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## **Supplementary Materials Second Quarter of Fiscal 2020**

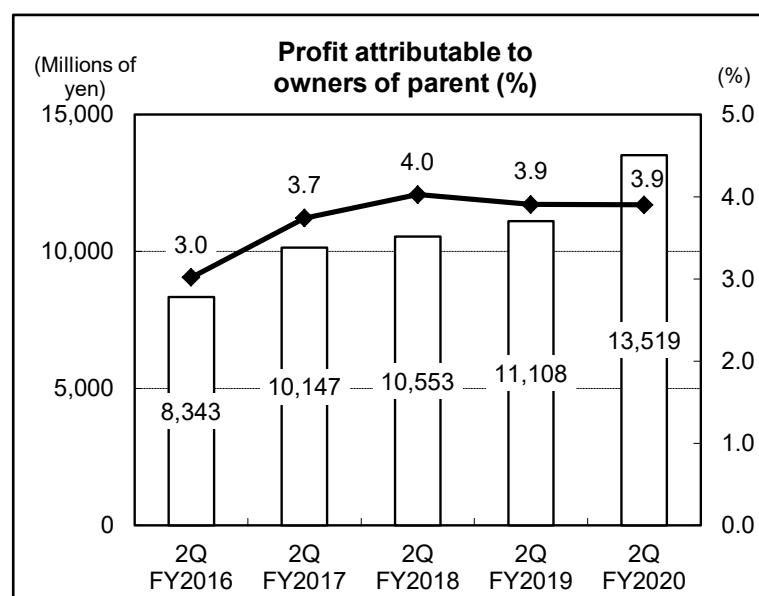
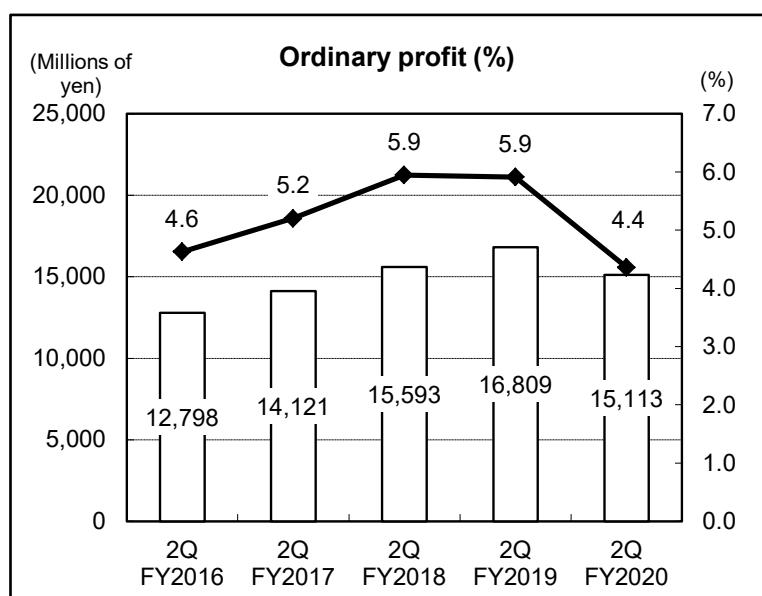
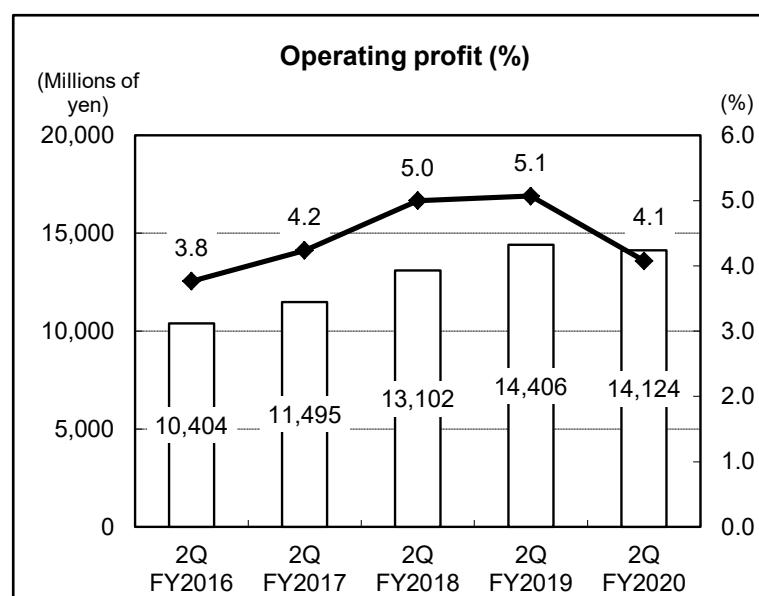
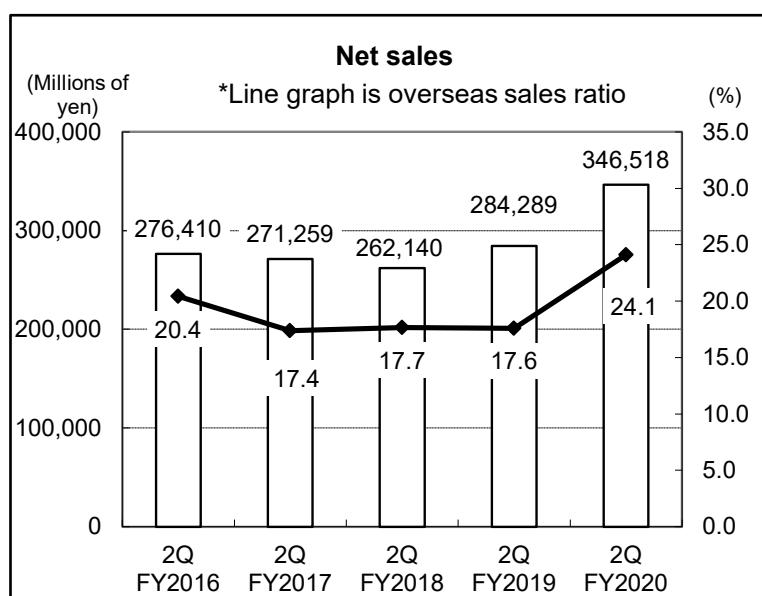
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**October 29, 2019**

**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.

# 1. Consolidated Performance Highlights



## [Performance Trends]

(Millions of yen)

	2Q FY2016	2Q FY2017	2Q FY2018	2Q FY2019	2Q FY2020	vs. 2Q FY2019	Change (%)	FY2020 Forecast
Net sales	276,410	271,259	262,140	284,289	346,518	62,228	121.9%	715,000
Overseas sales (%)	56,456 20.4%	47,148 17.4%	46,317 17.7%	49,996 17.6%	83,609 24.1%	33,612 6.5%	167.2%	167,500 23.4%
Operating profit (%)	10,404 3.8%	11,495 4.2%	13,102 5.0%	14,406 5.1%	14,124 4.1%	(282) (1.0)%	98.0%	29,500 4.1%
Ordinary profit (%)	12,798 4.6%	14,121 5.2%	15,593 5.9%	16,809 5.9%	15,113 4.4%	(1,696) (1.5)%	89.9%	31,000 4.3%
Profit attributable to owners of parent (%)	8,343 3.0%	10,147 3.7%	10,553 4.0%	11,108 3.9%	13,519 3.9%	2,411 0.0%	121.7%	22,000 3.1%
Capital expenditures (construction base)	8,438	5,651	10,055	7,760	10,999	3,238	141.7%	23,000
Depreciation and amortization	8,230	8,062	7,537	7,211	10,141	2,929	140.6%	20,000
Number of Employees (consolidated)	6,339	6,276	6,497	6,771	9,010	2,239	133.1%	-
<b>(Reference)</b>								
Operating profit before amortization of goodwill, others	11,545	12,629	14,227	15,511	18,390	2,879	118.6%	37,800
Amortization of goodwill, others*	1,141	1,133	1,124	1,104	4,266	3,161	386.3%	8,300

\*"Amortization of goodwill, others" refers to amortization of goodwill and intangible assets (customer-related assets, etc.)

**[Balance Sheet Trends]**

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017	As of March 31, 2018	As of March 31, 2019	As of September 30, 2019	vs. as of March 31, 2019
Current assets	228,271	234,172	260,751	268,170	235,988	(32,181)
Property, plant and equipment, and intangible assets	169,829	159,929	163,352	166,780	288,855	122,075
Investments and other assets	150,019	161,234	167,408	159,802	152,517	(7,285)
<b>Total assets</b>	<b>548,120</b>	<b>555,337</b>	<b>591,512</b>	<b>594,754</b>	<b>677,362</b>	<b>82,608</b>
Current liabilities	106,799	89,526	114,189	114,806	129,520	14,713
Non-current liabilities	54,835	59,005	63,528	61,098	132,198	71,099
Equity capital	373,375	393,620	399,278	403,937	401,582	(2,354)
(Equity ratio)	68.1%	70.9%	67.5%	67.9%	59.3%	(8.6)%
Subscription rights to shares	147	175	189	167	148	(18)
Non-controlling interests	12,962	13,009	14,327	14,743	13,912	(830)
<b>Total liabilities and net assets</b>	<b>548,120</b>	<b>555,337</b>	<b>591,512</b>	<b>594,754</b>	<b>677,362</b>	<b>82,608</b>

**[Shareholders' Equity and Dividends]**

	As of March 31, 2016	As of March 31, 2017	As of March 31, 2018	As of March 31, 2019	As of September 30, 2019	vs. as of March 31, 2019	FY2020 Forecast
Net assets per share (Yen) *1	1,237.64	1,303.45	1,344.68	1,359.49	1,351.43	(8.06)	-
	2Q FY2016	2Q FY2017	2Q FY2018	2Q FY2019	2Q FY2020	vs. 2Q FY2019	FY2020 Forecast
Earnings per share (Yen) *1	27.69	33.63	35.17	37.41	45.50	8.09	74.04
Fully diluted earnings per share (Yen) *1	27.64	33.59	35.14	37.37	45.46	8.09	-
Interim dividend per share (Yen)	12.00	13.00	14.00	16.00	17.00	1.00	-
Total interim dividends (Millions of yen)	3,619	3,924	4,161	4,754	5,054	300	-

(\*1) From the year ended March 31, 2018, when calculating 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 are included in the treasury shares (listed under shareholders' equity) excluded from calculation of the number of shares of common stock.

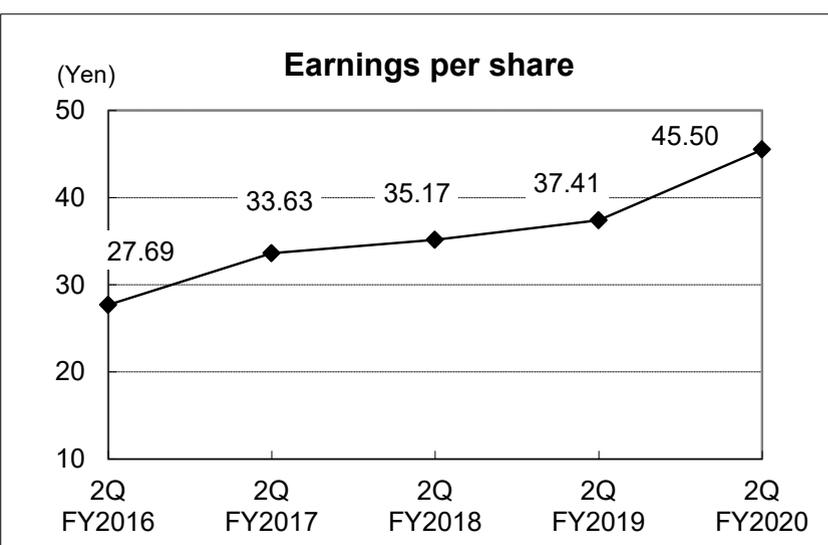
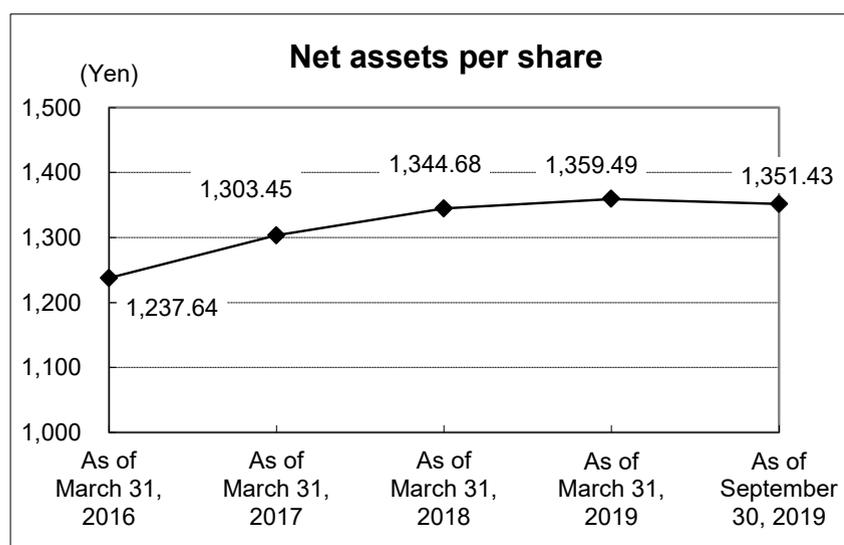
**[Share Data (Nisshin Seifun Group Inc.)]**

	As of March 31, 2016	As of March 31, 2017	As of March 31, 2018	As of March 31, 2019	As of September 30, 2019
(Interim) Shares issued and outstanding at end of period (Thousand shares)	301,764	302,064	297,013	297,204	297,236
(Interim) Share price at end of period (Yen)	1,789	1,661	2,109	2,540	1,998
Total market value of shares (Millions of yen)	539,857	501,729	626,400	754,899	593,877

**[Statements of Cash Flows]**

(Millions of yen)

	2Q FY2016	2Q FY2017	2Q FY2018	2Q FY2019	2Q FY2020	vs. 2Q FY2019
Cash and cash equivalents at beginning of period	59,897	72,960	90,837	98,461	107,374	8,913
Net cash provided by (used in) operating activities	12,751	14,647	22,453	15,905	10,935	(4,970)
Net cash provided by (used in) investing activities	(7,063)	1,551	(10,131)	(8,171)	(90,392)	(82,220)
Net cash provided by (used in) financing activities	(6,875)	(6,470)	(14,467)	(3,636)	19,576	23,213
Effect of exchange rate changes on cash and cash equivalents	(266)	(1,665)	145	(584)	76	661
Increase (decrease) in cash and cash equivalents resulting from change of fiscal year-end of subsidiaries	-	(527)	-	(1,006)	713	1,719
Cash and cash equivalents at end of period	58,442	80,495	88,837	100,967	48,284	(52,683)



## II. Consolidated Statements of Income

### 1. Consolidated Statements of Income

(Millions of yen)

	2Q FY2019	2Q FY2020	YoY Change	FY2020 Forecast															
Net sales	284,289	346,518	62,228	715,000															
Cost of sales	202,541	249,797	47,256																
<b>Gross profit</b>	<b>81,748</b>	<b>96,720</b>	<b>14,971</b>																
Selling, general and administrative expenses	67,341	82,596	15,254																
Sales freight expenses	17,968	24,181	6,212																
Sales promotion expenses	20,151	19,987	(163)																
Personnel expenses	14,892	17,961	3,068																
Non-personnel expenses	14,328	20,465	6,136																
<b>Operating profit</b>	<b>14,406</b>	<b>14,124</b>	<b>(282)</b>	<b>29,500</b>															
Non-operating income	2,570	2,933	363																
Interest income	188	295	106																
Dividend income	1,273	1,358	84																
Share of profit of entities accounted for using equity method	695	819	123																
Other	412	460	48																
				<table border="1"> <thead> <tr> <th colspan="3">FY2020 Forecast</th> </tr> <tr> <th>Non-operating income (expenses)</th> <th>FY2020 Forecast</th> <th>YoY Change</th> </tr> </thead> <tbody> <tr> <td>Net financial income</td> <td>100</td> <td>(2,755)</td> </tr> <tr> <td>Equity in earnings (losses) of affiliates</td> <td>1,000</td> <td>(647)</td> </tr> <tr> <td>Other</td> <td>400</td> <td>(242)</td> </tr> </tbody> </table>	FY2020 Forecast			Non-operating income (expenses)	FY2020 Forecast	YoY Change	Net financial income	100	(2,755)	Equity in earnings (losses) of affiliates	1,000	(647)	Other	400	(242)
FY2020 Forecast																			
Non-operating income (expenses)	FY2020 Forecast	YoY Change																	
Net financial income	100	(2,755)																	
Equity in earnings (losses) of affiliates	1,000	(647)																	
Other	400	(242)																	
Non-operating expenses	167	1,944	1,776																
Interest expenses	106	1,701	1,595	Addressing Allied Pinnacle lease obligations, others															
Other	61	242	181																
<b>Ordinary profit</b>	<b>16,809</b>	<b>15,113</b>	<b>(1,696)</b>	<b>31,000</b>															
Extraordinary income	90	7,339	7,249																
Gain on sales of non-current assets	73	64	(9)																
Gain on sales of investment securities	16	2	(13)																
Gain on step acquisitions	—	7,272	7,272	Tokatsu Foods conversion to subsidiary															
Extraordinary losses	194	4,185	3,991																
Loss on retirement of non-current assets	194	278	84																
Impairment loss	—	3,906	3,906	U.S. flour milling business															
<b>Profit before income taxes</b>	<b>16,706</b>	<b>18,267</b>	<b>1,561</b>																
Income tax, etc.	4,809	4,092	(716)																
<b>Profit</b>	<b>11,897</b>	<b>14,175</b>	<b>2,278</b>																
Profit attributable to non-controlling interests	788	655	(132)																
<b>Profit attributable to owners of parent</b>	<b>11,108</b>	<b>13,519</b>	<b>2,411</b>	<b>22,000</b>															

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

### [2Q FY2020 Performance]

#### [Net Sales by Segment]

(Millions of yen)

	2Q FY2019	(Composition ratio)	2Q FY2020	(Composition ratio)	Difference from previous year	YoY Change
Flour Milling	120,668	42%	154,898	45%	34,230	128.4%
Processed Food	106,742	38%	107,283	31%	541	100.5%
Prepared Dishes and Other Prepared Foods	23,994	8%	53,373	15%	29,379	222.4%
Others	32,884	12%	30,962	9%	(1,922)	94.2%
Total	284,289	100%	346,518	100%	62,228	121.9%

\* Overseas Sales (included in sales data above)

(Millions of yen)

Currency Exchange Rates

(Yen)

	2Q FY2019	2Q FY2020	Difference from previous year	Impact of currency exchange rate fluctuations	YoY Change
Flour Milling	41,067	73,632	32,564	(375)	179.3%
Processed Food	6,506	7,658	1,152	(159)	117.7%
Prepared Dishes and Other Prepared Foods	-	-	-	-	-
Others	2,422	2,318	(104)	(31)	95.7%
Total	49,996	83,609	33,612	(566)	167.2%

	2Q FY2019	2Q FY2020
USD	109.4	109.0
CAD	84.2	81.9
AUD	—	75.9
NZD	75.9	72.2
THB	3.4	3.5

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

(Billions of yen)

2Q FY2020  
(Difference from  
previous year)

Flour Milling	+34.2	· Domestic wheat flour shipments (down 0.5% year on year)	(0.5)
		· Flour price revisions, others accompanying revised wheat prices	+1.8
		· Bran prices	+0.2
		· Overseas sales, others	+32.7
Processed Food	+0.5	· Processed Food sales	(0.1)
		Household-use flour sales	(0.1)
		Prepared mix product sales	(0.2)
		Pasta-related sales	+0.5
		Frozen food sales	+0.4
		Overseas processed food sales	+0.2
		Other	(0.9)
		· Oriental Yeast sales	(0.3)
		· Nisshin Pharma sales	+0.9
Prepared Dishes and Other Prepared Foods	+29.4	· Effects of new consolidation of Tokatsu Foods, others	+29.4
Others	(1.9)	· Nisshin Petfood sales	(0.1)
		· NBC Meshtec sales	(0.3)
		· Facility construction sales, others (Nisshin Engineering, others)	(1.5)
Total	+62.2		

## [Operating Profit by Segment]

(Millions of yen)

	2Q FY2019	(Composition ratio)	2Q FY2020	(Composition ratio)	Difference from previous year	YoY Change
Flour Milling	4,965	34%	4,338	31%	(626)	87.4%
Processed Food	6,343	45%	6,013	43%	(329)	94.8%
Prepared Dishes and Other Prepared Foods	954	7%	1,287	9%	332	134.9%
Others	2,080	14%	2,384	17%	304	114.6%
Eliminations/Corporate	63	0%	100	0%	36	-
Total	14,406	100%	14,124	100%	(282)	98.0%

\* Amortization of goodwill, others (Deducted from [Operating Profit by Segment] above)

	2Q FY2019	2Q FY2020	Difference from previous year
Flour Milling	1,018	3,756	2,737
Processed Food	-	32	32
Prepared Dishes and Other Prepared Foods	85	477	392
Others	-	-	-
Total	1,104	4,266	3,161

\* Overseas Operating Profit (included in [Operating Profit by Segment] above)

	2Q FY2019	2Q FY2020	Difference from previous year	Impact of currency exchange rate fluctuations	YoY Change
Flour Milling	1,163	655	(507)	(3)	56.3%
Processed Food	803	1,102	298	(6)	137.2%
Prepared Dishes and Other Prepared Foods	-	-	-	-	-
Others	81	25	(55)	(2)	31.0%
Total	2,048	1,783	(264)	(12)	87.1%

### (Analysis of Operating Profit Difference from Previous Year)

(Billions of yen)

2Q FY2020  
(Difference from previous year)

Flour Milling	(0.6)	<ul style="list-style-type: none"> <li>• Domestic wheat flour shipment volume (0.1)</li> <li>• Sales expansion costs +0.2</li> <li>• Bran prices +0.1</li> <li>• Cost related (0.3)</li> <li>• Overseas subsidiaries, others (0.5)</li> </ul>
Processed Food	(0.3)	<ul style="list-style-type: none"> <li>• Shipment volume (0.1)</li> <li>• Sales expansion costs +0.3</li> <li>• Cost related (0.8)</li> <li>• Overseas subsidiaries, others (incl. Oriental Yeast, Nisshin Pharma exports) +0.3</li> </ul>
Prepared Dishes and Other Prepared Foods	+0.3	• Effects of new consolidation of Tokatsu Foods, others +0.3
Others	+0.3	<ul style="list-style-type: none"> <li>• Sales (0.3)</li> <li>• Cost related, others +0.6</li> </ul>
Eliminations/Corporate	+0.0	• Intersegment transaction eliminations +0.0
Total	(0.3)	

## [Performance Forecast]

### [Net Sales by Segment]

(Millions of yen)

	FY2019	(Composition ratio)	FY2020 Forecast	(Composition ratio)	Difference from previous year	YoY Change
Flour Milling	245,943	44%	309,000	43%	63,056	125.6%
Processed Food	215,038	38%	218,000	30%	2,961	101.4%
Prepared Dishes and Other Prepared Foods	43,745	8%	131,000	18%	87,254	299.5%
Others	60,616	10%	57,000	9%	(3,616)	94.0%
Total	565,343	100%	715,000	100%	149,656	126.5%

\* Overseas Sales (included in sales data above)

(Millions of yen)

	FY2019	FY2020 Forecast	Difference from previous year	YoY Change
Flour Milling	84,856	145,800	60,943	171.8%
Processed Food	14,115	16,900	2,784	119.7%
Prepared Dishes and Other Prepared Foods	-	-	-	-
Others	4,767	4,800	32	100.7%
Total	103,739	167,500	63,760	161.5%

Currency Exchange Rates

(Yen)

	FY2019	FY2020 (Projection)
USD	110.5	108.0
CAD	84.3	81.0
AUD	-	74.0
NZD	75.5	70.0
THB	3.4	3.5

(Analysis of Net Sales Difference from Previous Year)

(Billions of yen)

FY2020 Forecast  
(Difference from previous year)

Flour Milling	+63.0	· Domestic wheat flour shipments (up 0.3% YoY) · Flour price revisions, others accompanying revised wheat prices · Bran prices · Overseas sales, others	+1.0 +1.3 +0.2 +60.5
Processed Food	+3.0	· Domestic processed food sales · Overseas processed food sales · Oriental Yeast sales · Nisshin Pharma sales	+0.1 +0.2 +0.9 +1.8
Prepared Dishes and Other Prepared Foods	+87.2	· Effects of new consolidation of Tokatsu Foods, others	+87.2
Others	(3.6)	· Nisshin Petfood sales · NBC Meshtec sales · Facility construction sales, others (Nisshin Engineering, others)	+0.4 (0.0) (4.0)
Total	+149.6		

## [Operating Profit by Segment]

(Millions of yen)

	FY2019	(Composition ratio)	FY2020 Forecast	(Composition ratio)	Difference from previous year	YoY Change
Flour Milling	9,179	34%	10,200	35%	1,020	111.1%
Processed Food	12,850	48%	13,100	44%	249	101.9%
Prepared Dishes and Other Prepared Foods	571	2%	1,600	5%	1,028	280.2%
Others	4,088	15%	4,400	15%	311	107.6%
Eliminations/Corporate	226	1%	200	1%	(26)	-
<b>Total</b>	<b>26,916</b>	<b>100%</b>	<b>29,500</b>	<b>100%</b>	<b>2,583</b>	<b>109.6%</b>

\* Amortization of goodwill, others (Deducted from [Operating Profit by Segment] above)

	FY2019	FY2020 Forecast	Difference from previous year
Flour Milling	2,058	6,920	4,861
Processed Food	26	64	37
Prepared Dishes and Other Prepared Foods	170	1,316	1,145
Others	-	-	-
<b>Total</b>	<b>2,256</b>	<b>8,300</b>	<b>6,043</b>

\* Overseas Operating Profit (included in [Operating Profit by Segment] above)

	FY2019	FY2020 Forecast	Difference from previous year	YoY Change
Flour Milling	1,926	2,300	373	119.4%
Processed Food	1,761	2,500	738	141.9%
Prepared Dishes and Other Prepared Foods	-	-	-	-
Others	193	200	6	103.5%
<b>Total</b>	<b>3,880</b>	<b>5,000</b>	<b>1,119</b>	<b>128.8%</b>

### (Analysis of Operating Profit Difference from Previous Year)

(Billions of yen)

FY2020 Forecast  
(Difference from previous year)

Flour Milling	+1.0	<ul style="list-style-type: none"> <li>• Domestic wheat flour shipment volume +0.1</li> <li>• Sales expansion costs +0.4</li> <li>• Bran prices +0.1</li> <li>• Cost related +0.0</li> <li>• Overseas subsidiaries, others +0.4</li> </ul>
Processed Food	+0.3	<ul style="list-style-type: none"> <li>• Shipment volume +0.3</li> <li>• Sales expansion costs +0.4</li> <li>• Cost related (1.1)</li> <li>• Overseas subsidiaries, others (incl. Oriental Yeast, Pharma exports) +0.7</li> </ul>
Prepared Dishes and Other Prepared Foods	+1.0	<ul style="list-style-type: none"> <li>• Effects of new consolidation of Tokatsu Foods, others +1.0</li> </ul>
Others	+0.3	<ul style="list-style-type: none"> <li>• Sales (0.3)</li> <li>• Cost related, others +0.6</li> </ul>
Eliminations/Corporate	(0.0)	<ul style="list-style-type: none"> <li>• Intersegment transaction eliminations (0.0)</li> </ul>
<b>Total</b>	<b>+2.6</b>	

### III. Consolidated Balance Sheets

[Assets]	(Millions of yen)			
	As of March 31, 2019	As of September 30, 2019	vs. as of March 31, 2019	Details of YoY difference (Billions of yen)
<b>Total assets</b>	594,754	677,362	82,608	Allied Pinnacle 116.7, Tokatsu Foods 59.9
<b>Current assets</b>	268,170	235,988	(32,181)	
Cash and deposits	101,974	43,099	(58,875)	Acquisition of Allied Pinnacle -46.8, Acquisition of Tokatsu Foods -15.1
Notes and accounts receivable – trade	76,245	93,745	17,500	
Securities	7,336	7,291	(44)	
Inventories	73,348	81,188	7,839	
Other	9,497	11,012	1,514	
Allowance for doubtful accounts	(232)	(349)	(116)	
<b>Non-current assets</b>	326,583	441,373	114,789	
Property, plant and equipment	156,317	211,167	54,849	
Buildings and structures, net	58,308	70,101	11,793	
Machinery, equipment and vehicles, net	41,393	49,051	7,658	
Land	42,611	45,809	3,197	
Leased assets	1,011	27,255	26,244	Allied Pinnacle, others
Other, net	12,994	18,950	5,955	
Intangible assets	10,462	77,688	67,225	
Goodwill	5,016	48,633	43,617	Acquisition of Allied Pinnacle, Tokatsu Foods, others
Other	5,446	29,054	23,607	Customer-related assets (Allied Pinnacle, Tokatsu Foods, others) 23.0, other
Investments and other assets	159,802	152,517	(7,285)	
Investment securities	149,659	137,399	(12,259)	Decrease due to decline in market value -5.6 Consolidation of Tokatsu Foods -7.0, other
Other	10,265	15,242	4,977	
Allowance for doubtful accounts	(122)	(125)	(3)	

## [Liabilities and Net Assets]

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019	vs. as of March 31, 2019	Details of YoY difference (Billions of yen)
<b>Total liabilities</b>	<b>175,905</b>	<b>261,718</b>	<b>85,812</b>	Allied Pinnacle 36.1, Tokatsu Foods 28.3, others
<b>Current liabilities</b>	<b>114,806</b>	<b>129,520</b>	<b>14,713</b>	
Notes and accounts payable – trade	54,936	56,579	1,643	
Short-term loans payable	9,535	19,194	9,658	
Income taxes payable	5,217	4,945	(272)	
Accrued expenses	19,963	20,981	1,017	
Other	25,153	27,819	2,666	
<b>Non-current liabilities</b>	<b>61,098</b>	<b>132,198</b>	<b>71,099</b>	
Bonds	—	20,000	20,000	
Long-term loans payable	6,771	18,573	11,801	
Lease obligations	760	33,363	32,602	Allied Pinnacle, others
Deferred tax liabilities	24,664	30,466	5,802	Amount for addressing customer-related assets 7.3, others
Provision for repairs	1,464	1,253	(211)	
Net defined benefit liability	21,169	21,251	81	
Other	6,268	7,289	1,021	
<b>Total net assets</b>	<b>418,848</b>	<b>415,644</b>	<b>(3,204)</b>	
<b>Shareholders' equity</b>	<b>338,303</b>	<b>346,838</b>	<b>8,535</b>	
Capital stock	17,117	17,117	—	
Capital surplus	12,882	12,632	(250)	
Retained earnings	319,705	328,509	8,803	Profit 13.5, Dividends --4.8
Treasury shares	(11,403)	(11,421)	(18)	
<b>Accumulated other comprehensive income</b>	<b>65,634</b>	<b>54,743</b>	<b>(10,890)</b>	
Valuation difference on available-for-sale securities	62,669	58,656	(4,013)	Decrease from decline in market value
Deferred gains or losses on hedges	(393)	36	429	
Foreign currency translation adjustment	4,086	(3,287)	(7,374)	Amount for addressing capital needs of overseas subsidiaries
Remeasurements of defined benefit plans	(728)	(660)	67	
Subscription rights to shares	167	148	(18)	
<b>Non-controlling interests</b>	<b>14,743</b>	<b>13,912</b>	<b>(830)</b>	
<b>Total liabilities and net assets</b>	<b>594,754</b>	<b>677,362</b>	<b>82,608</b>	

## IV. Consolidated Statements of Cash Flows

(Millions of yen)

	2Q FY2019	2Q FY2020	YoY Change
Cash and cash equivalents at beginning of period	98,461	107,374	8,913
<b>Cash flows from operating activities</b>			
Profit before income taxes	16,706	18,267	1,561
Depreciation and amortization	7,211	10,141	2,929
Impairment loss	—	3,906	3,906
Amortization of goodwill	643	2,935	2,292
Loss (gain) on step acquisitions	—	(7,272)	(7,272)
Increase (decrease) in net defined benefit liability	176	(55)	(232)
Interest and dividend income	(1,462)	(1,653)	(190)
Interest expenses	106	1,701	1,595
Share of (profit) loss of entities accounted for using equity method	(695)	(819)	(123)
Loss (gain) on sales of investment securities	(16)	(2)	13
Decrease (increase) in notes and accounts receivable – trade	(7,385)	3,520	10,906
Decrease (increase) in inventories	1,253	6,634	5,380
Increase (decrease) in notes and accounts payable – trade	(1,110)	(14,630)	(13,519)
Other, net	1,709	(7,010)	(8,719)
Subtotal	17,135	15,662	(1,472)
Interest and dividend income received	2,377	2,713	336
Interest expenses paid	(106)	(1,670)	(1,564)
Income taxes paid	(3,500)	(5,770)	(2,269)
Net cash provided by (used in) operating activities	15,905	10,935	(4,970)
<b>Cash flows from investing activities</b>			
Payments into time deposits	(516)	(1,063)	(547)
Proceeds from withdrawal of time deposits	516	900	384
Purchase of securities	(1,026)	(1,036)	(9)
Proceeds from sales of securities	1,032	1,043	11
Purchase of property, plant, and equipment and intangible assets	(7,731)	(12,218)	(4,487)
Purchase of investment securities	(190)	(522)	(332)
Proceeds from sales of investment securities	27	22	(5)
Purchase of shares of subsidiaries and associates	(125)	—	125
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(77,189)	(77,189)
Other, net	(157)	(328)	(170)
Net cash provided by (used in) investing activities	(8,171)	(90,392)	(82,220)
<b>Cash flows from financing activities</b>			
Increase in short-term loans payable	886	37,053	36,166
Decrease in short-term loans payable	(338)	(40,525)	(40,186)
Proceeds from long-term loans payable	1,094	10,000	8,906
Proceeds from issuance of bonds	—	19,888	19,888
Proceeds from sales of treasury shares	178	146	(31)
Purchase of treasury shares	(189)	(189)	0
Cash dividends paid	(4,455)	(4,755)	(300)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(180)	(274)	(93)
Other, net	(632)	(1,766)	(1,134)
Net cash provided by (used in) financing activities	(3,636)	19,576	23,213
Effect of exchange rate changes on cash and cash equivalents	(584)	76	661
Net increase (decrease) in cash and cash equivalents	3,512	(59,804)	(63,317)
Increase (decrease) in cash and cash equivalents resulting from change of fiscal year-end of subsidiaries	(1,006)	713	1,719
Cash and cash equivalents at end of period	100,967	48,284	(52,683)

## V. Consolidated ROE

	FY2016	FY2017	FY2018	FY2019	2Q FY2020	vs. FY2019	FY2020 Forecast
ROE (%)	4.8%	5.1%	5.4%	5.5%	6.7%	1.2%	5.4%
Net income to net sales ratio (%)	3.2%	3.7%	4.0%	3.9%	3.9%	0.0%	3.1%
Average total asset turnover (Times)	1.0	1.0	0.9	1.0	1.1	0.1	-
Leverage	1.5	1.4	1.4	1.5	1.6	0.1	-

