

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

## **Supplementary Materials Second Quarter of Fiscal 2019**

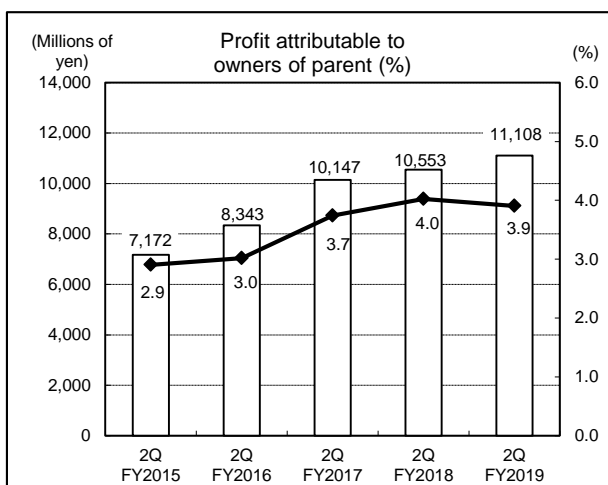
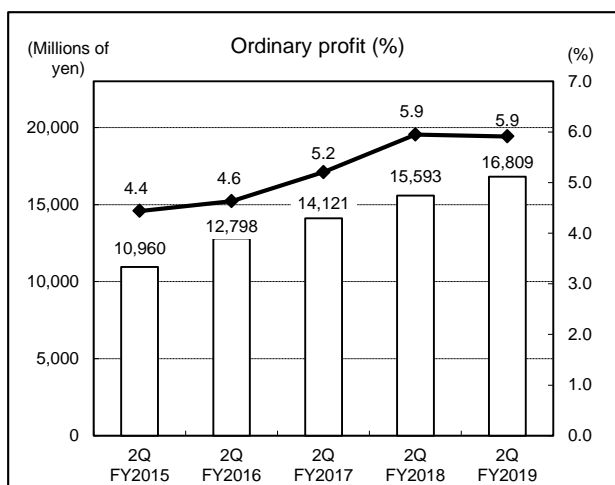
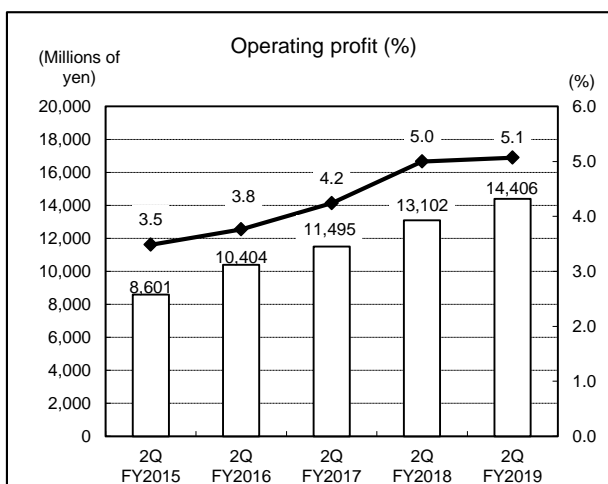
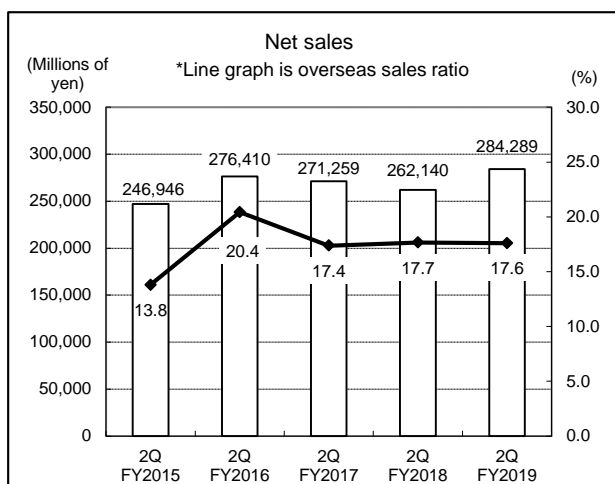
I.	Consolidated Performance Highlights .....	P. 1-2
II.	Consolidated Statements of Income .....	P. 3-5
	1. Consolidated Statements of Income	
	2. Net Sales, Operating Profit and Non-operating Income (Expenses) by Segment	
III.	Consolidated Balance Sheets .....	P. 6-7
IV.	Consolidated Statements of Cash Flows .....	P. 8
V.	Consolidated ROE .....	P. 9

**October 29, 2018**

**Nisshin Seifun Group Inc.**

The statements contained in this document are based on various assumptions and do not constitute any guarantee or definite promise that projections of future performance or related business policies will actually be realized.

# I. Consolidated Performance Highlights



## [Performance Trends]

	2Q FY2015	2Q FY2016	2Q FY2017	2Q FY2018	2Q FY2019	vs. 2Q FY2018	Change (%)	(Millions of yen) FY2019 Forecast
Net sales	246,946	276,410	271,259	262,140	284,289	22,149	8.4%	565,000
Overseas sales (%)	34,064 13.8%	56,456 20.4%	47,148 17.4%	46,317 17.7%	49,996 17.6%	3,679 (0.1)%	7.9%	100,600 17.8%
Operating profit (%)	8,601 3.5%	10,404 3.8%	11,495 4.2%	13,102 5.0%	14,406 5.1%	1,304 0.1%	10.0%	27,500
Ordinary profit (%)	10,960 4.4%	12,798 4.6%	14,121 5.2%	15,593 5.9%	16,809 5.9%	1,216 0.0%	7.8%	32,000
Profit attributable to owners of parent (%)	7,172 2.9%	8,343 3.0%	10,147 3.7%	10,553 4.0%	11,108 3.9%	555 (0.1)%	5.3%	22,000
Capital expenditures (construction base)	7,419	8,438	5,651	10,055	7,760	(2,294)	(22.8)%	21,000
Depreciation and amortization	6,830	8,230	8,062	7,537	7,211	(326)	(4.3)%	15,000
Number of Employees (consolidated)	5,949	6,339	6,276	6,497	6,771	274	4.2%	-
<b>(Reference)</b>								
Operating profit before amortization of goodwill, others	9,326	11,545	12,629	14,227	15,511	1,283	9.0%	29,700
Amortization of goodwill, others	724	1,141	1,133	1,124	1,104	(20)	(1.8)%	2,200

## [Balance Sheet Trends]

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016	As of March 31, 2017	As of March 31, 2018	As of September 30, 2018	vs. as of March 31, 2018
Current assets	229,804	233,398	238,858	260,751	268,028	7,276
Property, plant and equipment, and intangible assets	170,332	169,829	159,929	163,352	164,753	1,401
Investments and other assets	149,170	147,077	158,779	167,408	173,636	6,227
<b>Total assets</b>	<b>549,307</b>	<b>550,305</b>	<b>557,568</b>	<b>591,512</b>	<b>606,418</b>	<b>14,905</b>
Current liabilities	112,240	106,802	89,833	114,189	116,514	2,324
Non-current liabilities	58,351	57,017	60,928	63,528	65,943	2,414
Equity capital	367,081	373,375	393,620	399,278	409,544	10,266
(Equity ratio)	66.8%	67.8%	70.6%	67.5%	67.5%	0.0%
Subscription rights to shares	179	147	175	189	181	(7)
Non-controlling interests	11,454	12,962	13,009	14,327	14,235	(91)
<b>Total liabilities and net assets</b>	<b>549,307</b>	<b>550,305</b>	<b>557,568</b>	<b>591,512</b>	<b>606,418</b>	<b>14,905</b>

## [Shareholders' Equity and Dividends]

	As of March 31, 2015	As of March 31, 2016	As of March 31, 2017	As of March 31, 2018	As of September 30, 2018	vs. as of March 31, 2018	FY2019 Forecast
Net assets per share (Yen) *2	1,218.49	1,237.64	1,303.45	1,344.68	1,379.02	34.34	-
	2Q FY2015	2Q FY2016	2Q FY2017	2Q FY2018	2Q FY2019	vs. 2Q FY2018	FY2019 Forecast
Earnings per share (Yen) *1,2	23.84	27.69	33.63	35.17	37.41	2.24	74.09
Fully diluted earnings per share (Yen) *1,2	23.82	27.64	33.59	35.14	37.37	2.23	-
Interim dividend per share (Yen)	10.00	12.00	13.00	14.00	16.00	2.00	-
Interim dividend per share after consideration of stock split (Yen)*1	9.09	12.00	13.00	14.00	16.00	2.00	-
Total interim dividends (Millions of yen)	2,737	3,619	3,924	4,161	4,754	593	-

(\*1) Stock splits (1.1-for-1) were conducted on October 1, 2014. Above figures were calculated as if the stock splits took place at the beginning of the year ended March 31, 2015.

(\*2) From the period ended September 30, 2017, in the calculation of earnings per share and net assets per share, Company shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan, included as part of treasury shares under shareholders' equity, are considered part of treasury shares excluded from the calculation of total shares.

## [Share Data (Nisshin Seifun Group Inc.)]

	As of March 31, 2014	As of March 31, 2015	As of March 31, 2016	As of March 31, 2017	As of March 31, 2018	As of September 30, 2018
Shares issued and outstanding at end of period (Thousand shares)	273,498	301,341	301,764	302,064	297,013	297,064
Share price at end of period (Yen)	1,134	1,414	1,789	1,661	2,109	2,490
Total market value of shares (Millions of yen)	310,147	426,096	539,857	501,729	626,400	739,690

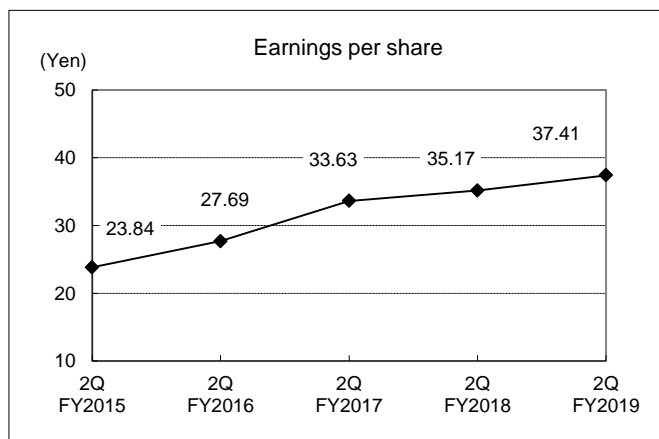
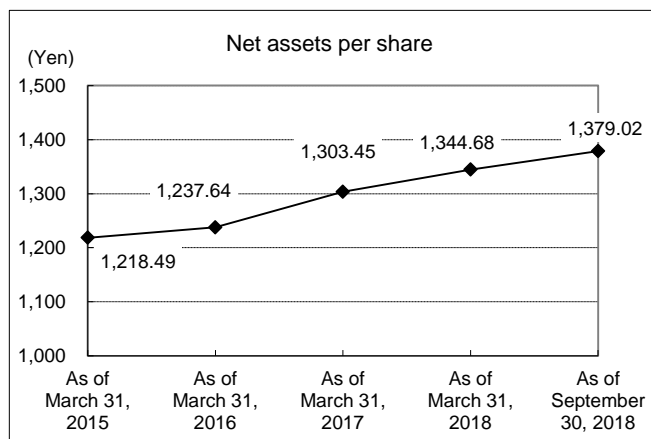
## [Statements of Cash Flows]

(Millions of yen)

(Billions of yen)

	2Q FY2015	2Q FY2016	2Q FY2017	2Q FY2018	2Q FY2019	vs. 2Q FY2018	2Q FY2019 Reference*
Cash and cash equivalents at beginning of period	72,685	59,897	72,960	90,837	98,461	7,624	99.4
Net cash provided by (used in) operating activities	6,845	12,751	14,647	22,453	15,905	(6,547)	15.9
Net cash provided by (used in) investing activities	(34,683)	(7,063)	1,551	(10,131)	(8,171)	1,959	(8.1)
Net cash provided by (used in) financing activities	2,237	(6,875)	(6,470)	(14,467)	(3,636)	10,830	(3.6)
Effect of exchange rate changes on cash and cash equivalents	(223)	(266)	(1,665)	145	(584)	(729)	(0.6)
Increase (decrease) in cash and cash equivalents resulting from change of fiscal year-end of subsidiaries	-	-	(527)	-	(1,006)	(1,006)	(1.0)
<b>Cash and cash equivalents at end of period</b>	<b>46,861</b>	<b>58,442</b>	<b>80,495</b>	<b>88,837</b>	<b>100,967</b>	<b>12,130</b>	<b>101.9</b>

\*Includes deposits exceeding 3 months and securities under management



## II. Consolidated Statements of Income

### 1. Consolidated Statements of Income

(Millions of yen)

	2Q FY2018	2Q FY2019	YoY Change	FY2019 Forecast
Net sales	262,140	284,289	22,149	565,000
Cost of sales	182,281	202,541	20,259	-
<b>Gross profit</b>	<b>79,858</b>	<b>81,748</b>	<b>1,889</b>	<b>-</b>
Selling, general and administrative expenses	66,755	67,341	585	-
Sales freight expenses	17,857	17,968	111	-
Sales promotion expenses	20,258	20,151	(107)	-
Personnel expenses	14,455	14,892	437	-
Non-personnel expenses	14,184	14,328	144	-
<b>Operating profit</b>	<b>13,102</b>	<b>14,406</b>	<b>1,304</b>	<b>27,500</b>
Non-operating income	2,749	2,570	(179)	
Interest income	103	188	84	
Dividend income	1,158	1,273	115	
Share of profit of entities accounted for using equity method	1,189	695	(493)	
Other	298	412	113	
Non-operating expenses	258	167	(91)	
Interest expenses	99	106	6	
Foreign exchange losses	23	0	(23)	
Share issuance cost	53	3	(50)	
Other	81	57	(24)	
<b>Ordinary profit</b>	<b>15,593</b>	<b>16,809</b>	<b>1,216</b>	<b>32,000</b>
Extraordinary income	278	90	(188)	
Gain on sales of non-current assets	276	73	(202)	
Gain on sales of investment securities	2	16	14	
Extraordinary losses	184	194	9	
Loss on retirement of non-current assets	184	194	9	
<b>Profit before income taxes</b>	<b>15,687</b>	<b>16,706</b>	<b>1,018</b>	<b>-</b>
Income taxes	4,423	4,809	386	
<b>Profit</b>	<b>11,264</b>	<b>11,897</b>	<b>632</b>	<b>-</b>
Profit attributable to non-controlling interests	710	788	77	
<b>Profit attributable to owners of parent</b>	<b>10,553</b>	<b>11,108</b>	<b>555</b>	<b>22,000</b>

FY2019 Forecast		(Millions of yen)
Non-operating income (expenses)		4,500
Net financial income		2,500
Equity in earnings (losses) of affiliates		1,200
Other		800

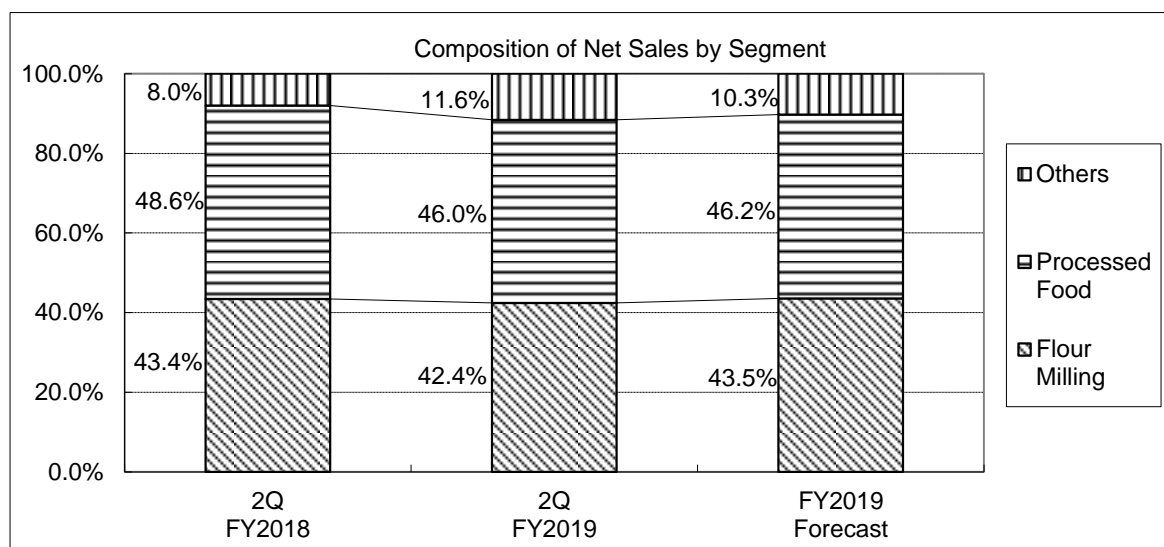
## 2. Net Sales, Operating Profit and Non-operating Income (Expenses) by Segment

### [Net Sales by Segment]

	(Millions of yen)				
	2Q FY2018	2Q FY2019	YoY Change	Change (%)	FY2019 Forecast
Flour Milling	113,868	120,668	6,799	6.0%	246,000
Processed Food	127,340	130,736	3,396	2.7%	261,000
Others	20,931	32,884	11,953	57.1%	58,000
<b>Total</b>	<b>262,140</b>	<b>284,289</b>	<b>22,149</b>	<b>8.4%</b>	<b>565,000</b>

Overseas Sales (included in sales data above)				(Millions of yen)		Currency Exchange Rates			
	2Q FY2018	2Q FY2019	YoY Change	Impact of currency exchange rate fluctuations	FY2019 Forecast		2Q FY2018	2Q FY2019	FY2019 (Projection)
Flour Milling *	38,410	41,067	2,656	(978)	82,100	USD	112.91	109.40	107.00
Processed Food *	5,441	6,506	1,065	106	13,300	CAD	84.12	84.15	85.00
Others	2,465	2,422	(43)	(8)	5,200	THB	3.24	3.39	3.40
<b>Total</b>	<b>46,317</b>	<b>49,996</b>	<b>3,679</b>	<b>(879)</b>	<b>100,600</b>	NZD	79.70	75.89	79.00

\*Due to changes in the fiscal year-end of all overseas subsidiaries in the Flour Milling Business and certain overseas subsidiaries in the Processed Food Business during the current fiscal year, performance figures for the 2Q FY2018 period above are for January to June (or February to July), and April to September for the 2Q FY2019 period.



### (Analysis of Net Sales Difference from Previous Year)

**+22.1 billion yen**

		(Billions of yen)	
Flour Milling	+6.8	· Domestic wheat flour shipments (+0.0%)	+0.0
		· Flour price revisions, others accompanying revised wheat prices	+4.0
		· Bran prices	+0.2
		· Overseas sales, others	+2.6
Processed Food	+3.4	· Processed Food sales	+1.9
		· Household-use flour sales	(0.2)
		· Prepared mix product sales	+0.8
		· Pasta-related sales	(0.1)
		· Frozen food sales	(1.1)
		· Prepared dishes and other prepared foods sales	+2.1
		· Overseas processed food sales	+0.4
		· Other	+0.0
		· Oriental Yeast sales	+1.0
		· Nisshin Pharma sales	+0.5
Others	+11.9	· Nisshin Petfood sales	(0.2)
		· NBC Meshtec sales	+0.1
		· Facility construction sales, others (Nisshin Engineering, others)	+12.0

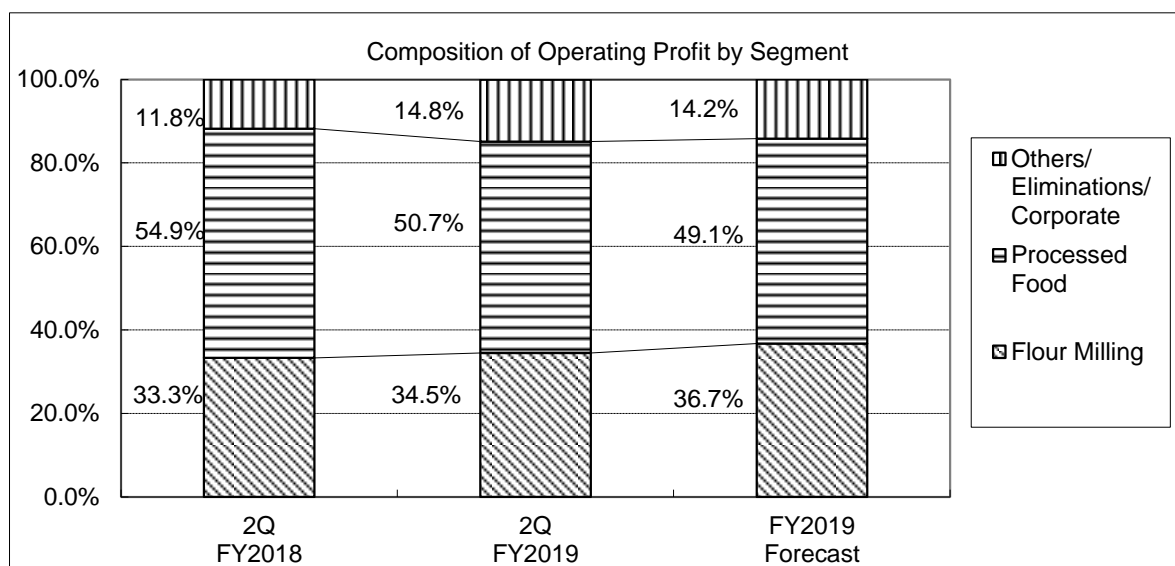
[Operating Profit by Segment]

(Millions of yen)					
	2Q FY2018	2Q FY2019	YoY Change	Change (%)	FY2019 Forecast
Flour Milling	4,361	4,965	604	13.9%	10,100
Processed Food	7,194	7,297	102	1.4%	13,500
Others	1,453	2,080	626	43.1%	3,700
Eliminations/Corporate	93	63	(29)	-	200
<b>Total</b>	<b>13,102</b>	<b>14,406</b>	<b>1,304</b>	<b>10.0%</b>	<b>27,500</b>

Overseas Operating Profit (included in profit data above) \*

	2Q FY2018	2Q FY2019	YoY Change	Impact of currency exchange rate fluctuations	Change (%)	FY2019 Forecast
	1,594	2,048	453	18	28.4%	4,600

\*Due to changes in the fiscal year-end of all overseas subsidiaries in the Flour Milling Business and certain overseas subsidiaries in the Processed Food Business during the current fiscal year, performance figures for the 2Q FY2018 period above are for January to June (or February to July), and April to September for the 2Q FY2019 period.



(Analysis of Operating Profit Difference from Previous Year)

**+1.3 billion yen**

(Billions of yen)			
Flour Milling	+0.6	<ul style="list-style-type: none"> <li>• Domestic wheat flour shipment volume +0.0</li> <li>• Sales expansion costs (0.1)</li> <li>• Bran prices +0.3</li> <li>• Cost related +0.0</li> <li>• Overseas subsidiaries, others +0.4</li> </ul>	
Processed Food	+0.1	<ul style="list-style-type: none"> <li>• Shipment volume +1.0</li> <li>• Sales expansion costs (0.1)</li> <li>• Cost related (0.8)</li> <li>• Overseas subsidiaries, others (0.0)</li> </ul>	
Others	+0.6	<ul style="list-style-type: none"> <li>• Sales +1.7</li> <li>• Cost related, others (1.1)</li> </ul>	
Eliminations/Corporate	(0.0)	<ul style="list-style-type: none"> <li>• Others (0.0)</li> </ul>	

[Non-operating income (expenses)]

(Millions of yen)

	2Q FY2018	2Q FY2019	YoY Change
Net financial income	1,162	1,356	193
Equity in earnings (losses) of affiliates	1,189	695	(493)
Other	139	351	211
<b>Non-operating income (expenses)</b>	<b>2,490</b>	<b>2,403</b>	<b>(87)</b>

### III. Consolidated Balance Sheets

[Assets]

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018	vs. as of March 31, 2018
<b>Total assets</b>	<b>591,512</b>	<b>606,418</b>	<b>14,905</b>
<b>Current assets</b>	<b>260,751</b>	<b>268,028</b>	<b>7,276</b>
Cash and deposits	91,635	95,129	3,493
Notes and accounts receivable – trade	79,676	86,527	6,851
Securities	7,857	6,834	(1,023)
Inventories	71,882	70,793	(1,089)
Other	9,892	8,987	(905)
Allowance for doubtful accounts	(193)	(243)	(50)
<b>Non-current assets</b>	<b>330,761</b>	<b>338,390</b>	<b>7,628</b>
<b>Property, plant and equipment</b>	<b>150,942</b>	<b>153,270</b>	<b>2,327</b>
Buildings and structures, net	55,979	55,624	(355)
Machinery, equipment and vehicles, net	38,700	38,193	(507)
Land	42,208	42,360	152
Other, net	14,054	17,092	3,037
<b>Intangible assets</b>	<b>12,409</b>	<b>11,482</b>	<b>(926)</b>
Goodwill	5,623	5,481	(141)
Other	6,786	6,001	(784)
<b>Investments and other assets</b>	<b>167,408</b>	<b>173,636</b>	<b>6,227</b>
Investment securities	158,211	164,596	6,385
Other	9,322	9,163	(159)
Allowance for doubtful accounts	(125)	(123)	1

◎ Impact After Fair Market Accounting

(Billions of yen)

	As of March 31, 2018	As of September 30, 2018	vs. as of March 31, 2018
Fair market valuation differences for available-for-sale securities	99.6	105.9	6.3
Deferred tax liabilities, others	30.1	32.0	1.9
Increase in shareholders' equity	69.5	73.9	4.4

## [Liabilities and Net Assets]

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018	vs. as of March 31, 2018
<b>Total liabilities</b>	<b>177,718</b>	<b>182,457</b>	<b>4,739</b>
<b>Current liabilities</b>	<b>114,189</b>	<b>116,514</b>	<b>2,324</b>
Notes and accounts payable – trade	58,492	56,530	(1,962)
Short-term loans payable	7,892	11,628	3,736
Income taxes payable	4,397	4,503	106
Accrued expenses	19,291	19,107	(183)
Other	24,115	24,743	627
<b>Non-current liabilities</b>	<b>63,528</b>	<b>65,943</b>	<b>2,414</b>
Long-term loans payable	7,194	7,452	258
Deferred tax liabilities	27,184	29,198	2,013
Provision for repairs	1,159	1,400	240
Net defined benefit liability	20,782	20,961	178
Other	7,207	6,930	(276)
<b>Total net assets</b>	<b>413,794</b>	<b>423,961</b>	<b>10,166</b>
<b>Shareholders' equity</b>	<b>324,732</b>	<b>331,631</b>	<b>6,899</b>
Capital stock	17,117	17,117	-
Capital surplus	12,894	12,881	(12)
Retained earnings	306,415	313,299	6,884
Treasury shares	(11,695)	(11,668)	27
<b>Accumulated other comprehensive income</b>	<b>74,546</b>	<b>77,912</b>	<b>3,366</b>
Valuation difference on available-for-sale securities	69,467	73,900	4,433
Deferred gains or losses on hedges	(473)	(35)	437
Foreign currency translation adjustment	6,352	4,795	(1,557)
Remeasurements of defined benefit plans	(800)	(746)	53
<b>Subscription rights to shares</b>	<b>189</b>	<b>181</b>	<b>(7)</b>
<b>Non-controlling interests</b>	<b>14,327</b>	<b>14,235</b>	<b>(91)</b>
<b>Total liabilities and net assets</b>	<b>591,512</b>	<b>606,418</b>	<b>14,905</b>



## IV. Consolidated Statements of Cash Flows

(Millions of yen)

	2Q FY2018	2Q FY2019	YoY Change
Cash and cash equivalents at beginning of period	90,837	98,461	7,624
<b>Cash flows from operating activities</b>			
Profit before income taxes	15,687	16,706	1,018
Depreciation and amortization	7,537	7,211	(326)
Amortization of goodwill	615	643	28
Increase (decrease) in net defined benefit liability	(193)	176	370
Interest and dividend income	(1,262)	(1,462)	(200)
Interest expenses	99	106	6
Share of (profit) loss of entities accounted for using equity method	(1,189)	(695)	493
Loss (gain) on sales of investment securities	(2)	(16)	(14)
Decrease (increase) in notes and accounts receivable – trade	(2,779)	(7,385)	(4,606)
Decrease (increase) in inventories	419	1,253	834
Increase (decrease) in notes and accounts payable – trade	6,436	(1,110)	(7,547)
Other, net	1,446	1,709	262
Subtotal	26,816	17,135	(9,681)
Interest and dividend income received	2,238	2,377	138
Interest expenses paid	(98)	(106)	(8)
Income taxes paid	(6,503)	(3,500)	3,002
Net cash provided by (used in) operating activities	22,453	15,905	(6,547)
<b>Cash flows from investing activities</b>			
Payments into time deposits	(2,185)	(516)	1,669
Proceeds from withdrawal of time deposits	2,041	516	(1,525)
Purchase of securities	(1,717)	(1,026)	691
Proceeds from sales of securities	1,726	1,032	(694)
Purchase of property, plant, and equipment and intangible assets	(9,861)	(7,731)	2,130
Purchase of investment securities	(19)	(190)	(170)
Proceeds from sales of investment securities	2	27	25
Purchase of shares of subsidiaries and associates	(40)	(125)	(85)
Other, net	(76)	(157)	(80)
Net cash provided by (used in) investing activities	(10,131)	(8,171)	1,959
<b>Cash flows from financing activities</b>			
Increase in short-term loans payable	–	886	886
Decrease in short-term loans payable	(4,084)	(338)	3,746
Proceeds from long-term loans payable	3,387	1,094	(2,293)
Proceeds from sales of treasury shares	183	178	(4)
Purchase of treasury shares	(9,427)	(189)	9,237
Cash dividends paid	(3,926)	(4,455)	(528)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(180)	(180)
Other, net	(598)	(632)	(33)
Net cash provided by (used in) financing activities	(14,467)	(3,636)	10,830
Effect of exchange rate changes on cash and cash equivalents	145	(584)	(729)
Net increase (decrease) in cash and cash equivalents	(1,999)	3,512	5,512
Increase (decrease) in cash and cash equivalents resulting from change of fiscal year-end of subsidiaries	–	(1,006)	(1,006)
Cash and cash equivalents at end of period	88,837	100,967	12,130

## V. Consolidated ROE

	FY2015	FY2016	FY2017	FY2018	2Q FY2019	vs. FY2018	FY2019 Forecast
ROE (%)	4.6%	4.8%	5.1%	5.4%	5.5%	0.1%	5.4%
Net income to net sales ratio (%)	3.0%	3.2%	3.7%	4.0%	3.9%	(0.1)%	3.9%
Average total asset turnover (Times)	1.0	1.0	1.0	0.9	0.9	0.0	-
Leverage	1.5	1.5	1.4	1.5	1.5	0.0	-

