant date"), the amount payable on the exercise of the subscription rights to shares (hereinafter referred to as the "exercise price") shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{1}{\text{Split/consolidation ratio}}$$

In addition, in the event of any new share issuance or treasury stock disposals at less than market price (excluding any share issuance or treasury stock disposals associated with the exercising of the subscription rights to shares) subsequent to the grant date, the exercise price shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of newly issued shares} \times \text{Amount paid per share}}{\text{Share price prior to new issuance}}}{\text{Number of shares already issued} + \text{Number of newly issued shares}}$$

"Number of shares already issued" in the above formula shall equal the total number of shares outstanding, less the number of shares of treasury stock owned by the Company. In the case of treasury stock disposals, "Number of newly issued shares" in the above formula shall be taken to mean "Number of shares of treasury stock in disposal," "Amount paid per share" shall be taken to mean "Disposal value per share," and "Share price prior to new issuance" shall be taken to mean "Share price prior to disposal."

Furthermore, in the event, subsequent to the grant date, of unavoidable reasons that require the adjustment of the exercise price, such as if the Company conducts a merger (except that the Company ceases to exist due to the merger) or becomes a full-ownership parent company as a result of the stock exchange, the Company reserves the right to adjust the exercise price within a reasonable range.

4. The exercise conditions of the subscription rights to shares are as follows:

(1) Persons granted an allotment of the subscription rights to shares (hereinafter referred to as the "holders") must be a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas

subsidiaries) at the time that the subscription right to shares is exercised. However, the holders that are no longer a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) may exercise the subscription rights to shares up to two years from the date when the holder retired from the Company or the beginning date of the exercise period, whichever comes later.

(2) A designated successor that inherits the subscription rights to shares on the death of the holder may own and exercise such subscription rights to shares on the same terms, provided proof of inheritance and other ownership procedures are completed within 10 months of the death of the original holder. However, another person may not inherit such subscription rights to shares on the death of the new holder.

(3) The subscription rights to shares may not be sold, pawned, or otherwise disposed of under any circumstances.

(4) The subscription rights to shares shall be subject to immediate forfeiture under any circumstances that are deemed to invalidate vesting rights, including, but not limited to: the dismissal of the holder from the position as director or executive officer; voluntary resignation from such post (except for reasons of illness or injury); imprisonment or worse for a criminal offense; or appointment to a directorship or senior advisory position at a company that is a direct competitor of the Company or one of its subsidiaries.

5. If any contracts and/or plans concerning reorganization of the Nisshin Seifun Group specify the issuance of the subscription rights to shares on the stock of any companies generated as a result of reorganization schemes as described below, such subscription rights to shares shall be issued according to the ratio of said reorganization.

(1) Merger, only if the Company ceases to exist.
The surviving company in the merger or a company established as a result of merger

(2) Corporate demerger through absorption
A company that is absorbed and inherits all or part of the rights and obligations the Company has concerning a particular business, as a result of corporate demerger

(3) Corporate demerger through establishment
A company newly established as a result of corporate demerger

(4) Stock exchange
A company that acquires all of the Company's shares issued and outstanding

(5) Stock transfer
A company established as a result of stock transfer

6. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. For this reason, the total number of issuable shares on the exercise of the subscription rights to shares, the amount payable on the exercise of the subscription rights to shares, and the issuance price and capital increase per share on the exercise of the subscription rights to shares have been adjusted accordingly.

<Subscription rights to shares granted on August 20, 2013>

Subscription rights to shares granted as part of the remuneration for directors as stipulated in Article 361 of the Companies Act.

Date of the ordinary resolution at the General Meeting of Shareholders: June 26, 2013 Date of the resolution of the Board of Directors: July 30, 2013		
	Subscription rights to shares outstanding at the most recent year-end (March 31, 2014)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2014)
Number of the subscription rights to shares granted	96 (Note 1)	96 (Note 1)
Of the above, number of the treasury subscription rights to shares	—	—
Share type issuable on the exercise of the subscription rights to shares	Common stock (Note 2)	Same as the left column.
Total number of issuable shares on the exercise of the subscription rights to shares	105,600 (Note 6)	105,600 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,224,300 per subscription right to shares (Notes 3, 6)	Same as the left column.
Exercise period	August 21, 2015 – August 3, 2020	Same as the left column.
Issuance price and capital increase per share on the exercise of the subscription rights to shares	Issuance price per share: ¥1,113 Capital increase per share: ¥557 (Note 6)	Same as the left column.
Exercise conditions of the subscription rights to shares	(Note 4)	Same as the left column.
Transfer conditions of the subscription rights to shares	Approval of the Board of Directors is required for the acquisition of any subscription rights to shares by means of transfer.	Same as the left column.
Share settlement	—	—
Issuance of the subscription rights to shares as a result of reorganization	(Note 5)	Same as the left column.

Notes:

1. The number of shares corresponding to each subscription right to shares shall equal 1,100.
2. Common stock is the standard type of shares issued by the Company without limitations on the shareholders' rights, and 100 shares form a minimum trading unit.
3. In the event of a stock split or share consolidation subsequent to the date of granting the subscription rights to shares (hereinafter referred to as the "grant date"), the amount payable on the exercise of the subscription rights to shares (hereinafter referred to as the "exercise price") shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{1}{\text{Split/consolidation ratio}}$$

In addition, in the event of any new share issuance or treasury stock disposals at less than market price (excluding any share issuance or treasury stock disposals associated with the exercising of the subscription rights to shares) subsequent to the grant date, the exercise price shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of newly issued shares} \times \text{Amount paid per share}}{\text{Share price prior to new issuance}}}{\text{Number of shares already issued} + \text{Number of newly issued shares}}$$

"Number of shares already issued" in the above formula shall equal the total number of shares outstanding, less the number of shares of treasury stock owned by the Company. In the case of treasury stock disposals, "Number of newly issued shares" in the above formula shall be taken to mean "Number of shares of treasury stock in disposal," "Amount paid per share" shall be taken to mean "Disposal value per share," and "Share price prior to new issuance" shall be taken to mean "Share price prior to disposal."

Furthermore, in the event, subsequent to the grant date, of unavoidable reasons that require the adjustment of the exercise price, such as if the Company conducts a merger (except that the Company ceases to exist due to the merger) or becomes a full-ownership parent company as a result of the stock exchange, the Company reserves the right to adjust the exercise price within a reasonable range.

4. The exercise conditions of the subscription rights to shares are as follows:
   (1) Persons granted an allotment of the subscription rights to shares (hereinafter referred to as the "holders") must be a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas

subsidiaries) at the time that the subscription right to shares is exercised. However, the holders that are no longer a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) may exercise the subscription rights to shares up to two years from the date when the holder retired from the Company or the beginning date of the exercise period, whichever comes later.

(2) A designated successor that inherits the subscription rights to shares on the death of the holder may own and exercise such subscription rights to shares on the same terms, provided proof of inheritance and other ownership procedures are completed within 10 months of the death of the original holder. However, another person may not inherit such subscription rights to shares on the death of the new holder.

(3) The subscription rights to shares may not be sold, pawned, or otherwise disposed of under any circumstances.

(4) The subscription rights to shares shall be subject to immediate forfeiture under any circumstances that are deemed to invalidate vesting rights, including, but not limited to: the dismissal of the holder from the position as director or executive officer; voluntary resignation from such post (except for reasons of illness or injury); imprisonment or worse for a criminal offense; or appointment to a directorship or senior advisory position at a company that is a direct competitor of the Company or one of its subsidiaries.

5. If any contracts and/or plans concerning reorganization of the Nisshin Seifun Group specify the issuance of the subscription rights to shares on the stock of any companies generated as a result of reorganization schemes as described below, such subscription rights to shares shall be issued according to the ratio of said reorganization.

   (1) Merger, only if the Company ceases to exist.
   The surviving company in the merger or a company established as a result of merger

   (2) Corporate demerger through absorption
   A company that is absorbed and inherits all or part of the rights and obligations the Company has concerning a particular business, as a result of corporate demerger

   (3) Corporate demerger through establishment
   A company newly established as a result of corporate demerger

   (4) Stock exchange
   A company that acquires all of the Company's shares issued and outstanding

   (5) Stock transfer
   A company established as a result of stock transfer

6. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. For this reason, the total number of issuable shares on the exercise of the subscription rights to shares, the amount payable on the exercise of the subscription rights to shares, and the issuance price and capital increase per share on the exercise of the subscription rights to shares have been adjusted accordingly.

Subscription rights to shares granted for the Company's executive officers and certain directors of the Company's consolidated subsidiaries (excluding any overseas subsidiaries) as stipulated in Articles 236, 238, and 239 of the Companies Act.

Date of the special resolution at the General Meeting of Shareholders: June 26, 2013 Date of the resolution of the Board of Directors: July 30, 2013		
	Subscription rights to shares outstanding at the most recent year-end (March 31, 2014)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2014)
Number of the subscription rights to shares granted	213 (Note 1)	213 (Note 1)
Of the above, number of the treasury subscription rights to shares	—	—
Share type issuable on the exercise of the subscription rights to shares	Common stock (Note 2)	Same as the left column.
Total number of issuable shares on the exercise of the subscription rights to shares	234,300 (Note 6)	234,300 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,224,300 per subscription right to shares (Notes 3, 6)	Same as the left column.
Exercise period	August 21, 2015 – August 3, 2020	Same as the left column.
Issuance price and capital increase per share on the exercise of the subscription rights to shares	Issuance price per share: ¥1,113 Capital increase per share: ¥557 (Note 6)	Same as the left column.
Exercise conditions of the subscription rights to shares	(Note 4)	Same as the left column.
Transfer conditions of the subscription rights to shares	Approval of the Board of Directors is required for the acquisition of any subscription rights to shares by means of transfer.	Same as the left column.
Share settlement	—	—
Issuance of the subscription rights to shares as a result of reorganization	(Note 5)	Same as the left column.

Notes:

1. The number of shares corresponding to each subscription right to shares shall equal 1,100.
2. Common stock is the standard type of shares issued by the Company without limitations on the shareholders' rights, and 100 shares form a minimum trading unit.
3. In the event of a stock split or share consolidation subsequent to the date of granting the subscription rights to shares (hereinafter referred to as the "grant date"), the amount payable on the exercise of the subscription rights to shares (hereinafter referred to as the "exercise price") shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{1}{\text{Split/consolidation ratio}}$$

   In addition, in the event of any new share issuance or treasury stock disposals at less than market price (excluding any share issuance or treasury stock disposals associated with the exercising of the subscription rights to shares) subsequent to the grant date, the exercise price shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of newly issued shares} \times \text{Amount paid per share}}{\text{Share price prior to new issuance}}}{\text{Number of shares already issued} + \text{Number of newly issued shares}}$$

   "Number of shares already issued" in the above formula shall equal the total number of shares outstanding, less the number of shares of treasury stock owned by the Company. In the case of treasury stock disposals, "Number of newly issued shares" in the above formula shall be taken to mean "Number of shares of treasury stock in disposal," "Amount paid per share" shall be taken to mean "Disposal value per share," and "Share price prior to new issuance" shall be taken to mean "Share price prior to disposal."

   Furthermore, in the event, subsequent to the grant date, of unavoidable reasons that require the adjustment of the exercise price, such as if the Company conducts a merger (except that the Company ceases to exist due to the merger) or becomes a full-ownership parent company as a result of the stock exchange, the Company reserves the right to adjust the exercise price within a reasonable range.
4. The exercise conditions of the subscription rights to shares are as follows:
   (1) Persons granted an allotment of the subscription rights to shares (hereinafter referred to as the "holders") must be a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas

subsidiaries) at the time that the subscription right to shares is exercised. However, the holders that are no longer a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) may exercise the subscription rights to shares up to two years from the date when the holder retired from the Company or the beginning date of the exercise period, whichever comes later.

(2) A designated successor that inherits the subscription rights to shares on the death of the holder may own and exercise such subscription rights to shares on the same terms, provided proof of inheritance and other ownership procedures are completed within 10 months of the death of the original holder. However, another person may not inherit such subscription rights to shares on the death of the new holder.

(3) The subscription rights to shares may not be sold, pawned, or otherwise disposed of under any circumstances.

(4) The subscription rights to shares shall be subject to immediate forfeiture under any circumstances that are deemed to invalidate vesting rights, including, but not limited to: the dismissal of the holder from the position as director or executive officer; voluntary resignation from such post (except for reasons of illness or injury); imprisonment or worse for a criminal offense; or appointment to a directorship or senior advisory position at a company that is a direct competitor of the Company or one of its subsidiaries.

5. If any contracts and/or plans concerning reorganization of the Nisshin Seifun Group specify the issuance of the subscription rights to shares on the stock of any companies generated as a result of reorganization schemes as described below, such subscription rights to shares shall be issued according to the ratio of said reorganization.

(1) Merger, only if the Company ceases to exist.
The surviving company in the merger or a company established as a result of merger

(2) Corporate demerger through absorption
A company that is absorbed and inherits all or part of the rights and obligations the Company has concerning a particular business, as a result of corporate demerger

(3) Corporate demerger through establishment
A company newly established as a result of corporate demerger

(4) Stock exchange
A company that acquires all of the Company’s shares issued and outstanding

(5) Stock transfer
A company established as a result of stock transfer

6. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. For this reason, the total number of issuable shares on the exercise of the subscription rights to shares, the amount payable on the exercise of the subscription rights to shares, and the issuance price and capital increase per share on the exercise of the subscription rights to shares have been adjusted accordingly.

3. Exercise of bonds, etc., with subscription rights to shares with an amended exercise price

There are no applicable matters to be reported.

4. Description of the rights plan

There are no applicable matters to be reported.

5. Changes in shares issued and outstanding and in capital

Date	Change in shares issued and outstanding (thousands)	Total number of shares issued and outstanding after change (thousands)	Change in paid-in capital (millions of yen)	Paid-in capital balance (millions of yen)	Change in legal capital surplus (millions of yen)	Legal capital surplus balance (millions of yen)
October 1, 2013	25,153	276,688	—	17,117	—	9,500

Note:

On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock.

6. Ownership and share distribution

(As of March 31, 2014)

Category	Shareholders and ownership status (N.B. Minimum trading unit [MTU] = 100 shares)								Sub-MTU share holdings (shares)
	Government (national and local) entities	Financial institutions	Financial instruments dealers	Other institutions	Foreign institutions, etc.		Individuals and other shareholders	Total	
					Non-individual	Individuals			
Numbers of shareholders (persons)	—	93	28	349	321	5	15,445	16,241	—
Numbers of shares held (MTUs)	—	1,186,303	84,535	635,164	435,824	39	420,340	2,762,205	468,492
Ratio to total shares (%)	—	42.95	3.06	22.99	15.78	0.00	15.22	100.00	—

Notes:

1. Treasury stock holdings of 3,190,764 shares consist of 31,907 MTUs listed under “Individuals and other shareholders” and 64 shares listed under “Sub-MTU share holdings.” All of these treasury shares are listed in the shareholder register. As of March 31, 2014, total beneficial ownership of treasury stock was equivalent to 3,190,448 shares.
2. Shares nominally held under the name of Japan Securities Depository Center, Inc. account for 22 MTUs in the column marked “Other institutions” and 7 shares in the column marked “Sub-MTU share holdings.”
3. By resolution of the Board of Directors on August 28, 2013, the Company changed its minimum trading unit from 500 shares to 100 shares effective on October 1, 2013.

7. Major shareholders

(As of March 31, 2014)

Name	Address	Number of shares held (thousands)	Shareholding as proportion of total shares outstanding (%)
Nippon Life Insurance Company	5-12, Imabashi 3-chome, Chuo-ku, Osaka	17,625	6.37
Yamazaki Baking Co., Ltd.	10-1, Iwamotocho 3-chome, Chiyoda-ku, Tokyo	15,444	5.58
The Master Trust Bank of Japan, Ltd. (Trust Account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	14,552	5.25
Japan Trustee Services Bank, Ltd. (Trust Account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	11,835	4.27
Mizuho Bank, Ltd.	3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo	11,381	4.11
Mitsubishi Corporation	3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	7,680	2.77
Marubeni Corporation	4-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	5,713	2.06
Sumitomo Corporation	8-11, Harumi 1-chome, Chuo-ku, Tokyo	5,537	2.00
Sumitomo Mitsui Banking Corporation	1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo	5,077	1.83
The Norinchukin Bank	13-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo	4,938	1.78
Total	—	99,788	36.06

Notes:

1. On May 7, 2014, Mizuho Bank, Ltd. relocated to 1-5-5 Otemachi, Chiyoda-ku, Tokyo.
2. On May 22, 2014, Mizuho Bank, Ltd. and three co-shareholding companies submitted a copy of a “Large Shareholding Report (Changes in Shareholding Report)” outlining their ownership of the Company’s shares, as detailed below, as of May 15, 2014. However, because the Company was not able to verify the actual number of shares held as of the end of the fiscal year under review, those companies are not included in the conditions of the above-mentioned major shareholders.

   Details of the “Large Shareholding Report (Changes in Shareholding Report)” are as follows.

Name	Address	Number of shares held (thousands)	Shareholding as proportion of total shares outstanding (%)
Mizuho Bank, Ltd.	5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo	11,381	4.11
Mizuho Securities Co., Ltd.	5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo	640	0.23
Mizuho Trust & Banking Co., Ltd.	2-1, Yaesu 1-chome, Chuo-ku, Tokyo	4,226	1.53
Mizuho Asset Management Co., Ltd.	5-27, Mita 3-chome, Minato-ku, Tokyo	564	0.20
Total	—	16,813	6.08

8. Voting rights

(1) Distribution within shares issued and outstanding

(As of March 31, 2014)

Category	Number of shares	Number of voting rights	Comments
Shares with no voting rights	—	—	—
Shares with restricted voting rights (treasury stock, etc.)	—	—	—
Shares with restricted voting rights (other)	—	—	—
Shares with full voting rights (treasury stock, etc.)	(Treasury stock) Common stock 3,190,400	—	Common stock is the standard type of shares issued by the Company without limitations on the shareholders' rights, and 100 shares form a minimum trading unit.
	(Mutually held shares) Common stock 359,800	—	As above
Shares with full voting rights (other)	Common stock 272,670,300	2,726,703	As above
Sub-MTU (minimum trading unit) share holdings	Common stock 468,492	—	—
Total number of shares issued and outstanding	276,688,992	—	—
Total voting rights of all shareholders	—	2,726,703	—

Notes:

1. "Number of shares" for "Shares with full voting rights (other)" above includes 2,200 shares nominally held under the name of Japan Securities Depository Center, Inc. (JASDEC), and 300 shares listed under Company ownership in the register of shareholders but without any beneficial owner.
2. "Number of voting rights" for "Shares with full voting rights (other)" above includes 22 voting rights pertaining to shares with full voting rights nominally held under the name of Japan Securities Depository Center, Inc. (JASDEC), and 3 voting rights pertaining to shares with full voting rights listed under Company ownership in the register of shareholders but without any beneficial owner.
3. "Number of voting rights" for "Sub-MTU share holdings" above includes, in addition to 7 shares nominally held under the name of Japan Securities Depository Center, Inc. (JASDEC), and 16 shares listed under Company ownership in the register of shareholders but without any beneficial owner, treasury stock owned by the Company or mutually held shares shown below.

   Treasury stock

   Nisshin Seifun Group Inc. 48 shares

   Mutually held shares

   Japan Logistic Systems Corp. 50 shares

   Chiba Kyodo Silo Co., Ltd. 41 shares
4. By resolution of the Board of Directors on August 28, 2013, the Company changed its minimum trading unit from 500 shares to 100 shares effective October 1, 2013.

(2) Treasury stock

(As of March 31, 2014)

Shareholders' name	Shareholders' address	Number of shares held under own name	Number of shares held under other name	Total number of shares held	Share holding as proportion of total shares outstanding (%)
Treasury stock					
Nisshin Seifun Group Inc.	25, Kanda-Nishiki-cho 1-chome, Chiyoda-ku, Tokyo	3,190,400	—	3,190,400	1.15
Mutually held shares					
Ishikawa Co., Ltd.	2-10, Shimagami-cho 1-chome, Hyogo-ku, Kobe	153,500	—	153,500	0.05
Wakaba Co., Ltd.	2-8, Mayafuto, Nada-ku, Kobe	113,300	—	113,300	0.04
Chiba Kyodo Silo Co., Ltd.	16, Shinminato, Mihama-ku, Chiba	87,000	—	87,000	0.03
Japan Logistic Systems Corp.	19-17, Ebara 1-chome, Shinagawa-ku, Tokyo	6,000	—	6,000	0.00
Total	—	3,550,200	—	3,550,200	1.28

9. Stock option scheme

Nisshin Seifun Group Inc. operates a stock option scheme utilizing a subscription right to shares.

Under this system, the Company grants the subscription rights to shares as stock options without contribution in line with the provisions of Articles 236, 238 and 239 of the Companies Act.

Details of the scheme are summarized below.

(1) Resolutions at the Ordinary General Meeting of Shareholders on June 27, 2007

a. Regarding the stock options granted as a form of remuneration to directors of the Company under the provision of Article 361 of the Compaies Act, resolutions were made at the Ordinary General Meeting of Shareholders held on June 27, 2007 and the meeting of the Board of Directors on July 26, 2007, concerning the value of the remuneration and a description of the subscription rights to shares.

Dates of authorizing resolutions	June 27, 2007 (Ordinary General Meeting of Shareholders) and July 26, 2007 (Board of Directors)
Number and description of persons granted the subscription rights to shares.	12 directors of the Company
Share type issuable the exercise of the subscription rights to shares	As detailed above in “2. Subscription rights to shares, etc.”
Number of shares issuable	As above
Amount payable on the exercise of the subscription rights to shares (yen)	As above
Exercise period	As above
Exercise conditions of the subscription rights to shares	As above
Transfer conditions of the subscription rights to shares	As above
Share settlement	—
Issuance of the subscription rights to shares as a result of reorganization	As detailed above in “2. Subscription rights to shares, etc.”

b. Regarding the subscription rights to shares granted as stock options upon especially favorable terms to executive officers of the Company and certain directors of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) under the provisions of Articles 236, 238, and 239 of the Companies Act, a resolution to leave a decision on details of the subscription to the Board of Directors was made at the Ordinary General Meeting of Shareholders on June 27, 2007 and a resolution on such details was made at the meeting of the Board of Directors on July 26, 2007.

Dates of authorizing resolutions	June 27, 2007 (Ordinary General Meeting of Shareholders) and July 26, 2007 (Board of Directors)
Number and description of persons granted the subscription rights to shares	Executive officers of the Company and certain directors of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries), totaling 34 persons
Share type issuable the exercise of the subscription rights to shares	As detailed above in “2. Subscription rights to shares, etc.”
Number of shares issuable	As above
Amount payable on the exercise of the subscription rights to shares (yen)	As above
Exercise period	As above
Exercise conditions of the subscription rights to shares	As above
Transfer conditions of the subscription rights to shares	As above
Share settlement	—
Issuance of the subscription rights to shares as a result of reorganization	As detailed above in “2. Subscription rights to shares, etc.”

(2) Resolution at the Ordinary General Meeting of Shareholders on June 26, 2008

a. Regarding the stock options granted as a form of remuneration to directors of the Company under the provision of Article 361 of the Companies Act, resolutions were made at the Ordinary General Meeting of Shareholders held on June 26, 2008, and the meeting of the Board of Directors on July 30, 2008, concerning the value of the remuneration and a description of the subscription rights to shares.

Dates of authorizing resolutions	June 26, 2008 (Ordinary General Meeting of Shareholders) and July 30, 2008 (Board of Directors)
Number and description of persons granted the subscription rights to shares	12 directors of the Company
Share type issuable the exercise of the subscription rights to shares	As detailed above in “2. Subscription rights to shares, etc.”
Number of shares issuable	As above
Amount payable on the exercise of the subscription rights to shares (yen)	As above
Exercise period	As above
Exercise conditions of the subscription rights to shares	As above
Transfer conditions of the subscription rights to shares	As above
Share settlement	—
Issuance of the subscription rights to shares as a result of reorganization	As detailed above in “2. Subscription rights to shares, etc.”

b. Regarding the subscription rights to shares granted as stock options upon especially favorable terms to executive officers of the Company and certain directors of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) under the provisions of Articles 236, 238, and 239 of the Companies Act, a resolution to leave a decision on details of the subscription to the Board of Directors was made at the Ordinary General Meeting of Shareholders on June 26, 2008, and a resolution on such details was made at the meeting of the Board of Directors on July 30, 2008.

Dates of authorizing resolutions	June 26, 2008 (Ordinary General Meeting of Shareholders) and July 30, 2008 (Board of Directors)
Number and description of persons granted the subscription rights to shares	Executive officers of the Company and certain directors of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries), totaling 36 persons
Share type issuable the exercise of the subscription rights to shares	As detailed above in “2. Subscription rights to shares, etc.”
Number of shares issuable	As above
Amount payable on the exercise of the subscription rights to shares (yen)	As above
Exercise period	As above
Exercise conditions of the subscription rights to shares	As above
Transfer conditions of the subscription rights to shares	As above
Share settlement	—
Issuance of the subscription rights to shares as a result of reorganization	As detailed above in “2. Subscription rights to shares, etc.”

(3) Resolution at the Ordinary General Meeting of Shareholders on June 25, 2009

a. Regarding the stock options granted as a form of remuneration to directors of the Company under the provision of Article 361 of the Companies Act, resolutions were made at the Ordinary General Meeting of Shareholders held on June 25, 2009, and the meeting of the Board of Directors on July 30, 2009, concerning the value of the remuneration and a description of the subscription rights to shares.

Dates of authorizing resolutions	June 25, 2009 (Ordinary General Meeting of Shareholders) and July 30, 2009 (Board of Directors)
Number and description of persons granted the subscription rights to shares	12 directors of the Company
Share type issuable the exercise of the subscription rights to shares	As detailed above in “2. Subscription rights to shares, etc.”
Number of shares issuable	As above
Amount payable on the exercise of the subscription rights to shares (yen)	As above
Exercise period	As above
Exercise conditions of the subscription rights to shares	As above
Transfer conditions of the subscription rights to shares	As above
Share settlement	—
Issuance of the subscription rights to shares as a result of reorganization	As detailed above in “2. Subscription rights to shares, etc.”

b. Regarding the subscription rights to shares granted as stock options upon especially favorable terms to executive officers of the Company and certain directors of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) under the provisions of Articles 236, 238, and 239 of the Companies Act, a resolution to leave a decision on details of the subscription to the Board of Directors was made at the Ordinary General Meeting of Shareholders on June 25, 2009, and a resolution on such details was made at the meeting of the Board of Directors on July 30, 2009.

Dates of authorizing resolutions	June 25, 2009 (Ordinary General Meeting of Shareholders) and July 30, 2009 (Board of Directors)
Number and description of persons granted the subscription rights to shares	Executive officers of the Company and certain directors of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries), totaling 35 persons
Share type issuable the exercise of the subscription rights to shares	As detailed above in “2. Subscription rights to shares, etc.”
Number of shares issuable	As above
Amount payable on the exercise of the subscription rights to shares (yen)	As above
Exercise period	As above
Exercise conditions of the subscription rights to shares	As above
Transfer conditions of the subscription rights to shares	As above
Share settlement	—
Issuance of the subscription rights to shares as a result of reorganization	As detailed above in “2. Subscription rights to shares, etc.”

(4) Resolution at the Ordinary General Meeting of Shareholders on June 25, 2010

a. Regarding the stock options granted as a form of remuneration to directors of the Company under the provision of Article 361 of the Companies Act, resolutions were made at the Ordinary General Meeting of Shareholders held on June 25, 2010, and the meeting of the Board of Directors on July 29, 2010, concerning the value of the remuneration and a description of the subscription rights to shares.

Dates of authorizing resolutions	June 25, 2010 (Ordinary General Meeting of Shareholders) and July 29, 2010 (Board of Directors)
Number and description of persons granted the subscription rights to shares	12 directors of the Company
Share type issuable the exercise of the subscription rights to shares	As detailed above in “2. Subscription rights to shares, etc.”
Number of shares issuable	As above
Amount payable on the exercise of the subscription rights to shares (yen)	As above
Exercise period	As above
Exercise conditions of the subscription rights to shares	As above
Transfer conditions of the subscription rights to shares	As above
Share settlement	—
Issuance of the subscription rights to shares as a result of reorganization	As detailed above in “2. Subscription rights to shares, etc.”

b. Regarding the subscription rights to shares granted as stock options upon especially favorable terms to executive officers of the Company and certain directors of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) under the provisions of Articles 236, 238, and 239 of the Companies Act, a resolution to leave a decision on details of the subscription to the Board of Directors was made at the Ordinary General Meeting of Shareholders on June 25, 2010, and a resolution on such details was made at the meeting of the Board of Directors on July 29, 2010.

Dates of authorizing resolutions	June 25, 2010 (Ordinary General Meeting of Shareholders) and July 29, 2010 (Board of Directors)
Number and description of persons granted the subscription rights to shares	Executive officers of the Company and certain directors of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries), totaling 36 persons
Share type issuable the exercise of the subscription rights to shares	As detailed above in “2. Subscription rights to shares, etc.”
Number of shares issuable	As above
Amount payable on the exercise of the subscription rights to shares (yen)	As above
Exercise period	As above
Exercise conditions of the subscription rights to shares	As above
Transfer conditions of the subscription rights to shares	As above
Share settlement	—
Issuance of the subscription rights to shares as a result of reorganization	As detailed above in “2. Subscription rights to shares, etc.”

(5) Resolution at the Ordinary General Meeting of Shareholders on June 28, 2011

a. Regarding the stock options granted as a form of remuneration to directors of the Company under the provision of Article 361 of the Companies Act, resolutions were made at the Ordinary General Meeting of Shareholders held on June 28, 2011, and the meeting of the Board of Directors on July 28, 2011, concerning the value of the remuneration and a description of the subscription rights to shares.

Dates of authorizing resolutions	June 28, 2011 (Ordinary General Meeting of Shareholders) and July 28, 2011 (Board of Directors)
Number and description of persons granted the subscription rights to shares	13 directors of the Company
Share type issuable the exercise of the subscription rights to shares	As detailed above in “2. Subscription rights to shares, etc.”
Number of shares issuable	As above
Amount payable on the exercise of the subscription rights to shares (yen)	As above
Exercise period	As above
Exercise conditions of the subscription rights to shares	As above
Transfer conditions of the subscription rights to shares	As above
Share settlement	—
Issuance of the subscription rights to shares as a result of reorganization	As detailed above in “2. Status of the subscription rights to shares”

b. Regarding the subscription rights to shares granted as stock options upon especially favorable terms to executive officers of the Company and certain directors of its consolidated subsidiaries (excluding any overseas subsidiaries) under the provisions of Articles 236, 238, and 239 of the Companies Act, a resolution to leave a decision on details of the subscription to the Board of Directors was made at the Ordinary General Meeting of Shareholders on June 28, 2011, and a resolution on such details was made at the meeting of the Board of Directors on July 28, 2011.

Dates of authorizing resolutions	June 28, 2011 (Ordinary General Meeting of Shareholders) and July 28, 2011 (Board of Directors)
Number and description of persons granted the subscription rights to shares	Executive officers of the Company and certain directors of its consolidated subsidiaries (excluding any overseas subsidiaries), totaling 52 persons
Share type issuable the exercise of the subscription rights to shares	As detailed above in “2. Subscription rights to shares, etc.”
Number of shares issuable	As above
Amount payable on the exercise of the subscription rights to shares (yen)	As above
Exercise period	As above
Exercise conditions of the subscription rights to shares	As above
Transfer conditions of the subscription rights to shares	As above
Share settlement	—
Issuance of the subscription rights to shares as a result of reorganization	As detailed above in “2. Subscription rights to shares, etc.”

(6) Resolution at the Ordinary General Meeting of Shareholders on June 27, 2012

a. Regarding the stock options granted as a form of remuneration to directors of the Company under the provision of Article 361 of the Companies Act, resolutions were made at the Ordinary General Meeting of Shareholders held on June 27, 2012, and the meeting of the Board of Directors on July 26, 2012, concerning the value of the remuneration and a description of the subscription rights to shares.

Dates of authorizing resolutions	June 27, 2012 (Ordinary General Meeting of Shareholders) and July 26, 2012 (Board of Directors)
Number and description of persons granted the subscription rights to shares	15 directors of the Company
Share type issuable the exercise of the subscription rights to shares	As detailed above in “2. Subscription rights to shares, etc.”
Number of shares issuable	As above
Amount payable on the exercise of the subscription rights to shares (yen)	As above
Exercise period	As above
Exercise conditions of the subscription rights to shares	As above
Transfer conditions of the subscription rights to shares	As above
Share settlement	—
Issuance of the subscription rights to shares as a result of reorganization	As detailed above in “2. Subscription rights to shares, etc.”

b. Regarding the subscription rights to shares granted as stock options upon especially favorable terms to executive officers of the Company and certain directors of its consolidated subsidiaries (excluding any overseas subsidiaries) under the provisions of Articles 236, 238, and 239 of the Companies Act, a resolution to leave a decision on details of the subscription to the Board of Directors was made at the Ordinary General Meeting of Shareholders on June 27, 2012, and a resolution on such details was made at the meeting of the Board of Directors on July 26, 2012.

Dates of authorizing resolutions	June 27, 2012 (Ordinary General Meeting of Shareholders) and July 26, 2012 (Board of Directors)
Number and description of persons granted the subscription rights to shares	Executive officers of the Company and certain directors of its consolidated subsidiaries (excluding any overseas subsidiaries), totaling 44 persons
Share type issuable the exercise of the subscription rights to shares	As detailed above in “2. Subscription rights to shares, etc.”
Number of shares issuable	As above
Amount payable on the exercise of the subscription rights to shares (yen)	As above
Exercise period	As above
Exercise conditions of the subscription rights to shares	As above
Transfer conditions of the subscription rights to shares	As above
Share settlement	—
Issuance of the subscription rights to shares as a result of reorganization	As detailed above in “2. Subscription rights to shares, etc.”

(7) Resolution at the Ordinary General Meeting of Shareholders on June 26, 2013

a. Regarding the stock options granted as a form of remuneration to directors of the Company under the provision of Article 361 of the Companies Act, resolutions were made at the Ordinary General Meeting of Shareholders held on June 26, 2013, and the meeting of the Board of Directors on July 30, 2013, concerning the value of the remuneration and a description of the subscription rights to shares.

Dates of authorizing resolutions	June 26, 2013 (Ordinary General Meeting of Shareholders) and July 30, 2013 (Board of Directors)
Number and description of persons granted the subscription rights to shares	14 directors of the Company
Share type issuable the exercise of the subscription rights to shares	As detailed above in “2. Subscription rights to shares, etc.”
Number of shares issuable	As above
Amount payable on the exercise of the subscription rights to shares (yen)	As above
Exercise period	As above
Exercise conditions of the subscription rights to shares	As above
Transfer conditions of the subscription rights to shares	As above
Share settlement	—
Issuance of the subscription rights to shares as a result of reorganization	As detailed above in “2. Subscription rights to shares, etc.”

b. Regarding the subscription rights to shares granted as stock options upon especially favorable terms to executive officers of the Company and certain directors of its consolidated subsidiaries (excluding any overseas subsidiaries) under the provisions of Articles 236, 238, and 239 of the Companies Act, a resolution to leave a decision on details of the subscription to the Board of Directors was made at the Ordinary General Meeting of Shareholders on June 26, 2013, and a resolution on such details was made at the meeting of the Board of Directors on July 30, 2013.

Dates of authorizing resolutions	June 26, 2013 (Ordinary General Meeting of Shareholders) and July 30, 2013 (Board of Directors)
Number and description of persons granted the subscription rights to shares	Executive officers of the Company and certain directors of its consolidated subsidiaries (excluding any overseas subsidiaries), totaling 45 persons
Share type issuable the exercise of the subscription rights to shares	As detailed above in “2. Subscription rights to shares, etc.”
Number of shares issuable	As above
Amount payable on the exercise of the subscription rights to shares (yen)	As above
Exercise period	As above
Exercise conditions of the subscription rights to shares	As above
Transfer conditions of the subscription rights to shares	As above
Share settlement	—
Issuance of the subscription rights to shares as a result of reorganization	As detailed above in “2. Subscription rights to shares, etc.”

(8) Resolution at the Ordinary General Meeting of Shareholders on June 26, 2014

a. Regarding the stock options granted as a form of remuneration to directors of the Company under the provision of Article 361 of the Companies Act, a resolution was made at the Ordinary General Meeting of Shareholders held on June 26, 2014, concerning the value of the remuneration and a description of the subscription rights to shares.

Date of authorizing resolution	June 26, 2014
Number and description of persons granted the subscription rights to shares.	Directors of the Company (Note 1)
Share type issuable the exercise of the subscription rights to shares	Common stock
Number of shares issuable	Up to 96,000 shares
Amount payable on the exercise of the subscription rights to shares (yen)	(Note 2)
Exercise period	(Note 3)
Exercise conditions of the subscription rights to shares	(Note 4)
Transfer conditions of the subscription rights to shares	Approval of the Board of Directors is required for the acquisition of any subscription rights to shares by means of transfer.
Share settlement	—
Issuance of the subscription rights to shares as a result of reorganization	(Note 5)

Notes:

1. A resolution on the number of persons granted subscription rights to shares will be made at a meeting of the Board of Directors to be held after this report is filed.
2. The value of assets to be invested upon the exercise of each subscription right to shares shall equal the amount payable per share on the subscription rights to shares to exercise (hereinafter the “exercise price”) as defined below, multiplied by 1,000—the number of shares corresponding to each subscription right to shares.

   The exercise price shall equal the average of the closing prices of the Company’s common stock regularly traded at the Tokyo Stock Exchange for all trading days (except any days when the closing price was not attained) of the preceding month of the month in which the grant date of the subscription rights to shares falls, multiplied by 1.025, with any fractional amounts under ¥1 thus generated rounded up.

   However, if the calculated exercise price is less than the closing price of the Company’s common stock regularly traded at the Tokyo Stock Exchange on the grant date (or its nearest preceding day if the grant date ended without a closing price), the exercise price shall be the said closing price.

   In the event of a stock split or share consolidation subsequent to the grant date, the exercise price shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{1}{\text{Split/consolidation ratio}}$$

   In addition, in the event of any new share issuance or treasury stock disposals at less than market price (excluding any share issuance or treasury stock disposals associated with the exercising of the subscription rights to shares) subsequent to the grant date, the exercise price shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of newly issued shares} \times \text{Amount paid per share}}{\text{Share price prior to new issuance}}}{\text{Number of shares already issued} + \text{Number of newly issued shares}}$$

   “Number of shares already issued” in the above formula shall equal the total number of shares outstanding, less the number of shares of treasury stock owned by the Company. In the case of treasury stock disposals, “Number of newly issued shares” in the above formula shall be taken to mean “Number of shares of treasury stock in disposal,” “Amount paid per share” shall be taken to mean “Disposal value per share” and “Share price prior to new issuance” shall be taken to mean “Share price prior to disposal.”

   Furthermore, in the event, subsequent to the grant date, of unavoidable reasons that require the adjustment of the exercise price, such as if the Company conducts a merger (except that the Company ceases to exist due to the merger) or becomes a full-ownership parent company as a result of the stock exchange, the Company reserves the right to adjust the exercise price within a reasonable range.
3. The exercise period is from the date on which two years have passed after the grant date to August 2, 2021.
4. The exercise conditions of the subscription rights to shares are as follows:
   (1) Persons granted an allotment of the subscription rights to shares (hereinafter the “holders”) must be a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) at the time that the subscription rights to shares is exercised. However, the holders who are no longer a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) may the exercise of the subscription rights to shares up to two years from the date when the holder retired from the Company or the beginning date of the exercise period, whichever comes later.
   (2) A designated successor that inherits the subscription rights to shares on the death of the holder may own and exercise such the subscription rights to shares on the same terms, provided proof of inheritance and other ownership procedures are completed within 10 months of the death of the original holder. However, another person may not inherit such subscription rights to shares on the death of the new holder.
   (3) Subscription rights to shares may not be sold, pawned, or otherwise disposed of under any circumstances.

(4) Subscription rights to shares shall be subject to immediate forfeiture under any circumstances that are deemed to invalidate vesting rights, including, but not limited to: the dismissal of the holder from the position as director or executive officer; voluntary resignation from such post (except for reasons of illness or injury); imprisonment or worse for a criminal offence; or appointment to a directorship or senior advisory position at a company that is a direct competitor of the Company or one of its subsidiaries.

5. If any contracts and/or plans concerning reorganization of the Nisshin Seifun Group specify the issuance of the subscription rights to shares on the stock of any companies generated as a result of reorganization schemes as described below, such subscription rights to shares shall be issued according to the ratio of said reorganization.

(1) Merger, only if the Company ceases to exist.
The surviving company in the merger or a company established as a result of merger

(2) Corporate demerger through absorption
A company that is absorbed and inherits all or part of the rights and obligations the Company has concerning a particular business, as a result of corporate demerger

(3) Corporate demerger through establishment
A company newly established as a result of corporate demerger

(4) Stock exchange
A company that acquires all of the Company’s shares issued and outstanding

(5) Stock transfer
A company established as a result of stock transfer

b. Regarding the subscription rights to shares granted as stock options upon especially favorable terms to executive officers of the Company and certain directors of its consolidated subsidiaries (excluding any overseas subsidiaries) under the provisions of Articles 236, 238, and 239 of the Companies Act, a resolution to leave a decision on details of the subscription to the Board of Directors was made at the Ordinary General Meeting of Shareholders on June 26, 2014.

Date of authorizing resolution	June 26, 2014
Number and description of persons granted the subscription rights to shares	Executive officers of the Company and certain directors of its consolidated subsidiaries (excluding any overseas subsidiaries) (Note 1)
Share type issuable the exercise of the subscription rights to shares	Common stock
Number of shares issuable	Up to 211,000 shares
Amount payable on the exercise of the subscription rights to shares (yen)	(Note 2)
Exercise period	(Note 3)
Exercise conditions of the subscription rights to shares	(Note 4)
Transfer conditions of the subscription rights to shares	Approval of the Board of Directors is required for the acquisition of any subscription rights to shares by means of transfer.
Share settlement	—
Issuance of the subscription rights to shares as a result of reorganization	(Note 5)

Notes:

1. A resolution on the number of persons granted the subscription rights to shares will be made at a meeting of the Board of Directors to be held after this report is filed.
2. The value of assets to be invested upon the exercise of each subscription rights to shares shall equal the amount payable per share on the subscription rights to shares to exercise (hereinafter the “exercise price”) as defined below, multiplied by 1,000—the number of shares corresponding to each subscription right to shares.

   The exercise price shall equal the average of the closing prices of the Company’s common stock regularly traded at the Tokyo Stock Exchange for all trading days (except any days when the closing price was not attained) of the preceding month of the month in which the grant date of the subscription rights to shares falls, multiplied by 1.025, with any fractional amounts under ¥1 thus generated rounded up.

   However, if the calculated exercise price is less than the closing price of the Company’s common stock regularly traded at the Tokyo Stock Exchange on the grant date (or its nearest preceding day if the grant date ended without a closing price), the exercise price shall be the said closing price.

   In the event of a stock split or share consolidation subsequent to the grant date, the exercise price shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{1}{\text{Split/consolidation ratio}}$$

   In addition, in the event of any new share issuance or treasury stock disposals at less than market price (excluding any share issuance or treasury stock disposals associated with the exercising of the subscription rights to shares) subsequent to the grant date, the exercise price shall be adjusted in accordance with the following formula, with any fractional amounts under ¥1 thus generated rounded up.

$$\text{Post-adjustment exercise price} = \text{Pre-adjustment exercise price} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of newly issued shares} \times \text{Amount paid per share}}{\text{Share price prior to new issuance}}}{\text{Number of shares already issued} + \text{Number of newly issued shares}}$$

   “Number of shares already issued” in the above formula shall equal the total number of shares outstanding, less the number of shares of treasury stock owned by the Company. In the case of treasury stock disposals, “Number of newly issued shares” in the above formula shall be taken to mean “Number of shares of treasury stock in disposal,” “Amount paid per share” shall be taken to mean “Disposal value per share” and “Share price prior to new issuance” shall be taken to mean “Share price prior to disposal.”

   Furthermore, in the event, subsequent to the grant date, of unavoidable reasons that require the adjustment of the exercise price, such as if the Company conducts a merger (except that the Company ceases to exist due to the merger) or becomes a full-ownership parent company as a result of the stock exchange, the Company reserves the right to adjust the exercise price within a reasonable range.
3. The exercise period is from the date on which two years have passed after the grant date to August 2, 2021.
4. The exercise conditions of the subscription rights to shares are as follows:
   (1) Persons granted an allotment of options (hereinafter the “holders”) must be a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) at the time that the subscription rights to shares is exercised. However, the holders that are no longer a director or an executive officer of the Company or one of its consolidated subsidiaries (excluding any publicly listed companies and their subsidiaries and overseas subsidiaries) may exercise of the subscription rights to shares up to two years from the date when the holder retired from the Company or the beginning date of the exercise period, whichever comes later.
   (2) A designated successor that inherits the subscription rights to shares on the death of the holder may own and exercise such subscription rights to shares on the same terms, provided proof of inheritance and other ownership procedures are completed within 10 months of the death of the original holder. However, another person may not inherit such subscription rights to shares on the death of the new holder.
   (3) The subscription rights to shares may not be sold, pawned or otherwise disposed of under any circumstances.

(4) The subscription rights to shares shall be subject to immediate forfeiture under any circumstances that are deemed to invalidate vesting rights, including, but not limited to the dismissal of the holder from the position of director or executive officer, voluntary resignation from such post (except for reasons of illness or injury), imprisonment or worse for a criminal offence, or appointment to a directorship or senior advisory position at a company that is a direct competitor of the Company or one of its subsidiaries.

5. If any contracts and/or plans concerning reorganization of the Nisshin Seifun Group specify the issuance of the subscription rights to shares on the stock of any companies generated as a result of reorganization schemes as described below, such subscription rights to shares shall be issued according to the ratio of said reorganization.

(1) Merger, only if the Company ceases to exist.
The surviving company in the merger or a company established as a result of merger

(2) Corporate demerger through absorption
A company that is absorbed and inherits all or part of the rights and obligations the Company has concerning a particular business, as a result of corporate demerger

(3) Corporate demerger through establishment
A company newly established as a result of corporate demerger

(4) Stock exchange
A company that acquires all of the Company's shares issued and outstanding

(5) Stock transfer
A company established as a result of stock transfer

(2) Acquisitions of Treasury Stock

[Type of shares, etc.] Acquisitions of common stock according to Article 155, Paragraph 7 of the Companies Act

1. Stock acquisitions by resolution of the Ordinary General Meeting of Shareholders

There are no applicable matters to be reported.

2. Stock acquisitions by resolution of the Board of Directors

There are no applicable matters to be reported.

3. Stock acquisitions not based on resolutions of the Ordinary General Meeting of Shareholders or the Board of Directors

Item	Number of shares	Total value (yen)
Treasury stock acquired in the year ended March 31, 2014	320,104	28,149,936
Treasury stock acquired during the term	520	599,656

Notes:

1. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. Consequently, "Treasury stock acquired in the year ended March 2014" includes an increase of 295,074 shares from the stock split.
2. The treasury stock acquired during the term does not include shares acquired by purchasing sub-MTU (minimum trading unit) shares during the period from June 1, 2014, to the date of filing the original Japanese version of this report.

4. Disposals or holdings of acquired treasury stock

Item	Year ended March 31, 2014		During the term	
	Number of shares	Total value of disposals (yen)	Number of shares	Total value of disposals (yen)
Shares of acquired treasury stock that went on offer	—	—	—	—
Treasury stock retired	—	—	—	—
Shares of acquired treasury stock involved in transfers accompanying merger, share exchange or corporate demerger	—	—	—	—
Other				
(Exercise of subscription rights to shares)	126,100	127,573,500	94,600	96,055,300
(Sale upon request of sub-MTU share holdings)	902	1,066,858	—	—
Shares of treasury stock held	3,190,448	—	3,096,368	—

Note:

The number of shares of treasury stock held during the term reflect neither decreases in the shares of treasury stock as a result of the exercise of the subscription rights to shares between June 1, 2014, and the filing of the original Japanese version of this report, nor increases or decreases as a result of the purchase or sale upon request of sub-MTU share holdings.

(3) Dividend Policy

The Company aims to meet the expectations of shareholders to stably distribute profits, based on the current and future profitability of its business and the financial position, in addition to targeting a payout ratio of at least 30% on a consolidated basis.

In principle, the Company intends to pay dividends twice a year: interim and fiscal year-end. The Company's Articles of Incorporation prescribe that matters related to the payment of dividends may be decided by the Board of Directors, as well as the General Meeting of Shareholders according to the provision of Article 459, Paragraph 1 of the Companies Act, unless otherwise stipulated by law, and that the payment of interim dividends as provided for by Article 454, Paragraph 5 of the Companies Act may be effected by a resolution of the Board of Directors, with the date of record for such dividends being September 30.

On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. Regarding the annual dividend for the fiscal year ended March 31, 2014, there was no adjustment to the dividend per share in line with the stock split in order to enable an actual increase in dividend. Consequently, the Company paid a dividend of ¥20 per share, unchanged from the previous fiscal year. As a result, the dividend payout ratio for the fiscal year was 34.6% on a consolidated basis (50.8% on a non-consolidated basis) and the rate of dividends to net assets was 1.6% on a consolidated basis (2.0% on a non-consolidated basis).

The Company will allocate its retained earnings aggressively toward strategic investment in priority fields that offer the potential for growth and expansion outlined under its medium-term management plan, "NNI-120, Speed, Growth and Expansion." The Company thereby intends to raise its corporate value in the years ahead, while maintaining a policy of flexible distribution of profits to its shareholders.

Note:
Payment of dividends for which the date of record falls during the fiscal year ended March 31, 2014 is as follows.

Authorizing resolution	Total dividends (millions of yen)	Dividend per share (yen)
Resolution of the Board of Directors made on October 30, 2013	2,485	10
Resolution of the Ordinary General Meeting of Shareholders made on June 26, 2014	2,734	10

(4) Share Price Movements

1. Share price highs and lows in previous five years

Fiscal term	166th	167th	168th	169th	170th
Year-end	Mar. 2010	Mar. 2011	Mar. 2012	Mar. 2013	Mar. 2014
Intra-year high (yen)	1,294	1,234	1,036	1,355	1,368 ☐ 1,157
Intra-year low (yen)	985	824	893	855	1,030 ☐ 939

Notes:
1. Share-price highs and lows refer to market trading of the Company's shares listed on the First Section of the Tokyo Stock Exchange.
2. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. Figures marked "☐" denote highest and lowest ex-rights share price after the rights-off due to the stock split.

2. Share price highs and lows in the final six months of the most recent year

Month	Oct. 2013	Nov. 2013	Dec. 2013	Jan. 2014	Feb. 2014	Mar. 2014
Intra-month high (yen)	1,077	1,110	1,113	1,107	1,097	1,157
Intra-month low (yen)	979	1,012	1,032	1,015	980	1,076

Note:
Share-price highs and lows refer to market trading of the Company's shares listed on the First Section of the Tokyo Stock Exchange.

(5) Directors and Audit & Supervisory Board Members

Title	Position	Name	Date of birth	Abbreviated CV [Roles in parentheses signify head of function in addition to position as director or executive officer; [C] = current role]		Term of office	Share holding (thousands)
Representative Director and President		Hiroshi Oeda	March 12, 1957	Apr. 1980 Jun. 2008 Jun. 2008 Jun. 2009 Jun. 2010 Apr. 2011 Jul. 2011 Apr. 2012 Jun. 2012	Joined the Company Executive Officer Managing Director (Operations & Planning Division), Nisshin Flour Milling Inc. Director Senior Managing Director (Operations & Planning Division), Nisshin Flour Milling Inc. Director and President Director and President (Corporate Planning Division) Director and President, Nisshin Flour Milling Inc. [C] (Concurrent roles) Director and President [C]	Note 3	49
Director and Vice President		Kazuo Ikeda	September 14, 1947	Apr. 1971 Jun. 2002 Jun. 2003 Jun. 2004 Jun. 2004 Jun. 2009 Jun. 2011 Jun. 2012 Jun. 2012 Oct. 2012 Jun. 2014	Joined the Company Executive Officer Managing Director (Business Planning Division), Nisshin Foods Inc. Director Director and President, Nisshin Foods Inc.(Concurrent roles) Managing Director Senior Managing Director Director and Vice President [C] Director and Chairman, Nisshin Foods Inc. (Concurrent roles) Director and President, Nisshin Seifun Premix Inc. [C] (Concurrent roles) Director, Nisshin Foods Inc. [C]	Note 3	32
Managing Director	Division Executive, Finance and Accounting Division	Masao Nakagawa	August 17, 1953	Apr. 1977 Jun. 2008 Jun. 2008 Jun. 2009 Nov. 2009 Sep. 2011 Jun. 2012	Joined the Company Executive Officer Senior Managing Director, Nisshin Foods Inc. Senior Managing Director (Operations & Planning Division), Nisshin Foods Inc. Senior Managing Director (Operations & Planning Division and Business Planning Division), Nisshin Foods Inc. Senior Managing Director (Business Planning Division), Nisshin Foods Inc. Managing Director and Division Executive (Finance and Accounting Division) [C]	Note 3	16
Managing Director	Division Executive, General Administration Division	Michinori Takizawa	March 27, 1954	Apr. 1976 Jun. 2005 Jun. 2006 Jun. 2009 Jun. 2011 Jul. 2011 Jun. 2012 Jun. 2013	Joined the Company Executive Officer, Legal Affairs Group (General Administration Division) Executive Officer and General Manager, Legal Affairs Department (General Administration Division) Executive Officer and General Manager, Internal Control Department Executive Officer and Deputy General Manager (Corporate Planning Division) Executive Officer and Division Executive (Corporate Planning Division) Director and Division Executive (Corporate Planning Division) Managing Director and Division Executive (General Administration Division) [C]	Note 3	12

Title	Position	Name	Date of birth	Abbreviated CV [Roles in parentheses signify head of function in addition to position as director or executive officer; [C] = current role]		Term of office	Share holding (thousands)
Managing Director		Koichi Iwasaki	September 12, 1956	Apr. 1980 Jun. 2010 Jun. 2010 Jun. 2012 Jun. 2012 Jun. 2014	Joined the Company Executive Officer Managing Director (Sales Division), Nisshin Foods Inc. Director Director and President, Nisshin Foods Inc. [C] (Concurrent roles) Managing Director [C]	Note 3	11
Director	Division Executive, Research and Development, Quality Assurance Division	Takashi Harada	February 9, 1957	Apr. 1979 Jun. 2009 Jun. 2009 Jun. 2010	Joined the Company Executive Officer Director and Manager (Tsurumi Plant), Nisshin Flour Milling Inc. Director and Division Executive (R&D and Quality Assurance Division) [C]	Note 3	11
Director	Division Executive, Technology and Engineering Division	Yasuhiko Ogawa	February 13, 1952	Apr. 1974 Jun. 2007 Jun. 2007 Jun. 2012 Jun. 2013	Joined the Company Executive Officer Managing Director (Production Division), Nisshin Foods Inc. Executive Officer and General Manager, Engineering Department (Technology and Engineering Division) Director and Division Executive (Technology and Engineering Division) [C]	Note 3	5
Director	Division Executive, Corporate Planning Division	Akira Mori	December 16, 1956	Apr. 1979 Apr. 2006 Jun. 2006 Jun. 2010 Jun. 2012 Jun. 2013	Joined the Company Managing Director and General Manager, Accounting Department, Initio Foods Inc. Managing Director and General Manager, Administration Department, Initio Foods Inc. General Manager, Finance Department (Finance and Accounting Division) Executive Officer and General Manager, Finance Department (Finance and Accounting Division) Director and Division Executive (Corporate Planning Division) [C]	Note 3	6
Director		Masashi Nakagawa	February 19, 1955	Apr. 1978 Jun. 2007 Jun. 2009 Jun. 2011 Jun. 2012	Joined Oriental Yeast Co., Ltd. Managing Director (Food Business Division), Oriental Yeast Co., Ltd. Managing Director (In charge of Operations & Planning Division), Oriental Yeast Co., Ltd. Director and President, Oriental Yeast Co., Ltd. [C] Director [C]	Note 3	5
Director		Takao Yamada	September 27, 1960	Apr. 1983 Jun. 2011 Jun. 2012 Jun. 2013 Jun. 2013	Joined the Company Director and General Manager (Tokyo Sales Division), Nisshin Flour Milling Inc. Executive Officer Director [C] Managing Director (Sales Division), Nisshin Flour Milling Inc. [C]	Note 3	2

Title	Position	Name	Date of birth	Abbreviated CV [Roles in parentheses signify head of function in addition to position as director or executive officer; [C] = current role]		Term of office	Share holding (thousands)
Director		Nobuki Kemmoku	February 13, 1961	Apr. 1984	Joined the Company	Note 3	9
				Sep. 2011	Managing Director and General Manager, Administration Department, Nisshin Flour Milling Inc.		
				Jun. 2012	Executive Officer		
				Sep. 2012	Managing Director, Nisshin Flour Milling Inc.		
				Jun. 2013	Director [C]		
				Jun. 2013	Senior Managing Director, Nisshin Flour Milling Inc. [C]		
Director		Kiyoshi Sato	August 19, 1956	Apr. 1979	Joined the Company	Note 3	4
				Jun. 2008	Director and General Manager, Business Development Department, Nisshin Pharma Inc.		
				Feb. 2010	Director and Division Executive, Research and Development Division, Nisshin Pharma Inc.		
				Jun. 2014	Director [C]		
				Jun. 2014	Director and President, Nisshin Pharma Inc. [C]		
Director		Ariyoshi Okumura	February 15, 1931	Apr. 1955	Joined Industrial Bank of Japan, Limited (IBJ)	Note 3	1
				Jun. 1983	Director, IBJ		
				May 1987	Managing Director, IBJ		
				Feb. 1989	President, IBJ Asset Management Co., Ltd.		
				Jun. 1997	Director, Nippon Light Metal Co., Ltd.		
				Jul. 2000	Board Governor, International Corporate Governance Network		
				Jun. 2003	Audit & Supervisory Board Member		
				Jun. 2006	Director [C]		
Director		Akio Mimura	November 2, 1940	Apr. 1963	Joined Fuji Iron & Steel Co., Ltd.	Note 3	2
				Jun. 1993	Director, Nippon Steel Corporation		
				Apr. 1997	Managing Director, Nippon Steel Corporation		
				Apr. 2000	Representative Director & Executive Vice President, Nippon Steel Corporation		
				Apr. 2003	Representative Director & President, Nippon Steel Corporation		
				Jun. 2006	Audit & Supervisory Board Member		
				Apr. 2008	Representative Director & Chairman, Nippon Steel Corporation		
				Jun. 2009	Director [C]		
				Oct. 2012	Director & Senior Advisor, Nippon Steel & Sumitomo Metal Corporation		
				Jun. 2013	Senior Advisor, Nippon Steel & Sumitomo Metal Corporation		
				Nov. 2013	Senior Advisor and Honorary Chairman, Nippon Steel & Sumitomo Metal Corporation [C]		
Audit & Supervisory Board Member	Full-time	Yasuhiko Masaki	October 16, 1956	Apr. 1979	Joined the Company	Note 4	2
				Jun. 2009	Secretariat & General Manager, Secretarial Office (General Administration Division)		
				Jun. 2013	Audit & Supervisory Board Member [C]		
Audit & Supervisory Board Member	Full-time	Kazuya Yoshinare	August 30, 1954	Apr. 1977	Joined the Company	Note 5	15
				Jun. 2011	General Manager, Internal Control Department		
				Jun. 2014	Audit & Supervisory Board Member [C]		
Audit & Supervisory Board Member		Tetsuo Kawawa	June 15, 1947	Apr. 1975	Admitted in Japan as attorney-at-law	Note 6	—
				Apr. 1996	Managing Partner, Kawawa Law Offices [C]		
				Aug. 2002	Member of Legislative Council of the Ministry of Justice (Modernization of Company Act)		
				Sep. 2002	Specially designated member of the Judicial System Research Board, Japan Federation of Bar Associations [C]		
				Jun. 2007	Audit & Supervisory Board Member [C]		

Title	Position	Name	Date of birth	Abbreviated CV [Roles in parentheses signify head of function in addition to position as director or executive officer; [C] = current role]		Term of office	Share holding (thousands)
Audit & Supervisory Board Member		Kazuhiko Fushiya	January 26, 1944	Apr. 1967	Joined the Ministry of Finance (MOF)	Note 4	—
				Jul. 1999	Commissioner, National Tax Agency		
				Jul. 2001	Deputy Governor, National Life Finance Corporation		
				Jul. 2002	Assistant Chief Cabinet Secretary		
				Jan. 2006	Commissioner, Board of Audit of Japan		
				Feb. 2008	President, Board of Audit of Japan		
				Jan. 2009	Retirement from Board of Audit of Japan		
				Jun. 2009	Audit & Supervisory Board Member [C]		
Audit & Supervisory Board Member		Satoshi Itoh	July 25, 1942	Jan. 1967	Joined Tokyo Office of Arthur Andersen & Co.	Note 5	—
				Dec. 1970	Qualified as a Certified Public Accountant in Japan		
				Sep. 1978	Partner, Arthur Andersen & Co.		
				Oct. 1993	Representative Partner, Asahi & Co (current KPMG AZSA LLC), a member firm of Arthur Andersen & Co., SC		
				Aug. 2001	Managing Partner, Itoh CPA Office [C]		
				Apr. 2002	Professor, Chuo University, Graduate School of International Accounting		
				Mar. 2007	Retirement from Chuo University		
				Jun. 2010	Audit & Supervisory Board Member [C]		
Total							189

Notes:

1. Directors Ariyoshi Okumura and Akio Mimura are Outside Directors.
2. Audit & Supervisory Board Member s Tetsuo Kawawa, Kazuhiko Fushiya and Satoshi Itoh are Outside Audit & Supervisory Board Members.
3. The term of office began when elected at the Ordinary General Meeting of Shareholders on June 26, 2014, and ends at the closing of the Ordinary General Meeting of Shareholders concerning the fiscal year ending March 31, 2015.
4. The term of office began when elected at the Ordinary General Meeting of Shareholders on June 26, 2013, and ends at the closing of the Ordinary General Meeting of Shareholders concerning the fiscal year ending March 31, 2017.
5. The term of office began when elected at the Ordinary General Meeting of Shareholders on June 26, 2014, and ends at the closing of the Ordinary General Meeting of Shareholders concerning the fiscal year ending March 31, 2018.
6. The term of office began when elected at the Ordinary General Meeting of Shareholders on June 28, 2011, and ends at the closing of the Ordinary General Meeting of Shareholders concerning the fiscal year ending March 31, 2015.

(6) Corporate Governance and Other Matters

1. Corporate governance

This section provides an overview of corporate governance at the Nisshin Seifun Group. All data are accurate as of the date of filing the original Japanese version of this report (June 26, 2014).

(1) Corporate governance systems

(Basic policy on corporate governance)

The Company views the basic purpose of corporate governance as one of ensuring the transparency of the management of the business for the benefit of shareholders and other stakeholders. To that end, the Company aims to build and maintain effective functional management structures that promote accelerated decision-making. Other goals of corporate governance are to raise operational efficiency while seeking to clarify management responsibilities.

The organizational structure and systems of the Nisshin Seifun Group are designed to strengthen corporate governance functions and to promote efficient management. The Company has adopted a holding company structure under which the holding company Nisshin Seifun Group Inc. oversees and evaluates the actions of operating companies with the best interests of shareholders in mind. The Board of Directors is organized along functional lines to promote swifter and more effective decision-making. The statutory functions of Audit & Supervisory Board Members and independent accounting auditors have been reinforced and are augmented by systematic, specialized internal audits covering areas such as facilities, safety, environmental protection and quality assurance, along with a systematic evaluation of internal control systems.

The Nisshin Seifun Group Inc. has adopted the Audit & Supervisory Board Members system. The Audit & Supervisory Board Members attend important meetings, such as the meetings of the Board of Directors, and also maintain separate, regular channels of communication with Representative Directors. These activities facilitate the general auditing oversight of the business.

(Description of the Company’s corporate governance systems and reasons for adopting such systems)

1) Reasons for adopting a holding company structure

The Company adopts the holding company structure to enable the strategic and effective utilization of the Group’s business resources, while ensuring good governance of the entire Group’s management. The holding company structure enables the Company to make timely and appropriate managerial decisions and to perform operations in a functional manner and with clear responsibilities.

2) Management system

The Company appoints two Outside Directors, who provide opinions at meetings of the Board of Directors from an independent and third-party viewpoint. The Company adopts the Executive Officer system to expedite the execution of business operations. In addition to the Board of Directors as a body for making managerial decisions and supervising operational execution, the Company has the Group Management Meeting, which mainly consists of Directors and Audit & Supervisory Board Members who discuss and exchange opinions as to important matters regarding the management of the Nisshin Seifun Group and the group companies. The Group Management Meeting meets twice a month, in principle, and whenever the need arises, to assist the Board of Directors in making decisions.

3) Auditing system

The Company has the Audit & Supervisory Board, consisting of five Audit & Supervisory Board Members. The Audit & Supervisory Board Members attend important meetings, including those of the Board of Directors, and hold regular meetings with the Company’s Representative Directors, according to the Board’s auditing standards and audit plans. Two of the Audit & Supervisory Board Members work on a full-time basis and concurrently serve as the Audit & Supervisory Board Members of the Nisshin Seifun Group’s major subsidiaries. These subsidiaries have their own Audit & Supervisory Board Members (Full-time), who attend the regular meetings of Audit & Supervisory Board Members’ Liaison Committee of the Nisshin Seifun Group. To further enhance the Group’s auditing structure, there are four audit & supervisory board member assistants to assist the auditing by the Audit & Supervisory Board Members. The Company and its major subsidiaries have an independent auditing contract with Ernst & Young ShinNihon LLC, which conducts audits as stipulated in the Companies Act and the Financial Instruments and Exchange Law under that contract.

4) Reasons for adopting the corporate governance systems

To maximize the effect of the holding company structure, the Company's Board of Directors consist of i) Directors who belong exclusively to the holding company and evaluate and oversee the actions of operating companies from the viewpoint of shareholders, ii) Directors who concurrently hold the position of managing major operating companies, being familiar with the market environment and having experienced management skills for those businesses, and iii) Outside Directors who are in a position to oversee the management of the Company from an independent and third-party viewpoint and based on the accumulated experience and knowledge in their respective career fields. This organization ensures the transparency of management for all stakeholders and the responsible execution of managerial duties. The Outside Directors deliver opinions based on the accumulated experience and knowledge in their respective career fields at meetings of the Board of Directors. Their opinions are delivered from the same viewpoint as the Company's shareholders and the general society surrounding the Company, and such opinions are extremely important for examining the management of the Company.

(Outline of a limited liability contract)

Pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, the Company holds a limited liability contract with its Outside Directors and Outside Audit & Supervisory Board Members to the effect that the maximum amount of liability as stipulated in Article 423, Paragraph 1 of the Companies Act shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act, as long as they perform their duties in good faith and without gross negligence.

(Basic policy on internal control systems and status)

The internal control systems of the Company establish the hierarchical command structure and clarify authority and responsibility while putting in place management control of department heads or managers in operational departments, internal checks between departments (i.e. operations division and accounting division), as well as the following systems.

1) Systems for ensuring the compliance of the performance of directors' and employees' duties with laws and the Articles of Incorporation

(a) The Company has formulated the Nisshin Seifun Group Corporate Code of Conduct and Employee Action Guidelines. The presidents and directors of the Nisshin Seifun Group Inc. and other group companies recognize their duty to comply with said Code and Guidelines, and shall take the lead in following said rules and publicizing them to the people concerned. Said presidents and directors shall also endeavor to grasp internal and external opinion at all times, and adjust their internal systems accordingly to enhance their effectiveness, while promoting corporate ethics throughout their companies.

(b) The Social Committee shall address all Nisshin Seifun Group's corporate social responsibility (CSR) issues by discussing a comprehensive range of CSR issues, including corporate ethics and compliance, promoting practical CSR measures, providing education on CSR throughout the Group and ensuring recognition of and compliance with laws, the Articles of Incorporation and social norms.

(c) The Nisshin Seifun Group shall not bow to unreasonable demands of antisocial forces that could threaten the order and safety of civil society and shall take organized countermeasures in collaboration with specialized institutions.

(d) The Company shall operate and maintain the Compliance Hotline, which was established as a measure for employees, etc., to directly report any acts of non-compliance so that such acts can be early detected and dealt with.

(e) The Audit & Supervisory Board Members shall audit the performance of duties by directors, and oversee directors to verify whether they construct and operate systems for internal control in an appropriate manner.

(f) The Internal Control Department, directly supervised by representative directors, shall lead to enhance and operate the internal control systems of the Nisshin Seifun Group. As an independent organization, the Internal Control Department shall evaluate the internal control systems of the Nisshin Seifun Group Inc. and perform internal audits of the Group's business operations.

2) Systems for ensuring the preservation and management of information in relation to the directors' performance of their duties

The minutes of Board of Directors' meetings, request for managerial decision, and other documents and information relating to the directors' performance of their duties shall be preserved and managed appropriately as confidential information in accordance with the relevant regulations.

3) Rules and systems for managing the danger of loss

(a) For issues concerning business operations, approval and reporting procedures shall be determined according to their level of importance, impact, etc., and evaluation of such issues, including risk assessment thereof, shall be made in advance.

(b) In line with the Nisshin Seifun Group Risk Management Rules, the Risk Management Committee shall supervise the overall risk management efforts of the Nisshin Seifun Group by confirming and providing guidance to ensure that the Group's operating companies have appropriate control over the risks that are recognized, analyzed, and evaluated by themselves, and that no risks are left unnoticed.

(c) In line with the Nisshin Seifun Group Crisis Control Rules, any emergence of crises or fear thereof shall be reported to a specified contact within the Nisshin Seifun Group to ensure the early detection and handling of the danger of loss. Should crises occur, countermeasures headquarters shall be immediately set up to handle them in an appropriate manner to minimize damages.

(d) The Audit & Supervisory Board Members shall take the necessary measures, such as advice and recommendation, whenever they recognize the possibility that directors may bring about a significant loss or serious accidents.

4) Systems for ensuring that directors' duties are performed efficiently

(a) The number of directors is kept small, under the holding company system.

(b) The range of responsibility and authority is clarified, for example, by identifying matters to be resolved by and reported to the Board of Directors and matters of request for approval of presidents and directors in charge. This enables directors to perform their duties in a prompt and appropriate manner.

(c) The Nisshin Seifun Group clarifies its business strategies and their potential direction, according to which the Group's operating companies formulate their profit plans on a yearly basis. The term of office of directors shall be one year to clarify their responsibilities. The Board of Directors reviews business performance on a monthly basis, and discusses and implements measures to improve performance.

5) Systems for ensuring that proper business operations are conducted within the group of companies that consists of the Company and its subsidiaries

(a) The Nisshin Seifun Group has adopted a holding company structure under Nisshin Seifun Group Inc. whereby the holding company., constantly oversees and evaluates the actions of operating companies with the best interests of the shareholders in mind.

(b) For important issues concerning the business operations of subsidiaries, the standards, which are based on submissions for discussion or report to the Board of Directors, are determined.

(c) The Corporate Principle, the Basic Management Policy, the Basic Attitude toward Stakeholders, the Corporate Code of Conduct and the Employee Action Guidelines for the Nisshin Seifun Group are stipulated, and awareness of these throughout the Group is promoted.

(d) The procedures and methods for creation of the Group's financial reports, including the consolidated financial statements, are stipulated to eliminate wrongful acts and errors and ensure the reliability of such reports.

(e) The Audit & Supervisory Board Members of the Nisshin Seifun Group Inc. and the Group's operating companies hold regular meetings of Audit & Supervisory Board Members ' Liaison Committee of the Nisshin Seifun Group to exchange opinions on audit cases, etc., and share issues to be addressed.

(f) Special audits, such as of facilities, safety, environment and quality assurance are provided for the Nisshin Seifun Group, Inc., and its subsidiaries

(g) The Internal Control Department, directly supervised by representative directors, shall lead to enhance and operate the internal control systems of the Nisshin Seifun Group. As an independent organization, the Internal Control Department shall evaluate the internal control systems of the Nisshin Seifun Group and perform internal audits of the Group's business operations.

(h) The subsidiaries of the Nisshin Seifun Group have their own Internal Control Committee, headed by the president, which leads efforts to enhance and operate their internal control systems and makes reports thereon.

6) Provisions concerning the individuals assisting the Audit & Supervisory Board Members in performing their duties and their independence from directors

The Audit & Supervisory Board appoints audit & supervisory board members assistants who assist the Audit & Supervisory Board Members in performing their duties. The audit & supervisory board member assistants assist the Audit & Supervisory Board Members in performing audits under the direction of the Audit & Supervisory Board Members, and personnel changes concerning the audit & supervisory board member assistants require the consent of the Audit & Supervisory Board Members.

7) Systems for directors' and employees' reporting to Audit & Supervisory Board Members and other forms of reporting to Audit & Supervisory Board Members

(a) The Audit & Supervisory Board Members attend the meetings of the Board of Directors and other important meetings, including meetings of the Group Management Meeting, the Credit Management Committee and the Normative Ethics Committee, and state their opinions as appropriate.

(b) The Audit & Supervisory Board may ask for reporting from the independent accounting auditors, the Directors, the Internal Control Department and others at its meetings, whenever such necessity arises.

(c) When Directors recognize anything that could cause remarkable damage or serious accidents to their respective companies, they shall immediately report that to the Audit & Supervisory Board Members.

(d) Any information obtained through the Compliance Hotline is reported immediately to the Audit & Supervisory Board Members.

(e) Documents for taking over the duties of the executive managers of the Company's divisions and the presidents of its subsidiaries and affiliates are submitted to the Audit & Supervisory Board.

(f) All requisitions are transmitted to the Audit & Supervisory Board Members.

8) Other systems for ensuring that the audits by Audit & Supervisory Board Members are conducted efficiently

The Audit & Supervisory Board Members hold regular meetings with Representative Directors, and exchange opinions on prospective challenges and risks for the Company, as well as the status of the environment for audits by the Audit & Supervisory Board Members and other important auditing issues.

<Basic policy and status of efforts for elimination of antisocial forces>

The Nisshin Seifun Group shall not bow to unreasonable demands of antisocial forces that could threaten the order and safety of civil society and shall take organized countermeasures in collaboration with specialized institutions. The Group's detailed efforts to achieve this are as follows.

(a) The Nisshin Seifun Group Corporate Code of Conduct and Employee Action Guidelines calls for a resolute attitude to reject unreasonable demands from antisocial forces.

(b) Within the Nisshin Seifun Group Inc., an office for control of countermeasures against unreasonable demands and a person responsible for the rejection of such demands are provided to collect information about antisocial forces and to take organized countermeasures in collaboration with specialized institutions. In addition, educational opportunities on ethics and compliance are provided to have the organized countermeasures effectively in place throughout the Group.

(Status of risk management systems)

As mentioned in "Basic policy on internal control systems and status" above, the Group has risk management systems as follows.

To ensure that the Company fulfills its social responsibilities, the Nisshin Seifun Group has formulated the Nisshin Seifun Group Corporate Code of Conduct and Employee Action Guidelines. The Company undertakes Group-wide training and other educational activities to ensure that all employees understand and abide by this code of conduct. Environmental and other specialist audits are undertaken as a further check of the code's effectiveness. The Company has also established a Compliance Hotline System that allows employees to communicate directly with external legal counsel or internal departments regarding any compliance-related matters.

Separately, the Nisshin Seifun Group has established the Nisshin Seifun Group Risk Management Rules and the Crisis Control Rules to prevent crisis occurrence and ensure that appropriate actions are taken in the event of any such emergency, as well as to give clear definitions of risk management and crisis. The Company has also set up the Risk Management Committee as a center for overseeing the efforts of risk management throughout the Nisshin Seifun Group. All Nisshin Seifun Group employees are obliged to report any crisis to the Company's call center so that the information can be relayed swiftly to senior management. The system aims to ensure that any damage caused is minimal due to prompt initial action.

(2) Status of internal audits and audits by the Audit & Supervisory Board Members

Within the Company's internal control systems, the Internal Control Department and the expert personnel in charge of audits covering specialized areas such as facilities, safety, environmental protection and quality assurance are responsible for overseeing internal audits of the Nisshin Seifun Group companies. Currently, the Internal Control Department has a staff of 17 people and the expert personnel teams comprise 10 people for facility/safety audits, five people for environmental audits and six people for quality assurance audits.

All five Audit & Supervisory Board Members sit on the Audit & Supervisory Board and conduct financial audits in line with auditing standards and plans formulated by the Board of Audit & Supervisory Board Members. Two of the Audit & Supervisory Board Members are Audit & Supervisory Board Members (Full-time), and their duties also include acting as audit & supervisory board members for major Nisshin Seifun Group subsidiaries. In addition, the Audit & Supervisory Board appoints four audit & supervisory board member assistants who assist the Audit & Supervisory Board Members in performing their duties.

Audit & Supervisory Board Member Kazuya Yoshinare has experience in accounting and finance work. Audit & Supervisory Board Member Satoshi Itoh has the qualification of Certified Public Accountant (CPA).

The Audit & Supervisory Board Members share audit results with the Internal Control Department. The Audit & Supervisory Board Members of the major subsidiaries and the teams consisting of specialist auditing personnel also report their audit results both to the Internal Control Department and to the Audit & Supervisory Board Members to aid cooperative efforts. In addition, the Audit & Supervisory Board Members, the subsidiary Audit & Supervisory Board Members and the Internal Control Department convene regular meetings of Audit & Supervisory Board Members' Liaison Committee of the Nisshin Seifun Group. These meetings provide a forum to exchange opinions, discuss issues and share related information, thereby contributing to higher internal audit quality across the Nisshin Seifun Group.

The Company and its major subsidiaries have an independent auditing contract with Ernst & Young ShinNihon LLC, which conducts audits as stipulated in the Companies Act and the Financial Instruments and Exchange Law under that contract. Audit & Supervisory Board Members and the subsidiary Audit & Supervisory Board Members hold regular meetings with Ernst & Young ShinNihon LLC to review financial audit plans and results. These meetings also provide a forum to explain specific audit items and to exchange information.

Audit & Supervisory Board Members also hold regular meetings with the Representative Directors and the Directors in charge of administrative and legal affairs and accounting and financial matters to exchange opinions on important auditing issues.

(3) Outside Directors and Outside Audit & Supervisory Board Members

The Company has two Outside Directors and three Outside Audit & Supervisory Board Members.

There are no business relationships equivalent to those with the Company's major business partners or customers between the Company and any of the Outside Directors, the Outside Audit & Supervisory Board Members and the organizations they belong to. Furthermore, they do not have vested interests in each other, and have no other relationships, such as personnel and capital.

Outside Directors Ariyoshi Okumura and Akio Mimura provide appropriate advice on and supervise the Company's execution of business operations from an independent standpoint. Outside Audit & Supervisory Board Members Tetsuo Kawawa, Kazuhiko Fushiya and Satoshi Itoh perform audits of the Company's management from an objective and independent viewpoint.

Ariyoshi Okumura was regarded as appropriate for the position of Outside Director because his opinions are based on his many years of experience in the business world and international organizations and his leadership position in the field of corporate governance in Japan. Akio Mimura was regarded as appropriate for the position of Outside Director because his extensive experience and insight as a corporate manager were believed to enable him to provide appropriate advice on and supervision of the Company's execution of business operations. Tetsuo Kawawa was regarded as appropriate for the position of Outside Audit & Supervisory Board Member because his extensive knowledge and experience as an attorney at law were believed to help enhance the Company's auditing systems in terms of legal compliance. Kazuhiko Fushiya was regarded as appropriate for the position of Outside Audit & Supervisory Board Member because he held important positions in the Ministry of Finance and has accumulated extensive experience and possesses highly professional expertise. Satoshi Itoh was regarded as appropriate for the position of Outside Audit & Supervisory Board Member because he has considerable auditing experience as a Certified Public Accountant and considerable professional knowledge on financial and accounting matters.

With respect to the independence of Outside Directors and Outside Audit & Supervisory Board Members, decisions have been made regarding whether there is no conflict of interest with respect to general shareholders, after taking into consideration the determination criteria relating to independence announced by the Tokyo Stock Exchange. The determination criteria include not to hold concurrent positions of operating executives of the parent company or fellow subsidiary, not to hold concurrent positions of operating executives of a business partner or engage in major transactions with same, not to receive substantial amounts of money or financial assets other than remuneration paid by the Company as a consultant and other positions and not to be a close family members of any of the aforementioned.

Contact with the Outside Directors and Outside Audit & Supervisory Board Members is made through the Secretarial Section, which arranges collaborations with the Company’s applicable sections or departments so that necessary explanations are provided about the proposals to be presented to the Board of Directors. Based on such preparative arrangements, the Outside Directors and Outside Audit & Supervisory Board Members attend meetings of the Board of Directors and express their opinions and ask questions about the matters reported and resolved at the meetings. In addition, the Outside Audit & Supervisory Board Members receive reports on the status of audits from the Audit & Supervisory Board Members (Full-time) at Audit & Supervisory Board, as well as attending regular meetings with Ernst & Young ShinNihon LLC.

(4) Remuneration of executives

a. Total amounts of remuneration paid to the Company's executives are as specified below.

Category of executives	Total amounts of remuneration (millions of yen)	Total amounts by category of remuneration (millions of yen)			Number of eligible executives
		Basic remuneration	Stock options	Bonuses	
Directors (excluding Outside Directors)	244	173	12	58	16
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	29	29	—	—	3
Outside executives	47	46	1	—	5

b. The total amounts of remuneration paid to individual executives of the Company

This information is not disclosed because there were no individual executives who received remuneration of ¥100 million or more.

c. The amounts of remuneration for executives and the policy and method of determining such amounts

By a resolution at the 162nd Ordinary General Meeting of Shareholders held on June 28, 2006, the Company set the maximum annual amounts of remuneration for Directors and Audit & Supervisory Board Members at ¥350 million and ¥90 million, respectively. The amounts of remuneration for individual Directors and Audit & Supervisory Board Members are determined by the Board of Directors and the Audit & Supervisory Board, respectively. The remuneration for the Company's executives consists of a fixed basic portion according to his/her position and a variable performance-based portion.

(5) Status of stocks held

a. Stocks for investment held for any purpose other than pure investment

Number of such stocks held: 50

Total of the carrying value: ¥58,191 million

b. Holding classification, issuer, number of shares held, carrying value, and purposes for ownership of the stocks for investment held for any purpose other than pure investment

(Previous year)

Specific stocks for investment

Issuer	Number of shares held	Carrying value (millions of yen)	Purposes for ownership
Yamazaki Baking Co., Ltd.	11,062,343	13,031	The Group sells merchandise and products to the issuer (including its group companies), and this stock ownership is designed to maintain and expand such business transactions (including indirect ones).
Mitsubishi Corporation	3,038,474	5,557	As above
NISSIN FOODS HOLDINGS CO., LTD.	1,264,982	5,134	The Group sells merchandise and products to the issuer’s group companies, and this stock ownership is designed to maintain and expand such business transactions (including indirect ones).
Sumitomo Corporation	4,180,244	5,028	The Group sells merchandise and products to the issuer (including its group companies), and this stock ownership is designed to maintain and expand such business transactions (including indirect ones).
Sumitomo Mitsui Financial Group, Inc.	674,394	2,648	There is a relationship of financial transactions between the Group and the issuer’s group companies, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
Mitsubishi UFJ Financial Group, Inc.	4,727,150	2,628	As above
Marubeni Corporation	3,135,511	2,270	The Group sells merchandise and products to the issuer (including its group companies), and this stock ownership is designed to maintain and expand such business transactions (including indirect ones).
Hosokawa Micron Corporation	2,500,000	2,000	This stock ownership is designed to solidify the business alliance concerning the powder-processing machine and plant engineering businesses between the Group and the issuer.
KYORIN Holdings, Inc.	754,000	1,731	The Group sells merchandise and products to the issuer’s group companies, and this stock ownership is designed to maintain and expand such business transactions.
Nichirei Corporation	3,216,500	1,730	The Group sells merchandise and products to the issuer’s group companies, and this stock ownership is designed to maintain and expand such business transactions (including indirect ones).
Nippon Express Co., Ltd.	3,208,000	1,456	There is a relationship of logistics transactions between the Group and the issuer (including its group companies), and this stock ownership is designed to maintain and expand such business transactions.
Toppan Printing Co., Ltd.	1,895,000	1,258	There is a relationship of purchasing transactions for packaging materials and other products between the Group and the issuer (including its group companies), and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
Suruga Bank, Ltd.	833,910	1,240	There is a relationship of financial transactions between the Group and the issuer, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
Eurogerm S.A.	634,580	1,152	This stock ownership is designed to solidify the business alliance concerning bread improvers and others in Asia between the Group and the issuer.
Kikkoman Corporation	660,486	1,014	The Group sells merchandise and products to the issuer’s group companies, and this stock ownership is designed to maintain and expand such business transactions (including indirect ones).

Issuer	Number of shares held	Carrying value (millions of yen)	Purposes for ownership
SHIMIZU CORPORATION	2,947,000	910	There is a contract relationship of construction and maintenance transactions between the Group and the issuer, and this stock ownership is designed to maintain and expand such business transactions.
The Gunma Bank, Ltd.	1,507,620	814	There is a relationship of financial transactions between the Group and the issuer, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
Sumitomo Mitsui Trust Holdings, Inc.	1,920,337	812	There is a relationship of financial transactions between the Group and the issuer's group companies, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
Nisshinbo Holdings Inc.	1,139,800	764	The Group sells merchandise and products to the issuer's group companies, and this stock ownership is designed to maintain and expand such business transactions (including indirect ones).
The Hyakugo Bank, Ltd.	1,360,013	614	There is a relationship of financial transactions between the Group and the issuer, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
Hakuhodo DY Holdings Inc.	73,460	541	This ownership is designed to effectively engage in advertising and promotion activities of the Group through group companies of the issuer.
Oriental Land Co., Ltd.	30,000	451	The Group sells merchandise and products to the issuer, and this stock ownership is designed to maintain and expand such business transactions (including indirect ones).
DENTSU INC.	130,400	382	This ownership is designed to effectively engage in advertising and promotion activities of the Group through the issuer (including group companies).
Mizuho Financial Group, Inc.	1,311,693	271	There is a relationship of financial transactions between the Group and the issuer's group companies, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
The Awa Bank, Ltd.	371,865	214	There is a relationship of financial transactions between the Group and the issuer, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
Tokio Marine Holdings, Inc.	59,770	165	There is a relationship of insurance transactions between the Group and the issuer's group companies, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
The 77 Bank, Ltd.	212,608	105	There is a relationship of financial transactions between the Group and the issuer, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
NKSJ Holdings, Inc.	43,312	89	There is a relationship of insurance transactions between the Group and the issuer's group companies, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
The Nisshin OilliO Group, Ltd.	254,100	88	The Group and the issuer (including its group companies) have a relationship of purchasing materials and others, and this stock ownership is designed to maintain and expand such business relationship.
The Chiba Bank, Ltd.	127,338	82	There is a relationship of financial transactions between the Group and the issuer, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.

(Current year)

Specific stocks for investment

Issuer	Number of shares held	Carrying value (millions of yen)	Purposes for ownership
Yamazaki Baking Co., Ltd.	11,062,343	12,644	The Group sells merchandise and products to the issuer (including its group companies), and this stock ownership is designed to maintain and expand such business transactions (including indirect ones).
Mitsubishi Corporation	3,038,474	5,803	As above
NISSIN FOODS HOLDINGS CO., LTD.	1,264,982	5,662	The Group sells merchandise and products to the issuer’s group companies, and this stock ownership is designed to maintain and expand such business transactions (including indirect ones).
Sumitomo Corporation	4,180,244	5,497	The Group sells merchandise and products to the issuer (including its group companies), and this stock ownership is designed to maintain and expand such business transactions (including indirect ones).
Sumitomo Mitsui Financial Group, Inc.	674,394	2,974	There is a relationship of financial transactions between the Group and the issuer’s group companies, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
Mitsubishi UFJ Financial Group, Inc.	4,727,150	2,409	As above
Marubeni Corporation	3,135,511	2,219	The Group sells merchandise and products to the issuer (including its group companies), and this stock ownership is designed to maintain and expand such business transactions (including indirect ones).
Nichirei Corporation	4,316,500	1,933	The Group sells merchandise and products to the issuer’s group companies, and this stock ownership is designed to maintain and expand such business transactions (including indirect ones).
KYORIN Holdings, Inc.	754,000	1,574	The Group sells merchandise and products to the issuer’s group companies, and this stock ownership is designed to maintain and expand such business transactions.
SHIMIZU CORPORATION	2,947,000	1,573	There is a contract relationship of construction and maintenance transactions between the Group and the issuer, and this stock ownership is designed to maintain and expand such business transactions.
Nippon Express Co., Ltd.	3,208,000	1,568	There is a relationship of logistics transactions between the Group and the issuer (including its group companies), and this stock ownership is designed to maintain and expand such business transactions.
Hosokawa Micron Corporation	2,500,000	1,505	This stock ownership is designed to solidify the business alliance concerning the powder-processing machine and plant engineering businesses between the Group and the issuer.
Suruga Bank, Ltd.	833,910	1,481	There is a relationship of financial transactions between the Group and the issuer, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
Toppan Printing Co., Ltd.	1,895,000	1,390	There is a relationship of purchasing transactions for packaging materials and other products between the Group and the issuer (including its group companies), and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
Eurogerm S.A.	634,580	1,365	This stock ownership is designed to solidify the business alliance concerning bread improvers and others in Asia between the Group and the issuer.
Kikkoman Corporation	660,486	1,268	The Group sells merchandise and products to the issuer’s group companies, and this stock ownership is designed to maintain and expand such business transactions (including indirect ones).
Nisshinbo Holdings Inc.	1,139,800	997	The Group sells merchandise and products to the issuer’s group companies, and this stock ownership is designed to maintain and expand such business transactions (including indirect ones).
Sumitomo Mitsui Trust Holdings, Inc.	1,920,337	879	There is a relationship of financial transactions between the Group and the issuer’s group companies, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.

Issuer	Number of shares held	Carrying value (millions of yen)	Purposes for ownership
The Gunma Bank, Ltd.	1,507,620	817	There is a relationship of financial transactions between the Group and the issuer, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
The Hyakugo Bank, Ltd.	1,360,013	541	As above
Hakuhodo DY Holdings Inc. (Note)	734,600	540	This ownership is designed to effectively engage in advertising and promotion activities of the Group through group companies of the issuer.
DENTSU INC.	130,400	501	This ownership is designed to effectively engage in advertising and promotion activities of the Group through the issuer (including group companies).
Kewpie Corporation	341,000	495	The Group and the issuer (including its group companies) have a relationship of purchasing materials and others, and this stock ownership is designed to maintain and expand such business relationship.
Mizuho Financial Group, Inc.	1,311,693	267	There is a relationship of financial transactions between the Group and the issuer’s group companies, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
The Awa Bank, Ltd.	371,865	190	There is a relationship of financial transactions between the Group and the issuer, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
Tokio Marine Holdings, Inc.	59,770	180	There is a relationship of insurance transactions between the Group and the issuer’s group companies, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
Oriental Land Co., Ltd.	10,000	153	The Group sells merchandise and products to the issuer, and this stock ownership is designed to maintain and expand such business transactions (including indirect ones).
NKSJ Holdings, Inc.	43,312	109	There is a relationship of insurance transactions between the Group and the issuer’s group companies, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
The 77 Bank, Ltd.	212,608	95	There is a relationship of financial transactions between the Group and the issuer, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.
The Nisshin OilliO Group, Ltd.	254,100	85	The Group and the issuer (including its group companies) have a relationship of purchasing materials and others, and this stock ownership is designed to maintain and expand such business relationship.

Note:
On October 1, 2013, Hakuhodo DY Holdings Inc. conducted a 1-for-10 stock split of shares of common stock.

c. The total amounts of stocks held solely for pure investment carried on the balance sheets for the fiscal years ended March 31, 2013 and 2014, as well as the total amounts of dividends income associated with such stocks, and gains and losses on sale and revaluation of such stocks

There are no applicable matters to be reported.

(6) Certified Public Accountants who lead the accounting audit

The Company and its major subsidiaries have an independent auditing contract with Ernst & Young ShinNihon LLC, which conducts audits as stipulated in the Companies Act and the Financial Instruments and Exchange Law under that contract. The Certified Public Accountants who lead the independent audit of the accounts for the Company are Shoji Hoshino, Hiroshi Kaya and Tomoka Nemoto. The support staff for the auditing team (including audits of consolidated subsidiaries) consists of 20 CPAs and 22 assistant accountants and others.

(7) The quorum of Directors

The Company's Articles of Incorporation prescribe that the Company's quorum of Directors be not more than 15.

(8) Requirements for a resolution on the appointment of Directors

The Company's Articles of Incorporation prescribe that a resolution on the appointment of Directors be adopted by a majority of the voting rights of shareholders attending the General Meeting of Shareholders who collectively hold one-third or more of all voting rights, and that cumulative voting not be applied to pass a resolution on the appointment of Directors.

(9) The bodies that make a decision on the payment of dividends, etc.

To enable the Company to maintain a dynamic capital stance, the Company's Articles of Incorporation prescribe that matters specified in all items of Article 459, Paragraph 1 of the Companies Act, including those related to the payment of dividends, may be decided by the Board of Directors, as well as the General Meeting of Shareholders, unless otherwise stipulated by law.

(10) The body that makes a decision on the payment of interim dividends

To enable the expeditious return of profits to shareholders, the Company's Articles of Incorporation prescribe that the payment of interim dividends as stipulated in Article 454, Paragraph 5 of the Companies Act, for which the date of record is September 30 each year, may be enabled by a resolution of the Board of Directors.

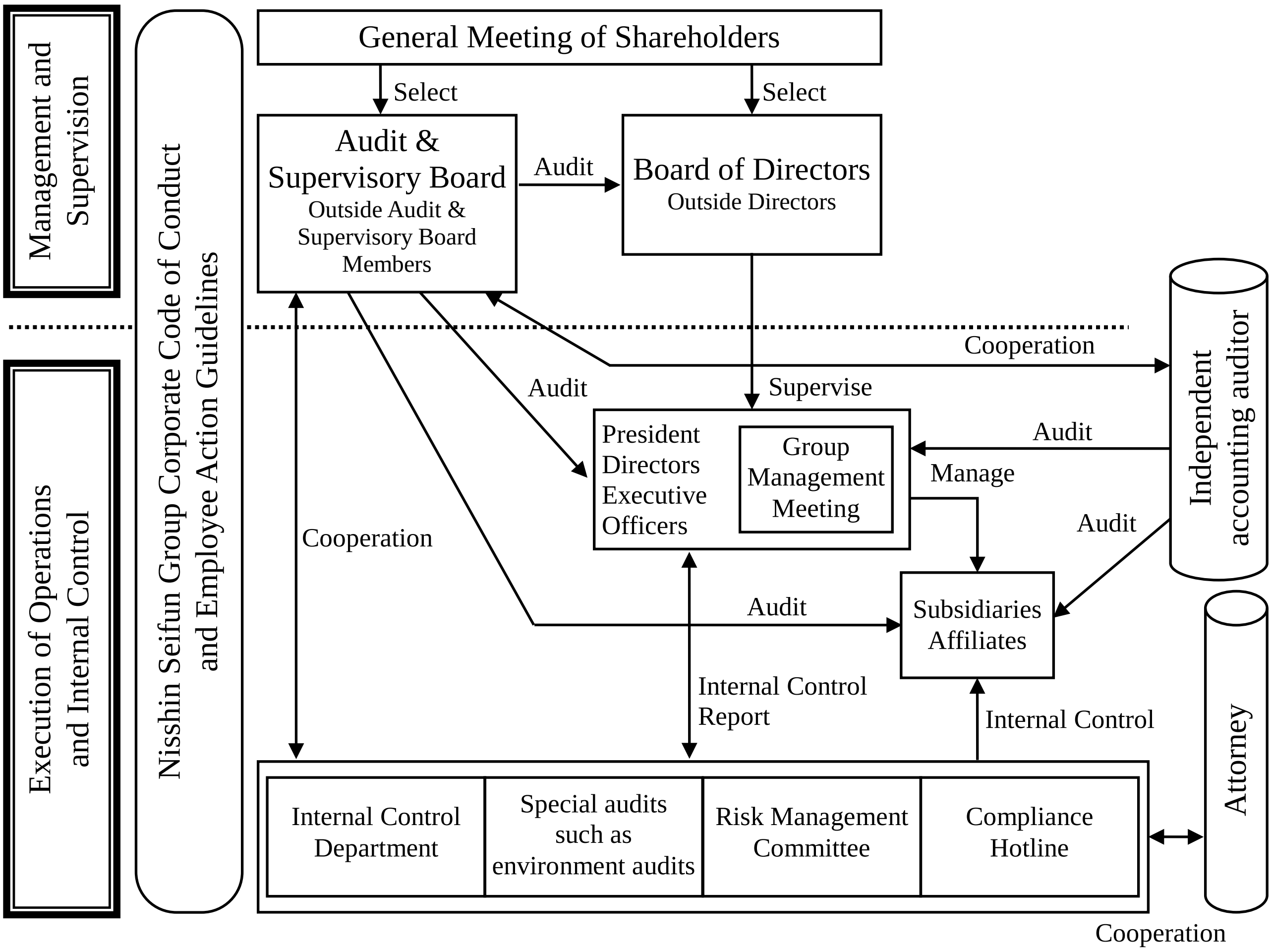
(11) Requirements for a special resolution by the General Meeting of Shareholders

To ensure the integrity of deliberation on matters for special resolution at the General Meeting of Shareholders as defined in Article 309, Paragraph 2 of the Companies Act, the Company's Articles of Incorporation prescribe that such special resolution be adopted by two-thirds or more of the voting rights of shareholders attending the General Meeting of Shareholders who collectively hold one-third or more of all voting rights.

(12) Exemption from liabilities for directors and audit & supervisory board members

To ensure that the Directors and Audit & Supervisory Board Members perform their expected roles in an appropriate manner by limiting the liabilities they assume to a reasonable range, the Company's Articles of Incorporation prescribe that Directors (including former ones) and Audit & Supervisory Board Members (including former ones) may be exempt from the liabilities for damages as defined in Article 423, Paragraph 1 of the Companies Act to a statutorily acceptable degree by a resolution of the Board of Directors in accordance with Article 426, Paragraph 1 of said Act.

The diagram below sets out the structure of the Nisshin Seifun Group for management/supervision, execution of operations, and internal control.



2. Audit fee, etc.

(1) Payments made to the Certified Public Accountants and others involved in the audits of the Company and its consolidated subsidiaries

Category	Year ended March 31, 2013		Year ended March 31, 2014	
	Payments for certified auditing services (millions of yen)	Payments for services other than certified auditing (millions of yen)	Payments for certified auditing services (millions of yen)	Payments for services other than certified auditing (millions of yen)
The Company	49	—	51	0
Consolidated subsidiaries	116	1	111	3
Total	166	1	163	3

(2) Other important payments

(For the year ended March 31, 2013 and year ended March 31, 2014)
There are no applicable matters to be reported.

(3) Services other than certified auditing provided by the Certified Public Accountants and others to the Company

(For the year ended March 31, 2013)

Consolidated subsidiaries entrust “accounting guidance and advisory services” to the independent accounting auditor, which is a service outside the services stipulated under Article 2, Paragraph 1 of the Certified Public Accountants Law (non-audit services).

(For the year ended March 31, 2014)

Consolidated subsidiaries entrust “accounting guidance and advisory services” to the independent accounting auditor, which is a service outside the services stipulated under Article 2, Paragraph 1 of the Certified Public Accountants Law (non-audit services).

(4) Policy for determining the audit fee

There is no applicable policy, but the audit fee is basically determined according to the scale of the companies audited and the number of days required for the audit, etc.

[5] Financial Accounts

1. Basis of presentation for consolidated and non-consolidated financial statements

(1) The Company's consolidated financial statements are prepared in conformity with the "Regulations Concerning Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ministry of Finance Regulation No.28, 1976) (hereinafter, "Regulations on Consolidated Financial Statements.")

Pursuant to Article 3, Paragraph 2 of the "Supplementary Provisions to the Partial Revision of the Ordinance on Terminology, Forms and Preparation Methods of Financial Statements, etc." (Cabinet Office Ordinance No. 61, Sept. 21, 2012), comparison data included in the consolidated financial statements for the fiscal year under review (April 1, 2013 to March 31, 2014) were prepared based on the pre-revision Regulations on Consolidated Financial Statements.

(2) The non-consolidated financial statements are prepared in conformity with the "Regulations Concerning Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Regulation No.59, 1963) (hereinafter, "Regulations on Financial Statements.")

Pursuant to Article 2, Paragraph 2 of the "Supplementary Provisions to the Partial Revision of the Ordinance on Terminology, Forms and Preparation Methods of Financial Statements, etc." (Cabinet Office Ordinance No. 61, Sept. 21, 2012), comparison data included in the financial statements for the fiscal year under review (April 1, 2013 to March 31, 2014) were prepared based on the pre-revision Regulations on Financial Statements.

As a company designated for the submission of financial statements prepared in accordance with special provision, the Company prepares its financial statements pursuant to Article 127 of the Regulations on Financial Statements.

2. Independent auditing of financial statements

Pursuant to the provisions of Article 193-2, Paragraph 1, of the Financial Instruments and Exchange Law, the Company arranged for the auditing firm Ernst & Young ShinNihon LLC to conduct independent audits of the consolidated and non-consolidated financial accounts of the Company for the fiscal year under review (April 1, 2013 to March 31, 2014; the 170th fiscal term).

Note: Only the Japanese original of this report has been audited.

3. Particular efforts to secure the appropriateness of the consolidated financial statements and other financial reports

The Company conducts efforts to secure the appropriateness of the consolidated financial statements and other financial reports. Specifically, the Company endeavors to acquire information that would ensure a good understanding of the corporate accounting standards and keep itself updated on any changes in the accounting standards by participating in the Financial Accounting Standards Foundation and educational opportunities provided by said Foundation, accounting firms and other institutions, as well as subscribing to accounting journals. In addition, the president of each consolidated subsidiary shall sign and seal a written oath to declare the appropriateness of the subsidiary's non-consolidated financial reports that constitute basic information for the preparation of the Company's consolidated financial statements after it is duly confirmed by the subsidiary's managers of the accounting and other related departments, and submit it to the president of the Company. As to such financial reports prepared within the Company, the responsible accounting managers and managers of other related departments shall sign and seal a written oath to declare their appropriateness upon due confirmation thereof, and submit it to the president of the Company.

(1) Consolidated Financial Statements, etc.

1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

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

(Millions of yen)

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

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)		Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	
Net sales		455,566		495,930
Cost of sales	Notes 1, 2	316,141	Notes 1, 2	348,619
Gross profit		139,424		147,311
Selling, general and administrative expenses	Notes 2, 3	117,684	Notes 2, 3	125,036
Operating income		21,740		22,274
Non-operating income				
Interest income		192		214
Dividends income		1,629		1,742
Equity in earnings of affiliates		598		839
Rent income		331		323
Other		539		502
Total non-operating income		3,291		3,622
Non-operating expenses				
Interest expenses		138		166
Other		150		150
Total non-operating expenses		289		317
Ordinary income		24,742		25,579
Extraordinary income				
Gain on sales of noncurrent assets	Note 4	187	Note 4	147
Gain on sales of investment securities		39		507
Gain on sales of investments in capital of subsidiaries and affiliates		47		—
Gain on bargain purchase		—		285
Subsidy income		—		200
Other		14		—
Total extraordinary income		289		1,140
Extraordinary losses				
Loss on retirement of noncurrent assets	Note 5	524	Note 5	712
Loss on litigation		170		450
Loss on affiliate production base redeployment		—		183
Impairment loss		1,764		—
Other		132		173
Total extraordinary losses		2,592		1,518
Income before income taxes and minority interests		22,438		25,201
Income taxes – current		9,331		9,159
Income taxes – deferred		(1,301)		23
Total income taxes		8,030		9,183
Income before minority interests		14,408		16,018
Minority interests in income		719		919
Net income		13,688		15,098

Consolidated Statements of Comprehensive Income

(Millions of yen)

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

(3) Consolidated Statements of Changes in Net Assets

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

(Millions of yen)

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

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

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

(Millions of yen)

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

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

(4) Consolidated Statements of Cash Flows

(Millions of yen)

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

[Notes to the Consolidated Financial Statements]
[Basis of Presentation of Consolidated Financial Statements]

1. Scope of consolidation

(1) Consolidated subsidiaries: 46 companies

- Names of principal subsidiaries: Nisshin Flour Milling Inc., Miller Milling Company, LLC, Champion Flour Milling Ltd., Nisshin Foods Inc., Nisshin Seifun Premix Inc., Ma•Ma-Macaroni Co., Ltd., Initio Foods Inc., Oriental Yeast Co., Ltd., Nisshin Pharma Inc., Nisshin Petfood Inc., Nisshin Engineering Inc., NBC Meshtec Inc.
- Of the remaining subsidiaries, Nisshin Managerial Technology Center Co., Ltd. and four other companies are not consolidated. The assets, net sales, net income and retained earnings of each non-consolidated subsidiary are small, and the aggregate effect on the consolidated financial statements is immaterial.

(2) Changes in the scope of consolidation

- Effective from the fiscal year under review, Vietnam Nisshin Seifun Co., Ltd. was newly established and included in the scope of consolidation of the Company.

2. Scope of the equity method

(1) Subsidiaries and affiliates accounted for by the equity method: 11 (1 non-consolidated subsidiary and 10 affiliates)

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

(2) Changes in the scope of the equity method

- Effective from the fiscal year under review, the equity method was applied to one company due to an acquisition of shares.

(3) The financial statements for the accounting period of the company concerned are used in the cases of those subsidiaries and affiliates accounted for by the equity method whose accounting period differs from the consolidated accounting period.

3. Accounting periods of consolidated subsidiaries

The consolidated subsidiaries listed below have accounting periods that differ from the consolidated accounting period. Since the fiscal year-end of each of these companies is within three months of the consolidated fiscal year-end, the current financial statements at the fiscal year-end of each consolidated subsidiary are used. However, necessary adjustments are made for material transactions that occurred during the period between the subsidiary’s fiscal year-end and the consolidated fiscal year-end.

Company name	Year-end
Rogers Foods Ltd.	January 31
Thai Nisshin Seifun Co., Ltd. and 18 others	December 31

4. Significant accounting principles

(1) Valuation standards and methodology for material assets

a. Securities

Held-to-maturity debt securities are stated at amortized cost.

Other securities

Securities with a readily determinable market value are stated at fair market value based on the quoted market price at the fiscal year-end (with any unrealized gains or losses being reported directly as a component of shareholders' equity and the cost of any securities sold being computed by the moving average method).

Securities with no readily determinable market value are stated at cost, with cost being determined by the moving average method.

b. Derivatives

Derivative financial instruments are stated at fair market value.

c. Inventories

Wheat flour and bran are stated at cost, with cost being determined mainly by the retail cost method, with balance sheet values reflecting write-downs for decreased profitability; other products are stated at cost, with cost being determined mainly by the periodic average method, with balance sheet values reflecting write-downs for decreased profitability.

Raw materials are stated at cost, with cost being determined by the first-in, first-out method, and balance sheet values reflecting write-downs for decreased profitability.

(2) Depreciation methods for material depreciable assets

a. Property, plant and equipment (excluding lease assets)

The Company and domestic consolidated subsidiaries mainly apply the declining balance method. However, for buildings acquired on or after April 1, 1998 (excluding building fixtures), they apply the straight-line method.

Foreign consolidated subsidiaries mainly apply the straight-line method.

b. Intangible assets (excluding lease assets)

Depreciation is computed by the straight-line method.

Software used in-house is depreciated over its estimated useful life (within five years) based on the straight-line method.

c. Lease assets

Lease assets related to finance lease transactions that do not transfer ownership are depreciated using the straight-line method with estimated useful lives equal to lease terms, and zero residual values.

(3) Basis of material allowances

Allowance for doubtful accounts

The Company and domestic consolidated subsidiaries provide for possible credit losses stemming from monetary receivables. Estimates of irrecoverable amounts are based on historical loan-loss ratios for general receivables, and on a consideration of feasibly recoverable amounts in individual cases of suspected bad debt or other specific dubious accounts. Specific claims are generally deemed irrecoverable in the case of foreign consolidated subsidiaries.

(4) Accounting treatment of retirement benefits

Regarding its retirement benefit asset and liability, in order to maintain retirement benefits for employees leaving the Company and already retired pension recipients, the Company subtracts retirement benefit asset from its retirement benefit obligation, based on estimates as of the end of the fiscal year under review.

a. Imputation method for retirement benefit estimates

In computing its retirement benefit obligation, the Company applies straight-line attribution as the method for imputing its retirement benefit estimates through the end of the fiscal year under review.

b. Treatment method for actuarial differences and expenses related to prior service cost

Prior service cost is amortized on a straight-line basis over a period equaling the average remaining service period of employees (mainly 15 years) expected to receive pension benefits as of the fiscal year-end.

Actuarial differences are amortized on a straight-line basis from the following fiscal year over a period equaling the average remaining service period of employees (mainly 15 years) expected to receive pension benefits as of the consolidated fiscal year-end.

(5) Significant hedging transactions

a. Hedging transactions are accounted for on a deferred basis. However, the contracted exchange rates are applied in the case of any monetary claims, obligations or similar items denominated in foreign currencies with assigned foreign currency forwards or other hedging instruments.

b. Hedging methods: Derivative transactions (including forward exchange contracts and currency purchase put/call options)

Hedged items: Any monetary receivables and payables and planned trading transactions that are denominated in foreign currencies.

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

d. Hedging evaluation

Since hedging methods and the target of each hedging transaction share the same conditions that apply at the start of hedging activities and throughout subsequent periods, the Company's hedging approach enables exchange rate fluctuations to be offset completely. Hence, the Company considers its hedging method to be highly effective.

(6) Goodwill amortization and amortization periods

Goodwill is amortized using the straight-line method over a period of mainly 10 years beginning with the day on which it is realized. However, when the amount of goodwill is immaterial, it is amortized in total in the year it is realized.

(7) Cash and cash equivalents in the Consolidated Statements of Cash Flows

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

(8) Consumption tax

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

[Changes in Accounting Policies]

(Application of Accounting Standard for Retirement Benefits, etc.)

From the end of the fiscal year under review, the Company has applied the "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012; herein, "the retirement benefit accounting standard") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, May 17, 2012; herein, "the retirement benefit guidance"). (Application excludes content stipulated in paragraph 35 of the retirement benefit accounting standard and stipulated in paragraph 67 of the retirement benefit guidance.)

The Company has changed its previous accounting approach to retirement benefits, with pension assets now subtracted from retirement benefit obligation and posted as the Company's retirement benefit asset or liability. Accordingly, unrecognized actuarial differences and unrecognized prior service costs are posted as either retirement benefit asset or liability.

Application of the retirement benefit accounting standard is handled in line with the transitional process stipulated in paragraph 37 of the retirement benefit accounting standard. Consequently, at the end of the fiscal year under review, the Company added or subtracted any impact from this accounting change to "Remeasurements of defined benefit plans" listed under "Accumulated other comprehensive income."

As a result of this accounting change, "Accumulated other comprehensive income" at the end of the fiscal year under review decreased ¥1,831 million.

[Unapplied Accounting Standards]

(Accounting Standard for Retirement Benefits, etc.)

- Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012)
- Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012)

(1) Overview

The standard and its related guidance mainly serve as a means of effectively addressing unrecognized actuarial differences and unrecognized prior service costs, and seek to amend accounting methods pertaining to retirement benefit obligations and service costs, as well as to enhance disclosure. The standard and its related guidance were developed with an eye to improving financial reporting and aligning more closely with global trends.

(2) Planned date of application

Revisions to methods for calculating retirement benefit obligation and service cost are scheduled to be applied from April 1, 2014.

(3) Effect of application of the accounting standard

The effect of the application of the accounting standard is currently under evaluation as of the time of preparation of the consolidated financial statements.

(Accounting Standards for Business Combinations, etc.)

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

(1) Overview

The accounting standards above were revised primarily with respect to (1) the handling of changes in equity in a subsidiary by the parent company in cases in which control will continue due to additional acquisition of subsidiary shares, (2) the handling of acquisition-related expenses, (3) changes in the presentation of net income and a switch from minority interests to non-controlling interests, and (4) the handling of temporary accounting treatment.

(2) Planned date of application

The standards are scheduled for application from the fiscal year beginning April 1, 2015. The handling of temporary accounting treatment is scheduled to apply beginning with business combinations executed after April 1, 2015.

(3) Effect of application of the accounting standard

The effect is currently under evaluation as of the time of preparation of the consolidated financial statements.

[Changes in Presentation]

(Related to Consolidated Statements of Income)

“Litigation expenses,” which was included in “Other” under “Extraordinary losses” in the previous fiscal year, is independently displayed from the fiscal year under review since it accounts for more than 10/100th of extraordinary losses. The consolidated financial statements for the previous fiscal year have been altered to reflect this change in presentation.

As a result of this change, ¥303 million listed for “Other” under “Extraordinary losses” in the consolidated statements of income for the previous fiscal year has been restated as “Loss on litigation” of ¥170 million, and “Other” of ¥132 million.

[Consolidated Balance Sheets]

1. Components of inventories are as follows.

	Year ended March 31, 2013 (As of March 31, 2013)	Year ended March 31, 2014 (As of March 31, 2014)
Merchandise and finished goods	¥24,316 million	¥26,312 million
Work in process	¥3,592 million	¥3,609 million
Raw materials and supplies	¥33,996 million	¥28,561 million

2. Accumulated depreciation of property, plant and equipment

	Year ended March 31, 2013 (As of March 31, 2013)	Year ended March 31, 2014 (As of March 31, 2014)
	¥244,383 million	¥254,832 million

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

	Year ended March 31, 2013 (As of March 31, 2013)	Year ended March 31, 2014 (As of March 31, 2014)
Accumulated reduction entry of property, plant and equipment	¥357 million	¥370 million

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

	Year ended March 31, 2013 (As of March 31, 2013)	Year ended March 31, 2014 (As of March 31, 2014)
Investment securities	¥23,810 million	¥23,943 million
Others	¥182 million	¥157 million
[Investments in joint ventures included in the above]	[¥182 million]	[¥157 million]

5. Assets pledged as collateral
Assets pledged as collateral are as follows.

	Year ended March 31, 2013 (As of March 31, 2013)	Year ended March 31, 2014 (As of March 31, 2014)
Buildings and structures	¥1,260 million	¥1,211 million
Machinery, equipment and vehicles	¥520 million	¥522 million
Investment securities Note	¥3,766 million	¥4,138 million
Other	¥117 million	¥113 million
Total	¥5,665 million	¥5,985 million

Secured debts are as follows.

	Year ended March 31, 2013 (As of March 31, 2013)	Year ended March 31, 2014 (As of March 31, 2014)
Short-term loans payable	¥200 million	¥200 million

(Note) In order to secure loans payable of ¥8,300 million for affiliates (¥10,000 million for the year ended March 31, 2013), investment securities were pledged as a third-party guarantee. From the fiscal year under review, the maximum is set at ¥3,000 million.

6. Warranty liabilities

Target of warranty	Type of liability	Year ended March 31, 2013 (As of March 31, 2013)	Year ended March 31, 2014 (As of March 31, 2014)
[Employee housing loans]	Borrowings from financial institution	¥60 million	¥44 million

[Consolidated Statements of Income]

1. The value of inventories at the fiscal year-end represents the value after written down of the book value according to a decrease in profitability, and the following loss on revaluation of inventories is included in the cost of sales.

	Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)
	¥231 million	¥399 million

2. R&D expenditures included in general and administrative expenses and manufacturing costs for the year ended March 2013 and 2014:

	Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)
	¥6,008 million	¥5,769 million

3. Major components of selling, general and administrative expenses are as follows.

	Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)
Sales freight expenses	¥26,389 million	¥28,633 million
Promotion expenses	¥38,240 million	¥42,337 million
Salaries	¥13,193 million	¥13,920 million
Bonuses and allowance	¥9,647 million	¥9,958 million
Retirement benefit expenses	¥1,524 million	¥1,592 million

4. Gain on sales of noncurrent assets
   Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
   This figure mainly reflects gains on the sale of company housing.
   Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)
   This figure mainly reflects gains on the sale of land.

5. Loss on retirement of noncurrent assets
   Year ended March 31, 2013 (April 1, 2012 to March 31, 2013) and Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)
   This figure mainly reflects losses on the disposal of machinery and equipment.

[Consolidated Statements of Comprehensive Income]

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

	Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)
Valuation difference on available-for-sale securities		
Gain in the current period	¥10,969 million	¥3,969 million
Reclassification adjustment	¥(0) million	¥(505) million
Before tax effect adjustment	¥10,968 million	¥3,464 million
Tax effect	¥(3,893) million	¥(1,122) million
Valuation difference on available-for-sale securities	¥7,074 million	¥2,341 million
Deferred gains or losses on hedges		
Gain (Loss) in the current period	¥21 million	¥(242) million
Reclassification adjustment	¥(13) million	¥28 million
Before tax effect adjustment	¥8 million	¥(214) million
Tax effect	¥(4) million	¥77 million
Deferred gains or losses on hedges	¥3 million	¥(137) million
Foreign currency translation adjustment		
Gain in the current period	¥2,294 million	¥5,451 million
Share of other comprehensive income of affiliates accounted for by the equity method		
Gain in the current period	¥164 million	¥262 million
Total other comprehensive income	¥9,536 million	¥7,918 million

[Consolidated statements of Changes in Net Assets]

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

1. Type and number of issued shares and treasury stock

(Thousands of shares)

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

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

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

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

3. Dividends

(1) Dividends paid

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

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

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

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

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

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

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

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

1. Type and number of issued shares and treasury stock

(Thousands of shares)

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

Notes:

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

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

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

3. Dividends

(1) Dividends paid

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

- Dividends on common stock:
  - i) Total dividends to be paid ¥2,485 million
  - ii) Dividend per share ¥10
  - iii) Record date March 31, 2013
  - iv) Effective date June 27, 2013

The following resolution was made at the meeting of the Board of Directors held on October 30, 2013.

- Dividends on common stock:
  - i) Total dividends to be paid ¥2,485 million
  - ii) Dividend per share ¥10
  - iii) Record date September 30, 2013
  - iv) Effective date December 6, 2013

(2) Dividends for which the record date came during the year ended March 31, 2014, but for which the effective date will come after said period

The following resolution will be proposed at the Ordinary General Meeting of Shareholders to be held on June 26, 2014.

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

[Consolidated Statements of Cash Flows]

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

	Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)
Cash and deposits	¥56,722 million	¥49,104 million
Short-term investment securities	¥19,433 million	¥28,869 million
Total	¥76,156 million	¥77,974 million
Time deposits with maturities of more than three months	¥(18,065) million	¥(325) million
Debt securities with maturities of more than three months	¥(4,841) million	¥(4,963) million
Cash and cash equivalents at end of period	¥53,249 million	¥72,685 million

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

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

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

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

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

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

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

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

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

[Leases]

1. Finance leases (for the lessee)

   Finance leases other than those that transfer ownership

   (1) Details of the lease assets

   a. Property, plant and equipment: mainly information system equipment (tools, furniture and fixtures)

   b. Intangible assets: software

   (2) Depreciation of the lease assets

   Depreciation of the lease assets is as described in “4. Significant accounting policies (2) Depreciation methods for material depreciable assets” under the Basis of Presentation of Consolidated Financial Statements.

   Among finance lease transactions other than those that transfer ownership, leases with start dates prior to March 31, 2008 will continue to be subject to accounting treatment that conforms to accepted methods regarding general lease transactions. However, due to a loss in material significance, the notes have been omitted.

2. Operating leases

   Future minimum lease commitments under non-cancelable operating leases

   (Lessee)

(Millions of yen)

	Year ended March 31, 2013 (As of March 31, 2013)	Year ended March 31, 2014 (As of March 31, 2014)
Due within one year	108	111
Due after one year	186	142
Total	294	254

(Lessor)

(Millions of yen)

	Year ended March 31, 2013 (As of March 31, 2013)	Year ended March 31, 2014 (As of March 31, 2014)
Due within one year	102	109
Due after one year	472	470
Total	574	580

[Financial Instruments]

1. Status of financial instruments

(1) Policies on financial instruments

The Group observes a fund management policy that cash reserves for future strategic investments and temporary surplus funds shall be managed in the form of time deposits with a fixed yield of interest and securities, and it shall not manage these funds to gain marginal gains in trades or for speculative purposes. As for fund procurement, the Group complies with the policy of financing with the most appropriate means, such as bank borrowings for short-term financial requirements, and bank borrowings, the issuance of corporate bonds and an increase in capital for long-term financial requirements, while taking into account market conditions and other factors.

The Group acquires and holds, in principle, shares as investment securities in the counterparties with which the Group has business or capital alliance relationships.

The Group utilizes derivative financial instruments to hedge its exposure to various risks described below and abides by a policy of not using them separately to gain marginal gains in trades or for speculative purposes.

(2) Description of financial instruments, related risks and risk management system

Cash and deposits is mainly managed as term deposits, and securities are mainly operated in the form of bonds. Both cash and securities are exposed to the credit risk of the relevant depository or issuer and the fluctuation risk of market prices. These risks are intended to be minimized and diversified using internal regulations at the respective Group companies by limiting such items as the target assets of fund management, the depository or the issuer, the period for management and the upper limit for management at each depository or issuer.

Notes and accounts receivable – trade, as operating receivables, are exposed to the credit risk of the respective customers. To cope with this risk, the Group conducts maturity management and balance management by counterparty in accordance with the internal regulations at the respective Group companies and has established a system for periodically measuring the creditworthiness of major counterparties to quickly determine and mitigate any concerns on the collection of claims that might be caused by deteriorated financial conditions at a counterparty.

Investment securities, which primarily consist of the shares relating to business or capital alliance relationships with the counterparties, are exposed to the risk of market price fluctuations. The Group has established a system of periodically measuring their market value.

Although notes and accounts payable – trade, as operating payables, are exposed to liquidity risk, most of them have a maturity for payment within one year. The Group therefore manages them by making each Group company prepare a cash-flow projection.

As for derivative transactions, the Group uses forward foreign exchange contracts, currency options and the like to hedge against the adverse impact of future fluctuations in foreign currency exchange rates on specific foreign currency denominated assets and liabilities including notes and accounts receivable – trade and notes and accounts payable – trade. Meanwhile, some foreign consolidated subsidiaries use commodity futures and other financial instruments targeting wheat to hedge against the risk of future fluctuations in the market for wheat and other risks. These derivative transactions often entail a general market risk due to the fluctuation of rates.

To reduce the exposure to market risk, derivative transactions beyond the targeted, real demand are forbidden by the internal regulations of each Group company, and the regulations set forth a certain percentage of allowable derivative transactions against the total relevant underlying trading amounts. Currency options are limited only to buying put/call options (long position) in accordance with the respective internal regulations. These transactions are traded by the Finance and Accounting Division of the Company mainly based on the instructions given by the governing department of the operating company that might suffer from the exchange-rate fluctuation risk. At several consolidated subsidiaries, they are traded by the department in charge of financial affairs at each company mainly based on the instructions given by the governing department. In managing the derivative transactions, the aforementioned Finance and Accounting Division of the Company or the department in charge of financial affairs at each company receives a notice of position balances on derivative transactions every month from the correspondent bank, checks how these balances agree with performance figures and reports the monitored results to the Division Executive of the Finance and Accounting Division of the Company or the director of the department in charge of financial affairs at each company and the responsible director of the governing department. The Group believes that the risk that the counterparty to its derivative transactions could default is almost insignificant as the Group enters into derivative transactions only with financial institutions of high caliber.

(3) Supplemental explanation on the fair value of financial instruments, etc.

The fair value of financial instruments includes the value reasonably calculated for those without market price, in addition to the value based on the market price. As several variable factors are incorporated in calculating the fair value, the resulting amount may vary depending on the different preconditions employed. The contract amounts, etc., regarding derivative transactions in “2. Fair value of financial instruments, etc.” are not necessarily indicative of the market risk with regard to derivative transactions.

2. Fair value of financial instruments, etc.

Carrying values in the consolidated balance sheets, fair values and the unrealized gains (losses) are presented as follows. Assets and liabilities, for which it is deemed difficult to measure the fair value, are not included in the following table. (Refer to Note 2.)

Year ended March 31, 2013 (As of March 31, 2013)

(Millions of yen)

	Carrying value	Fair value	Unrealized gains (losses)
(1) Cash and deposits	56,722	56,722	—
(2) Notes and accounts receivable – trade	65,393	65,393	—
(3) Short-term investment securities and investment securities			
Other securities	91,504	91,504	—
Total assets	213,619	213,619	—
(1) Notes and accounts payable – trade	56,309	56,309	—
Total liabilities	56,309	56,309	—
Derivative transactions*			
1) Transactions for which hedge accounting has not been adopted	(14)	(14)	—
2) Transactions for which hedge accounting has been adopted	236	236	—
Total derivative transactions	221	221	—

* Net receivables and payables, which were derived from derivative transactions, are presented in net amounts, and any item for which the total becomes a net liability is indicated in parentheses.

Year ended March 31, 2014 (As of March 31, 2014)

(Millions of yen)

	Carrying value	Fair value	Unrealized gains (losses)
(1) Cash and deposits	49,104	49,104	—
(2) Notes and accounts receivable – trade	67,486	67,486	—
(3) Short-term investment securities and investment securities			
Other securities	105,849	105,849	—
Total assets	222,440	222,440	—
(1) Notes and accounts payable – trade	45,785	45,785	—
Total liabilities	45,785	45,785	—
Derivative transactions*			
1) Transactions for which hedge accounting has not been adopted	(132)	(132)	—
2) Transactions for which hedge accounting has been adopted	(15)	(15)	—
Total derivative transactions	(148)	(148)	—

* Net receivables and payables, which were derived from derivative transactions, are presented in net amounts, and any item for which the total becomes a net liability is indicated in parentheses.

Note 1: Calculation method of the fair value of financial instruments and matters relating to securities and derivative transactions

Assets

(1) Cash and deposits and (2) Notes and accounts receivable – trade

As these assets are settled within a short time, the fair value thereof is almost equal to the carrying value. Accordingly, the calculation of the fair value of these assets is based on the carrying value concerned.

(3) Short-term investment securities and investment securities

The calculation of the fair value of stocks is based on the prices traded at the stock exchange. The calculation of the fair value of bonds is based on the prices traded at the stock exchange or the prices presented by the correspondent financial institution. Refer to the Notes to [Securities] with regard to the notable matters regarding securities held by holding purpose.

Liabilities

(1) Notes and accounts payable – trade

As these liabilities are settled within a short time, the fair value is almost equal to the carrying value. Accordingly, the calculation of the fair value of these liabilities is based on the carrying value concerned.

Derivative transactions

Refer to the Notes to [Derivative Transactions].

Note 2: Carrying value of financial instruments for which it is deemed difficult to measure the fair value

(Millions of yen)

Classification	Year ended March 31, 2013 (As of March 31, 2013)	Year ended March 31, 2014 (As of March 31, 2014)
Unlisted stocks	25,981	26,314

The above unlisted stocks have no market prices and relevant future cash flows cannot be easily estimated and may require excessive estimation cost, and it is therefore deemed difficult to measure their fair value. Accordingly, they are not included in (3) Short-term investment securities and investment securities.

Note 3: Redemption schedule for monetary receivables and securities with maturity dates after the consolidated closing date (March 31)

Year ended March 31, 2013 (As of March 31, 2013)

(Millions of yen)

	Due within one year	Due after one year but within five years
Cash and deposits	56,722	—
Notes and accounts receivable – trade	65,393	—
Short-term investment securities and investment securities		
Other securities with maturity dates	19,443	—
Total	141,559	—

Year ended March 31, 2014 (As of March 31, 2014)

(Millions of yen)

	Due within one year	Due after one year but within five years
Cash and deposits	49,104	—
Notes and accounts receivable – trade	67,486	—
Short-term investment securities and investment securities		
Other securities with maturity dates	28,873	—
Total	145,465	—

[Securities]

1. Short-term investment securities classified as other securities

Year ended March 31, 2013 (As of March 31, 2013)

(Millions of yen)

	Item	Carrying value	Acquisition cost	Unrealized gains (losses)
Securities whose carrying value exceeds their acquisition cost	(1) Equity securities	69,422	22,207	47,214
	(2) Bonds:			
	a. Government and municipal bonds	3,999	3,999	0
	b. Corporate bonds	—	—	—
	c. Other	—	—	—
	(3) Other	—	—	—
	Subtotal	73,422	26,207	47,214
Securities whose carrying value does not exceed their acquisition cost	(1) Equity securities	2,647	3,327	(679)
	(2) Bonds:			
	a. Government and municipal bonds	15,434	15,434	(0)
	b. Corporate bonds	—	—	—
	c. Other	—	—	—
	(3) Other	—	—	—
	Subtotal	18,081	18,762	(680)
Total		91,504	44,969	46,534

Note:
The above “other securities” do not include unlisted stocks with a carrying value of ¥4,762 million because they have no market prices and may require excessive cost to estimate their future cash flows, and it is therefore regarded as extremely difficult to identify their current fair value.

Year ended March 31, 2014 (As of March 31, 2014)

(Millions of yen)

	Item	Carrying value	Acquisition cost	Unrealized gains (losses)
Securities whose carrying value exceeds their acquisition cost	(1) Equity securities	75,428	25,280	50,148
	(2) Bonds:			
	a. Government and municipal bonds	—	—	—
	b. Corporate bonds	—	—	—
	c. Other	—	—	—
	(3) Other	—	—	—
	Subtotal	75,428	25,280	50,148
Securities whose carrying value does not exceed their acquisition cost	(1) Equity securities	1,551	1,698	(147)
	(2) Bonds:			
	a. Government and municipal bonds	18,860	18,861	(0)
	b. Corporate bonds	—	—	—
	c. Other	4,009	4,010	(0)
	(3) Other	6,000	6,000	—
	Subtotal	30,420	30,569	(148)
Total		105,849	55,849	49,999

Note:
The above “other securities” do not include unlisted stocks with a carrying value of ¥5,052 million because they have no market prices and may require excessive cost to estimate their future cash flows, and it is therefore regarded as extremely difficult to identify their current fair value.

2. Sale of short-term investment securities classified as other securities

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

(Millions of yen)

Type	Proceeds from sales	Total gain on sales	Total loss on sales
Equity securities	200	39	(1)

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

(Millions of yen)

Type	Proceeds from sales	Total gain on sales	Total loss on sales
Equity securities	709	507	(0)

3. Securities for which write-downs were recorded

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

Other securities were written down ¥4 million.

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

Other securities were written down ¥5 million.

[Derivative Transactions]

1. Derivative transactions for which hedge accounting is not adopted

(1) Currency-related

Year ended March 31, 2013 (As of March 31, 2013)

(Millions of yen)

Classification	Type of transactions		Contract amounts	Portion due after one year	Fair value	Unrealized gains (losses)
Market transactions	Currency futures:					
	Buy:	Canadian dollar	446	—	0	0
Non-market transactions	Forward foreign exchange contracts:					
	Sell:	U.S. dollar	207	—	(23)	(23)
		Euro	11	—	(0)	(0)
	Buy:	U.S. dollar	596	—	(3)	(3)
		Euro	53	—	(0)	(0)
		Yen	1	—	(0)	(0)
Total			1,316	—	(27)	(27)

Note:

Calculation of fair value is based on the closing prices of the relevant futures markets and the prices and other information presented by associated financial institutions and others.

Year ended March 31, 2014 (As of March 31, 2014)

(Millions of yen)

Classification	Type of transactions		Contract amounts	Portion due after one year	Fair value	Unrealized gains (losses)
Market transactions	Currency futures:					
	Buy:	Canadian dollar	1,082	—	(40)	(40)
Non-market transactions	Forward foreign exchange contracts:					
	Sell:	U.S. dollar	192	—	(3)	(3)
		Euro	23	—	(0)	(0)
	Buy:	U.S. dollar	913	—	20	20
		Euro	79	—	1	1
		Yen	1	—	(0)	(0)
Total			2,293	—	(21)	(21)

Note:

Calculation of fair value is based on the closing prices of the relevant futures markets and the prices and other information presented by associated financial institutions and others.

(2) Commodity-related

Year ended March 31, 2013 (As of March 31, 2013)

(Millions of yen)

Classification	Type of transactions	Contract amounts	Portion due after one year	Fair value	Unrealized gains (losses)
Market transactions	Commodity futures:				
	Sell: Wheat	1,252	—	65	65
	Buy: Wheat	1,701	—	(65)	(65)
	Options:				
	Sell put:				
	Wheat	8	—	12	(3)
	Sell call:				
	Wheat	0	—	0	0
	Purchase call:				
	Wheat	1	—	0	(1)
Total		2,965	—	12	(4)

Note:
Calculation of fair value is based on the closing prices of the relevant futures markets.

Year ended March 31, 2014 (As of March 31, 2014)

(Millions of yen)

Classification	Type of transactions	Contract amounts	Portion due after one year	Fair value	Unrealized gains (losses)
Market transactions	Commodity futures:				
	Sell: Wheat	1,499	—	88	88
	Buy: Wheat	2,546	—	(223)	(223)
	Options:				
	Sell put:				
	Wheat	8	—	18	(10)
	Sell call:				
	Wheat	3	—	1	1
	Purchase put:				
	Wheat	1	—	2	0
	Purchase call:				
	Wheat	4	—	1	(2)
Total		4,064	—	(111)	(145)

Note:
Calculation of fair value is based on the closing prices of the relevant futures markets.

2. Derivative transactions for which hedge accounting is adopted

(1) Currency-related

Year ended March 31, 2013 (As of March 31, 2013)

(Millions of yen)

Method of hedge accounting	Type of transactions		Major hedged items	Contract amounts	Portion due after one year	Market value
Deferral hedge accounting	Forward foreign exchange contracts:		Anticipated foreign currency transactions			
	Sell:	U.S. dollar		238	—	(2)
	Forward foreign exchange contracts:		Accounts payable			
	Buy:	U.S. dollar		2,908	—	123
		Thai baht		1,565	—	93
		Euro		636	—	13
		Canadian dollar		53	—	1
	Options:		Accounts payable			
	Purchase call:					
		U.S. dollar		2	—	7
Appropriation treatment	Forward foreign exchange contracts:		Accounts payable			
	Buy:	U.S. dollar		78	—	—
Total				5,484	—	236

Notes:

1. Calculation of fair value is based on the prices and other information presented by associated financial institutions and others.
2. Because forward foreign exchange contracts subject to appropriation are handled as a unit with accounts payable to be hedged, the fair value of those is included in the fair value of the relevant accounts payable.

Year ended March 31, 2014 (As of March 31, 2014)

(Millions of yen)

Method of hedge accounting	Type of transactions		Major hedged items	Contract amounts	Portion due after one year	Fair value
Deferral hedge accounting	Forward foreign exchange contracts:		Anticipated foreign currency transactions			
	Sell:	U.S. dollar		457	—	(24)
	Forward foreign exchange contracts:		Accounts payable			
	Buy:	U.S. dollar		3,954	314	35
		Thai baht		1,607	—	20
		Australian dollar		1,560	—	(67)
		Euro		568	—	20
		Canadian dollar		2	—	0
Appropriation treatment	Forward foreign exchange contracts:		Accounts payable			
	Buy:	U.S. dollar		87	—	—
		Thai baht		0	—	—
Total				8,240	314	(15)

Notes:

1. Calculation of fair value is based on the prices and other information presented by associated financial institutions and others.
2. Because forward foreign exchange contracts subject to appropriation are handled as a unit with accounts payable to be hedged, the fair value of those is included in the fair value of the relevant accounts payable.

[Retirement Benefits]

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

1. Outline of retirement benefit plans

   The Company and its consolidated subsidiaries provide for a lump-sum retirement benefit plan and a defined-contribution pension plan. In addition, the Company and some of its consolidated subsidiaries provide for a defined-benefit corporate pension plan limited to already retired pension recipients. Moreover, employees leaving the Company may in some cases receive an additional severance payment beyond that computed on the basis of the actuarial retirement benefit calculated using the relevant accounting standard.

2. Retirement benefit obligation

	As of March 31, 2013 (Millions of yen)
(A) Projected retirement benefit obligation	(30,581)
(B) Market value of plan assets	12,056
(C) Unfunded retirement benefit obligation [(A) + (B)]	(18,524)
(D) Unrecognized actuarial loss	5,479
(E) Unrecognized prior service cost	(2,307)
(F) Net amount recorded on the consolidated balance sheets [(C) + (D) + (E)]	(15,353)
(G) Prepaid pension cost	3,572
(H) Provision for retirement benefits [(F) – (G)]	(18,925)

Notes:

1. Certain subsidiaries adopt a simplified method for calculating the retirement benefit obligation.
2. Plan assets pertain to a defined-benefit corporate pension plan limited to already retired pension recipients.

3. Retirement benefit expenses

	(April 1, 2012 to March 31, 2013) (Millions of yen)
(A) Service cost	1,151
(B) Interest cost	510
(C) Expected return on plan assets	(137)
(D) Amortization of actuarial loss	667
(E) Amortization of prior service cost	(245)
(F) Net retirement benefit expenses [(A) + (B) + (C) + (D) + (E)]	1,947
(G) Other	716
Total	2,664

Notes:

1. The retirement benefit expenses incurred by the consolidated subsidiaries that adopt simplified method are recorded under “(A) Service cost.”
2. “(G) Other” is the amount of contribution payment to a defined contribution pension.

4. Assumptions used in retirement benefit obligation calculations

(A) Method adopted for periodic distribution of projected retirement benefits	Equal amounts per period
(B) Discount rate	Principally 1.7%
(C) Expected rate of return on plan assets	Principally 1.0%
(D) Amortization period of actuarial difference[*1]	Principally 15 years
(E) Amortization period of prior service cost[*2]	Principally 15 years

Notes:

1. Actuarial differences are amortized on a straight-line basis from the following fiscal year based on the average remaining service period of employees expected to receive pension benefits as of the fiscal year-end.
2. Prior service cost is amortized on a straight-line basis over a period equaling the average remaining service period of employees expected to receive pension benefits as of the fiscal year-end.

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

1. Outline of retirement benefit plans

   The Company and its consolidated subsidiaries provide a lump-sum retirement benefit plan (unfunded plan) and a defined-contribution pension plan to meet the retirement benefits of their employees. In addition, the Company and certain consolidated subsidiaries provide for a defined-benefit corporate pension plan (funded plan) limited to already retired pension recipients. Certain subsidiaries adopt a simplified method for calculating the retirement benefit obligation. Moreover, employees leaving the Company may in some cases receive an additional severance payment beyond that computed on the basis of the actuarial retirement benefit calculated using the relevant accounting standard.

2. Defined benefit plan

   (1) Adjustment of balance of retirement benefit obligation at beginning and end of the year

	(Millions of yen)
Retirement benefit obligation at beginning of year	(30,581)
Service cost	1,152
Interest cost	486
Actuarial loss	(155)
Retirement benefits payable	(3,064)
Other	11
Retirement benefit obligation at end of the year	29,011

   (2) Adjustment of balance of pension assets at beginning and end of the year

	(Millions of yen)
Pension assets at beginning of year	12,056
Expected return on plan assets	120
Actuarial gain	13
Retirement benefits payable	(1,765)
Pension assets at end of year	10,425

Note:
Plan assets pertain to a defined-benefit corporate pension plan limited to already retired pension recipients.

   (3) Adjustment of balance of retirement benefit obligation and pension assets at end of year and net defined benefit liability and assets posted on the consolidated balance sheet

Asset adjustment	(Millions of yen)
Retirement benefit obligation for funded plans	9,938
Pension assets	(10,425)
	(487)
Retirement benefit obligation for unfunded plans	19,073
Net obligation and assets posted on consolidated balance sheet	18,586
Net defined benefit liability	19,073
Net defined benefit assets	(487)
Net liability and assets posted on consolidated balance sheet	18,586

   (4) Retirement benefit expenses and detailed breakdown

	(Millions of yen)
Service cost	1,152
Interest expense	486
Expected return on plan assets	(120)
Amortization of actuarial loss	647
Amortization of prior service cost	(245)
Retirement benefit expenses related to defined-contribution pension plan	1,920

Note:
The retirement benefit expenses incurred by the consolidated subsidiaries that adopt a simplified method of calculation are posted under service cost.

(5) Cumulative adjustments related to retirement benefits

A breakdown of items (prior to tax effect deduction) posted as cumulative adjustments related to retirement benefits is as follows.

	(Millions of yen)
Unrecognized prior service cost	(2,062)
Unrecognized actuarial loss	4,662
Total	2,599

(6) Items related to pension assets

a. Breakdown of principal pension assets

The main categories by percentage of total pension assets are as follows.

Regular accounts	49%
Bonds	48%
Cash and deposits	3%
Total	100%

b. Method for setting long-term expected rate of return

The current and projected allocation of pension assets and the current and future long-term rates of return for the diverse assets that comprise the pool of pension assets are considered when determining the long-term expected rate of return on pension assets.

(7) Basic items for calculating actuarial differences

Basics for calculating principal actuarial differences for the fiscal year under review

Discount rate	Mainly 1.7%
Long-term expected rate of return on plan assets	Mainly 1.0%

3. Defined contribution plan

The defined contribution of the Company and its consolidated subsidiaries was ¥716 million.

[Stock Options]

1. The account and the amount of expenses concerning stock options

(Millions of yen)

	Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)
Selling, general and administrative expenses	58	52

2. The amount recorded as profit owing to the non-exercise of rights resulting in forfeiture

(Millions of yen)

Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)
9	1

3. Description and changes in the size of stock options

(1) Description of stock options

	2007 Plan	2008 Plan	2009 Plan	2010 Plan
Category and number of grantees	12 directors and 11 executive officers (Note 1) of the Company and 23 directors of consolidated subsidiaries	12 directors and 12 executive officers (Note 1) of the Company and 24 directors of consolidated subsidiaries	12 directors and 12 executive officers (Note 1) of the Company and 23 directors of consolidated subsidiaries	12 directors and 12 executive officers (Note 1) of the Company and 24 directors of consolidated subsidiaries
Number of shares granted by stock type	275,000 shares of common stock (Note 2)	292,600 shares of common stock (Note 2)	281,600 shares of common stock (Note 2)	289,300 shares of common stock (Note 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

Notes:
1. These executive officers of the Company include those who concurrently serve as directors of consolidated subsidiaries.
2. The Company undertook a 1.1-for-1 common stock split on October 1, 2013. These figures concerning the number of shares in the above table reflect this stock split.

	2011 Plan	2012 Plan	2013 Plan
Category and number of grantees	13 directors and 10 executive officers (Note 1) of the Company and 42 directors of consolidated subsidiaries	15 directors and 9 executive officers (Note 1) of the Company and 35 directors of consolidated subsidiaries	14 directors and 10 executive officers (Note 1) of the Company and 35 directors of consolidated subsidiaries
Number of shares granted by stock type	386,100 shares of common stock (Note 2)	353,100 shares of common stock (Note 2)	339,900 shares of common stock (Note 2)
Grant date	August 18, 2011	August 16, 2012	August 20, 2013
Conditions for vesting	Not stated	Not stated	Not stated
Service period	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

Notes:
1. These executive officers of the Company include those who concurrently serve as directors of consolidated subsidiaries.
2. The Company undertook a 1.1-for-1 common stock split on October 1, 2013. These figures concerning the number of shares in the above table reflect this stock split.

(2) Changes in the size of stock options

The following describes changes in the size of stock options that existed during the fiscal year ended March 31, 2014. The number of stock options is translated into the number of shares.

1. Number of stock options

	2007 Plan (Note)	2008 Plan (Note)	2009 Plan (Note)	2010 Plan (Note)	2011 Plan (Note)	2012 Plan (Note)	2013 Plan (Note)
Non-vested (shares):							
Outstanding at the end of the previous year	—	—	—	—	386,100	353,100	—
Granted during the year	—	—	—	—	—	—	339,900
Forfeited during the year	—	—	—	—	—	—	—
Vested during the year	—	—	—	—	386,100	—	—
Outstanding at the end of the year	—	—	—	—	—	353,100	339,900
Vested (shares):							
Outstanding at the end of the previous year	163,900	224,400	273,900	264,000	—	—	—
Vested during the year	—	—	—	—	386,100	—	—
Exercised during the year	—	—	27,500	28,600	75,900	—	—
Forfeited during the year	2,200	4,400	2,200	—	—	—	—
Outstanding at the end of the year	161,700	220,000	244,200	235,400	310,200	—	—

Note:

The Company undertook a 1.1-for-1 common stock split on October 1, 2013. These figures concerning the number of shares in the above table reflect this stock split.

2. Per share prices

(Yen)

	2007 Plan (Note)	2008 Plan (Note)	2009 Plan (Note)	2010 Plan (Note)	2011 Plan (Note)	2012 Plan (Note)	2013 Plan (Note)
Exercise price	1,089	1,270	1,029	999	932	871	1,113
Average stock price upon exercise	—	—	1,072	1,066	1,057	—	—
Fair value per share at grant date	93	183	211	196	154	167	111

Note:

The Company undertook a 1.1-for-1 common stock split on October 1, 2013. These figures concerning the number of shares in the above table reflect this stock split.

4. Method for estimating per share fair value of stock options

The per share fair value of the 2013 Plan granted during the fiscal year ended March 31, 2014 is estimated as follows.

1) Technique of estimation used: Black-Scholes method

2) Basic factors taken into account for the estimation

	2013 Plan
Expected volatility of the share price (Note 1)	20.5%
Expected remaining life of the option (Note 2)	4 years and 6 months
Expected dividend (Note 3)	¥20 per share
Risk-free interest rate (Note 4)	0.25%

Notes:

1. The expected volatility of the share price is estimated by drawing upon the actual share prices in the period of 4 years and 6 months from February 2009 to August 2013.
2. Because it is difficult to make a reasonable estimation based on the past result of options exercised, the expected life of the options is estimated based on the assumption that the options are exercised at the midway point of the exercise period.
3. Estimation of the expected dividend is based on the dividend payment for the fiscal year ended March 31, 2013.
4. Risk-free interest rate is the yield on government bonds for the period that corresponds to the expected remaining life of the options.

5. Method for estimating the number of stock options vested

Because it is difficult to reasonably estimate the number of options that will expire in the future, the number of stock options vested only reflects the number of options that have actually expired.

[Tax Effect Accounting]

1. The principal components of deferred tax assets and deferred tax liabilities are as follows.

(Millions of yen)

	Year ended March 31, 2013 (As of March 31, 2013)	Year ended March 31, 2014 (As of March 31, 2014)
Deferred tax assets:		
Provision for retirement benefits	5,429	—
Net defined benefit liability	—	6,436
Accrued sales incentives	1,340	1,590
Provision for bonuses	1,679	1,580
Impairment loss on noncurrent assets	1,486	1,335
Investment securities, etc.	1,020	1,323
Net operating loss carry forwards	970	1,195
Unrealized gains (losses) on noncurrent assets	993	982
Provision for repairs	566	558
Inventories	545	482
Accrued enterprise tax	421	365
Depreciation	287	288
Unrealized gains (losses) on inventories	240	239
Other	1,591	2,024
Gross deferred tax assets	16,572	18,405
Amount offset by deferred tax liabilities	(5,734)	(6,468)
Net deferred tax assets	10,838	11,936
Valuation allowance	(2,116)	(2,531)
Deferred tax assets, net	8,721	9,405
Deferred tax liabilities:		
Valuation difference on available-for-sale securities	(16,516)	(17,642)
Reserve for advanced depreciation of noncurrent assets	(2,248)	(2,202)
Securities returned from employee retirement benefits trust	(1,118)	(1,118)
Other	(472)	(1,339)
Gross deferred tax liabilities	(20,356)	(22,303)
Amount offset by deferred tax assets	5,734	6,468
Deferred tax liabilities, net	(14,622)	(15,834)

2. The reconciliation between the statutory effective tax rate and the actual effective tax rate when there is a major difference between the statutory effective tax rate and the actual effective tax rate after the application of tax effect accounting is as follows.

Year ended March 31, 2013 (As of March 31, 2013)

Statutory effective tax rate	37.9%
(Adjustments)	
Non-taxable permanent differences such as dividends income	(1.8)%
Non-deductible permanent differences such as entertainment expenses	2.1%
Income tax deductions	(1.0)%
Valuation allowance	(0.3)%
Equity in earnings of affiliates	(1.0)%
Other	(0.1)%
Actual effective tax rate after adoption of tax effect accounting	35.8%

Year ended March 31, 2014 (As of March 31, 2014)

The reconciliation between the statutory effective tax rate and the actual effective tax rate after the application of tax effect accounting is not shown, because the difference between the statutory and actual effective tax rates was less than five hundredths of the statutory rate.

3. Revisions to deferred tax assets and liabilities due to changes in the effective tax rate

In step with the abolishment of the special corporate tax for reconstruction mandated by the Act for Partial Revision of the Income Tax Act, etc. (2014 Act No. 10), the statutory effective tax rate, used to calculate deferred tax assets and liabilities, will change from 37.9% to 35.5% for temporary differences that emerged as of March 31, 2014 and are scheduled to be eliminated by March 31, 2015.

The effect of this change will be negligible.

[Segment Information, etc.]

[Segment information]

1. Outline of reportable segment

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

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

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

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

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

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

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

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

(Millions of yen)

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

Notes:

1. Business segment of "Others" is excluded from reportable segment, which includes pet food, engineering, mesh cloths, handling and storage businesses.
2. Segment income adjustment refers to intersegment transaction eliminations.

   The adjustment in segment assets includes the Group's assets (¥105,067 million): mainly, the Company's surplus operating cash (cash and deposits and short-term investment securities) and investment securities.
3. Segment income has been adjusted for the operating income appearing in the consolidated financial statements.

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

(Millions of yen)

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

Notes:

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

[Related information]

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

1. Information by geographic segment

(1) Net sales

(Millions of yen)

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

Note: Net sales are classified based on customer location.

(2) Property, plant and equipment

(Millions of yen)

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

2. Information by major customer

(Millions of yen)

Name of customer	Net sales	Related segment name
Mitsubishi Corporation	58,627	Flour milling, Processed food, Others

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

1. Information by geographic segment

(1) Net sales

(Millions of yen)

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

Note:

Net sales are classified based on customer location.

* For the fiscal year under review, figures are disclosed since overseas sales accounted for more than 10% of net sales posted in the consolidated statements of income.
  Figures for the previous fiscal year are shown for comparison, although overseas sales did not exceed 10% of net sales posted in the consolidated statements of income.

(2) Property, plant and equipment

(Millions of yen)

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

2. Information by major customer

(Millions of yen)

Name of customer	Net sales	Related segment name
Mitsubishi Corporation	63,256	Flour milling, Processed food, Others

[Noncurrent asset impairment losses by reportable segment]

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

(Millions of yen)

	Flour Milling
Impairment loss	1,764

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

There are no applicable matters to be reported.

[Amortization of goodwill and unamortized balance by reportable segment]

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

(Millions of yen)

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

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

(Millions of yen)

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

[Business transactions with related parties]

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

1. Business transactions with related parties

(1) Business transactions between the Company and related parties

Non-consolidated subsidiaries and affiliates of the Company

Category	Company name, etc.	Location	Paid-in capital or investment (millions of yen)	Businesses	Share of voting rights (indirect ownership) (%)	Relationship with related parties	Nature of transactions	Transaction value (millions of yen)	Item	Year-end balance (millions of yen)
Affiliate	Tokatsu Foods Co., Ltd.	Kohoku-ku, Yokohama, Kanagawa	100	Production and sales of such cooked foods as *bento* lunch boxes and prepared foods	(direct ownership) 49.0	Concurrent/ Temporarily transferred officers	Pledge of collateral (Note 1)	10,000	—	—

Note:

1. In order to secure Tokatsu Foods Co., Ltd.' s loans payable to financial institutions, the Company pledges the said affiliate's stocks it holds as collateral. The transaction value represents the year-end balance of the collateral pledged against the loans.

2. Notes concerning the parent company and significant affiliates

There are no applicable matters to be reported.

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

1. Business transactions with related parties

(1) Business transactions between the Company and related parties

Non-consolidated subsidiaries and affiliates of the Company

Category	Company name, etc.	Location	Paid-in capital or investment (millions of yen)	Businesses	Share of voting rights (indirect ownership) (%)	Relationship with related parties	Nature of transactions	Transaction value (millions of yen)	Item	Year-end balance (millions of yen)
Affiliate	Tokatsu Foods Co., Ltd.	Kohoku-ku, Yokohama, Kanagawa	100	Production and sales of such cooked foods as *bento* lunch boxes and prepared foods	(direct ownership) 49.0	Concurrent/ Temporarily transferred officers	Pledge of collateral (Note 1)	8,300	—	—

Note:

1. In order to secure Tokatsu Foods Co., Ltd.' s loans payable to financial institutions, the Company pledges the said affiliate's stocks it holds as collateral. From the fiscal year under review, the maximum is set at ¥3,000 million. The transaction value represents the year-end balance of the collateral pledged against the loans.

2. Notes concerning the parent company and significant affiliates

There are no applicable matters to be reported.

[Per Share Information]

(Yen)

	Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)
Net assets per share	1,130.75	1,187.80
Net income per share	50.08	55.23
Fully diluted net income per share	—	55.21

Notes:

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

2. The basis of calculation for net assets per share

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

3. Fully diluted net income per share data for the year ended March 31, 2013 has not been disclosed because there were no potential shares of common stock that had a dilutive effect.

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

	Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)
Net income, as stated on the consolidated statements of income (millions of yen)	13,688	15,098
Amount not attributable to owners of common stock (millions of yen)	—	—
Net income associated with common stock (millions of yen)	13,688	15,098
Average number of shares of common stock during the year (shares)	273,316,674	273,364,368
Adjustment to net income (millions of yen)	—	—
Main components of increase in number of shares of common stock used in calculation of fully diluted net income per share (shares): Subscription rights to shares	—	126,913
Details of shares not included in calculation of fully diluted net income per share due to non-dilutive effect	• Subscription rights to shares Date of resolution at the General Meeting of Shareholders: June 28, 2005 (68 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 27, 2007 (47 subscription rights to shares) (107 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 26, 2008 (80 subscription rights to shares) (168 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 25, 2009 (80 subscription rights to shares) (172 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 25, 2010 (86 subscription rights to shares) (177 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 28, 2011 (93 subscription rights to shares) (258 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 27, 2012 (104 subscription rights to shares) (217 subscription rights to shares) • Preferred stocks issued by an affiliate accounted for by the equity method Tokatsu Foods Co., Ltd. Class B preferred stocks: (Number of shares issued and outstanding: 54,275)	• Subscription rights to shares Date of resolution at the General Meeting of Shareholders: June 27, 2007 (42 subscription rights to shares) (105 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 26, 2008 (56 subscription rights to shares) (148 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 26, 2013 (96 subscription rights to shares) (213 subscription rights to shares) • Preferred stocks issued by an affiliate accounted for by the equity method Tokatsu Foods Co., Ltd. Class B preferred stocks: (Number of shares issued and outstanding: 54,275)

[Material Subsequent Events]

(Acquisition of four U.S. flour milling plants)

On April 24, 2014, subsidiary Miller Milling Company, LLC signed an asset transfer agreement for the acquisition of four flour milling plants in the United States from Cargill, Inc., Horizon Milling, LLC and ConAgra Foods Food Ingredients Company, Inc. (collectively herein, the “seller companies”). The plants were officially acquired on May 25, 2014.

1. Purpose of the acquisition

   The United States is the largest flour milling market in the developed world. The Company advanced into this market with the purchase of Miller Milling Company, LLC in March 2012. In the United States, the Group will further expand its business scope by leveraging the advantages of its flour milling business, namely strengths in outstanding product development, technologies and capabilities to supply wheat flour that is consistent in quality.

   Also, this acquisition will vastly increase the purchasing volume of raw materials by Miller Milling Company, LLC, and will diversify the type, variety, and production location of wheat that it handles. This development, in turn, will make available a broader range of raw material information and acquisition of expertise than ever before. This is especially meaningful given the Group’s aspirations for the development of the flour milling business in the global market.

2. Seller companies

   Cargill, Inc., Horizon Milling, LLC and ConAgra Foods Food Ingredients Company, Inc.

3. Transferred Assets

   The acquisition includes four U.S.-based plants (Los Angeles Plant, Oakland Plant, Saginaw Plant and New Prague Plant) and their respective inventories as of the asset transfer date.

   * 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.

4. Value of transferred assets and liabilities

   Under the asset transfer formula, the transfer includes the acquisition of four plants and their respective inventories as of the date of asset transfer from the seller companies. However, a detailed breakdown and monetary amounts remain undecided at this time.

   The acquisition price for this acquisition is US$215 million (approx. ¥22.1 billion: US$1 equivalent to ¥103). Other miscellaneous expenses related to the acquisition are anticipated.

5. Transferred date

   May 25, 2014

(Establishment of a joint venture (subsidiary) in Turkey)

At a meeting of the Board of Directors on January 29, 2014, the Company passed a resolution authorizing the establishment of a joint venture company in Ankara, Turkey, between subsidiary Nisshin Foods Inc., Marubeni Corporation, and Nuh'un Ankara Makarnasi Sanayi Ve Ticaret A.S., Turkey's largest pasta manufacturer. This decision resulted in the establishment of Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S. in June 10, 2014.

1. Purpose of the joint venture

   The purpose of the joint venture is to bolster the production framework for pasta, one of the core product lines of the Group's processed foods business, in an effort to spur further business expansion.

2. Outline of the joint venture

(1) Name	Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S.
(2) Business	Production and sales of dried pasta, others
(3) Scale	Capital consisting of 42.75 million Turkish lira (approx. ¥2.1 billion: TRY1 equivalent to ¥49)

3. Ownership ratio after establishment of the joint venture

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

(5) Supplementary Consolidated Data

[Debentures]

There are no applicable matters to be reported.

[Borrowings]

Category	Balance at the beginning of the year [April 1, 2013] (millions of yen)	Balance at the end of the year [March 31, 2014] (millions of yen)	Average interest rate (%)	Repayment dates
Short-term loans payable	4,768	5,809	1.5569	—
Current portion of long-term loans payable	491	797	1.6666	—
Current portion of lease obligation	433	242	—	—
Long-term loans payable (excluding current portion)	3,207	3,367	1.5654	2015 – 2027
Lease obligation (excluding current portion)	424	312	—	2015 – 2019
Other interest-bearing liabilities	—	—	—	—
Total	9,326	10,529	—	—

Notes:

1. Components of long-term loans payable (excluding current portion) and lease obligation (excluding current portion) with repayments scheduled within five years after March 31, 2014 are detailed in the table below.

(Millions of yen)

	Within 1–2 years	Within 2–3 years	Within 3–4 years	Within 4–5 years
Long-term loans payable	716	792	781	612
Lease obligation	151	85	61	13

2. Average interest rates are computed as the weighted average interest rate on debt outstanding at the fiscal year-end. Average interest rates on lease obligations are not provided because the lease obligations stated on the consolidated balance sheet represent the amounts that do not deduct interest equivalents from total lease payments.
3. The Group (Nisshin Seifun Group Inc. and its consolidated subsidiaries) has entered into commitment line agreement with its principal financial institutions in order to ensure efficient procurement of working capital.

The total amount of commitment line agreements	¥17,900 million	
Balance outstanding as of March 31, 2014	¥2,512 million	
Credit facility fees for year ended March 31, 2014	¥13 million	(Amount included in “Other” category within non-operating expenses)

[Asset Retirement Obligations]

There are no applicable matters to be reported.

2. Others

Quarterly financial information for the year ended March 31, 2014

(Millions of yen)

(Cumulative period)	First Quarter (April 1, 2013 to June 30, 2013)	Second Quarter (April 1, 2013 to September 30, 2013)	Third Quarter (April 1, 2013 to December 31, 2013)	Fourth Quarter (April 1, 2013 to March 31, 2014)
Net sales	118,078	239,322	369,992	495,930
Income before income taxes and minority interests	6,674	11,639	20,103	25,201
Net income	4,221	7,119	12,300	15,098
Net income per share (yen)	15.44	26.05	45.00	55.23

(Fiscal period)	First Quarter (April 1, 2013 to June 30, 2013)	Second Quarter (July 1, 2013 to September 30, 2013)	Third Quarter (October 1, 2013 to December 31, 2013)	Fourth Quarter (January 1, 2014 to March 31, 2014)
Net income per share (yen)	15.44	10.60	18.95	10.23

Note:

On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. Net income per share is calculated by deeming the stock split to have occurred at the beginning of the current consolidated fiscal year.

(2) Non-consolidated Financial Statements, etc.

1. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Millions of yen)

	Year ended March 31, 2013 (As of March 31, 2013)		Year ended March 31, 2014 (As of March 31, 2014)	
Assets				
Current assets				
Cash and deposits		24,022		12,683
Accounts receivable – trade	Note 2	210	Note 2	218
Short-term investment securities		15,998		24,007
Prepaid expenses		102		107
Deferred tax assets		456		437
Income taxes receivable		4,255		2,147
Other	Note 2	878	Note 2	1,177
Total current assets		45,924		40,779
Noncurrent assets				
Property, plant and equipment				
Buildings, net		7,674		7,293
Structures, net		722		691
Machinery and equipment, net		621		526
Vehicles, net		1		10
Tools, furniture and fixtures, net		488		404
Land		14,015		15,580
Lease assets, net		253		113
Construction in progress		175		249
Total property, plant and equipment		23,954		24,870
Intangible assets				
Leasehold right		395		395
Software		169		115
Lease assets		27		9
Other		61		61
Total intangible assets		653		580
Investments and other assets				
Investment securities		55,576		58,191
Stocks of subsidiaries and affiliates	Note 1	126,018	Note 1	125,258
Investments in capital		317		317
Investments in capital of subsidiaries and affiliates		488		666
Long-term loans receivable from employees		24		15
Long-term loans receivable from subsidiaries and affiliates	Note 2	24,610	Note 2	33,609
Prepaid pension cost		277		209
Other		372		371
Allowance for doubtful accounts		(24)		(24)
Total investments and other assets		207,660		218,613
Total noncurrent assets		232,268		244,064
Total assets		278,192		284,844

(Millions of yen)

	Year ended March 31, 2013 (As of March 31, 2013)		Year ended March 31, 2014 (As of March 31, 2014)	
Liabilities				
Current liabilities				
Short-term loans payable		2		1
Lease obligations		171		57
Accounts payable – other	Note 2	181	Note 2	347
Accrued expenses	Note 2	1,845	Note 2	1,676
Deposits received	Note 2	4,564	Note 2	4,136
Provision for directors’ bonuses		63		58
Other		42		179
Total current liabilities		6,870		6,456
Noncurrent liabilities				
Long-term loans payable		21		12
Lease obligations		109		65
Deferred tax liabilities		13,040		13,730
Provision for retirement benefits		3,996		3,765
Other		59		57
Total noncurrent liabilities		17,226		17,632
Total liabilities		24,097		24,089
Net assets				
Shareholders’ equity				
Capital stock		17,117		17,117
Capital surplus				
Legal capital surplus		9,500		9,500
Other capital surplus		13		37
Total capital surpluses		9,513		9,537
Retained earnings				
Legal retained earnings		4,379		4,379
Other retained earnings				
Reserve for dividends		2,000		2,000
Reserve for advanced depreciation of noncurrent assets		2,110		2,076
General reserve		147,770		163,770
Retained earnings brought forward		50,955		40,292
Total retained earnings		207,215		212,518
Treasury stock		(3,180)		(3,080)
Total shareholders’ equity		230,666		236,093
Valuation and translation adjustment				
Valuation difference on available-for-sale securities		23,196		24,401
Deferred gains or losses on hedges		—		(0)
Total valuation and translation adjustment		23,196		24,401
Subscription rights to shares		232		260
Total net assets		254,095		260,754
Total liabilities and net assets		278,192		284,844

(2) Non-consolidated Statements of Income

(Millions of yen)

		Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)		Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)
Operating revenue	Note 1	32,418	Note 1	20,597
Operating expenses	Notes 1, 2	13,074	Notes 1, 2	12,223
Operating income		19,344		8,374
Non-operating income				
Interest income	Note 1	395	Note 1	442
Dividends income		1,164		1,223
Other		94		52
Total non-operating income		1,655		1,718
Non-operating expenses				
Interest expenses	Note 1	6	Note 1	8
Other		11		16
Total non-operating expenses		18		25
Ordinary income		20,981		10,067
Extraordinary income				
Gain on sales of noncurrent assets		42		85
Gain on sales of investment securities		—		502
Other		2		—
Total extraordinary income		44		587
Extraordinary losses				
Loss on retirement of noncurrent assets		45		19
Loss on valuation of investment securities in capital of subsidiaries and affiliates		72		38
Other		19		26
Total extraordinary losses		137		84
Income before income taxes		20,887		10,570
Income taxes – current		18		82
Income taxes – deferred		(111)		212
Total income taxes		(93)		295
Net income		20,980		10,274

(3) Non-consolidated Statements of Changes in Net Assets

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

(Millions of yen)

	Shareholders' equity								
		Capital surplus			Retained earnings				
						Other retained earnings			
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for dividends	Reserve for advanced depreciation of noncurrent assets	Reserve for special account for advanced depreciation of noncurrent assets	General reserve
Balance at the beginning of current period	17,117	9,500	7	9,507	4,379	2,000	1,969	171	140,770
Changes of items during the period									
Provision of reserve for advanced depreciation of noncurrent assets							177		
Reversal of reserve for advanced depreciation of noncurrent assets							(36)		
Provision of reserve for special account for advanced depreciation of noncurrent assets									
Reversal of reserve for special account for advanced depreciation of noncurrent assets								(171)	
Adjustment to reserve due to change in tax rate									
Provision of general reserve									7,000
Dividends from surplus									
Net income									
Purchase of treasury stock									
Disposal of treasury stock			6	6					
Net changes of items other than shareholders' equity									
Total changes of items during the period	–	–	6	6	–	–	141	(171)	7,000
Balance at the end of current period	17,117	9,500	13	9,513	4,379	2,000	2,110	–	147,770

	Shareholders' equity				Valuation and translation adjustment			Subscription rights to shares	Total net assets
	Retained earnings								
	Other retained earnings								
	Retained earnings brought forward	Total retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustment		
Balance at the beginning of current period	41,914	191,204	(3,179)	214,650	18,503	–	18,503	188	233,342
Changes of items during the period									
Provision of reserve for advanced depreciation of noncurrent assets	(177)	–		–					–
Reversal of reserve for advanced depreciation of noncurrent assets	36	–		–					–
Provision of reserve for special account for advanced depreciation of noncurrent assets		–		–					–
Reversal of reserve for special account for advanced depreciation of noncurrent assets	171	–		–					–
Adjustment to reserve due to change in tax rate		–		–					–
Provision of general reserve	(7,000)	–		–					–
Dividends from surplus	(4,970)	(4,970)		(4,970)					(4,970)
Net income	20,980	20,980		20,980					20,980
Purchase of treasury stock			(30)	(30)					(30)
Disposal of treasury stock			29	36					36
Net changes of items other than shareholders' equity					4,692		4,692	43	4,736
Total changes of items during the period	9,040	16,010	(1)	16,015	4,692	–	4,692	43	20,752
Balance at the end of current period	50,955	207,215	(3,180)	230,666	23,196	–	23,196	232	254,095

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

(Millions of yen)

	Shareholders' equity								
		Capital surplus			Retained earnings				
						Other retained earnings			
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for dividends	Reserve for advanced depreciation of noncurrent assets	Reserve for special account for advanced depreciation of noncurrent assets	General reserve
Balance at the beginning of current period	17,117	9,500	13	9,513	4,379	2,000	2,110	–	147,770
Changes of items during the period									
Provision of reserve for advanced depreciation of noncurrent assets									
Reversal of reserve for advanced depreciation of noncurrent assets							(35)		
Provision of reserve for special account for advanced depreciation of noncurrent assets									
Reversal of reserve for special account for advanced depreciation of noncurrent assets									
Adjustment to reserve due to change in tax rate							1		
Provision of general reserve									16,000
Dividends from surplus									
Net income									
Purchase of treasury stock									
Disposal of treasury stock			23	23					
Net changes of items other than shareholders' equity									
Total changes of items during the period	–	–	23	23	–	–	(33)	–	16,000
Balance at the end of current period	17,117	9,500	37	9,537	4,379	2,000	2,076	–	163,770

	Shareholders' equity				Valuation and translation adjustment				
	Retained earnings								
	Other retained earnings								
	Retained earnings brought forward	Total retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustment	Subscription rights to shares	Total net assets
Balance at the beginning of current period	50,955	207,215	(3,180)	230,666	23,196	–	23,196	232	254,095
Changes of items during the period									
Provision of reserve for advanced depreciation of noncurrent assets		–		–					–
Reversal of reserve for advanced depreciation of noncurrent assets	35	–		–					–
Provision of reserve for special account for advanced depreciation of noncurrent assets		–		–					–
Reversal of reserve for special account for advanced depreciation of noncurrent assets		–		–					–
Adjustment to reserve due to change in tax rate	(1)	–		–					–
Provision of general reserve	(16,000)	–		–					–
Dividends from surplus	(4,971)	(4,971)		(4,971)					(4,971)
Net income	10,274	10,274		10,274					10,274
Purchase of treasury stock			(28)	(28)					(28)
Disposal of treasury stock			128	151					151
Net changes of items other than shareholders' equity					1,205	(0)	1,204	27	1,232
Total changes of items during the period	(10,662)	5,303	100	5,427	1,205	(0)	1,204	27	6,659
Balance at the end of current period	40,292	212,518	(3,080)	236,093	24,401	(0)	24,401	260	260,754

[Notes to the Non-consolidated Financial Statements]

[Significant Accounting Policies]

1. Valuation standards and methodology for securities
   (1) Held-to-maturity debt securities are stated at amortized cost.
   (2) Equity in subsidiaries and affiliates is stated at cost, with cost being determined by the moving average method.
   (3) Other securities:
   Securities with a readily determinable market value are stated at fair market value based on the quoted market price at the fiscal year-end (with any unrealized gains or losses being reported directly as a component of shareholders' equity and the cost of any securities sold being computed by the moving average method).
   Securities with no readily determinable market value are stated at cost, with cost being determined by the moving average method.

2. Valuation standards and methodology for derivatives
   Derivative financial instruments are stated at fair market value.

3. Depreciation methods for noncurrent assets
   (1) Depreciation on property, plant and equipment (excluding lease assets) is computed principally by the declining balance method. However, for buildings acquired on or after April 1, 1998 (excluding building fixtures), they apply the straight-line method.
   (2) Depreciation on intangible assets (excluding lease assets) is computed by the straight-line method.
   Software used in-house is depreciated over its estimated useful life (within five years) based on the straight-line method.
   (3) Lease assets
   Lease assets related to finance lease transactions that do not transfer ownership are depreciated using the straight-line method with estimated useful lives equal to lease terms, and zero residual values.

4. Basis of material allowances
   (1) Allowance for doubtful accounts
   The Company provides for possible credit losses stemming from monetary claims and other receivables. Estimates of irrecoverable amounts are determined by considering historical loan-loss ratios for general receivables and on a consideration of recoverable amounts on a case-by-case basis in instances of suspected bad debt or other dubious accounts.
   (2) Provision for directors' bonuses
   Provision is made for directors' bonuses based on the estimated amounts of payment at the end of the fiscal year.
   (3) Provision for retirement benefits
   The Company provides for employees and already retired pension recipients based on the estimated amounts of projected benefit obligation and the market value of the pension plan assets at the fiscal year-end.
   a. Imputation method for retirement benefit estimates
   In computing its retirement benefit obligation, the Company applies straight-line attribution as the method for imputing its retirement benefit estimates through the end of the fiscal year under review.
   b. Treatment method for actuarial differences and expenses related to prior service cost
   Prior service cost is amortized on a straight-line basis over a period equaling the average remaining service period of employees (15 years) expected to receive pension benefits as of the fiscal year-end.
   Actuarial differences are amortized on a straight-line basis from the following fiscal year over a period equaling the average remaining service period of employees (15 years) expected to receive pension benefits as of the fiscal year-end.

5. Hedging transactions

(1) Hedging transactions are accounted for on a deferred basis. However, the contracted exchange rates are applied in the case of any monetary claims, obligations or similar items denominated in foreign currencies with assigned foreign currency forwards or other hedging instruments.

(2) Hedging methods: Derivative transactions (including forward exchange contracts and currency purchase put/call options)

Hedged items: Any monetary receivables and payables and planned trading transactions that are denominated in foreign currencies.

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

(4) Hedging evaluation

Since hedging methods and the target of each hedging transaction share the same conditions that apply at the start of hedging activities and throughout subsequent periods, the Company's hedging approach enables exchange rate fluctuations to be offset completely. Hence, the Company considers its hedging method to be highly effective.

6. Accounting treatment of retirement benefits

The accounting method for unrecognized actuarial losses related to retirement benefits and unsettled unrecognized prior service cost differs from the accounting method applied to these items in the consolidated financial statements.

7. Accounting treatment of consumption tax

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

(Changes in presentation methods)

From the fiscal year under review, the balance sheet, statements of income, statements of changes in net assets, presentation of property, plant and equipment, and presentation of other reserves were prepared based on a format stipulated in Article 127, Paragraph 1 of the Regulations on Financial Statements.

For the notes of each item set forth in Article 127, Paragraph 2 of the Regulations on Financial Statements, these have been changed to the notes set forth in Corporate Accounting Rules.

Presentation of the items listed below has been omitted.

- Notes regarding lease transactions stipulated by Article 8-6 of the Regulations on Financial Statements have been omitted pursuant to Paragraph 4.
- Notes regarding the direct deduction of accumulated depreciation stipulated by Article 26 of the Regulations on Financial Statements have been omitted pursuant to Paragraph 2.
- Notes regarding the net assets per share stipulated by Article 68-4 of the Regulations on Financial Statements have been omitted pursuant to Paragraph 3.
- Notes regarding R&D expenses stipulated by Article 86 of the Regulations on Financial Statements have been omitted pursuant to Paragraph 2.
- Notes regarding the net income per share stipulated by Article 95-5-2 of the Regulations on Financial Statements have been omitted pursuant to Paragraph 3.
- Notes regarding the diluted net income per share stipulated by Article 95-5-3 of the Regulations on Financial Statements have been omitted pursuant to Paragraph 4.
- Notes regarding treasury stock stipulated by Article 107 of the regulations governing financial statements have been omitted pursuant to Paragraph 2.
- Notes regarding the presentation of marketable securities stipulated by Article 121-1-1 of the Regulations on Financial Statements have been omitted pursuant to Paragraph 3.

(Balance Sheet)

Pursuant to application of the Partial Revision of the Ordinance on Terminology, Forms and Preparation Methods of Financial Statements, etc." (Cabinet Office Ordinance No. 61, Sept. 21, 2012), "prepaid pension cost," which was previously included in "Long-term prepaid expenses" under "Investments and other assets" will be independently displayed from the fiscal year under review. As a result of this change, "Long-term prepaid expenses," which was independently displayed in the balance sheet under "Investments and other assets" in the previous fiscal year, has lost material significance, and is included in "Other" under "Investments and other assets" for the fiscal year under review. The financial statements for the prior fiscal year have been adjusted to reflect this change in presentation.

As a result, ¥287 million listed for “Long-term prepaid expenses” displayed under “Investments and other assets” in the balance sheet for the previous fiscal year has been restated as “prepaid pension cost” of ¥277 million and “Other” of ¥10 million.

(Notes for Statements of Income)

“Rent expenses” and “Commission fee” listed under “Major components of operating expenses” in the previous fiscal year have lost material significance, and are now listed under “Other.” The notes for the previous fiscal year have been reclassified to reflect this change in presentation.

[Non-consolidated Balance Sheets]

1. Assets offered as collateral

	Year ended March 31, 2013 (As of March 31, 2013)	Year ended March 31, 2014 (As of March 31, 2014)
Stocks of subsidiaries and affiliates Note	¥3,897 million	¥3,897 million

(Note) In order to secure loans payable of ¥8,300 million for affiliates (¥10,000 million for the fiscal year ended March 31, 2013), investment securities were pledged as a third-party guarantee. From the fiscal year under review, the maximum is set at ¥3,000 million.

2. Monetary claims and obligations to affiliates

	Year ended March 31, 2013 (As of March 31, 2013)	Year ended March 31, 2014 (As of March 31, 2014)
Short-term claims	¥907 million	¥1,082 million
Long-term claims	¥24,610 million	¥33,609 million
Short-term obligations	¥4,213 million	¥3,859 million

3. Warranty liabilities
   Warranty liabilities are provided for debts undertaken from financial institutions by employees.

	Year ended March 31, 2013 (As of March 31, 2013)	Year ended March 31, 2014 (As of March 31, 2014)
	¥60 million	¥44 million

[Non-consolidated Statements of Income]

1. Transaction balance with affiliates.

	Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)
Transaction balance from operating transactions		
Operating revenue	¥32,258 million	¥20,431 million
Operating expenses	¥828 million	¥804 million
Transaction balance from non-operating transactions	¥525 million	¥513 million

2. Major components of operating expenses are as follows.
   All of the operating expenses are categorized as general and administrative expenses.

	Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)
Salaries	¥1,834 million	¥1,837 million
Bonuses and allowance	¥1,439 million	¥1,444 million
Retirement benefit expenses	¥302 million	¥347 million
Research study expenses	¥2,298 million	¥2,185 million
Advertising expenses	¥1,639 million	¥1,419 million
Depreciation	¥815 million	¥795 million
Other	¥4,743 million	¥4,193 million

[Securities]

Equity securities in subsidiaries and affiliates

Year ended March 31, 2013 (As of March 31, 2013)

(Millions of yen)

Type	Carrying value	Fair value	Unrealized gains (losses)
Equity securities in subsidiaries	—	—	—
Equity securities in affiliates	200	188	(12)
Total	200	188	(12)

Year ended March 31, 2014 (As of March 31, 2014)

(Millions of yen)

Type	Carrying value	Fair value	Unrealized gains (losses)
Equity securities in subsidiaries	—	—	—
Equity securities in affiliates	200	209	8
Total	200	209	8

Note: Carrying value of equity securities in subsidiaries and affiliates for which the fair value is not readily determinable

(Millions of yen)

Type	Year ended March 31, 2013 (As of March 31, 2013)	Year ended March 31, 2014 (As of March 31, 2014)
Equity securities in subsidiaries	112,460	112,611
Equity securities in affiliates	13,356	12,446

These equity securities are not included in “Equity securities in subsidiaries and affiliates” above because they do not have market price and considerable cost would be required to estimate their future cash flows; therefore, their fair value is regarded to be not readily determinable.

[Tax Effect Accounting]

1. The principal components of deferred tax assets and deferred tax liabilities are as follows.

(Millions of yen)

	Year ended March 31, 2013 (As of March 31, 2013)	Year ended March 31, 2014 (As of March 31, 2014)
Deferred tax assets:		
Provision for retirement benefits	1,322	1,262
Investment securities, etc.	618	956
Net operating loss carry forwards	678	507
Provision for bonuses	217	197
Other	257	260
Gross deferred tax assets	3,095	3,184
Amount offset by deferred tax liabilities	(2,011)	(1,795)
Net deferred tax assets	1,083	1,389
Valuation allowance	(626)	(951)
Deferred tax assets, net	456	437
Deferred tax liabilities:		
Valuation difference on available-for-sale securities	(12,767)	(13,263)
Reserve for advanced depreciation of noncurrent assets and other	(1,165)	(1,142)
Securities returned from employee retirement benefits trust	(1,118)	(1,118)
Gross deferred tax liabilities	(15,051)	(15,525)
Amount offset by deferred tax assets	2,011	1,795
Deferred tax liabilities, net	(13,040)	(13,730)

2. The reconciliation between the statutory effective tax rate and the actual effective tax rate when there is a major difference between the statutory effective tax rate and the actual effective tax rate after the application of tax effect accounting is as follows.

	Year ended March 31, 2013 (As of March 31, 2013)	Year ended March 31, 2014 (As of March 31, 2014)
Statutory effective tax rate	37.9%	37.9%
(Adjustments)		
Dividend income and other items excluded from gross revenue	(38.9)%	(39.5)%
Entertainment expenses and other items not qualifying for deduction	0.4%	0.7%
Valuation allowance	0.1%	3.1%
Effect of tax rate change	—	0.3%
Other	0.1%	0.3%
Actual effective tax rate after adoption of tax effect accounting	(0.4)%	2.8%

3. Revisions to deferred tax assets and liabilities due to changes in the effective tax rate

In step with the abolishment of the special corporate tax for reconstruction mandated by the Act for Partial Revision of the Income Tax Act, etc. (2014 Act No. 10), the statutory effective tax rate, used to calculate deferred tax assets and liabilities, will move from 37.9% to 35.5% for temporary differences that emerged as of March 31, 2014 that are scheduled to be eliminated by March 31, 2015.

As a result of this change in tax rate, deferred tax liabilities (amount remaining after deduction of deferred tax assets) as of March 31, 2014 increased by ¥28 million, while income taxes- deferred posted for the fiscal year under review increased by ¥28 million.

[Material Subsequent Events]

(Establishment of a joint venture (subsidiary) in Turkey)

At a meeting of the Board of Directors on January 29, 2014, the Company passed a resolution authorizing the establishment of a joint venture company in Ankara, Turkey, between subsidiary Nisshin Foods Inc., Marubeni Corporation, and Nuh'un Ankara Makarnasi Sanayi Ve Ticaret A.S., Turkey's largest pasta manufacturer. This decision resulted in the establishment of Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S. in June 10, 2014.

1. Purpose of the joint venture

   The purpose of the joint venture is to bolster the production framework for pasta, one of the core product lines of the Group's processed foods business, in an effort to spur further business expansion.

2. Outline of the joint venture

(1) Name	Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S.
(2) Business	Production and sale of dried pasta, others
(3) Scale	Capital consisting of 42.75 million Turkish lira (approx. ¥2.1 billion: TRY1 equivalent to ¥49)

3. Ownership ratio after establishment of the joint venture

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

(4) Supplementary Data

[Property, plant and equipment]

(Millions of yen)

Category	Asset type	Balance at the beginning of the year	Increase during the year	Decrease during the year	Depreciation during the year	Balance at the end of the year	Accumulated depreciation at the end of the year
Property, plant and equipment	Buildings	7,674	43	1	423	7,293	12,299
	Structures	722	50	2	79	691	1,090
	Machinery and equipment	621	105	65	135	526	1,412
	Vehicles	1	14	0	4	10	7
	Tools, furniture and fixtures	488	143	7	219	404	2,820
	Land	14,015	1,567	2	—	15,580	—
	Lease assets	253	16	—	155	113	806
	Construction in progress	175	2,027	1,953	—	249	—
	Total	23,954	3,967	2,033	1,017	24,870	18,436
Intangible assets	Leasehold rights	395	—	—	—	395	—
	Software	169	29	4	79	115	—
	Lease assets	27	—	—	17	9	—
	Other	61	—	—	0	61	—
	Total	653	29	4	97	580	—

Note:

Depreciation expenses of ¥320 million related to the Research Center for Basic Science Research and Development, QE Center and Research Center for Production and Technology are included in marketing and research costs.

[Other reserves]

(Millions of yen)

Category	Balance at the beginning of the year	Increase during the year	Decrease during the year	Balance at the end of the year
Allowance for doubtful accounts	24	—	—	24
Provision for directors' bonuses	63	58	63	58

2. [Major assets and liabilities]

Consolidated financial statements have been prepared, thus major assets and liabilities are omitted here.

3. Others

There are no applicable matters to be reported.

[6] Stock-related Administration

Fiscal year	From April 1 to March 31
Ordinary General Meeting of Shareholders	June
Record date (final dividend)	March 31
Record date (interim dividend)	September 30 March 31
Minimum trading unit (MTU)	100 shares
Purchase and sale of sub-MTU share holdings	
Handling office (main)	(Special account) Stock Transfer Agent Department, Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo JAPAN
Custodian of shareholder register	(Special account) Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo JAPAN
Handling locations	—
Share purchase/ sale commissions	Commission rates for purchase or sale of sub-MTU shares vary depending on the value per MTU (see below). For MTU values of ¥1,000,000 or less 1.150% For MTU values above ¥1,000,000 up to ¥5,000,000 0.900% For MTU values above ¥5,000,000 up to ¥10,000,000 0.700% For MTU values above ¥10,000,000 up to ¥30,000,000 0.575% For MTU values above ¥30,000,000 up to ¥50,000,000 0.375% (Commissions are rounded down to the nearest ¥1). The minimum value per MTU is set at ¥2,500.
Method of public notice	Public notice of the Company shall be given by electronic means; provided, however, that in the event accidents or other unavoidable reasons prevent public notice by electronic means, the notice can be given in the Nikkei newspaper. The electronic public notice is presented on the Company's Web site at http://www.nisshin.com.
Shareholder privileges	All shareholders of record as of March 31 with holdings of at least 500 shares are entitled to receive complimentary supplies of Nisshin Seifun Group products.

Note:
According to the Company's Articles of Incorporation, sub-MTU shareholders do not have any rights except for those listed in Article 189, Paragraph 2 of the Companies Act, the right of claim, the right to be allotted the shares and/or subscription rights to shares offered according to the number of shares held and the right to ask for sale of sub-MTU shares (top-up purchase) as stipulated in Article 166, Paragraph 1 of the Companies Act.

[7] Corporate Reference Data

(1) Information on the Parent Company of Nisshin Seifun Group Inc.

Nisshin Seifun Group Inc. has no parent company as stipulated in Article 24-7, Paragraph 1, of the Financial Instruments and Exchange Law.

(2) Other Reference Data

The following publications were issued by the Company (in Japanese) between the start of the fiscal year under review and the submittal of the Japanese version of this Securities Report.

(1)	Securities Report (including supplementary documentation) and Confirmation Letters	For the 169th fiscal term	Covering the period: April 1, 2012 to March 31, 2013	Submitted to Director, Kanto Local Finance Bureau: June 26, 2013
(2)	Internal Control Report (including supplementary documentation)			Submitted to Director, Kanto Local Finance Bureau: June 26, 2013
(3)	Quarterly Reports and Confirmation Letters	For the first quarter of the 170th fiscal term	Covering the period: April 1, 2013 to June 30, 2013	Submitted to Director, Kanto Local Finance Bureau: August 13, 2013
		For the second quarter of the 170th fiscal term	Covering the period: July 1, 2013 to September 30, 2013	Submitted to Director, Kanto Local Finance Bureau: November 13, 2013
		For the third quarter of the 170th fiscal term	Covering the period: October 1, 2013 to December 31, 2013	Submitted to Director, Kanto Local Finance Bureau: February 13, 2014
(4)	Shelf Registration Statement (share certificates, debenture bonds, etc.) and supplementary documentation			Submitted to Director, Kanto Local Finance Bureau: June 28, 2013
(5)	Amendments to Shelf Registration Statement			Submitted to Director, Kanto Local Finance Bureau: July 30, 2013; August 13, 2013; August 20, 2013; October 1, 2013; November 13, 2013; January 29, 2014; February 13, 2014; June 23, 2014
(6)	Extraordinary Report	According to the provision of Article 19, Paragraph 2, Item 9-2, "Results of the exercise of voting rights at the Ordinary General Meeting of Shareholders" of the Cabinet Office Regulations, regarding the disclosure of corporate information		Submitted to Director, Kanto Local Finance Bureau: June 27, 2013
(7)	Extraordinary Report	According to the provision of Article 19, Paragraph 2, Item 2-2, "Issuance of Subscription Rights to Shares to the Company's Directors" of the Cabinet Office Regulations, regarding the disclosure of corporate information		Submitted to Director, Kanto Local Finance Bureau: July 30, 2013
(8)	Amendment to Extraordinary Report	Amendment to the above (7) extraordinary report submitted on July 30, 2013, regarding the "Issuance of Subscription Rights to Shares to the Company's Directors"		Submitted to Director, Kanto Local Finance Bureau: August 20, 2013

(9)	Extraordinary Report	According to the provision of Article 19, Paragraph 2, Item 2-2, “Issuance of Subscription Rights to Shares to Some of the Company’s Executive Officers and the Directors of Consolidated Subsidiaries” of the Cabinet Office Regulations, regarding the disclosure of corporate information	Submitted to Director, Kanto Local Finance Bureau: July 30, 2013
(10)	Amendment to Extraordinary Report	Amendment to the above (9) extraordinary report submitted on July 30, 2013, regarding the “Issuance of Subscription Rights to Shares to Some of the Company’s Executive Officers and the Directors of Consolidated Subsidiaries”	Submitted to Director, Kanto Local Finance Bureau: August 20, 2013
(11)	Extraordinary Report	According to the provision of Article 19, Paragraph 2, Item 3, “Transfer of specified subsidiaries” of the Cabinet Office Regulations, regarding the disclosure of corporate information	Submitted to Director, Kanto Local Finance Bureau: January 29, 2014
(12)	Amendment to Extraordinary Report	Amendment to the above (11) extraordinary report submitted on January 29, 2014, regarding the “Transfer of specified subsidiaries”	Submitted to Director, Kanto Local Finance Bureau: June 23, 2014

Part B: Information on Corporate Guarantor for Nisshin Seifun Group Inc.

There are no applicable matters to be reported.