171st Fiscal Term (April 1, 2014 to March 31, 2015)

Securities Report

Nisshin Seifun Group Inc.

Contents

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Locations where filings are available for public inspection	Tokyo Stock Exchange, Inc. (2-1, Nihonbashi-Kabutocho, Chuo-ku, Tokyo)

Part A: Company Information

[1] Company Overview

(1) Principal Business Performance Indicators

1. Consolidated business performance indicators

Fiscal term		167th	168th	169th	170th	171st
Years ended March 31		2011	2012	2013	2014	2015
Net sales	(millions of yen)	424,156	441,963	455,566	495,930	526,144
Ordinary income	(millions of yen)	27,839	26,132	24,742	25,579	25,544
Net income	(millions of yen)	14,187	13,326	13,688	15,098	16,036
Comprehensive income	(millions of yen)	12,503	17,962	23,945	23,936	50,988
Net assets	(millions of yen)	285,249	298,798	317,436	334,092	378,715
Total assets	(millions of yen)	389,418	431,956	461,851	471,039	549,307
Net assets per share	(yen)	927.25	969.19	1,027.95	1,079.82	1,218.49
Net income per share	(yen)	47.18	44.33	45.53	50.21	53.28
Fully diluted net income per share	(yen)	47.18	—	—	50.19	53.22
Equity ratio	(%)	71.6	67.5	66.9	68.9	66.8
Return on equity	(%)	5.1	4.7	4.6	4.8	4.6
Price-earnings ratio (p/e)	(times)	16.80	18.66	23.22	20.53	26.54
Cash flows from operating activities	(millions of yen)	34,856	26,078	34,479	25,058	25,107
Cash flows from investing activities	(millions of yen)	(16,067)	(15,244)	(23,854)	(1,797)	(43,636)
Cash flows from financing activities	(millions of yen)	(6,373)	(6,134)	(4,587)	(5,072)	4,331
Cash and cash equivalents at end of year	(millions of yen)	42,087	46,387	53,249	72,685	59,897
Number of employees [average number of part-time employees]	(persons)	5,452 [1,825]	5,582 [1,893]	5,765 [1,883]	5,650 [1,940]	6,146 [2,073]

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. Furthermore, on October 1, 2014, 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 167th 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		167th	168th	169th	170th	171st
Years ended March 31		2011	2012	2013	2014	2015
Net sales	(millions of yen)	25,034	22,886	32,418	20,597	16,744
Ordinary income	(millions of yen)	13,164	11,739	20,981	10,067	6,536
Net income	(millions of yen)	12,864	13,604	20,980	10,274	6,811
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	276,688	304,357
Net assets	(millions of yen)	221,159	233,342	254,095	260,754	279,540
Total assets	(millions of yen)	237,180	255,029	278,192	284,844	311,028
Net assets per share	(yen)	734.89	775.28	844.15	865.87	927.06
Total dividends per share (interim dividend amount)	(yen) (yen)	20.00 (10.00)	20.00 (10.00)	20.00 (10.00)	20.00 (10.00)	22.00 (10.00)
Net income per share	(yen)	42.77	45.24	69.77	34.16	22.63
Fully diluted net income per share	(yen)	42.77	—	—	34.14	22.60
Equity ratio	(%)	93.2	91.4	91.3	91.5	89.8
Return on equity	(%)	5.9	6.0	8.6	4.0	2.5
Price-earnings ratio (p/e)	(times)	18.53	18.29	15.15	30.18	62.48
Dividend payout ratio	(%)	38.6	36.5	23.7	50.8	93.2
Number of employees [average number of part-time employees]	(persons)	276 [16]	298 [20]	299 [22]	305 [24]	298 [27]

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. Furthermore, on October 1, 2014, 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 167th fiscal term. For its 171st fiscal term, the Company paid a total annual dividend of ¥22.00 per share, consisting of an interim dividend of ¥10.00 per share prior to the stock split of October 1, 2014 and a year-end dividend of ¥12.00 per share after the stock split. Accordingly, this would translate into an annual dividend of about ¥21.09 per share for the 171st fiscal term after the stock split, and translates into an annual dividend equivalent to ¥25.52 per share for the 171st fiscal term for shares held from before the stock split of October 1, 2013.
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) 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.
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; operations commenced in October 2014.
February 2014	The Fukuoka Plant of Nisshin Flour Milling Inc. came on-line.
May 2014	Miller Milling Company, LLC acquired four flour milling plants in the U.S.
June 2014	Established Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S. in Turkey as a joint venture with Marubeni Corporation and Nuh’un Ankara Makarnasi Sanayi Ve Ticaret A.S.

(3) Business Overview

The Nisshin Seifun Group consists of 47 subsidiaries and 10 affiliates accounted for by the equity method. 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, a consolidated subsidiary in Indonesia sells prepared mix in Southeast Asia. Medallion Foods, Inc., a consolidated subsidiary in the United States produces pasta, Thai Nisshin Seifun Co., Ltd., a consolidated subsidiary in Thailand, produces pasta sauce and frozen food and Vietnam Nisshin Seifun Co., Ltd., a consolidated subsidiary, manufactures pasta sauce, of which Nisshin Foods Inc. is the primary importer and seller in Japan. Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ticaret A.S., a consolidated subsidiary that manufactures and sells pasta and other products, was established in Turkey in June 2014.

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

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

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

3. Others Segment

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

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

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

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

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

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

Nisshin Seifun Group Structure

Nisshin Seifun Group Inc. (Holding company)

Flour Milling Segment

Domestic	Overseas

⦿ Nisshin Flour Milling Inc.
  ⦿ Fresh Food Service Co., Ltd.
  ⦿ Yamajo Shoji Co., Ltd.
  ○ Ishikawa Co., Ltd.
	⦿ Miller Milling Company, LLC
	⦿ Champion Flour Milling Ltd.
	⦿ Rogers Foods Ltd.
	⦿ Nisshin-STC Flour Milling Co., Ltd.
	⦿ NSTC Trading Co., Ltd.

Processed Food Segment

Domestic	Overseas

(Processed food business)
⦿ Nisshin Foods Inc.
  ⦿ Nisshin Seifun Premix Inc.
  ⦿ Ma•Ma-Macaroni Co., Ltd.
  ⦿ Initio Foods Inc.
  ⦿ Daisen Ham Co., Ltd.
	⦿ Thai Nisshin Technomic Co., Ltd.
	⦿ Shin Nisshin Seifun Foods (Qingdao) Co., Ltd.
	⦿ PT. Indonesia Nisshin Technomic
	⦿ Medallion Foods, Inc.
	⦿ Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S.
	⦿ Thai Nisshin Seifun Co., Ltd.
	⦿ Vietnam Nisshin Seifun Co., Ltd.

(Yeast and biotechnology business)
⦿ Oriental Yeast Co., Ltd.
  ⦿ Pany Delica Co., Ltd.
  ⦿ OYC Foods Net Co., Ltd.
  ⦿ Nihon Bioresearch Inc.
  ⦿ Kitayama Labes Co., Ltd.
  ⦿ Oriental Bio Service Inc.
  ⦿ KBT Oriental Co., Ltd.
	⦿ OYC Americas, Inc.
	⦿ OYC EU B.V.

(Healthcare foods business) ⦿ Nisshin Pharma Inc.	
○ Tokatsu Foods Co., Ltd.	

Others Segment

Domestic	Overseas
(Pet food business) ⦿ Nisshin Petfood Inc.	
(Engineering business) ⦿ Nisshin Engineering Inc.	
(Mesh cloths business) ⦿ NBC Meshtec Inc. ⦿ NBC Metalmesh Inc.	⦿ PT. NBC Indonesia ⦿ Dynamesh, Inc. ⦿ NBC (Shanghai) Mesh Co., Ltd.
○ Marubeni Nisshin Feed Co., Ltd.	
○ Japan Logistic Systems Corp. ⦿ Nisshin Grain Silo Inc. ⦿ Hanshin Silo Co., Ltd. ○ Chiba Kyodo Silo Co., Ltd. ⦿ Shinwa Development Co., Ltd.	

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

Customers

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

(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 1	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 2 Transferred 4	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 1 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 2 Temporarily transferred 2	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 3 Transferred 1	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 2 Transferred 4	The Company rents office space
NBC Meshtec Inc.	Hino, Tokyo	1,992	Production and sales of mesh cloths and forming filters	100.0	Concurrent 1 Temporarily transferred 1 Transferred 3	The Company provides a partial loan for working capital
35 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 2 Temporarily transferred 1 Transferred 3	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
7 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., Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S. and PT. NBC Indonesia are specified subsidiaries of Nisshin Seifun Group Inc. Nisshin-STC Flour Milling Co., Ltd., Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S. 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.	183,398	6,826	4,438	64,332	138,235
Nisshin Foods Inc.	135,942	4,078	2,603	27,942	59,467
Oriental Yeast Co., Ltd.	61,072	3,439	2,410	15,793	35,084

(5) Employees

1. Consolidated level

(As of March 31, 2015)

Business segment	Number of employees	
Flour Milling	1,563	[93]
Processed Food	3,508	[1,541]
Others	701	[378]
Corporate (across the Group divisions)	374	[61]
Total	6,146	[2,073]

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, 2015)

Number of employees	Average age (years)	Average length of service (years)	Average annual pay (yen)
298 [27]	42.2	18.0	8,704,397

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, 2015, the Japanese economy showed signs of a modest recovery, as consumer sentiment staged a turnaround, seen in improvement in Japan's corporate performance and the country's employment and personal income landscape, as the yen's depreciation and high stock prices continued. Stimulating this growth was economic policies and financial deregulation pursued by the Japanese government and the Bank of Japan, respectively. The business environment for companies reliant on domestic demand, however, remained challenging, largely reflecting higher prices for imported raw materials and rising utility charges. Under these conditions, the Group took steps to aggressively launch and expand sales of new products in each business area in a bid to energize markets, and worked to strengthen its business structure both domestically and abroad. In Japan, we made strides in consolidating production in the Flour Milling Segment at large-scale plants located near ports to reinforce our cost competitiveness. In the Processed Food Segment, we moved forward with construction of a new frozen food production site that will bolster our production and supply framework for frozen pasta. In the overseas business, several key initiatives marked steady progress, among them the acquisition of four U.S. flour milling plants, operations at a production plant in Vietnam for cooked and processed foods, and the construction of a pasta production site in Turkey.

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

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

The following is a review of operations by business segment.

(1) Flour Milling Segment

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

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

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

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

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

(2) Processed Food Segment

In the processed food business, for household-use products, we launched new products to address needs arising from an increase in eating alone and demand for meals that are easy to prepare, proposed new eating options, and developed sales promotion measures—most notably TV commercials—and took other initiatives designed to stimulate consumption. In commercial-use products, we launched new products tailored to customer needs and took positive steps toward garnering new customers. These actions prompted brisk growth most notably in frozen food products and pasta sauce, leading to a year-on-year increase in sales of the processed food business. Sales in the prepared dishes and other prepared foods business rose year on year, as stronger product development capabilities attracted new customers, coupled with progress on measures to expand shipments of prepared foods to volume retailers. In the overseas business, we launched aggressive product proposals aimed at obtaining new customers, mainly in the ever-growing Chinese and Southeast Asian markets; however, the sales environment was volatile due to political instability in Thailand and other factors, and sales were lower than those of the previous fiscal year. In response to rising costs for raw materials triggered by the yen's depreciation and high market prices, we revised pasta prices beginning from January 2015. Similar price revisions for frozen foods, pasta sauces, and prepared mix products went into effect in March 2015. In terms of production, we made further strides in measures to strengthen product safety. We also strengthened cost competitiveness and took steps to develop a new production framework with the aim of optimizing production sites worldwide. At Vietnam Nisshin Seifun Co., Ltd., operations commenced from October 2014 at a production plant for pasta sauces and other cooked and processed foods, while Thai Nisshin Technomic Co., Ltd. boosted its previous year's end production capacity for commercial prepared mix by 25%. At Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S., a joint venture newly established in Turkey in June 2014, steady progress continued on the construction of a pasta plant, which commenced operations in May 2015. Similarly in Japan, to bolster production and the supply structure in the growing frozen pasta market, a new frozen food production plant was built at the Kobe site of Ma•Ma-Macaroni Co., Ltd., which launched operations in May 2015.

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

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

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

(3) Others Segment

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

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

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

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

2. Cash flows

Net cash provided by (used in) operating activities

Net cash provided by operating activities was ¥25,107 million for the fiscal year under review. An increase in cash and cash equivalents mainly due to income before income taxes and minority interests of ¥25,427 million and depreciation and amortization of ¥14,747 million exceeded a decrease in cash and cash equivalents largely owing to an increase in operating capital, attributable mainly to an increase in inventories, and the payment of income taxes.

Net cash provided by (used in) investing activities

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

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

Net cash provided by (used in) financing activities

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

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

(2) Status of Production, Orders Received and Sales

1. Production

Production values by segment during the fiscal year ended March 31, 2015 are as follows.

(Millions of yen)

Segment name	Year ended March 31, 2014	Year ended March 31, 2015	Change (%)
Flour Milling	198,748	226,441	13.9
Processed Food	122,073	122,638	0.5
Others	23,115	23,572	2.0
Total	343,937	372,652	8.3

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, 2015 are as follows.

(Millions of yen)

Segment name	Year ended March 31, 2014	Year ended March 31, 2015	Change (%)
Flour Milling	207,752	237,327	14.2
Processed Food	243,007	244,941	0.8
Others	45,171	43,874	(2.9)
Total	495,930	526,144	6.1

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, 2014		Year ended March 31, 2015	
	Value	Proportion (%)	Value	Proportion (%)
Mitsubishi Corp.	63,256	12.8	64,907	12.3

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 an increasingly challenging business environment, including market contraction as the country's population declines and rising prices for imported raw materials due to the depreciated yen. Adding to these concerns is the projected acceleration in global competition depending on the outcome of international trade negotiations, including the Trans-Pacific Partnership (TPP) and economic partnership agreements (EPA).

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

Furthermore, the Group will take vigorous steps to conform with the "Corporate Governance Code" that came into effect in June 2015, with the aim of realizing the Group's sustainable growth and medium- to long-term improvement in corporate value.

1. Domestic business strategies

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

In the processed food business, we will pursue measures to boost brand loyalty by launching new products to address needs arising from an increase in eating alone and demand for meals that are easy to prepare, coupled with aggressive sales promotion efforts. At the same time, we will push for greater expansion in the growth fields of prepared dishes and other prepared foods and the frozen food product businesses. In the frozen food business, to bolster its production and supply structure, the Company has built a new frozen food production site at the Kobe Plant of Ma•Ma-Macaroni Co., Ltd., which began operating in May 2015. To cope with rising costs for raw materials triggered by the yen's depreciation, we will take steps to lower costs through enhanced productivity, while striving to secure suitable levels of profit.

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

2. Overseas business strategies

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

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

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

3. R&D strategies and cost strategies

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

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

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

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

5. Corporate social responsibility (CSR)

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

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

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

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

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

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

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

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 171st Ordinary General Meeting of Shareholders held on June 25, 2015, 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 or 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. Furthermore, if there are reasonable grounds to exceed these respective periods, a maximum of 30 business days will additionally be allowed.

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 171st Ordinary General Meeting of Shareholders on June 25, 2015, 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 25, 2015).

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

On April 24, 2014, Miller Milling Company, LLC, a subsidiary of the Company, decided to acquire four flour milling plants in the United States (Los Angeles Plant, Oakland Plant, Saginaw Plant, and New Prague Plant) from Cargill, Inc., Horizon Milling, LLC, and ConAgra Foods Food Ingredients Company, Inc. (collectively "the sellers"), along with the inventory as of the asset transfer date, and concluded an asset transfer agreement with the sellers.

The acquisition date of the plants under this agreement is May 25, 2014.

Details of the transaction are given in "M&A Activity," under "Notes to the Consolidated Financial Statements" of "(1) Consolidated Financial Statements, etc." in "[5] Financial Accounts."

(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).

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 ¥5,467 million in the fiscal year ended March 31, 2015.

This figure also includes ¥983 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 launch of the commercial *udon* noodle flour *Tsukushi Kogane*, made using 100% flour produced in Fukuoka Prefecture.

R&D expenditures attributable to this segment totaled ¥619 million.

2. Processed Food Segment

Led by Nisshin Foods Inc.'s Processed Foods Division, 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. Major achievements include the launch of *Nisshin Cooking Flour*, a new home-use flour product with a smooth feel that easily coats and dissolves, and a fast-cooking macaroni that uses the Company's *Super Pronto* proprietary fast-cooking technologies. The foods division of Oriental Yeast Co., Ltd. engaged in the R&D of baking yeasts and other bakery products, as well as confectionery ingredients and agents for improving quality and preservation 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 on raw ingredients for external diagnostic reagents and regenerative medicine-related products, among others. 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 development of *Bifi-Support Milk Oligosaccharide*, which is expected to have synergy effects with bifidobacterium.

R&D expenditures attributable to this segment totaled ¥3,193 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 Wa no Kiwami* series of pet foods designed to promote health, as well as the *Kaiseki*, and *Puchiinnu* series created to suit pet preferences. In therapeutic foods for animal hospitals, we released *JP Style Dietetics Slim Support*, which promotes slimming. 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 ¥671 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 25, 2015).

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 benefit levels, employee turnover and retirement rates, the mortality rate (based on the most recent statistical data), and the long-term 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 or higher from multiple ratings agencies at the fiscal year-end, while the long-term 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, 2015, the Japanese economy showed signs of a modest recovery, as consumer sentiment staged a turnaround, seen in improvement in Japan's corporate performance and the country's employment and personal income landscape, as the yen's depreciation and high stock prices continued. Stimulating this growth was economic policies and financial deregulation pursued by the Japanese government and the Bank of Japan, respectively. The business environment for companies reliant on domestic demand, however, remained challenging, largely reflecting higher prices for imported raw materials and rising utility charges.

Under these conditions, in the flour milling business, shipments of commercial wheat flour in Japan rose year on year. This growth was the result of progress in attracting new customers thanks to aggressive sales expansion measures, and came despite the impact of demand volatility triggered by a higher consumption tax rate. From the perspectives of production and distribution, we continued to carry out measures to enhance productivity and reduce fixed and other costs. In tandem, we are consolidating production at large-scale plants located near ports in Japan. In the Kyushu region, such concentration of production has been completed with full-scale operations underway at the Fukuoka Plant in May 2014, taking over production formerly conducted by the inland Chikugo and Tosu plants prior to their closure. In the Chubu region, construction work on the addition of a new production line at the Chita Plant progressed smoothly and we started operations in May 2015. In the Kansai region, in April 2015 we completed construction to increase holding capacity by 25% at a raw wheat silo operated by Hanshin Silo Co., Ltd., located adjacent to the Higashinada Plant. This has resulted in the best structure yet for securing, storing and stably supplying raw wheat. Furthermore, for the Kanto region, we launched steps to increase raw wheat silo capacity by 25% at the Tsurumi Plant, scheduled to begin operating in June 2016. The price of bran, a byproduct of the milling process, was weaker throughout the period. In the overseas business, U.S. subsidiary Miller Milling Company, LLC acquired four flour milling plants in the United States in May 2014, giving it a network of six production sites and propelling it into the position of fourth largest flour milling company in the country. Together with operations in New Zealand, Canada, and Thailand, this move has expanded the proportion of overseas production capacity in the Flour Milling Segment to roughly 50%. As a result, net sales of the Flour Milling Segment increased from the previous fiscal year, while earnings decreased, primarily due to an increase in costs related to sales expansion efforts in Japan and higher depreciation expenses for the Fukuoka Plant, which offset contributions from overseas subsidiaries.

In the processed food business, for household-use products, we launched new products to address needs arising from an increase in eating alone and demand for meals that are easy to prepare, proposed new eating options, and developed sales promotion measures—most notably TV commercials—and took other initiatives designed to stimulate consumption. In commercial-use products, we launched new products tailored to customer needs and took positive steps toward garnering new customers. These actions prompted brisk growth most notably in frozen food products and pasta sauces, leading to a year-on-year increase in sales of the processed food business. Sales in the prepared dishes and other prepared foods business rose year on year, as stronger product development capabilities attracted new customers, coupled with progress on measures to expand shipments of prepared foods to volume retailers. In the overseas business, we launched aggressive product proposals aimed at obtaining new customers, mainly in the ever-growing Chinese and Southeast Asian markets; however, the sales environment was volatile due to political instability in Thailand and other factors, and sales were lower than those of the previous fiscal year. In response to rising costs for raw materials triggered by the yen's depreciation and high market prices, we revised pasta prices beginning from January 2015. Similar price revisions for frozen foods, pasta sauces, and prepared mix products went into effect in March 2015. In terms of production, we made further strides in measures to strengthen product safety. We also strengthened cost competitiveness and took steps to develop a new production framework with the aim of optimizing production sites worldwide. At Vietnam Nisshin Seifun Co., Ltd., operations commenced from October 2014 at a production plant for pasta sauces and other cooked and processed foods, while Thai Nisshin Technomic Co., Ltd. boosted its previous year's end production capacity for commercial prepared mix by 25%. At Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S., a joint venture newly established in Turkey in June 2014, full-scale operations started in May 2015 at a pasta production site in Turkey that had been under construction. Similarly in Japan, to bolster its production and supply structure in the growing frozen pasta market, the Company has built a new frozen food production site at the Kobe Plant of Ma•Ma-Macaroni Co., Ltd., which began operating in May 2015. In the yeast business section of the yeast and biotechnology business, while sales of our mainstay yeast products were comparable to the previous fiscal year, sales decreased compared to a year earlier mainly as growth in fillings faltered. Sales in the biotechnology business section increased compared with the previous fiscal year, largely due to growth in sales of diagnostic reagents. In the healthcare foods business, sales improved year on year, reflecting brisk sales of consumer products driven by aggressive sales promotion measures, coupled with a recovery in shipments of raw materials for pharmaceuticals. As a result, while net sales of the Processed Food Segment were higher year on year, operating income declined on growth mainly due to rising costs for raw materials tracking the yen's depreciation and increased costs for sales expansion efforts in Japan.

In the Others Segment, in the pet food business, shipments mainly of premium pet food were brisk, chiefly due to sales promotion measures including the aggressive launch of new products and TV commercials, resulting in higher sales compared to the previous fiscal year. In the engineering business, sales further strengthened in the mainstay plant engineering business, mainly attributable to a greater proportion of large-scale strategic projects within the Group, with sales outside the Group decreased from the previous year. In the mesh cloths business, sales surpassed the previous fiscal year's level, stimulated by increased shipments of stainless metallic fiber mesh cloth used primarily in solar panels and brisk sales of forming filters, mainly for automobile parts. As a result, overall sales in the Others Segment decreased from the previous fiscal year, but earnings increased.

Consolidated net sales increased by ¥30,213 million, or 6.1%, from the previous fiscal year to ¥526,144 million, and the gross margin decreased by 1.5 percentage points from the previous fiscal year to 28.2 percentage points. Selling, general and administrative expenses increased by ¥2,900 million, primarily because of overseas business expansion and an increase in sales promotion expenses in Japan and overseas. As a result, consolidated operating income decreased by ¥1,798 million, or 8.1%, to ¥20,476 million, and the operating margin decreased by 0.6 percentage points from the previous fiscal year to 3.9 percentage points.

(2) Ordinary income

Net financial income amounted to ¥1,929 million, an increase of ¥138 million compared with the previous fiscal year. Equity in earnings of affiliates totaled ¥2,104 million, or a year-on-year increase of ¥1,265 million. Other miscellaneous income on a net basis amounted to ¥1,033 million, or a year-on-year increase of ¥358 million.

Non-operating income on a net basis amounted to ¥5,067 million, which represented a year-on-year increase of ¥1,762 million. Ordinary income decreased by ¥35 million, or 0.1%, to ¥25,544 million.

(3) Net income

Extraordinary income of ¥1,223 million was offset by extraordinary losses totaling ¥1,340 million, resulting in net extraordinary loss of ¥117 million. Income before income taxes and minority interests amounted to ¥25,427 million, an increase of ¥225 million compared with the previous fiscal year. The principal components of extraordinary income included a gain on sales of noncurrent assets of ¥950 million. The major item of extraordinary losses was a litigation settlement of ¥732 million.

Net income for the fiscal year under review was ¥16,036 million, after the deduction of total income taxes (¥8,555 million) and minority interests in income (¥835 million) from income before income taxes and minority interests. This represented an increase of ¥937 million, or 6.2%, compared with the previous fiscal year.

Net income per share was ¥53.28 or an increase of ¥3.07 from the previous fiscal year. Return on equity (ROE) was 4.6%, representing a year-on-year decrease of 0.2 percentage point. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. The Company also conducted a 1.1-for-1 stock split of shares of common stock on October 1, 2014. Net income per share is calculated by deeming the stock split to have occurred at the beginning of the previous fiscal year.

3. Business strategy status and outlook

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

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

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

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

4. Capital financing and liquidity

In the fiscal year ended March 31, 2015, cash and cash equivalents carried over and net cash provided by operating activities totaled ¥25.1 billion, of which ¥22.1 billion was allocated to the purchase of four flour milling plants in the United States and ¥19.0 billion was allocated to the purchase of property, plant and equipment and intangible assets, including the construction of a new production line at the Chita 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 deposited or purchased exceeded the amount of those matured or redeemed by ¥2.7 billion in the fiscal year under review, which resulted in negative free cash flow of ¥18.5 billion. On the other hand, in terms of financing activities, dividends paid came to ¥5.4 billion representing efforts by the Company to return profits to shareholders; however, the balance of proceeds from long- and short-term loans payable exceeded expenditures for repayments by ¥8.9 billion. As a result of this and other factors, net cash provided by financing activities amounted to ¥4.3 billion. The year-end balance of cash and cash equivalents decreased by ¥12.7 billion from the previous fiscal year-end to ¥59.8 billion at the end of March 2015.

Total consolidated debt amounted to ¥21.0 billion at the end of March 2015. 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.

Under the new management plan NNI-120 II, the Nisshin Seifun Group will engage proactively in strategic investment in priority fields that offer the potential for growth and expansion, while working to enhance its future corporate value and taking an even more flexible and agile approach to shareholder return measures such as dividends and purchases of treasury shares. The Group will secure the needed capital for these activities 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.

Under a basic management policy of greatly increasing corporate value over the long-term, the Nisshin Seifun Group will proceed with selection and concentration of businesses to promote growth, rebuild its business portfolio, and concentrate investment of management resources in priority fields. We will restructure our stable earnings foundation in core businesses, and achieve self-sustaining growth in existing businesses in Japan and overseas (including acquired businesses). Furthermore, overseas and in Japan, we will move with speed to proactively conduct M&A and alliances, mainly in the flour milling, processed food, prepared mix, pasta and bakery-related businesses. Moreover, we will ensure and strengthen a competitive cost structure while also achieving the production and supply of safe and reliable products. In addition, we will work systematically to secure and develop key personnel from an early stage, with an eye to future growth. At the same time, as a management fundamental, we will maintain a constant awareness of capital cost, seeking to enhance medium- to long-term profitability while finding a balance between capital efficiency and financial stability to stably achieve ROE above capital cost.

In addition to pushing forward these basic 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 an increasingly challenging business environment, including market contraction as the country’s population declines and rising prices for imported raw materials due to the depreciated yen. Adding to these concerns is the projected acceleration in global competition depending on the outcome of international trade negotiations, including the Trans-Pacific Partnership (TPP) and economic partnership agreements (EPA). Under these circumstances, the Nisshin Seifun Group will continue to fulfill its mission of securing stable supplies of wheat flour and other staple foods for the people, and will strive to provide customers with safe and reliable products from all of its businesses. At the same time, we will move quickly to enact the strategies contained in our new management plan to stimulate business growth.

[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, 2015, based on actual expenditures.

	Year ended March 31, 2015 (millions of yen)	Year-on-year change (%)
Flour Milling	9,746	(18.4)
Processed Food	7,401	22.5
Others	2,338	135.4
Subtotal	19,486	2.6
Elimination/common-use	(476)	—
Total	19,009	2.0

Capital investments in the Flour Milling Segment were focused on construction of a new production line at the Chita Plant by Nisshin Flour Milling Inc., as well as increasing production capacity and enhancing product safety companywide.

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, 2015)

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	5,059	2,913	(Note 4) 5,470 (79)	303	13,747	135 [3]
Nisshin Flour Milling Inc.	Fukuoka Plant (Chuo-ku, Fukuoka)	Flour Milling	Wheat flour production	3,906	3,855	(Note 4) 2,520 (19)	127	10,410	43 [0]
Nisshin Flour Milling Inc.	Higashinada Plant (Higashinada-ku, Kobe)	Flour Milling	Wheat flour production	(Note 5) 5,209	2,176	(Note 4) 1,803 (30)	188	9,378	89 [1]
Nisshin Flour Milling Inc.	Chiba Plant (Mihama-ku, Chiba)	Flour Milling	Wheat flour production	2,118	1,242	(Note 4) 294 (43)	75	3,731	77 [4]
Nisshin Flour Milling Inc.	Chita Plant (Chita)	Flour Milling	Wheat flour production	3,596	986	(Note 4) 68 (33)	1,977	6,628	45 [3]
Nisshin Flour Milling Inc.	Nagoya Plant (Nakagawa-ku, Nagoya)	Flour Milling	Wheat flour production	920	746	(Note 4) 69 (20)	115	1,851	55 [4]
Nisshin Foods Inc.	Tatebayashi Plant (Tatebayashi)	Processed Food	Prepared mix production	841	811	(Note 4) 193 (27)	63	1,910	36 [37]
Nisshin Seifun Premix Inc.	Nagoya Plant (Nakagawa-ku, Nagoya)	Processed Food	Prepared mix production	1,052	736	(Note 4) 47 (13)	71	1,907	70 [22]
Ma•Ma-Macaroni Co., Ltd.	Head Office and Utsunomiya Plant (Utsunomiya)	Processed Food	Pasta production	623	1,308	27 (23)	104	2,064	61 [235]
Ma•Ma-Macaroni Co., Ltd.	Kobe Plant (Higashinada-ku, Kobe)	Processed Food	Pasta production	197	317	393 (16)	591	1,500	40 [53]
Daisen Ham Co., Ltd.	Head Office and Yonago Plant (Yonago)	Processed Food	Production of processed meats	1,172	518	210 (35)	98	2,000	212 [295]
Oriental Yeast Co., Ltd.	Tokyo Plant (Itabashi-ku, Tokyo)	Processed Food	Yeast manufacture	910	787	0 (11)	42	1,740	52 [17]
Oriental Yeast Co., Ltd.	Osaka Plant (Suita)	Processed Food	Production of yeast and other items	1,318	947	169 (22) (Note 7) [5]	90	2,525	68 [21]
Oriental Yeast Co., Ltd.	Biwa Plant (Nagahama, Shiga)	Processed Food	Production of flour paste, *kansui* powder, baking powders and other items	658	520	709 (36)	43	1,932	37 [21]
Pany Delica Co., Ltd.	Head Office and Tomisato Plant (Tomisato, Chiba)	Processed Food	Production of fillings and mayonnaise	(Note 4) 876	(Note 4) 571	(Note 4) 708 (23)	(Note 4) 79	2,237	52 [28]
NBC Meshtec Inc.	Yamanashi Tsuru Plant (Tsuru)	Others	Production of mesh cloths and forming filters	1,101	615	447 (35)	227	2,393	215 [89]
NBC Meshtec Inc.	Shizuoka Kikugawa Plant (Kikugawa)	Others	Production of mesh cloths and forming filters	990	205	1,032 (69)	51	2,279	36 [10]
Nisshin Seifun Group Inc.	Head Office and Institutes and Laboratories (Chiyoda-ku, Tokyo, Fujimino, Saitama and others)		Office, and research and development	3,582	496	(Note 4) 10,011 (40)	1,086	15,177	275 [27]

2. Overseas subsidiaries

(As of March 31, 2015)

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	726	533	132 (41)	91	1,483	35 [0]
Miller Milling Company, LLC	Winchester Plant (U.S.A.)	Flour Milling	Wheat flour production	879	2,933	97 (38)	1,887	5,797	47 [1]
Miller Milling Company, LLC	Fresno Plant (U.S.A.)	Flour Milling	Wheat flour production	474	1,730	256 (130)	73	2,535	28 [8]
Miller Milling Company, LLC	Los Angeles Plant (U.S.A.)	Flour Milling	Wheat flour production	1,204	758	822 (23)	39	2,824	40 [2]
Miller Milling Company, LLC	Oakland Plant (U.S.A.)	Flour Milling	Wheat flour production	951	2,305	1,564 (51)	26	4,849	39 [1]
Miller Milling Company, LLC	Saginaw Plant (U.S.A.)	Flour Milling	Wheat flour production	460	1,784	78 (23)	35	2,358	35 [3]
Miller Milling Company, LLC	New Prague Plant (U.S.A.)	Flour Milling	Wheat flour production	452	487	26 (25)	53	1,018	47 [1]
Champion Flour Milling Ltd.	Christchurch Plant (New Zealand)	Flour Milling	Wheat flour production	693	332	723 (15)	25	1,774	50 [2]
Thai Nisshin Technomic Co., Ltd.	Head Office and a plant (Thailand)	Processed Food	Prepared mix production	414	132	(Note 4) 18 (10)	100	665	230 [0]
Vietnam Nisshin Seifun Co., Ltd.	Head Office and a plant (Vietnam)	Processed Food	Pasta sauce production	611	938	– (Note 7) [32]	272	1,823	219 [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, 2015.
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 square brackets in the “Land” column refer to areas leased from outside of consolidated companies.

(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, 2015, funds which are planned to be allocated for the construction of facilities (actual expenditure) amounted to ¥17,000 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, 2015 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	3,547	Internal cash flow	October, 2013	May, 2015	Raw material milling tonnage 320 tons per day

2. Disposal of major facilities, etc.

No applicable matters to report.

[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, 2015	Shares issued and outstanding at date of filing (June 25, 2015)	Exchanges on which stock is listed / Certified associations of financial instruments dealers to which the Company is affiliated	Comments
Common stock	304,357,891	304,357,891	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	304,357,891	304,357,891	—	—

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 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, 2015)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2015)
Number of the subscription rights to shares granted	21 (Note 1)	21 (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	25,410 (Note 6)	25,410 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,397,550 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: ¥1,155 Capital increase per share: ¥578 (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 1,210.
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 and on October 1, 2014, 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, 2015)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2015)
Number of the subscription rights to shares granted	74 (Note 1)	67 (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	89,540 (Note 6)	81,070 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,397,550 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: ¥1,155 Capital increase per share: ¥578 (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 1,210.
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 and on October 1, 2014, 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, 2015)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2015)
Number of the subscription rights to shares granted	22 (Note 1)	22 (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	26,620 (Note 6)	26,620 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,132,560 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: ¥936 Capital increase per share: ¥468 (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 1,210.
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.

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

"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 and on October 1, 2014, 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, 2015)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2015)
Number of the subscription rights to shares granted	90 (Note 1)	90 (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	108,900 (Note 6)	108,900 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,132,560 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: ¥936 Capital increase per share: ¥468 (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 1,210.
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 and on October 1, 2014, 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, 2015)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2015)
Number of the subscription rights to shares granted	27 (Note 1)	27 (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	32,670 (Note 6)	32,670 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,099,890 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: ¥909 Capital increase per share: ¥455 (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 1,210.
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 and on October 1, 2014, 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, 2015)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2015)
Number of the subscription rights to shares granted	89 (Note 1)	87 (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	107,690 (Note 6)	105,270 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,099,890 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: ¥909 Capital increase per share: ¥455 (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 1,210.
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 and on October 1, 2014, 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, 2015)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2015)
Number of the subscription rights to shares granted	53 (Note 1)	48 (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	64,130 (Note 6)	58,080 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,026,080 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: ¥848 Capital increase per share: ¥424 (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 1,210.
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 and on October 1, 2014, 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, 2015)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2015)
Number of the subscription rights to shares granted	147 (Note 1)	120 (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	177,870 (Note 6)	145,200 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,026,080 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: ¥848 Capital increase per share: ¥424 (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 1,210.
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 and on October 1, 2014, 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, 2015)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2015)
Number of the subscription rights to shares granted	42 (Note 1)	42 (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	50,820 (Note 6)	50,820 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥958,320 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: ¥792 Capital increase per share: ¥396 (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 1,210.
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 and on October 1, 2014, 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, 2015)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2015)
Number of the subscription rights to shares granted	135 (Note 1)	130 (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	163,350 (Note 6)	157,300 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥958,320 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: ¥792 Capital increase per share: ¥396 (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 1,210.
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 and on October 1, 2014, 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, 2015)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2015)
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	116,160 (Note 6)	116,160 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,224,520 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: ¥1,012 Capital increase per share: ¥506 (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 1,210.
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 and on October 1, 2014, 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, 2015)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2015)
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	257,730 (Note 6)	257,730 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,224,520 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: ¥1,012 Capital increase per share: ¥506 (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 1,210.
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 and on October 1, 2014, 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, 2014>

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, 2014 Date of the resolution of the Board of Directors: July 29, 2014		
	Subscription rights to shares outstanding at the most recent year-end (March 31, 2015)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2015)
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	¥1,274,900 per subscription right to shares (Notes 3, 6)	Same as the left column.
Exercise period	August 20, 2016 – August 2, 2021	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: ¥1,159 Capital increase per share: ¥580 (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, 2014, 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, 2014 Date of the resolution of the Board of Directors: July 29, 2014		
	Subscription rights to shares outstanding at the most recent year-end (March 31, 2015)	Subscription rights to shares outstanding at the last month-end prior to filing (May 31, 2015)
Number of the subscription rights to shares granted	211 (Note 1)	211 (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	232,100 (Note 6)	232,100 (Note 6)
Amount payable on the exercise of the subscription rights to shares	¥1,274,900 per subscription right to shares (Notes 3, 6)	Same as the left column.
Exercise period	August 20, 2016 – August 2, 2021	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: ¥1,159 Capital increase per share: ¥580 (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, 2014, 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 (Note 1)	25,153	276,688	—	17,117	—	9,500
October 1, 2014 (Note 2)	27,668	304,357	—	17,117	—	9,500

Notes:

1. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock.
2. On October 1, 2014, the Company conducted a 1.1-for-1 stock split of shares of common stock.

6. Ownership and share distribution

(As of March 31, 2015)

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)	—	86	38	369	374	7	19,313	20,187	—
Numbers of shares held (MTUs)	—	1,283,235	73,790	708,707	504,825	83	467,835	3,038,475	510,391
Ratio to total shares (%)	—	42.23	2.43	23.33	16.61	0.00	15.40	100.00	—

Notes:

1. Treasury stock holdings of 3,017,134 shares consist of 30,170 MTUs listed under “Individuals and other shareholders” and 134 shares listed under “Sub-MTU share holdings.” All of these treasury shares are listed in the shareholder register. As of March 31, 2015, total beneficial ownership of treasury stock was equivalent to 3,016,787 shares.
2. Shares nominally held under the name of Japan Securities Depository Center, Inc. account for 24 MTUs in the column marked “Other institutions” and 27 shares in the column marked “Sub-MTU share holdings.”

7. Major shareholders

(As of March 31, 2015)

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	19,387	6.37
Yamazaki Baking Co., Ltd.	10-1, Iwamotocho 3-chome, Chiyoda-ku, Tokyo	16,988	5.58
The Master Trust Bank of Japan, Ltd. (Trust Account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	16,737	5.49
Japan Trustee Services Bank, Ltd. (Trust Account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	12,570	4.13
Mizuho Bank, Ltd.	5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo	11,310	3.71
Mitsubishi Corporation	3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	8,448	2.77
Marubeni Corporation	4-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	6,284	2.06
Sumitomo Corporation	8-11, Harumi 1-chome, Chuo-ku, Tokyo	6,091	2.00
Sumitomo Mitsui Banking Corporation	1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo	5,585	1.83
The Norinchukin Bank	13-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo	5,432	1.78
Total	—	108,837	35.75

Note:

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, 2015)

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 3,016,700	—	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 395,800	—	As above
Shares with full voting rights (other)	Common stock 300,435,000	3,004,350	As above
Sub-MTU (minimum trading unit) share holdings	Common stock 510,391	—	—
Total number of shares issued and outstanding	304,357,891	—	—
Total voting rights of all shareholders	—	3,004,350	—

Notes:

1. "Number of shares" for "Shares with full voting rights (other)" above includes 2,400 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 24 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 shares" for "Sub-MTU share holdings" above includes, in addition to 27 shares nominally held under the name of Japan Securities Depository Center, Inc. (JASDEC), and 47 shares listed under Company ownership in the register of shareholders but without any beneficial owner, treasury stock owned by the Company and mutually held shares shown below.

Treasury stock

Nisshin Seifun Group Inc.	87 shares

Mutually held shares

Japan Logistic Systems Corp.	55 shares
Chiba Kyodo Silo Co., Ltd.	45 shares
Wakaba Co., Ltd.	30 shares

(2) Treasury stock

(As of March 31, 2015)

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	3,016,700	—	3,016,700	0.99
Mutually held shares					
Ishikawa Co., Ltd.	2-10, Shimagami-cho 1-chome, Hyogo-ku, Kobe	168,900	—	168,900	0.05
Wakaba Co., Ltd.	2-8, Mayafuto, Nada-ku, Kobe	124,600	—	124,600	0.04
Chiba Kyodo Silo Co., Ltd.	16, Shinminato, Mihama-ku, Chiba	95,700	—	95,700	0.03
Japan Logistic Systems Corp.	19-17, Ebara 1-chome, Shinagawa-ku, Tokyo	6,600	—	6,600	0.00
Total	—	3,412,500	—	3,412,500	1.12

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) 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.”

(2) 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."

(3) 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.”

(4) 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.”

(5) 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."

(6) 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.”

(7) 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, resolutions were made at the Ordinary General Meeting of Shareholders held on June 26, 2014, and the meeting of the Board of Directors on July 29, 2014, concerning the value of the remuneration and a description of the subscription rights to shares.

Dates of authorizing resolutions	June 26, 2014 (Ordinary General Meeting of Shareholders) and July 29, 2014 (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, 2014, and a resolution on such details was made at the meeting of the Board of Directors on July 29, 2014.

Dates of authorizing resolutions	June 26, 2014 (Ordinary General Meeting of Shareholders) and July 29, 2014 (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.”

(8) Resolution at the Ordinary General Meeting of Shareholders on June 25, 2015

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 25, 2015, concerning the value of the remuneration and a description of the subscription rights to shares.

Date of authorizing resolution	June 25, 2015
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 111,000 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 1, 2022.
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 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 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 25, 2015.

Date of authorizing resolution	June 25, 2015
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 215,000 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 1, 2022.
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 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, 2015	312,932	20,303,490
Treasury stock acquired during the term	821	1,233,151

Notes:

1. On October 1, 2014, the Company conducted a 1.1-for-1 stock split of shares of common stock. Consequently, “Treasury stock acquired in the year ended March 2015” includes an increase of 294,604 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, 2015, 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, 2015		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) (Sale upon request of sub-MTU share holdings)	 485,980 613	 456,129,410 696,180	 55,660 26	 49,608,790 39,832
Shares of treasury stock held	3,016,787	—	2,961,922	—

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, 2015, 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 distribute profits, taking into consideration the current and future profitability of its business and financial position, by undertaking the continuous payment of dividends based on a targeted payout ratio of at least 30% on a consolidated basis. From the fiscal year ending March 31, 2016, the Company is targeting a consolidated payout ratio of at least 40%.

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, 2014, the Company conducted a 1.1-for-1 stock split of shares of common stock. There was no adjustment made to the dividend per share as a result of the recent stock split, and there was an actual increase in the year-end dividend of ¥2 per share. Consequently, the Company paid a full-year dividend of ¥22 per share. As a result, the dividend payout ratio for the fiscal year was 39.6% on a consolidated basis (93.2% on a non-consolidated basis) and the rate of dividends to net assets was 1.8% on a consolidated basis (2.4% on a non-consolidated basis).

With the aim of raising future corporate value, the Company allocates retained earnings for aggressive strategic investment in priority fields that offer the potential for growth and expansion outlined under its new management plan, “NNI-120 II.” The Company will also adopt a more aggressive and flexible posture on dividends, the purchase of treasury stock and other shareholder return-related measures.

Note:

Payment of dividends for which the date of record falls during the fiscal year ended March 31, 2015 is as follows.

Authorizing resolution	Total dividends (millions of yen)	Dividend per share (yen)
Resolution of the Board of Directors made on October 30, 2014	2,737	10
Resolution of the Ordinary General Meeting of Shareholders made on June 25, 2015	3,616	12

(4) Share Price Movements

1. Share price highs and lows in previous five years

Fiscal term	167th	168th	169th	170th	171st
Year-end	Mar. 2011	Mar. 2012	Mar. 2013	Mar. 2014	Mar. 2015
Intra-year high (yen)	1,234	1,036	1,355	1,368 ☐ 1,157	1,352 ☐ 1,484
Intra-year low (yen)	824	893	855	1,030 ☐ 939	1,101 ☐ 987

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 “☐” for the170th fiscal term denote highest and lowest ex-rights share price after the rights-off due to the stock split.
3. On October 1, 2014, the Company conducted a 1.1-for-1 stock split of shares of common stock. Figures marked “☐” for the171st fiscal term 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. 2014	Nov. 2014	Dec. 2014	Jan. 2015	Feb. 2015	Mar. 2015
Intra-month high (yen)	1,131	1,202	1,217	1,464	1,461	1,484
Intra-month low (yen)	987	1,111	1,120	1,187	1,365	1,401

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

[Male: 19, Female: – (percentage of female officers -%)]

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 Apr. 2012 Apr. 2015	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 [C] Director and President, Nisshin Flour Milling Inc. (Concurrent roles) Director and Chairman, Nisshin Flour Milling Inc. [C] (Concurrent roles)	Note 3	66
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. (Concurrent roles) Director, Nisshin Foods Inc. [C]	Note 3	57
Senior 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 Jun. 2015	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) Senior Managing Director and Division Executive (Finance and Accounting Division) [C]	Note 3	23

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)
Senior Managing Director	Division Executive, General Administration Division	Michinori Takizawa	March 27, 1954	Apr. 1976	Joined the Company	Note 3	19
				Jun. 2005	Executive Officer, Legal Affairs Group (General Administration Division)		
				Jun. 2006	Executive Officer and General Manager, Legal Affairs Department (General Administration Division)		
				Jun. 2009	Executive Officer and General Manager, Internal Control Department		
				Jun. 2011	Executive Officer and Deputy General Manager (Corporate Planning Division)		
				Jul. 2011	Executive Officer and Division Executive (Corporate Planning Division)		
				Jun. 2012	Director and Division Executive (Corporate Planning Division)		
				Jun. 2013	Managing Director and Division Executive (General Administration Division)		
				Jun. 2015	Senior Managing Director and Division Executive (General Administration Division) [C]		
Managing Director	Division Executive, Research and Development, Quality Assurance Division	Takashi Harada	February 9, 1957	Apr. 1979	Joined the Company	Note 3	15
				Jun. 2009	Executive Officer		
				Jun. 2009	Director and Manager (Tsurumi Plant), Nisshin Flour Milling Inc.		
				Jun. 2010	Director and Division Executive (R&D and Quality Assurance Division)		
				Jun. 2015	Managing Director and Division Executive (R&D and Quality Assurance Division) [C]		
Managing Director	Division Executive, Corporate Planning Division	Akira Mori	December 16, 1956	Apr. 1979	Joined the Company	Note 3	13
				Apr. 2006	Managing Director and General Manager, Accounting Department, Initio Foods Inc.		
				Jun. 2006	Managing Director and General Manager, Administration Department, Initio Foods Inc.		
				Jun. 2010	General Manager, Finance Department (Finance and Accounting Division)		
				Jun. 2012	Executive Officer and General Manager, Finance Department (Finance and Accounting Division)		
				Jun. 2013	Director and Division Executive (Corporate Planning Division)		
				Jun. 2015	Managing Director and Division Executive (Corporate Planning Division) [C]		
Managing Director		Koichi Iwasaki	September 12, 1956	Apr. 1980	Joined the Company	Note 3	24
				Jun. 2010	Executive Officer		
				Jun. 2010	Managing Director (Sales Division), Nisshin Foods Inc.		
				Jun. 2012	Director		
				Jun. 2012	Director and President, Nisshin Foods Inc. [C] (Concurrent roles)		
				Jun. 2014	Managing Director [C]		
Managing Director		Nobuki Kemmoku	February 13, 1961	Apr. 1984	Joined the Company	Note 3	16
				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		
				Jun. 2013	Senior Managing Director, Nisshin Flour Milling Inc.		
				Apr. 2015	Director and President, Nisshin Flour Milling Inc. [C] (Concurrent roles)		
				Jun. 2015	Managing Director [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)
Director	Division Executive, Technology and Engineering Division	Satoshi Odaka	November 18, 1958	Apr. 1983	Joined the Company	Note 3	8
				Apr. 2012	Director and Division Executive (Production Division), Nisshin Flour Milling Inc.		
				Jun. 2012	Executive Officer		
				Jun. 2015	Director and Division Executive (Technology and Engineering Division) [C]		
Director		Masashi Nakagawa	February 19, 1955	Apr. 1978	Joined Oriental Yeast Co., Ltd.	Note 3	15
				Jun. 2007	Managing Director (Food Business Division), Oriental Yeast Co., Ltd.		
				Jun. 2009	Managing Director (In charge of Operations & Planning Division), Oriental Yeast Co., Ltd.		
				Jun. 2011	Director and President, Oriental Yeast Co., Ltd. [C]		
				Jun. 2012	Director [C]		
Director		Takao Yamada	September 27, 1960	Apr. 1983	Joined the Company	Note 3	9
				Jun. 2011	Director and General Manager (Tokyo Sales Division), Nisshin Flour Milling Inc.		
				Jun. 2012	Executive Officer		
				Jun. 2013	Director [C]		
				Jun. 2013	Managing Director (Sales Division), Nisshin Flour Milling Inc.		
				Apr. 2015	Senior Managing Director (Sales Division), Nisshin Flour Milling Inc. [C]		
Director		Kiyoshi Sato	August 19, 1956	Apr. 1979	Joined the Company	Note 3	10
				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] (Concurrent roles)		
Director		Akio Mimura	November 2, 1940	Apr. 1963	Joined Fuji Iron & Steel Co., Ltd.	Note 3	26
				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]		

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		Kazuhiko Fushiya	January 26, 1944	Apr. 1967	Joined the Ministry of Finance (MOF)	Note 3	—
				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		
				Jun. 2015	Director [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	17
				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]		
Audit & Supervisory Board Member		Satoshi Ito	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, Ito 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]		
Audit & Supervisory Board Member		Motoo Nagai	March 4, 1954	Apr. 1977	Joined Industrial Bank of Japan, Limited (IBJ)	Note 6	—
				Apr. 2007	Managing Executive Officer, Mizuho Corporate Bank, Ltd.		
				Apr. 2011	Deputy President - Executive Officer, Mizuho Trust & Banking Co., Ltd.		
				Jun. 2011	Deputy President (Representative Director) and Deputy President - Executive Officer, Mizuho Trust & Banking Co., Ltd.		
				Apr. 2014	Commissioner, Mizuho Trust & Banking Co., Ltd.		
				Jun. 2014	Retired as Commissioner, Mizuho Trust & Banking Co., Ltd.		
				Jun. 2015	Audit & Supervisory Board Member [C]		
Total							327

Notes:

1. Directors Akio Mimura and Kazuhiko Fushiya are Outside Directors.
2. Audit & Supervisory Board Members Tetsuo Kawawa, Satoshi Ito and Motoo Nagai are Outside Audit & Supervisory Board Members.
3. The term of office began when elected at the Ordinary General Meeting of Shareholders on June 25, 2015, and ends at the closing of the Ordinary General Meeting of Shareholders concerning the fiscal year ending March 31, 2016.
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 25, 2015, and ends at the closing of the Ordinary General Meeting of Shareholders concerning the fiscal year ending March 31, 2019.

(6) Corporate Governance and Other Matters

1. Corporate governance

This section provides an overview of corporate governance at the Company and the Nisshin Seifun Group. All data are accurate as of the date of filing the original Japanese version of this report (June 25, 2015).

(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.

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 eight 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 to ensure the duties of directors and employees of the Company and its subsidiaries are performed in compliance with law and the Articles of Incorporation

   (a) The Nisshin Seifun Group has formulated the Nisshin Seifun Group Corporate Code of Conduct and Employee Action Guidelines. The presidents and directors of the Company and its subsidiaries 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 Audit & Supervisory Board Members of the Company and its subsidiaries shall audit the performance of duties by each director, and oversee and verify whether directors construct and operate systems for internal control in an appropriate manner.

   (c) The Internal Control Department, directly supervised by representative directors of the Company, 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.

   (d) The Company's 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.

   (e) 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.

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

2) Rules and systems for managing the danger of loss to the Company and its subsidiaries

(a) In the Nisshin Seifun Group, 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 the Nisshin Seifun Group, in line with the Nisshin Seifun Group Risk Management Rules, in parallel with evaluation and review of risks, the Company's Risk Management Committee shall supervise the overall risk management efforts of the Nisshin Seifun Group by confirming and providing guidance to ensure that subsidiaries have appropriate control over the risks that subsidiaries recognize, analyze, and evaluate, and that no risks are left unnoticed.

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

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

3) Systems for ensuring that duties of directors of the Company and its subsidiaries are performed efficiently

(a) For the Company and its subsidiaries, 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.

(b) The Nisshin Seifun Group clarifies its business strategies and their potential direction, according to which each subsidiary formulates its 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.

4) 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 Company, as the holding company constantly oversees and evaluates the actions of subsidiaries with the best interests of the shareholders in mind.

(b) For important issues concerning the business operations of subsidiaries, standardized criteria determine the matters to be submitted for discussion or report to the Company's Board of Directors.

(c) The Nisshin Seifun Group "Corporate Code of Conduct and Employee Action Guidelines" stipulate and specify the Corporate Principle, the Basic Management Policy, the Basic Attitude toward Stakeholders, and the Corporate Code of Conduct and Employee Action Guidelines, 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 consolidated financial statements and other financial reporting from the Nisshin Seifun Group.

(e) The Audit & Supervisory Board Members of the Company and its subsidiaries 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) The Company provides special audits, such as of facilities, safety, environment and quality assurance for the Nisshin Seifun Group.

(g) The Internal Control Department, directly supervised by representative directors of the Company, 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.

5) Systems for ensuring the preservation and management of information in relation to the performance of the duties of the directors of the Company

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.

6) Provisions concerning the individuals assisting the Company's Audit & Supervisory Board Members in performing their duties, their independence from directors, and ensuring the efficacy of directions given to such individuals

(a) 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.

(b) Directors pay close attention to ensuring that no unreasonable constraints exist that could potentially hinder the independence of the audit & supervisory board members assistants in the performance of their duties.

7) Systems for reporting to Audit & Supervisory Board Members of the Company by the directors and employees of the Company, the directors, auditors and employees of subsidiaries, and individuals who receive reports from these individuals

(a) The Audit & Supervisory Board Members of the Company 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 of the Company 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 of the Company or its subsidiaries recognize anything that could cause remarkable damage or serious accidents to their respective companies, they shall immediately report that to their respective Audit & Supervisory Board Members, with subsequent reporting by the respective Audit & Supervisory Board Members to the Company's Audit & Supervisory Board Members.

(d) The results of audits conducted by subsidiaries' Audit & Supervisory Board Members shall also be reported to the Company's Audit & Supervisory Board.

(e) The results of internal control system evaluations and internal audits conducted by the Company's Internal Control Department are also reported to the Company's Audit & Supervisory Board.

(f) The results of specialized audits, equipment and safety audits, environmental audits, and quality assurance audits, are also reported to the Company's Audit & Supervisory Board.

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

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

(i) All circular requisitions of the Company and its subsidiaries are transmitted to each Audit & Supervisory Board Member.

8) System for ensuring individuals reporting to the Company's Audit & Supervisory Board Members can do so without fear of reprisal for doing so

Individuals reporting any of the previously addressed items, including those reporting via the Compliance Hotline, will face no reprisals, through personnel systems or in any other way, for such reporting.

9) Provisions regarding policies guiding procedures for the prepayment or reimbursement of expenses incurred by the Company's Audit & Supervisory Board Members in the execution of their duties and other expenses incurred in the execution of such duties or fulfillment of related responsibilities

Anticipated expenses incurred by the Audit & Supervisory Board Members in the execution of their duties are budgeted; expenses incurred beyond those budgeted, excluding such expenses deemed unnecessary for execution of the duties of the Audit & Supervisory Board Members, shall be dealt with immediately by the Company pursuant to Article 388 of the Companies Code.

10) Other systems for ensuring that the audits by Audit & Supervisory Board Members of the Company 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 calls for strict compliance with all relevant laws and social norms, while the Employee Action Guidelines call upon employees to maintain 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.

(c) Within the Nisshin Seifun Group Inc., a Normative Ethics Committee, comprised of members from Group companies, and Social Norms Committees at key subsidiaries, have been established. The committees thoroughly review each case to ensure a resolute attitude to reject unreasonable requests from antisocial forces, and to confirm that no illegal payoffs or other such actions occur.

(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 20 people and the expert personnel teams comprise eight people for facility/safety audits, five people for environmental audits and seven 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 eight 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 Ito 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.

An Outside Director Akio Mimura provides appropriate advice on and supervises the Company's execution of business operations from an independent standpoint. Outside Director Kazuhiko Fushiya, newly elected at the General Meeting of Shareholders held on June 25, 2015, was also deemed capable of providing appropriate advice on and supervise the Company's execution of business operations from an independent standpoint. Outside Audit & Supervisory Board Members Tetsuo Kawawa and Satoshi Ito perform audits of the Company's management from an objective and independent viewpoint. Similarly, Outside Audit & Supervisory Board Member Motoo Nagai, newly elected at the General Meeting of Shareholders held on June 25, 2015, was also deemed capable of performing audits of the Company's management from an objective and independent viewpoint.

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. Kazuhiko Fushiya was regarded as appropriate for the position of Outside Director because he held important positions in the Ministry of Finance and has accumulated extensive experience and possesses highly professional expertise, which will 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. Satoshi Ito 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. Motoo Nagai was regarded as appropriate for the position of Outside Audit & Supervisory Board Member because his extensive experience, expansive knowledge and insight pertaining to corporate management from his career as the manager of a financial institution will enable him to apply that knowledge to the Company's auditing systems.

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.

Furthermore, pursuant to criteria concerning independence as defined by the Tokyo Stock Exchange, the Company has stipulated the following "Criteria regarding the independence of Outside Directors and Outside Audit & Supervisory Board Members" detailed below.

<Criteria regarding the independence of Outside Directors and Outside Audit & Supervisory Board Members>

To be regarded as independent, Outside Directors and Outside Audit & Supervisory Board Members of the Company must not be associated with any of the criteria stipulated below.

1) The party regards the Company as a major business partner or executive thereof, or the party is one of the Company's major business partners or an executive thereof (excluding individuals highlighted in 2) below).

   * "Party regards the Company as a major business partner" refers to parties who, in the most recent fiscal year, received payments from the Company totaling 2% of annual consolidated net sales (including functional equivalents to net sales, same herein) or ¥100 million, whichever is larger.

   * "Party is one of the Company's major business partners" refers to parties who, in the most recent fiscal year, made payments to the Company totaling at least 2% of the Company's annual consolidated net sales (in the case of

financial institutions from which the Company has obtained loans, this applies only to those institutions on which the Company is so reliant for its fund procurement that they are considered indispensable and irreplaceable).

2) Consultants, accounting specialists and legal specialists who receive significant monetary sums or other assets beyond remuneration as Directors or Audit & Supervisory Board Members from the Company (this includes parties associated with organizations that receive the aforementioned assets, such as corporations, unions and professional offices).

* "Significant monetary sums or other assets" refer to monetary sums or assets (excluding remuneration for Directors and Audit & Supervisory Board Members) that, in the most recent fiscal year, accounted for at least 10% or at least ¥10 million, whichever is larger, of the party's annual net sales.

3) Any party to which any of items (a) through (d) recently applies. However, item (c) only applies when determining the independence of Outside Audit & Supervisory Board Members.

(a) Parties fitting either 1) or 2) above

(b) Directors from the Company's parent company, whether executive or non-executive

(c) Audit & Supervisory Board Members from the Company's parent company

(d) Executives from the Company's sibling companies

* Cases for which "any of items (a) through (d) recently applies" refer to cases in which any of the reasons stated in (a) through (d) can be viewed to substantively apply currently to a given party; this suggests that at the time that the agenda for the General Meeting of Shareholders was decided by the Company's Board of Directors, any one of items (a) through (d) applied to a party put forward as an independent candidate standing for election as either an Outside Director or an Outside Audit & Supervisory Board Member.

4) Parents or other close relatives of parties to whom any of the following (a) through (g) apply (excluding non-vital parties). However, (c) and (e) apply only to determining the independence of Outside Audit & Supervisory Board Members.

(a) Parties fitting items 1) through 3) above

(b) Executives from the Company's subsidiaries

(c) Non-executive directors from the Company's subsidiaries

(d) Directors from the Company's parent company, whether executive or non-executive

(e) Audit & Supervisory Board Members from the Company's parent company

(f) Executives from the Company's sibling companies

(g) Parties to whom (b), (c) recently apply, or parties who are an executive of the Company (when deciding the independence of Outside Audit & Supervisory Board Members, this includes non-executive directors)

* Whether the term "non-vital" applies is determined by criteria stipulated in Article 74, Paragraph 4, Section 6 (x) of the Ordinance for Enforcement of the Companies Act; specifically, for parties to whom 1) above applies, this refers to parties of the director or general manager class of each company or partner; for parties to whom 2) above applies, this refers to certified public accounts affiliated with each relevant independent corporate auditing firm, or attorneys affiliated with each relevant law office (including so-called "associates").

* The term "close relatives" refers to parental-level relatives. The term "close relatives" is not applicable to parties for whom such familial relationships have been dissolved as a result of divorce or other official means.

(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)	243	174	10	58	13
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board	26	26	—	—	3

Members)					
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: ¥82,702 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	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.

Issuer	Number of shares held	Carrying value (millions of yen)	Purposes for ownership
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.
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.	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:
NKSJ Holdings, Inc. was renamed Sompo Japan Nipponkoa Holdings, Inc. on September 1, 2014.

(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	22,827	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).
NISSIN FOODS HOLDINGS CO., LTD.	1,264,982	7,663	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).
Mitsubishi Corporation	3,038,474	7,409	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 Corporation	4,180,244	5,551	As above
Nichirei Corporation	5,439,500	3,482	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).
Mitsubishi UFJ Financial Group, Inc.	4,727,150	3,266	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.
Sumitomo Mitsui Financial Group, Inc.	674,394	3,213	As above
SHIMIZU CORPORATION	2,947,000	2,438	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.
Kikkoman Corporation	660,486	2,426	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).
Marubeni Corporation	3,135,511	2,277	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).
KYORIN Holdings, Inc.	754,000	2,190	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.
Nippon Express Co., Ltd.	3,208,000	2,159	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.
Suruga Bank, Ltd.	833,910	2,106	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.
Kewpie Corporation	689,100	1,950	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.
Toppan Printing Co., Ltd.	1,895,000	1,713	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.
Hosokawa Micron Corporation	2,500,000	1,586	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.
Nisshinbo Holdings Inc.	1,139,800	1,348	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
The Gunma Bank, Ltd.	1,507,620	1,282	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	1,211	This stock ownership is designed to solidify the business alliance concerning bread improvers and others in Asia between the Group and the issuer.
Sumitomo Mitsui Trust Holdings, Inc.	1,920,337	967	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.
Hakuhodo DY Holdings Inc.	734,600	967	This ownership is designed to effectively engage in advertising and promotion activities of the Group through group companies of the issuer.
The Hyakugo Bank, Ltd.	1,360,013	789	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.
DENTSU INC.	130,400	692	This ownership is designed to effectively engage in advertising and promotion activities of the Group through the issuer (including group companies).
Oriental Land Co., Ltd.	10,000	360	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).
Mizuho Financial Group, Inc.	1,311,693	288	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.
Tokio Marine Holdings, Inc.	59,770	266	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 Awa Bank, Ltd.	371,865	262	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.
Sompo Japan Nipponkoa Holdings, Inc.	43,312	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	150	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	116	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.

c. The total amounts of stocks held solely for pure investment carried on the balance sheets for the fiscal years ended March 31, 2014 and 2015, 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 23 CPAs and 24 assistant accountants and others.

(7) The number of Directors

The Company's Articles of Incorporation prescribe that the number of the Company's 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.

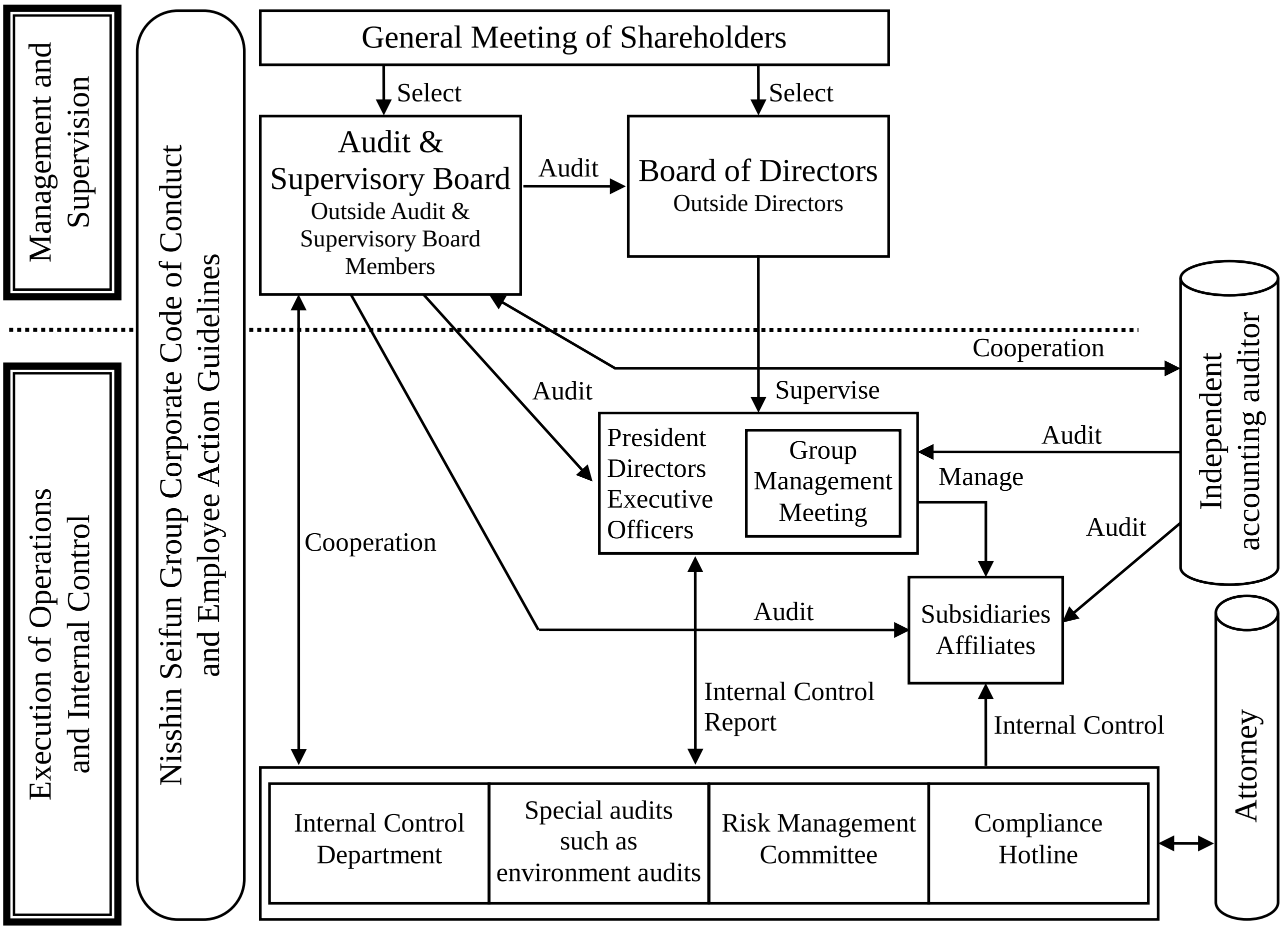
(11) Requirements for a special resolution by the General Meeting of Shareholders

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, 2014		Year ended March 31, 2015	
	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	51	0	55	—
Consolidated subsidiaries	111	3	110	3
Total	163	3	165	3

(2) Other important payments

(For the year ended March 31, 2014 and year ended March 31, 2015)

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, 2014 and year ended March 31, 2015)

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).

(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.")

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, 2014 to March 31, 2015; the 171st 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, 2014 (As of March 31, 2014)		Year ended March 31, 2015 (As of March 31, 2015)	
Assets				
Current assets				
Cash and deposits		49,104		42,584
Notes and accounts receivable – trade		67,486		74,688
Short-term investment securities		28,869		25,565
Inventories	Note 1	58,484	Note 1	76,268
Deferred tax assets		5,597		5,274
Other		7,089		5,630
Allowance for doubtful accounts		(222)		(208)
Total current assets		216,409		229,804
Noncurrent assets				
Property, plant and equipment				
Buildings and structures, net	Notes 2, 3, 5	49,187	Notes 2, 3, 5	54,001
Machinery, equipment and vehicles, net	Notes 2, 3, 5	35,089	Notes 2, 3, 5	40,602
Land	Note 5	38,143	Note 5	40,497
Construction in progress		3,830		9,552
Other, net	Notes 2, 5	2,689	Notes 2, 5	4,048
Total property, plant and equipment		128,939		148,702
Intangible assets				
Goodwill		5,008		10,355
Other		7,990		11,273
Total intangible assets		12,998		21,629
Investments and other assets				
Investment securities	Notes 4, 5	105,975	Notes 4, 5	143,288
Net defined benefit asset		487		30
Deferred tax assets		3,808		3,118
Other	Note 4	2,553	Note 4	2,863
Allowance for doubtful accounts		(132)		(129)
Total investments and other assets		112,692		149,170
Total noncurrent assets		254,630		319,503
Total assets		471,039		549,307

(Millions of yen)

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

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)		Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	
Net sales		495,930		526,144
Cost of sales	Notes 1, 2	348,619	Notes 1, 2	377,729
Gross profit		147,311		148,414
Selling, general and administrative expenses	Notes 2, 3	125,036	Notes 2, 3	127,937
Operating income		22,274		20,476
Non-operating income				
Interest income		214		203
Dividends income		1,742		1,905
Equity in earnings of affiliates		839		2,104
Rent income		323		328
Other		502		845
Total non-operating income		3,622		5,388
Non-operating expenses				
Interest expenses		166		179
Other		150		140
Total non-operating expenses		317		320
Ordinary income		25,579		25,544
Extraordinary income				
Gain on sales of noncurrent assets	Note 4	147	Note 4	950
Gain on sales of investment securities		507		67
Gain on liquidation of investment and securities		—		161
Gain on bargain purchase		285		—
Subsidy income		200		—
Other		—		44
Total extraordinary income		1,140		1,223
Extraordinary losses				
Loss on retirement of noncurrent assets	Note 5	712	Note 5	548
Litigation settlement		—	Note 6	732
Litigation expenses	Note 6	450		—
Loss on affiliate production base redeployment		183		—
Other		173		59
Total extraordinary losses		1,518		1,340
Income before income taxes and minority interests		25,201		25,427
Income taxes – current		9,159		6,871
Income taxes – deferred		23		1,684
Total income taxes		9,183		8,555
Income before minority interests		16,018		16,871
Minority interests in income		919		835
Net income		15,098		16,036

Consolidated Statements of Comprehensive Income

(Millions of yen)

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

(3) Consolidated Statements of Changes in Net Assets

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

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

(Millions of yen)

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

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	32,253	21	4,237	(1,831)	34,680	260	9,057	334,092
Cumulative effect of changes in accounting policies								(1,950)
Balance at the beginning of current period reflecting changes in accounting policies	32,253	21	4,237	(1,831)	34,680	260	9,057	332,141
Changes of items during the period								
Dividends from surplus								(5,472)
Net income								16,036
Purchase of treasury stock								(20)
Disposal of treasury stock								536
Net changes of items other than shareholders' equity	25,045	97	7,674	359	33,177	(80)	2,397	35,494
Total changes of items during the period	25,045	97	7,674	359	33,177	(80)	2,397	46,574
Balance at the end of current period	57,298	118	11,911	(1,471)	67,857	179	11,454	378,715

(4) Consolidated Statements of Cash Flows

(Millions of yen)

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

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

1. Scope of consolidation

 (1) Consolidated subsidiaries: 47 companies

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

 (2) Changes in the scope of consolidation

  - Effective from the fiscal year under review, Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S. was newly established and included in the scope of consolidation of the Company.

2. Scope of the equity method

 (1) Subsidiaries and affiliates accounted for by the equity method: 10 (1 non-consolidated subsidiary and 9 affiliates)

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

 (2) Changes in the scope of the equity method

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

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

3. Accounting periods of consolidated subsidiaries

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

Company name	Year-end
Rogers Foods Ltd.	January 31
Thai Nisshin Seifun Co., Ltd. and 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 calculating retirement benefit liability, the method for imputing the applicable period until the end of the fiscal year under review for the estimated retirement benefit is determined by the benefit calculation standard.

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

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

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

(5) Significant hedging transactions

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

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

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

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

d. Hedging evaluation

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

(6) Goodwill amortization and amortization periods

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

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

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

(8) Consumption tax

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

[Changes in Accounting Policies]

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

From the fiscal year under review, the Company has applied the "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012; herein, "the retirement benefit accounting standard") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015; herein, "the retirement benefit guidance"), specifically content stipulated in paragraph 35 of the retirement benefit accounting standard and stipulated in paragraph 67 of the retirement benefit guidance. Consequently, the Company has revised its method for calculating its retirement benefit liability and service costs. The method for imputing the time period for estimated retirement benefits has been changed from a straight-line attribution method standard to a benefit calculation formula standard. In tandem, the methodology for deciding the discount rate has also been changed, from a discount rate based on the average remaining period of service to a method that employs a single weighted average discount rate that reflects the estimated period and payment of retirement benefits.

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

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

[Unapplied Accounting Standards]

(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.

[Consolidated Balance Sheets]

1. Components of inventories are as follows.

	Year ended March 31, 2014 (As of March 31, 2014)	Year ended March 31, 2015 (As of March 31, 2015)
Merchandise and finished goods	¥26,312 million	¥27,903 million
Work in process	¥3,609 million	¥4,614 million
Raw materials and supplies	¥28,561 million	¥43,749 million

2. Accumulated depreciation of property, plant and equipment

	Year ended March 31, 2014 (As of March 31, 2014)	Year ended March 31, 2015 (As of March 31, 2015)
	¥254,832 million	¥258,809 million

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

	Year ended March 31, 2014 (As of March 31, 2014)	Year ended March 31, 2015 (As of March 31, 2015)
Accumulated reduction entry of property, plant and equipment	¥370 million	¥368 million

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

	Year ended March 31, 2014 (As of March 31, 2014)	Year ended March 31, 2015 (As of March 31, 2015)
Investment securities	¥23,943 million	¥26,170 million
Others	¥157 million	¥180 million
[Investments in joint ventures included in the above]	[¥157 million]	[¥180 million]

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

	Year ended March 31, 2014 (As of March 31, 2014)	Year ended March 31, 2015 (As of March 31, 2015)
Buildings and structures	¥1,211 million	¥1,134 million
Machinery, equipment and vehicles	¥522 million	¥489 million
Investment securities [Note]	¥4,138 million	¥5,324 million
Other	¥113 million	¥124 million
Total	¥5,985 million	¥7,072 million

Secured debts are as follows.

	Year ended March 31, 2014 (As of March 31, 2014)	Year ended March 31, 2015 (As of March 31, 2015)
Short-term loans payable	¥200 million	¥100 million

(Note) In order to secure loans payable of ¥6,600 million for affiliates (¥8,300 million for the year ended March 31, 2014), investment securities under assets pledged as collateral were pledged as a third-party guarantee (maximum is set at ¥3,000 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, 2014 (April 1, 2013 to March 31, 2014)	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
	¥399 million	¥308 million

2. R&D expenditures included in general and administrative expenses and manufacturing costs

	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
	¥5,769 million	¥5,467 million

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

	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Sales freight expenses	¥28,633 million	¥31,015 million
Promotion expenses	¥42,337 million	¥41,632 million
Salaries	¥13,920 million	¥14,307 million
Bonuses and allowance	¥9,958 million	¥10,107 million
Retirement benefit expenses	¥1,592 million	¥1,449 million

4. Gain on sales of noncurrent assets
   Year ended March 31, 2014 (April 1, 2013 to March 31, 2014) and Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
   This figure mainly reflects gains on the sale of land.

5. Loss on retirement of noncurrent assets
   Year ended March 31, 2014 (April 1, 2013 to March 31, 2014) and Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
   This figure mainly reflects losses on the disposal of machinery and equipment.

6. Litigation Settlement and Litigation Expenses
   Year ended March 31, 2015 (April 1, 2014 to March 31, 215)
   The Company reached a settlement regarding litigation pertaining to asset valuation at the time of its acquisition of U.S.-based subsidiary Miller Milling Company, LLC. This agreement resulted in the payment of a settlement to former shareholders. Litigation expenses that occurred up through the previous fiscal year were in relation to this litigation.

[Consolidated Statements of Comprehensive Income]

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

	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Valuation difference on available-for-sale securities		
Gain in the current period	¥3,969 million	¥34,214 million
Reclassification adjustment	¥(505) million	¥(67) million
Before tax effect adjustment	¥3,464 million	¥34,146 million
Tax effect	¥(1,122) million	¥(9,155) million
Valuation difference on available-for-sale securities	¥2,341 million	¥24,990 million
Deferred gains or losses on hedges		
Gain (Loss) in the current period	¥(242) million	¥99 million
Reclassification adjustment	¥28 million	¥42 million
Before tax effect adjustment	¥(214) million	¥142 million
Tax effect	¥77 million	¥(45) million
Deferred gains or losses on hedges	¥(137) million	¥96 million
Foreign currency translation adjustment		
Gain in the current period	¥5,451 million	¥8,425 million
Remeasurements of defined benefit plans		
Gain in the current period	—	¥190 million
Reclassification adjustment	—	¥391 million
Before tax effect adjustment	—	¥581 million
Tax effect	—	¥(251) million
Remeasurements of defined benefit plans	—	¥329 million
Share of other comprehensive income of affiliates accounted for by the equity method		
Gain in the current period	¥262 million	¥273 million
Total other comprehensive income	¥7,918 million	¥34,116 million

[Consolidated statements of Changes in Net Assets]

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

- Dividends on common stock:
  - i) Total dividends to be paid ¥2,734 million
  - ii) Source of dividends Retained earnings
  - iii) Dividend per share ¥10
  - iv) Record date March 31, 2014
  - v) Effective date June 27, 2014

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

1. Type and number of issued shares and treasury stock

(Thousands of shares)

	Number of shares at the beginning of the year	Increase in shares during the year	Decrease in shares during the year	Number of shares at the end of the year
Issued shares Common stock	276,688	276,688	—	304,357
Treasury stock Common stock	3,264	320	486	3,098

Notes:

1. On October 1, 2014, the Company conducted a 1.1-for-1 stock split of shares of common stock.
2. Portion of the increase in common stock accounted for by issued shares:
   27,668 thousand shares, as result of stock split
3. Portion of the increase in common stock accounted for by treasury stock:
   301 thousand shares, as result of stock split,
   18 thousand shares, as result of repurchasing sub-MTU (minimum trading unit) shares, and
   0 thousand shares, as result of portion of treasury shares (Company's own shares) belonging to the Company acquired by affiliates accounted for by the equity method
4. Portion of the decrease in common stock accounted for by treasury stock:
   0 thousand shares, as result of selling sub-MTU (minimum trading unit) shares, and
   485 thousand shares, as result of exercise of stock options

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

Category	Composition of 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	—					179
Total		—					179

3. Dividends

(1) Dividends paid

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

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

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

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

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

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

[Consolidated Statements of Cash Flows]

1. The reconciliation between year-end balance of cash and cash equivalents and amounts stated in the consolidated balance sheets

	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Cash and deposits	¥49,104 million	¥42,584 million
Short-term investment securities	¥28,869 million	¥25,565 million
Total	¥77,974 million	¥68,150 million
Time deposits with maturities of more than three months	¥(325) million	¥(7,157) million
Debt securities with maturities of more than three months	¥(4,963) million	¥(1,096) million
Cash and cash equivalents at end of period	¥72,685 million	¥59,897 million

2. Major breakdown of the assets and liabilities increased by transfer of business
Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)
Expenditure consisted of accounts payable in the amount of ¥190 million for newly established Champion Flour Milling Ltd. in the previous fiscal year to acquire by transfer the flour milling business of Goodman Fielder in New Zealand.

Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
A breakdown of assets and liabilities of Miller Milling Company, LLC acquired by transfer of the four U.S.-based flour milling plants, a cost of transfer of business and net payments for transfer of business is presented as follows.

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

[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.

2. Operating leases

   Future minimum lease commitments under non-cancelable operating leases

   (Lessee)

(Millions of yen)

	Year ended March 31, 2014 (As of March 31, 2014)	Year ended March 31, 2015 (As of March 31, 2015)
Due within one year	111	338
Due after one year	142	990
Total	254	1,328

(Lessor)

(Millions of yen)

	Year ended March 31, 2014 (As of March 31, 2014)	Year ended March 31, 2015 (As of March 31, 2015)
Due within one year	109	88
Due after one year	470	382
Total	580	470

[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, 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.

Year ended March 31, 2015 (As of March 31, 2015)

(Millions of yen)

	Carrying value	Fair value	Unrealized gains (losses)
(1) Cash and deposits	42,584	42,584	—
(2) Notes and accounts receivable – trade	74,688	74,688	—
(3) Short-term investment securities and investment securities			
Other securities	137,652	137,652	—
Total assets	254,925	254,925	—
(1) Notes and accounts payable – trade	57,561	57,561	—
Total liabilities	57,561	57,561	—
Derivative transactions*			
1) Transactions for which hedge accounting has not been adopted	(181)	(181)	—
2) Transactions for which hedge accounting has been adopted	161	161	—
Total derivative transactions	(19)	(19)	—

* 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, 2014 (As of March 31, 2014)	Year ended March 31, 2015 (As of March 31, 2015)
Unlisted stocks	26,314	28,431

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, 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	—

Year ended March 31, 2015 (As of March 31, 2015)

(Millions of yen)

	Due within one year	Due after one year but within five years
Cash and deposits	42,584	—
Notes and accounts receivable – trade	74,688	—
Short-term investment securities and investment securities		
Other securities with maturity dates	25,576	—
Total	142,850	—

[Securities]

1. Short-term investment securities classified as other securities

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.

Year ended March 31, 2015 (As of March 31, 2015)

(Millions of yen)

	Item	Carrying value	Acquisition cost	Unrealized gains (losses)
Securities whose carrying value exceeds their acquisition cost	(1) Equity securities	112,033	27,880	84,152
	(2) Bonds:			
	a. Government and municipal bonds	—	—	—
	b. Corporate bonds	—	—	—
	c. Other	—	—	—
	(3) Other	—	—	—
	Subtotal	112,033	27,880	84,152
Securities whose carrying value does not exceed their acquisition cost	(1) Equity securities	52	59	(6)
	(2) Bonds:			
	a. Government and municipal bonds	8,565	8,566	(0)
	b. Corporate bonds	—	—	—
	c. Other	—	—	—
	(3) Other	17,000	17,000	—
	Subtotal	25,618	25,626	(7)
Total		137,652	53,506	84,145

Note:
The above “other securities” do not include unlisted stocks with a carrying value of ¥5,031 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, 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)

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

(Millions of yen)

Type	Proceeds from sales	Total gain on sales	Total loss on sales
Equity securities	147	67	(0)

[Derivative Transactions]

1. Derivative transactions for which hedge accounting is not adopted
   (1) Currency-related
   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.

Year ended March 31, 2015 (As of March 31, 2015)

(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	1,064	—	(79)	(79)
Non-market transactions	Forward foreign exchange contracts:					
	Sell:	U.S. dollar	250	—	(5)	(5)
		Euro	57	—	0	0
	Buy:	U.S. dollar	894	—	8	8
		Euro	106	—	(3)	(3)
		Yen	2	—	(0)	(0)
Total			2,377	—	(80)	(80)

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, 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.

Year ended March 31, 2015 (As of March 31, 2015)

(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	5,154	—	(242)	(242)
	Buy: Wheat	6,016	—	139	139
	Options:				
	Sell put:				
	Wheat	5	—	1	3
Total		11,176	—	(101)	(98)

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, 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.

Year ended March 31, 2015 (As of March 31, 2015)

(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		459	—	(51)
	Forward foreign exchange contracts:		Accounts payable			
	Buy:	U.S. dollar		5,114	—	164
		Thai baht		2,031	—	100
		Australian dollar		62	—	(1)
		Euro		712	—	(49)
Appropriation treatment	Forward foreign exchange contracts:		Accounts receivable			
	Sell:	U.S. dollar		401	—	—
	Forward foreign exchange contracts:		Accounts payable			
	Buy:	U.S. dollar		42	—	—
		Thai baht		1	—	—
Total				8,826	—	161

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 receivable and accounts payable to be hedged, the fair value of those is included in the fair value of the relevant accounts receivable and accounts payable.

[Retirement Benefits]

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

	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Retirement benefit obligation at beginning of year	¥30,581 million	¥29,011 million
Cumulative effect of changes in accounting policies	—	¥3,055 million
Retirement benefit obligation at beginning of year reflecting changes in accounting policies	¥30,581 million	¥32,067 million
Service cost	¥1,152 million	¥1,271 million
Interest cost	¥486 million	¥195 million
Actuarial loss	¥(155) million	¥(80) million
Retirement benefits payable	¥(3,064) million	¥(3,095) million
Other	¥11 million	¥18 million
Retirement benefit obligation at end of the year	¥29,011 million	¥30,376 million

   (2) Adjustment of balance of pension assets at beginning and end of the year

	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Pension assets at beginning of year	¥12,056 million	¥10,425 million
Expected return on plan assets	¥120 million	¥104 million
Actuarial gain	¥13 million	¥109 million
Retirement benefits payable	¥(1,765) million	¥(1,653) million
Pension assets at end of year	¥10,425 million	¥8,986 million

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

	Year ended March 31, 2014 (As of March 31, 2014)	Year ended March 31, 2015 (As of March 31, 2015)
Retirement benefit obligation for funded plans	¥9,938 million	¥8,955 million
Pension assets	¥(10,425) million	¥(8,986) million
	¥(487) million	¥(30) million
Retirement benefit obligation for unfunded plans	¥19,073 million	¥21,421 million
Net obligation and assets posted on consolidated balance sheet	¥18,586 million	¥21,390 million
Net defined benefit liability	¥19,073 million	¥21,421 million
Net defined benefit assets	¥(487) million	¥(30) million
Net liability and assets posted on consolidated balance sheet	¥18,586 million	¥21,390 million

(4) Retirement benefit expenses and detailed breakdown

	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Service cost	¥1,152 million	¥1,271 million
Interest expense	¥486 million	¥195 million
Expected return on plan assets	¥(120) million	¥(104) million
Amortization of actuarial loss	¥647 million	¥636 million
Amortization of prior service cost	¥(245) million	¥(245) million
Retirement benefit expenses related to defined-contribution pension plan	¥1,920 million	¥1,753 million

Note:

The retirement benefit expenses incurred by the consolidated subsidiaries that adopt a simplified method of calculation are posted under service cost.

(5) Adjustments related to retirement benefits

A breakdown of items (prior to tax effect deduction) posted as adjustments related to retirement benefits is as follows.

	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Prior service cost	—	¥(245) million
Actuarial gain	—	¥826 million
Total	—	¥581 million

(6) 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.

	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Unrecognized prior service cost	¥(2,062) million	¥(1,817) million
Unrecognized actuarial loss	¥4,662 million	¥3,835 million
Total	¥2,599 million	¥2,018 million

(7) Items related to pension assets

a. Breakdown of principal pension assets

The main categories by percentage of total pension assets are as follows.

	Year ended March 31, 2014 (As of March 31, 2014)	Year ended March 31, 2015 (As of March 31, 2015)
Regular accounts	49%	49%
Bonds	48%	48%
Cash and deposits	3%	3%
Total	100%	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.

(8) Basic items for calculating actuarial differences

Basics for calculating principal actuarial differences for the fiscal year under review

	Year ended March 31, 2014 (As of March 31, 2014)	Year ended March 31, 2015 (As of March 31, 2015)
Discount rate	Mainly 1.7%	Mainly 0.9%
Long-term expected rate of return on plan assets	Mainly 1.0%	Mainly 1.0%

3. Defined contribution plan

The defined contribution of the Company and its consolidated subsidiaries was ¥716 million for the year ended March 31, 2014 and ¥776 million for the year ended March 31, 2015.

[Stock Options]

1. The account and the amount of expenses concerning stock options

(Millions of yen)

	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Selling, general and administrative expenses	52	42

2. The amount recorded as profit owing to the non-exercise of rights resulting in forfeiture

(Millions of yen)

Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
1	43

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)	321,860 shares of common stock (Note 3)	309,760 shares of common stock (Note 3)	318,230 shares of common stock (Note 3)
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

	2011 Plan	2012 Plan	2013 Plan	2014 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	14 directors and 10 executive officers (Note 1) of the Company and 34 directors of consolidated subsidiaries
Number of shares granted by stock type	424,710 shares of common stock (Note 3)	388,410 shares of common stock (Note 3)	373,890 shares of common stock (Note 3)	337,700 shares of common stock (Note 4)
Grant date	August 18, 2011	August 16, 2012	August 20, 2013	August 19, 2014
Conditions for vesting	Not stated	Not stated	Not stated	Not stated
Service period	Not specified	Not specified	Not specified	Not specified
Exercisable period	August 19, 2013 – August 1, 2018	August 17, 2014 – August 1, 2019	August 21, 2015 – August 3, 2020	August 20, 2016 – August 2, 2021

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.
3. The Company undertook a 1.1-for-1 common stock split on October 1, 2013. The Company also conducted a 1.1-for-1 stock split of shares of common stock on October 1, 2014. These figures concerning the number of shares in the above table reflect this stock split.
4. The Company undertook a 1.1-for-1 common stock split on October 1, 2014. 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, 2015. The number of stock options is translated into the number of shares.

1. Number of stock options

	2007 Plan (Note 1)	2008 Plan (Note 2)	2009 Plan (Note 2)	2010 Plan (Note 2)	2011 Plan (Note 2)	2012 Plan (Note 2)	2013 Plan (Note 2)	2014 Plan (Note 2)
Non-vested (shares):								
Outstanding at the end of the previous year	—	—	—	—	—	388,410	373,890	—
Granted during the year	—	—	—	—	—	—	—	337,700
Forfeited during the year	—	—	—	—	—	—	—	—
Vested during the year	—	—	—	—	—	388,410	—	—
Outstanding at the end of the year	—	—	—	—	—	—	373,890	337,700
Vested (shares):								
Outstanding at the end of the previous year	161,700	242,000	268,620	258,940	341,220	—	—	—
Vested during the year	—	—	—	—	—	388,410	—	—
Exercised during the year	29,700	56,870	70,180	77,440	99,220	174,240	—	—
Forfeited during the year	132,000	70,180	62,920	41,140	—	—	—	—
Outstanding at the end of the year	—	114,950	135,520	140,360	242,000	214,170	—	—

Notes:

1. 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. The Company undertook a 1.1-for-1 common stock split on October 1, 2013, followed by another 1.1-for-1 common stock split on October 1, 2014. These figures concerning the number of shares in the above table reflect this stock split.
3. The Company undertook a 1.1-for-1 common stock split on October 1, 2014. These figures concerning the number of shares in the above table reflect this stock split.

2. Per share prices

(Yen)

	2007 Plan (Note 1)	2008 Plan (Note 2)	2009 Plan (Note 2)	2010 Plan (Note 2)	2011 Plan (Note 2)	2012 Plan (Note 2)	2013 Plan (Note 2)	2014 Plan (Note 3)
Exercise price	1,089	1,155	936	909	848	792	1,012	1,159
Average stock price upon exercise	1,189	1,424	1,154	1,152	1,225	1,198	—	—
Fair value per share at grant date	93	166	192	179	140	152	101	122

Notes:

1. 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 The Company undertook a 1.1-for-1 common stock split on October 1, 2013, followed by another 1.1-for-1 common stock split on October 1, 2014. These figures concerning per share prices in the above table reflect this stock split.
3. The Company undertook a 1.1-for-1 common stock split on October 1, 2014. These figures concerning per share prices 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 2014 Plan granted during the fiscal year ended March 31, 2015 is estimated as follows.

1) Technique of estimation used: Black-Scholes method

2) Basic factors taken into account for the estimation

	2014 Plan
Expected volatility of the share price (Note 1)	19.8%
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)	0.13%

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 2010 to August 2014.
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, 2014.
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, 2014 (As of March 31, 2014)	Year ended March 31, 2015 (As of March 31, 2015)
Deferred tax assets:		
Net defined benefit liability	6,436	6,762
Provision for bonuses	1,580	1,418
Accrued sales incentives	1,590	1,285
Investment securities, etc.	1,323	1,254
Unrealized gains (losses) on noncurrent assets	982	1,057
Impairment loss on noncurrent assets	1,335	656
Net operating loss carry forwards	1,195	643
Intangible assets	235	526
Provision for repairs	558	476
Inventories	482	416
Depreciation	288	293
Unrealized gains (losses) on inventories	239	274
Accrued enterprise tax	365	259
Other	1,788	2,031
Gross deferred tax assets	18,405	17,356
Amount offset by deferred tax liabilities	(6,468)	(6,428)
Net deferred tax assets	11,936	10,928
Valuation allowance	(2,531)	(2,535)
Deferred tax assets, net	9,405	8,392
Deferred tax liabilities:		
Valuation difference on available-for-sale securities	(17,642)	(26,792)
Reserve for advanced depreciation of noncurrent assets	(2,202)	(1,937)
Securities returned from employee retirement benefits trust	(1,118)	(1,014)
Other	(1,339)	(1,524)
Gross deferred tax liabilities	(22,303)	(31,269)
Amount offset by deferred tax assets	6,468	6,428
Deferred tax liabilities, net	(15,834)	(24,841)

[Changes in Presentation]

"Intangible assets," which was included in "Other" under deferred tax assets in the previous fiscal year, is reported as an independent line item from the year ended March 31, 2015, due to the increasing monetary importance of this item. Notes for the previous consolidated fiscal year have been reconfigured to reflect this change in presentation.

As a result, ¥2,024 million reported as "Other" under deferred tax assets for the fiscal year ended March 31, 2014, has been reconfigured as ¥235 million reported as "Intangible assets" and ¥1,788 million reported as "Other."

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, 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.

Year ended March 31, 2015 (As of March 31, 2015)

Statutory effective tax rate	35.5%
(Adjustments)	
Non-taxable permanent differences such as dividends income	(1.6)%
Non-deductible permanent differences such as entertainment expenses	1.4%
Income tax deductions	(1.7)%
Valuation allowance	2.7%
Equity in earnings of affiliates	(2.9)%
Other	0.2%
Actual effective tax rate after adoption of tax effect accounting	33.6%

3. Revisions to deferred tax assets and liabilities following corporate tax rate changes

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

Due to this change in tax rate, the monetary value of deferred tax liabilities (i.e., the monetary value after deduction of deferred tax assets) as of March 31, 2015 decreased by ¥2,038 million, while total income taxes, posted as an expense for the fiscal year under review, increased by ¥695 million.

[M&A Activity]

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

1. Overview of M&A activity

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

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

   (1) Rationale for M&A activity

   The United States is the largest flour milling market in the developed world. The Company advanced into this market with the purchase of Miller Milling Company, LLC in March 2012. In the United States, the Group will further expand its business scope by leveraging the advantages of its flour milling business, namely strengths in outstanding product development, technologies and capabilities to supply wheat flour that is consistent in quality.

   Also, this acquisition will vastly increase the purchasing volume of raw materials by Miller Milling Company, LLC, and will diversify the type, variety, and production location of wheat that it handles. This development, in turn, will make available a broader range of raw material information and acquisition of expertise than ever before. This is especially meaningful given the Group’s aspirations for the development of the flour milling business in the global market.

   (2) Date of acquisition

   May 25, 2014

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

   From May 25, 2014 to December 31, 2014

3. Acquisition costs and their details of the business acquired

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

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

   (1) Amount of goodwill that arose

   ¥4,932 million

   (2) Reasons for incidence

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

   (3) Amortization method and period

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

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

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

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

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

Net sales	¥13,000 million

   (Method for calculating estimates)

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

[Segment Information, etc.]

[Segment information]

1. Outline of reportable segment

   The Nisshin Seifun Group's reportable segments and the other businesses are components of the Group, for which discrete financial information is available and the operating results are regularly reviewed by the Company's Board of Directors to make decisions about resources to be allocated to and assess the performance of the segments.

   The Company, as the holding company of the Group, plans and determines group strategies for, allocates resources to and assesses the performance of each of its businesses, which are classified by type of products and services in Flour Milling, Processed Food and Others.

   The Group designates the Flour Milling and Processed Food segments as its reportable segments. Major products of the reportable segments are as follows.

Flour Milling:	Wheat flour, bran
Processed Food:	Prepared mix, wheat flour for household-use, pasta, pasta sauce, frozen food, chilled food, cake and bread ingredients, biochemical products, life science business, healthcare foods

2. Calculation methods of net sales, profit (loss), assets and other items for each reportable segment

   The accounting methods used for reportable segments are the same as those discussed under "Basis of Presentation of Consolidated Financial Statements." Segment income figures are the same as operating income figures. Intersegment sales and transfers are based on market prices.

3. Information about net sales, profit (loss), assets and other items for each reportable segment

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

(Millions of yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Carried on consolidated financial statements (Note 3)
	Flour Milling	Processed Food	Total				
Net sales							
Sales to external customers	207,752	243,007	450,759	45,171	495,930	—	495,930
Intersegment sales and transfers	20,046	488	20,535	4,987	25,522	(25,522)	—
Total	227,798	243,496	471,294	50,158	521,453	(25,522)	495,930
Segment income	9,381	10,054	19,435	2,828	22,264	9	22,274
Segment assets	167,931	149,387	317,319	61,134	378,454	92,585	471,039
Other items							
Depreciation	6,478	5,956	12,435	1,530	13,965	(296)	13,669
Investment for affiliates accounted for by the equity method	2,144	7,014	9,159	14,584	23,744	—	23,744
Increase in property, plant and equipment and intangible assets	11,742	6,143	17,885	796	18,682	(391)	18,290

Notes:

1. Business segment of "Others" is excluded from reportable segment, which includes pet food, engineering, mesh cloths, handling and storage businesses.
2. Segment income adjustment refers to intersegment transaction eliminations.

   The adjustment in segment assets includes the Group's assets (¥102,462 million): mainly, the Company's surplus operating cash (cash and deposits and short-term investment securities) and investment securities.
3. Segment income has been adjusted for the operating income appearing in the consolidated financial statements.

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

(Millions of yen)

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

Notes:

1. Business segment of “Others” is excluded from reportable segment, which includes pet food, engineering, mesh cloths, handling and storage businesses.
2. Segment income adjustment refers to intersegment transaction eliminations.
   The adjustment in segment assets includes the Group’s assets (¥120,520 million): mainly, the Company’s surplus operating cash (cash and deposits and short-term investment securities) and investment securities.
3. Segment income has been adjusted for the operating income appearing in the consolidated financial statements.

[Related information]

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

1. Information by geographic segment

(1) Net sales

(Millions of yen)

Japan	Other regions	Total
437,385	58,545	495,930

Note:

Net sales are classified based on customer location.

(2) Property, plant and equipment

(Millions of yen)

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

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

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

1. Information by geographic segment

(1) Net sales

(Millions of yen)

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

Note:
Net sales are classified based on customer location.

(2) Property, plant and equipment

(Millions of yen)

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

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

2. Information by major customer

(Millions of yen)

Name of customer	Net sales	Related segment name
Mitsubishi Corporation	64,907	Flour milling, Processed food, Others

[Amortization of goodwill and unamortized balance by reportable segment]

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

(Millions of yen)

	Flour Milling	Others	Total
Amortization for the year under review	613	24	637
Balance at the end of the year under review	4,959	48	5,008

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

(Millions of yen)

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

[Business transactions with related parties]

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.

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

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)	6,600	—	—

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 (maximum 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, 2014 (April 1, 2013 to March 31, 2014)	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Net assets per share	1,079.82	1,218.49
Net income per share	50.21	53.28
Fully diluted net income per share	50.19	53.22

Notes:

1. On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. The Company also conducted a 1.1-for-1 stock split of shares of common stock on October 1, 2014. Accordingly, net assets per share, net income per share and fully diluted net income per share are calculated by deeming the stock split to have occurred at the beginning of the previous consolidated fiscal year.

2. The basis of calculation for net assets per share

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

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

	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Net income, as stated on the consolidated statements of income (millions of yen)	15,098	16,036
Amount not attributable to owners of common stock (millions of yen)	—	—
Net income associated with common stock (millions of yen)	15,098	16,036
Average number of shares of common stock during the year (shares)	300,700,805	300,996,604
Adjustment to net income (millions of yen)	—	—
Main components of increase in number of shares of common stock used in calculation of fully diluted net income per share (shares): Subscription rights to shares	139,093	302,093
Details of shares not included in calculation of fully diluted net income per share due to non-dilutive effect	• Subscription rights to shares Date of resolution at the General Meeting of Shareholders: June 27, 2007 (42 subscription rights to shares) (105 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 26, 2008 (56 subscription rights to shares) (148 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 26, 2013 (96 subscription rights to shares) (213 subscription rights to shares) • Preferred stocks issued by an affiliate accounted for by the equity method Tokatsu Foods Co., Ltd. Class B preferred stocks: (Number of shares issued and outstanding: 54,275)	• Subscription rights to shares Date of resolution at the General Meeting of Shareholders: June 26, 2008 (17 subscription rights to shares) (60 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 26, 2014 (96 subscription rights to shares) (211 subscription rights to shares) • Preferred stocks issued by an affiliate accounted for by the equity method Tokatsu Foods Co., Ltd. Class B preferred stocks: (Number of shares issued and outstanding: 54,275)

[Material Subsequent Events]

There are no applicable matters to be reported.

(5) Supplementary Consolidated Data

[Debentures]

There are no applicable matters to be reported.

[Borrowings]

Category	Balance at the beginning of the year [April 1, 2014] (millions of yen)	Balance at the end of the year [March 31, 2015] (millions of yen)	Average interest rate (%)	Repayment dates
Short-term loans payable	5,809	16,268	0.7178	—
Current portion of long-term loans payable	797	906	1.5204	—
Current portion of lease obligation	242	311	—	—
Long-term loans payable (excluding current portion)	3,367	3,874	1.3595	2016 – 2027
Lease obligation (excluding current portion)	312	671	—	2016 – 2022
Other interest-bearing liabilities	—	—	—	—
Total	10,529	22,033	—	—

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, 2015 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	1,221	1,211	910	527
Lease obligation	246	217	157	47

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	¥29,968 million	
Balance outstanding as of March 31, 2015	¥13,133 million	
Credit facility fees for year ended March 31, 2015	¥16 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, 2015

(Millions of yen)

(Cumulative period)	First Quarter (April 1, 2014 to June 30, 2014)	Second Quarter (April 1, 2014 to September 30, 2014)	Third Quarter (April 1, 2014 to December 31, 2014)	Fourth Quarter (April 1, 2014 to March 31, 2015)
Net sales	120,975	246,946	387,500	526,144
Income before income taxes and minority interests	4,870	11,023	20,022	25,427
Net income	3,231	7,172	13,098	16,036
Net income per share (yen)	10.74	23.84	43.52	53.28

(Fiscal period)	First Quarter (April 1, 2014 to June 30, 2014)	Second Quarter (July 1, 2014 to September 30, 2014)	Third Quarter (October 1, 2014 to December 31, 2014)	Fourth Quarter (January 1, 2015 to March 31, 2015)
Net income per share (yen)	10.74	13.09	19.68	9.76

Note:

On October 1, 2014, the Company conducted a 1.1-for-1 stock split of shares of common stock. Accordingly, 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, 2014 (As of March 31, 2014)		Year ended March 31, 2015 (As of March 31, 2015)	
Assets				
Current assets				
Cash and deposits		12,683		12,314
Accounts receivable – trade	Note 2	218	Note 2	248
Short-term investment securities		24,007		18,999
Prepaid expenses		107		161
Deferred tax assets		437		426
Income taxes receivable		2,147		1,105
Other	Note 2	1,177	Note 2	579
Total current assets		40,779		33,835
Noncurrent assets				
Property, plant and equipment				
Buildings, net		7,293		6,939
Structures, net		691		621
Machinery and equipment, net		526		491
Vehicles, net		10		6
Tools, furniture and fixtures, net		404		338
Land		15,580		15,254
Lease assets, net		113		695
Construction in progress		249		148
Total property, plant and equipment		24,870		24,497
Intangible assets				
Leasehold right		395		395
Software		115		91
Lease assets		9		165
Other		61		61
Total intangible assets		580		713
Investments and other assets				
Investment securities		58,191		82,702
Stocks of subsidiaries and affiliates	Note 1	125,258	Note 1	128,961
Investments in capital		317		317
Investments in capital of subsidiaries and affiliates		666		666
Long-term loans receivable from subsidiaries and affiliates	Note 2	33,609	Note 2	38,973
Prepaid pension cost		209		—
Other		386		386
Allowance for doubtful accounts		(24)		(24)
Total investments and other assets		218,613		251,982
Total noncurrent assets		244,064		277,192
Total assets		284,844		311,028

(Millions of yen)

	Year ended March 31, 2014 (As of March 31, 2014)		Year ended March 31, 2015 (As of March 31, 2015)	
Liabilities				
Current liabilities				
Lease obligations		57		171
Accounts payable – other	Note 2	347	Note 2	393
Accrued expenses	Note 2	1,676	Note 2	1,522
Deposits received	Note 2	4,136	Note 2	4,605
Provision for directors' bonuses		58		58
Other		180		42
Total current liabilities		6,456		6,793
Noncurrent liabilities				
Lease obligations		65		471
Deferred tax liabilities		13,730		20,170
Provision for retirement benefits		3,765		3,986
Other		70		66
Total noncurrent liabilities		17,632		24,694
Total liabilities		24,089		31,487
Net assets				
Shareholders' equity				
Capital stock		17,117		17,117
Capital surplus				
Legal capital surplus		9,500		9,500
Other capital surplus		37		124
Total capital surpluses		9,537		9,624
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		2,076		2,180
General reserve		163,770		170,770
Retained earnings brought forward		40,292		34,162
Total retained earnings		212,518		213,492
Treasury stock		(3,080)		(2,651)
Total shareholders' equity		236,093		237,583
Valuation and translation adjustment				
Valuation difference on available-for-sale securities		24,401		41,775
Deferred gains or losses on hedges		(0)		2
Total valuation and translation adjustment		24,401		41,777
Subscription rights to shares		260		179
Total net assets		260,754		279,540
Total liabilities and net assets		284,844		311,028

(2) Non-consolidated Statements of Income

(Millions of yen)

		Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)		Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Operating revenue	Note 1	20,597	Note 1	16,744
Operating expenses	Notes 1, 2	12,223	Notes 1, 2	12,103
Operating income		8,374		4,641
Non-operating income				
Interest income	Note 1	442	Note 1	497
Dividends income		1,223		1,369
Other		52	Note 1	55
Total non-operating income		1,718		1,921
Non-operating expenses				
Interest expenses	Note 1	8	Note 1	9
Other		16		17
Total non-operating expenses		25		26
Ordinary income		10,067		6,536
Extraordinary income				
Gain on sales of noncurrent assets		85		948
Gain on sales of investment securities		502		—
Gain on sales of shares of subsidiaries and associates		—		44
Total extraordinary income		587		992
Extraordinary losses				
Loss on retirement of noncurrent assets		19		64
Loss on valuation of investment securities in capital of subsidiaries and affiliates		38		—
Other		26		3
Total extraordinary losses		84		67
Income before income taxes		10,570		7,461
Income taxes – current		82		131
Income taxes – deferred		212		518
Total income taxes		295		649
Net income		10,274		6,811

(3) Non-consolidated Statements of Changes in Net Assets

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	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)	
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	—		—					—
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

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

(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	General reserve
Balance at the beginning of current period	17,117	9,500	37	9,537	4,379	2,000	2,076	163,770
Cumulative effect of changes in accounting policies								
Balance at the beginning of current period reflecting changes in accounting policies	17,117	9,500	37	9,537	4,379	2,000	2,076	163,770
Changes of items during the period								
Provision of reserve for advanced depreciation of noncurrent assets							72	
Reversal of reserve for advanced depreciation of noncurrent assets							(74)	
Adjustment to reserve due to change in tax rate							105	
Provision of general reserve								7,000
Dividends from surplus								
Net income								
Purchase of treasury stock								
Disposal of treasury stock			87	87				
Net changes of items other than shareholders' equity								
Total changes of items during the period	—	—	87	87	—	—	104	7,000
Balance at the end of current period	17,117	9,500	124	9,624	4,379	2,000	2,180	170,770

	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	40,292	212,518	(3,080)	236,093	24,401	(0)	24,401	260	260,754
Cumulative effect of changes in accounting policies	(365)	(365)		(365)					(365)
Balance at the beginning of current period reflecting changes in accounting policies	39,927	212,153	(3,080)	235,727	24,401	(0)	24,401	260	260,389
Changes of items during the period									
Provision of reserve for advanced depreciation of noncurrent assets	(72)	—		—					—
Reversal of reserve for advanced depreciation of noncurrent assets	74	—		—					—
Adjustment to reserve due to change in tax rate	(105)	—		—					—
Provision of general reserve	(7,000)	—		—					—
Dividends from surplus	(5,472)	(5,472)		(5,472)					(5,472)
Net income	6,811	6,811		6,811					6,811
Purchase of treasury stock			(20)	(20)					(20)
Disposal of treasury stock			448	536					536
Net changes of items other than shareholders' equity					17,373	2	17,376	(80)	17,295
Total changes of items during the period	(5,764)	1,339	428	1,855	17,373	2	17,376	(80)	19,151
Balance at the end of current period	34,162	213,492	(2,651)	237,583	41,775	2	41,777	179	279,540

[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 calculating retirement benefit liability, the method for imputing the applicable period until the end of the fiscal year under review for the estimated retirement benefit is determined by the benefit calculation standard.
   b. Treatment method for actuarial differences and expenses related to prior service cost
   Prior service cost is amortized on a straight-line basis over a period equaling the average remaining service period of employees (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 accounting policies)

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

From the fiscal year under review, the Company has applied the "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012; herein, "the retirement benefit accounting standard") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015; herein, "the retirement benefit guidance"). Consequently, the Company has revised its method for calculating its retirement benefit liability and service costs. The method for imputing the time period for estimated retirement benefits has been changed from a straight-line attribution method standard to a benefit calculation formula standard. In tandem, the methodology for deciding the discount rate has also been changed, from a discount rate based on the average remaining period of service to a method that employs a single weighted average discount rate that reflects the estimated period and payment of retirement benefits.

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

As a result, prepaid pension cost at the beginning of the period for the fiscal year under review declined by ¥205 million, while provision for retirement benefits increased by ¥361 million. In parallel, retained earnings declined by ¥365 million. These monetary effects had a negligible impact on financial performance for the fiscal year under review.

[Non-consolidated Balance Sheets]

1. Assets offered as collateral

	Year ended March 31, 2014 (As of March 31, 2014)	Year ended March 31, 2015 (As of March 31, 2015)
Stocks of subsidiaries and affiliates Note	¥3,897 million	¥3,897 million

(Note) In order to secure loans payable of ¥6,600 million for affiliates (¥8,300 million for the fiscal year ended March 31, 2014), investment securities (maximum set at ¥3,000 million) were pledged as a third-party guarantee.

2. Monetary claims and obligations to affiliates

	Year ended March 31, 2014 (As of March 31, 2014)	Year ended March 31, 2015 (As of March 31, 2015)
Short-term claims	¥1,082 million	¥547 million
Long-term claims	¥33,609 million	¥38,973 million
Short-term obligations	¥3,859 million	¥4,406 million

[Non-consolidated Statements of Income]

1. Transaction balance with affiliates.

	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Transaction balance from operating transactions		
Operating revenue	¥20,431 million	¥16,580 million
Operating expenses	¥804 million	¥828 million
Transaction balance from non-operating transactions	¥513 million	¥628 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, 2014 (April 1, 2013 to March 31, 2014)	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Salaries	¥1,837 million	¥1,725 million
Bonuses and allowance	¥1,444 million	¥1,390 million
Retirement benefit expenses	¥347 million	¥219 million
Research study expenses	¥2,185 million	¥2,151 million
Advertising expenses	¥1,419 million	¥1,662 million
Depreciation	¥795 million	¥723 million
Other	¥4,193 million	¥4,229 million

[Securities]

Equity securities in subsidiaries and affiliates

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

Year ended March 31, 2015 (As of March 31, 2015)

(Millions of yen)

Type	Carrying value	Fair value	Unrealized gains (losses)
Equity securities in subsidiaries	—	—	—
Equity securities in affiliates	200	212	11
Total	200	212	11

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, 2014 (As of March 31, 2014)	Year ended March 31, 2015 (As of March 31, 2015)
Equity securities in subsidiaries	112,611	116,317
Equity securities in affiliates	12,446	12,442

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, 2014 (As of March 31, 2014)	Year ended March 31, 2015 (As of March 31, 2015)
Deferred tax assets:		
Provision for retirement benefits	1,262	1,292
Investment securities, etc.	956	850
Provision for bonuses	197	165
Net operating loss carry forwards	507	43
Other	260	235
Gross deferred tax assets	3,184	2,587
Amount offset by deferred tax liabilities	(1,795)	(1,277)
Net deferred tax assets	1,389	1,309
Valuation allowance	(951)	(883)
Deferred tax assets, net	437	426
Deferred tax liabilities:		
Valuation difference on available-for-sale securities	(13,263)	(19,396)
Reserve for advanced depreciation of noncurrent assets and other	(1,142)	(1,036)
Securities returned from employee retirement benefits trust	(1,118)	(1,014)
Gross deferred tax liabilities	(15,525)	(21,447)
Amount offset by deferred tax assets	1,795	1,277
Deferred tax liabilities, net	(13,730)	(20,170)

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, 2014 (As of March 31, 2014)	Year ended March 31, 2015 (As of March 31, 2015)
Statutory effective tax rate	37.9%	35.5%
(Adjustments)		
Dividend income and other items excluded from gross revenue	(39.5)%	(27.2)%
Entertainment expenses and other items not qualifying for deduction	0.7%	0.6%
Valuation allowance	3.1%	0.3%
Effect of tax rate change	0.3%	(0.6)%
Other	0.3%	0.1%
Actual effective tax rate after adoption of tax effect accounting	2.8%	8.7%

3. Revisions to deferred tax assets and liabilities following corporate tax rate changes

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

Due to this change in tax rate, the monetary value of deferred tax liabilities (i.e., the monetary value after deduction of deferred tax assets) as of March 31, 2015 decreased by ¥2,033 million, while total income taxes, posted as an expense for the fiscal year under review, declined by ¥45 million.

[Material Subsequent Events]

There are no applicable matters to be reported.

(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	7,293	46	7	392	6,939	12,637
	Structures	691	3	0	72	621	1,159
	Machinery and equipment	526	154	68	120	491	1,433
	Vehicles	10	—	—	3	6	10
	Tools, furniture and fixtures	404	126	2	189	338	2,903
	Land	15,580	112	438	—	15,254	—
	Lease assets	113	728	—	146	695	314
	Construction in progress	249	382	483	—	148	—
	Total	24,870	1,554	1,000	926	24,497	18,459
Intangible assets	Leasehold rights	395	—	—	—	395	—
	Software	115	39	1	61	91	—
	Lease assets	9	175	—	19	165	—
	Other	61	0	—	0	61	—
	Total	580	215	1	81	713	—

Note:
Depreciation expenses of ¥284 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	58	58	58	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 170th fiscal term	Covering the period: April 1, 2013 to March 31, 2014	Submitted to Director, Kanto Local Finance Bureau: June 26, 2014
(2)	Internal Control Report (including supplementary documentation)			Submitted to Director, Kanto Local Finance Bureau: June 26, 2014
(3)	Quarterly Reports and Confirmation Letters	For the first quarter of the 171st fiscal term	Covering the period: April 1, 2014 to June 30, 2014	Submitted to Director, Kanto Local Finance Bureau: August 13, 2014
		For the second quarter of the 171st fiscal term	Covering the period: July 1, 2014 to September 30, 2014	Submitted to Director, Kanto Local Finance Bureau: November 13, 2014
		For the third quarter of the 171st fiscal term	Covering the period: October 1, 2014 to December 31, 2014	Submitted to Director, Kanto Local Finance Bureau: February 12, 2015
(4)	Shelf Registration Statement (share certificates, debenture bonds, etc.) and supplementary documentation			Submitted to Director, Kanto Local Finance Bureau: June 27, 2014
(5)	Amendments to Shelf Registration Statement			Submitted to Director, Kanto Local Finance Bureau: July 29, 2014 August 13, 2014 August 19, 2014 October 1, 2014 November 13, 2014 February 12, 2015
(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, 2014
(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 29, 2014
(8)	Amendment to Extraordinary Report	Amendment to the above (7) extraordinary report submitted on July 29, 2014, regarding the "Issuance of Subscription Rights to Shares to the Company's Directors"		Submitted to Director, Kanto Local Finance Bureau: August 19, 2014

(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 29, 2014
(10)	Amendment to Extraordinary Report	Amendment to the above (9) extraordinary report submitted on July 29, 2014, 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 19, 2014

Part B: Information on Corporate Guarantor for Nisshin Seifun Group Inc.

There are no applicable matters to be reported.