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Supplementary Materials First Quarter of Fiscal 2020

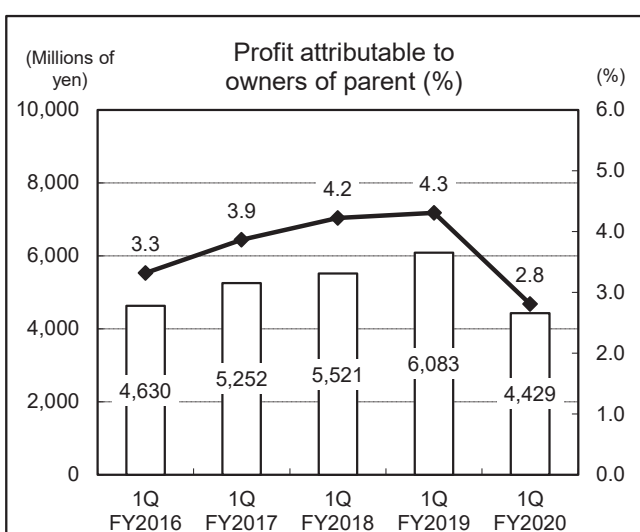
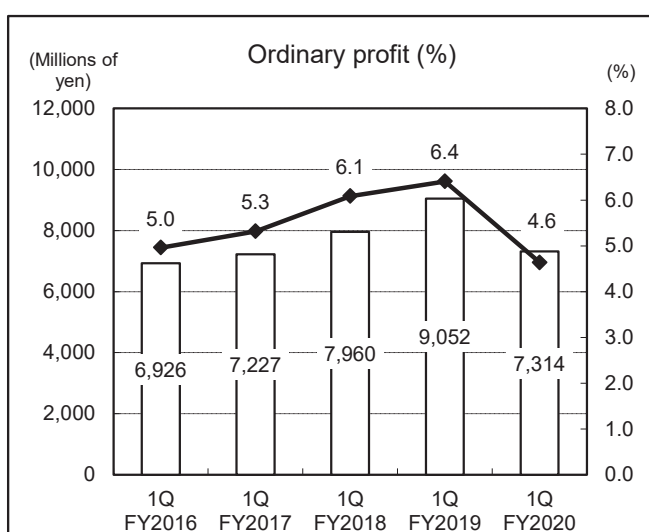
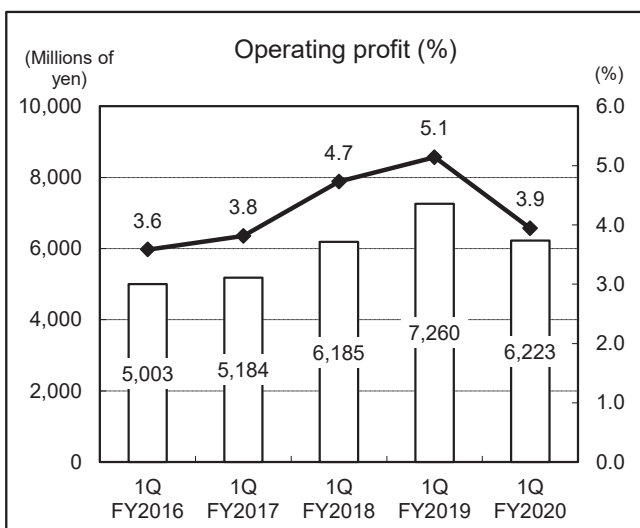
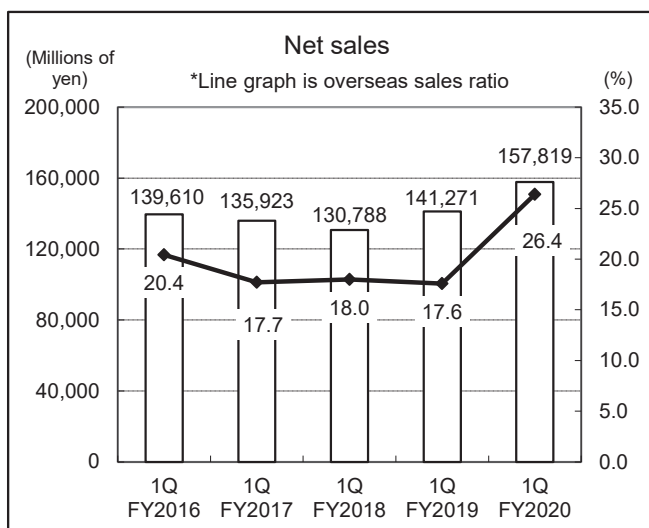
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July 25, 2019

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.

I. Consolidated Performance Highlights for the First Quarter



[Performance Trends]

(Millions of yen)

	1Q FY2016	1Q FY2017	1Q FY2018	1Q FY2019	1Q FY2020	vs.1Q FY2019	Change (%)	FY2020 Forecast
Net sales	139,610	135,923	130,788	141,271	157,819	16,547	111.7%	725,000
Overseas sales (%)	20.4%	17.7%	18.0%	17.6%	26.4%	16,721	167.2%	169,400
						8.8%		23.4%
Operating profit (Millions of yen)	5,003	5,184	6,185	7,260	6,223	(1,037)	85.7%	30,000
Operating profit (%)	3.6%	3.8%	4.7%	5.1%	3.9%	(1.2)%		4.1%
Ordinary profit (Millions of yen)	6,926	7,227	7,960	9,052	7,314	(1,738)	80.8%	31,700
Ordinary profit (%)	5.0%	5.3%	6.1%	6.4%	4.6%	(1.8)%		4.4%
Profit attributable to owners of parent (Millions of yen)	4,630	5,252	5,521	6,083	4,429	(1,654)	72.8%	23,300
Profit attributable to owners of parent (%)	3.3%	3.9%	4.2%	4.3%	2.8%	(1.5)%		3.2%
Capital expenditures (construction base)	5,296	2,808	4,061	3,297	5,321	2,024	161.4%	23,000
Depreciation and amortization	4,004	3,988	3,745	3,550	4,247	697	119.6%	19,000
(Reference)								
Operating profit before amortization of goodwill, others	5,582	5,765	6,756	7,807	8,189	381	104.9%	38,500
Amortization of goodwill, others*	578	581	571	546	1,965	1,419	359.6%	8,500

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

II. Net Sales by Segment

[Net Sales by Segment]

	(Millions of yen)						(Millions of yen)	
	1Q FY2019	(Composition ratio)	1Q FY2020	(Composition ratio)	Difference from previous year	YoY Change	FY2020 Forecast	(Composition ratio)
Flour Milling	60,683	43%	77,255	49%	16,571	127.3%	315,000	43%
Processed Food	65,266	46%	65,538	42%	272	100.4%	352,000	49%
Prepared dishes and other prepared foods	11,240	8%	11,494	7%	253	102.3%	130,600	18%
Others	15,322	11%	15,025	9%	(296)	98.1%	58,000	8%
Total	141,271	100%	157,819	100%	16,547	111.7%	725,000	100%

* Overseas Sales (included in sales data above)

						Currency Exchange Rates (Yen)				
	1Q FY2019	1Q FY2020	Difference from previous year	Impact of currency exchange rate fluctuations	YoY Change	FY2020 Forecast	1Q FY2019	1Q FY2020	FY2020 (Projection)	
Flour Milling	20,437	36,842	16,404	243	180.3%	147,800	USD	108.1	110.7	109.0
Processed Food	3,271	3,606	335	(31)	110.2%	16,300	CAD	83.9	82.4	82.0
Others	1,177	1,158	(18)	(10)	98.4%	5,300	AUD	—	77.8	78.0
Total	24,886	41,607	16,721	201	167.2%	169,400	NZD	76.7	73.9	73.0
							THB	3.4	3.5	3.4

(Analysis of Net Sales Difference from Previous Year)

(Billions of yen)

1Q FY2020
(Difference from
previous year)

Flour Milling	+16.5	· Domestic wheat flour shipments (-3.1%)	(1.2)
		· Flour price revisions, others accompanying revised wheat prices	+1.4
		· Bran prices	+0.0
		· Overseas sales, others	+16.3
Processed Food	+0.3	· Processed Food sales	+0.1
		Household-use flour sales	(0.1)
		Prepared mix product sales	(0.2)
		Pasta-related sales	+0.4
		Frozen food sales	+0.3
		Overseas processed food sales	+0.0
		Other	(0.3)
		· Prepared dishes and other prepared foods sales	+0.3
		· Oriental Yeast sales	(0.5)
		· Nisshin Pharma sales	+0.4
Others	(0.3)	· Nisshin Petfood sales	(0.2)
		· NBC Meshtec sales	(0.2)
		· Facility construction sales, others (Nisshin Engineering, others)	+0.1
Total	+16.5		

III. Operating Profit by Segment

[Operating Profit by Segment]

	(Millions of yen)				(Millions of yen)		(Millions of yen)	
	1Q FY2019	(Composition ratio)	1Q FY2020	(Composition ratio)	Difference from previous year	YoY Change	FY2020 Forecast	(Composition ratio)
Flour Milling	2,625	36%	2,074	33%	(550)	79.0%	11,000	37%
Processed Food	3,781	52%	3,068	50%	(712)	81.2%	14,600	49%
Prepared dishes and other prepared foods	435	6%	168	3%	(266)	38.8%	1,700	6%
Others	810	11%	1,015	16%	205	125.4%	4,100	14%
Eliminations/Corporate	44	1%	64	1%	20	-	300	1%
Total	7,260	100%	6,223	100%	(1,037)	85.7%	30,000	100%

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

	1Q FY2019	1Q FY2020	Difference from previous year	FY2020 Forecast
Flour Milling	503	1,907	1,403	7,200
Processed Food	42	58	16	1,300
Others	-	-	-	-
Total	546	1,965	1,419	8,500

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

	1Q FY2019	1Q FY2020	Difference from previous year	Impact of currency exchange rate fluctuations	YoY Change	FY2020 Forecast
Flour Milling	686	328	(357)	(15)	47.9%	4,300
Processed Food	433	456	22	5	105.2%	2,000
Others	46	12	(34)	(0)	25.7%	200
Total	1,167	797	(369)	(11)	68.3%	6,500

(Analysis of Operating Profit Difference from Previous Year)

(Billions of yen)

1Q FY2020
(Difference from
previous year)

Flour Milling	(0.5)	<ul style="list-style-type: none"> • Domestic wheat flour shipment volume (0.2) • Sales expansion costs +0.0 • Bran prices +0.1 • Cost related, others +0.0 • Overseas subsidiaries, others (0.4)
Processed Food	(0.7)	<ul style="list-style-type: none"> • Shipment volume (0.2) • Sales expansion costs +0.2 • Cost related (0.7) • Overseas subsidiaries, others (including Oriental Yeast and Nisshin Pharma exports) +0.0
Others	+0.2	<ul style="list-style-type: none"> • Sales (0.0) • Cost related, others +0.2
Eliminations/Corporate	+0.0	<ul style="list-style-type: none"> • Others +0.0
Total	(1.0)	