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.

Summary of Financial Statements for the Year Ended March 31, 2017 [Japanese Standards]

May 12, 2017

Listed Company Name: Nisshin Seifun Group Inc. Registered on Tokyo Stock Exchange
Code: 2002 URL: http://www.nisshin.com
Representative: Nobuki Kemmoku, Representative Director and President
Contact: Hideki Machida, General Manager, Public Communications Department (General Administration Division)
Tel.: +81-3-5282-6650

Date to hold the Ordinary General Meeting of Shareholders to approve results: June 28, 2017
Date to start distributing dividends: June 29, 2017
Date to submit the Securities Report: June 28, 2017
Supplementary documents for this summary of financial statements: Yes
Results briefing for financial results: Yes (for analysts and institutional investors)

(Figures shown are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(1) Consolidated Business Results

(The percentages indicate the rates of increase or decrease compared with the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2017	532,040	(4.4)	25,511	7.3	30,329	7.9	19,466	10.8
Fiscal 2016	556,701	5.8	23,769	16.1	28,099	10.0	17,561	9.5

(Note) Comprehensive income: Fiscal 2017: ¥28,457 million (up 101.3 %)
Fiscal 2016: ¥14,140 million (down 72.3%)

	Net income per share	Fully diluted net income per share	Return on shareholders' equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal 2017	64.50	64.43	5.1	5.5	4.8
Fiscal 2016	58.25	58.15	4.8	5.1	4.3

(Reference) Equity in earnings of affiliates: Fiscal 2017: ¥1,960 million Fiscal 2016: ¥1,446 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2017	557,568	406,805	70.6	1,303.45
March 31, 2016	550,305	386,485	67.8	1,237.64

(Reference) Equity capital: Fiscal 2017: ¥393,620 million Fiscal 2016: ¥373,375 million

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2017	35,361	(5,240)	(11,470)	90,837
Fiscal 2016	35,839	(12,201)	(9,446)	72,960

2. Dividends

	Dividend per share					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1Q End	2Q End	3Q End	Year-End	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2016	—	12.00	—	12.00	24.00	7,240	41.2	2.0
Fiscal 2017	—	13.00	—	13.00	26.00	7,851	40.3	2.0
Fiscal 2018 (forecast)	—	14.00	—	14.00	28.00		41.6	

3. Forecast of Consolidated Business Results for the Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(The full-year percentages indicate the rates of increase or decrease compared with the previous fiscal year; the percentages for the first half are comparisons with the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	264,000	(2.7)	12,000	4.4	14,000	(0.9)	9,400	(7.4)	31.27
Full year	535,000	0.6	26,000	1.9	30,000	(1.1)	20,100	3.3	67.32

* Notes

(1) Changes in important subsidiaries during the period under review (changes in specified subsidiaries involving a change in the scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates and revisions restated

1) Changes in accounting policies associated with the revisions of accounting standards, etc.: Yes
2) Changes in accounting policies other than the above: None
3) Changes in accounting estimates: None
4) Revisions restated: None

Note: For details, please refer to "III. Consolidated Financial Statements and Related Notes (5) Notes to the Consolidated Financial Statements [Changes in Accounting Policies]" on page 15 of the Attachment.

(3) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding (including treasury shares)	As of March 31, 2017	304,357,891	As of March 31, 2016	304,357,891
2) Number of treasury shares	As of March 31, 2017	2,374,365	As of March 31, 2016	2,674,306
3) Average number of shares outstanding	Fiscal 2017	301,822,349	Fiscal 2016	301,478,316

* Audits are not required for earnings reports.

* Statement regarding the proper use of financial forecasts and other special remarks

(1) 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. For details of assumptions for financial forecasts and other related matters, please refer to "1. Review of Business Performance (4) Outlook" on page 5 of the Attachment.
(2) Supplementary materials for this report can be found on the Company's website.
(3) On May 16, 2017 (Tues.), the Company plans to hold an earnings briefing for analysts and institutional investors. Materials from this briefing are scheduled to be posted to the Company's website after the briefing concludes.

ATTACHMENT

Contents

I. Review of Business Performance

(1) Business Performance

During the fiscal year ended March 31, 2017, the Japanese economy continued to show signs of a modest recovery, as well as improved business confidence in the corporate sector. Consumption, however, continued to lack in strength, the result primarily of persistent belt-tightening behavior among consumers. Meanwhile, global economic uncertainty continued to mount, particularly in light of the outcome of the United States presidential election and subsequent actions by the new administration, and evolving steps by the United Kingdom to exit from the EU.

Under these conditions, the Group launched initiatives under a new medium-term management plan, dubbed “NNI-120 II,” scheduled to conclude in the fiscal year ending March 31, 2021. Together with an emphasis on restructuring the earnings foundation in core businesses, the Group is aiming for solid profit growth through self-sustained business growth, including that of acquired businesses, and new strategic investments, while taking a more proactive stance to shareholder returns.

The Group took steps to aggressively launch and expand sales of new products in each business in a bid to energize markets, and continued efforts to ensure cost competitiveness and strengthen its business structure both domestically and abroad. In the flour milling business, these efforts focused on consolidating production at large-scale plants located near ports, and in the processed food business on building an optimal production framework globally. Elsewhere, the Group pursued initiatives to boost brand value, primarily through sports sponsorship, and conducted proactive advertising and promotional activities. In September 2016, in a move to optimize the business portfolio, the Group transferred all of its shares of Daisen Ham Co., Ltd. (a consolidated subsidiary).

With respect to operating results, consolidated net sales for the fiscal year ended March 31, 2017, despite the inclusion of net sales from a newly consolidated prepared dishes and other prepared foods subsidiary acquired in January 2016, decreased 4.4% year on year to ¥532,040 million, mainly reflecting lower product prices due to falling raw wheat prices and the effects of foreign currency exchange rates for overseas businesses against a strengthening yen. In terms of profits, due to measures to improve profitability, including cost reduction efforts, and consolidated results from the new subsidiary, operating profit was ¥25,511 million, up 7.3% year on year. Ordinary profit increased by 7.9% to ¥30,329 million, and profit attributable to owners of parent rose by 10.8% to ¥19,466 million. Both ordinary profit and profit attributable to owners of parent reached record-high levels.

With respect to dividends, one of the basic policies of the new medium-term management plan is to maintain a payout ratio of at least 40% on a consolidated basis. Consequently, the Company plans to pay a full-year dividend of ¥26 per share, up ¥2 from the previous fiscal year, in line with initial projections.

[Business Overview by Segment]

1) Flour Milling Segment

In the flour milling business, amid an adverse market environment marked mainly by ongoing belt-tightening behavior among consumers, the Company continued to promote aggressive sales expansion measures to attract new customers, with shipments of commercial wheat flour in Japan holding largely flat against the previous year. Also in July 2016 and January 2017, the Company revised its commercial wheat flour prices in response to the government’s decision to change the prices of five classes of imported wheat. On average, the Government’s price for imported wheat declined 7.1% in April 2016, and by 7.9% in October 2016.

From the perspectives of production and distribution, we advanced measures to enhance productivity, notably by consolidating production at large-scale plants located near ports in Japan, and carried out measures to reduce fixed and other costs. We also completed construction to increase holding capacity by roughly 25% at a raw wheat silo at the Tsurumi Plant in June 2016, and strengthened our structure for securing, storing and stably supplying raw wheat greater than ever before in response to demand. Also, we actively promoted food safety by such measures as becoming the first Japanese food company to obtain the new JFS-E-C* certification for food management systems for the Tsurumi Plant in September 2016, followed by the Chita Plant in December 2016.

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

In the overseas business, sales were lower year on year, despite increased shipments overall thanks to aggressive sales expansion, mainly reflecting lower product prices due to falling raw wheat prices and the effects of foreign currency exchange rates against a strengthening yen. Furthermore, construction is moving forward to boost by approximately 80% the production capacity of Canadian subsidiary Rogers Foods Ltd.'s Chilliwack Plant, scheduled to begin enhanced operations in autumn 2017. Construction is also underway to boost by approximately 70% the production capacity of the U.S. subsidiary Miller Milling Company, LLC's Saginaw Plant, which is expected to begin enhanced operations in early 2019.

As a result, net sales of the Flour Milling Segment decreased 11.0% year on year to ¥233,618 million. Operating profit, meanwhile, increased 6.3% to ¥9,823 million.

* JFS-E-C
This is a new standard, related to food safety management systems developed in Japan, published in July 2016 by the Japan Food Safety Management Association (JFSM).

2) Processed Food Segment

In the processed food business, for household-use products, in addition to expanding the lineup of our strong-selling bottle-type products designed to address needs arising from an increase in eating alone and demand for meals that are easy to prepare, we conducted sales promotion measures—notably TV commercials and co-sponsored events—among other proactive initiatives designed to stimulate consumption. In commercial-use products, we launched new products tailored to customer needs and aggressively carried out proposal activities geared toward garnering new customers. Also, in response to lower prices for commercial wheat flour due to the government's decision to revise the prices of imported wheat, the Company in August 2016 and February 2017 revised prices for its household-use wheat flour and commercial prepared mix products. In the prepared dishes and other prepared foods business, we have developed and are steadily expanding a comprehensive prepared dishes and other prepared foods business that can provide wide-ranging categories of products. As a result, sales in the processed food business were higher overall compared to the previous fiscal year despite effects from the exclusion of Daisen Ham Co., Ltd. from the scope of consolidation. This outcome reflected the impact of brisk growth in shipments of pastas, prepared dishes and other prepared foods, as well as benefits from the consolidation of Joyous Foods Co., Ltd. in January 2016.

In the overseas business, sales were lower as the effects of foreign currency exchange rates against a strengthening yen outpaced year-on-year growth in shipments. Elsewhere, operations are running smoothly at a production plant for pasta sauces and other cooked and processed foods in Vietnam and a pasta plant in Turkey. Both sites were built as part of efforts to develop a globally optimized, cost-competitive production framework.

In the yeast and biotechnology business, sales were lower than the previous year, as we narrowed the product range in a bid to boost profitability.

In the healthcare foods business, sales were lower year on year, reflecting sluggish shipments of raw materials for pharmaceuticals, as well as lower sales prices, despite brisk sales of consumer products driven by promotion of marketing measures.

As a result, net sales of the Processed Food Segment increased 3.3% from the previous fiscal year to ¥254,944 million. Operating profit increased 8.0% to ¥12,426 million.

3) Others Segment

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

In the engineering business, sales decreased year on year, mainly due to struggling growth in orders for projects in the mainstay plant engineering business.

In the mesh cloths business, sales were down from last year, reflecting sluggishness for screen-printing materials.

As a result, net sales of the Others Segment decreased 8.5% year on year to ¥43,478 million, and operating profit decreased 6.2% to ¥2,956 million.

(2) Financial Position

The status of assets, liabilities and net assets on a consolidated basis at the end of the fiscal year ended March 31, 2017, was as follows.

Current assets increased ¥5,460 million from the previous fiscal year-end to ¥238,858 million, due largely to an increase in cash and deposits, and decreases in securities and inventories, etc. Non-current assets increased ¥1,802 million to ¥318,709 million, primarily due to decreases in property, plant and equipment and intangible assets, and increases in investment securities, etc. As a result, total assets increased ¥7,262 million from the previous fiscal year-end to ¥557,568 million. Meanwhile, current liabilities shrank ¥16,968 million to ¥89,833 million, mainly reflecting decreases in notes and accounts payable – trade and short-term loans payable. Non-current liabilities increased ¥3,911 million to ¥60,928 million, primarily due to an increase in deferred tax liabilities. As a result, total liabilities declined ¥13,057 million from the previous fiscal year-end to ¥150,762 million. Net assets increased ¥20,320 million to ¥406,805 million, including an increase due to profit attributable to owners of parent for the year, a decrease due to the payment of dividends and an increase in accumulated other comprehensive income.

(3) Cash Flows

1) Overview of the Period under Review

The status of consolidated cash flows for the fiscal year ended March 31, 2017, was as follows.

Net cash provided by (used in) operating activities

Net cash provided by operating activities was ¥35,361 million for the fiscal year under review. An increase in cash and cash equivalents mainly due to profit before income taxes of ¥31,189 million and depreciation and amortization of ¥16,132 million exceeded a decrease in cash and cash equivalents largely owing to an increase in operating capital, attributable mainly to a decrease in notes and accounts payable – trade, and the payment of income taxes.

Net cash provided by (used in) investing activities

Despite ¥3,206 million in proceeds from sales of shares of subsidiaries, ¥2,713 million in proceeds from redemption of shares of subsidiaries and associates, and proceeds from sales of property, plant and equipment and intangible assets, ¥13,549 million for the purchase of property, plant and equipment and intangible assets, including wheat flour production line expansion at the Chilliwack Plant of Rogers Food Ltd. and other factors led to net cash used in investing activities of ¥5,240 million.

Subtracting net cash used in investing activities from net cash provided by operating activities, free cash flow came to an inflow of ¥30,121 million.

Net cash provided by (used in) financing activities

To distribute profits to shareholders, the Company paid dividends of ¥7,546 million. In addition, repayment of long-term loans payable and short-term loans payable surpassed proceeds from long-term loans payable and short-term loans payable by ¥3,492 million, leading to net cash used in financing activities of ¥11,470 million.

As described above, cash provided by operating activities and from the sale of subsidiary shares was allocated to strategic capital investment and the payment of dividends as returns to shareholders. At the end of the fiscal year ended March 31, 2017, consolidated cash and cash equivalents totaled ¥90,837 million, an increase of ¥17,877 million from the previous fiscal year-end.

2) Cash-flow Indicators

The main cash flow indicators for the Nisshin Seifun Group are as follows:

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Equity ratio (%)	68.9	66.8	67.8	70.6
Market value–based equity ratio (%)	65.8	77.5	98.1	90.0
Ratio of interest-bearing debt to operating cash flow (years)	0.4	0.8	0.5	0.4
Interest coverage ratio (times)	153.8	136.1	185.9	218.8

Notes:

Equity ratio = Equity capital / Total assets

Market value-based equity ratio = Market capitalization / Total assets

Ratio of interest-bearing debt to operating cash flow = Interest-bearing debt / Operating cash flow

Interest coverage ratio = Operating cash flow / Interest expense

1. All of the above cash-flow indicators are calculated on a consolidated basis.
2. Market capitalization is calculated by multiplying the closing share price on the final trading day of the fiscal year by the total number of outstanding shares (excluding treasury common stock) as of the corresponding fiscal year-end.
3. Operating cash flow equals net cash provided by operating activities as stated in the consolidated statements of cash flows. Interest-bearing debt refers to bonds and debt as stated in the consolidated balance sheets. Interest expense is equal to interest payments as stated in the consolidated statements of cash flows.

(4) Outlook

1) Outlook for the Next Fiscal Year

The Japanese economy faces several sources of concern, including uncertainty internationally pertaining to the current U.S. presidential administration and problems surrounding the exit of the United Kingdom from the EU, and subsequent volatility in currency exchange and interest rates. Similarly, the Group’s operating environment is expected to remain challenging, particularly as belt tightening among consumers continues. Under these circumstances, the Nisshin Seifun Group will continue to fulfill its mission of securing stable supplies of safe and reliable wheat flour and other staple foods. At the same time, we will move to steadily implement the strategies contained in our new medium-term management plan, “NNI-120 II,” working in each business to deliver high added value and develop new core products, advance advertising activities and other sales promotion measures, and pursue productivity enhancement and other cost reduction steps, all while driving overseas business expansion forward.

In response to the Japanese government's decision in April 2017 to raise the prices of five classes of imported wheat by 4.6%, the Company announced revisions to its commercial wheat flour prices.

Additionally, since the fate of the TPP is uncertain following the notice given by the U.S. of its intent to abandon the agreement, the Company will continue to closely watch and respond appropriately to the outcome of international trade negotiations, including economic partnership agreements (EPA).

Considering the aforementioned factors, consolidated net sales for the fiscal year ending March 31, 2018 are forecast to rise 0.6% year on year to ¥535,000 million, operating profit is projected to climb 1.9% to ¥26,000 million, and ordinary profit is expected to decrease 1.1% to ¥30,000 million, while profit attributable to owners of parent is expected to increase 3.3% from the fiscal year under review to ¥20,100 million.

2) Cash Flow Outlook for the Next Fiscal Year

Regarding cash flow in the fiscal year ending March 31, 2018, the increase in capital from profit attributable to owners of parent of ¥20,100 million and other sources will be used primarily for strategic investments, the payment of dividends (representing a real increase for a fifth consecutive term) and the return of profits to shareholders through purchases of treasury shares with an upper limit of ¥10,000 million or 7 million shares. Consequently, cash and cash equivalents as of March 31, 2018 are expected to be largely unchanged from levels as of the end of the fiscal year under review.

(5) Basic Policy on Profit Distribution and Dividends for Fiscal 2017 and Fiscal 2018

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 40% on a consolidated basis.

As a further return of profits to shareholders, the Company plans to pay a full-year dividend of ¥26 per share, an increase of ¥2 from the previous fiscal year. Accordingly, the Company will submit to the Ordinary General Meeting of Shareholders a proposal for the distribution of surplus to pay a year-end dividend of ¥13 per share. Given that there was no adjustment made to the dividend per share following the stock splits conducted in fiscal 2014, this has resulted in a projected actual increase in dividends for a fourth consecutive term.

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 medium-term management plan, "NNI-120 II." At the same time, the Company's policy will also be to adopt a more aggressive posture on dividends, and conduct the purchase of treasury shares and other shareholder return-related measures flexibly by taking into account demand for funds for strategic investments and other uses.

For the fiscal year ending March 31, 2018, the Company, in line with the aforementioned policy of profit distribution, plans to increase the dividend per share by ¥2 from the fiscal year under review to pay an annual dividend of ¥28 per share. This will culminate in a projected actual dividend increase for a fifth consecutive term.

Furthermore, the Company has established a system of providing special privileges to shareholders who own 500 shares or more of the Company's stock as at March 31.

II. Basic Policy Regarding Selection of Accounting Standards

Regarding the voluntary adoption of international financial reporting standards (IFRS), in light of a variety of available information, the Nisshin Seifun Group's policy at this time is to continue to investigate eventual adoption, with close consideration of the potential impact of the global comparability and application of financial data.

III. Consolidated Financial Statements and Related Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2016 (As of March 31, 2016)	Fiscal 2017 (As of March 31, 2017)
Assets		
Current assets		
Cash and deposits	61,665	85,458
Notes and accounts receivable – trade	72,871	69,584
Securities	13,790	7,094
Inventories	72,038	64,012
Deferred tax assets	5,127	4,685
Other	8,115	8,221
Allowance for doubtful accounts	(210)	(197)
Total current assets	233,398	238,858
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	56,657	55,441
Machinery, equipment and vehicles, net	43,079	39,296
Land	42,152	41,447
Construction in progress	5,222	4,587
Other, net	4,227	4,066
Total property, plant and equipment	151,339	144,840
Intangible assets		
Goodwill	8,610	7,050
Other	9,879	8,039
Total intangible assets	18,489	15,089
Investments and other assets		
Investment securities	140,347	151,963
Net defined benefit asset	214	205
Deferred tax assets	3,841	3,541
Other	2,798	3,191
Allowance for doubtful accounts	(124)	(122)
Total investments and other assets	147,077	158,779
Total non-current assets	316,907	318,709
Total assets	550,305	557,568

(Millions of yen)

	Fiscal 2016 (As of March 31, 2016)	Fiscal 2017 (As of March 31, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	51,348	40,320
Short-term loans payable	15,219	9,745
Income taxes payable	5,227	5,437
Accrued expenses	18,534	18,265
Other	16,472	16,065
Total current liabilities	106,802	89,833
Non-current liabilities		
Long-term loans payable	4,386	4,967
Deferred tax liabilities	22,621	26,687
Provision for repairs	1,480	1,509
Net defined benefit liability	21,892	20,881
Long-term deposits received	5,385	5,401
Other	1,250	1,481
Total non-current liabilities	57,017	60,928
Total liabilities	163,820	150,762
Net assets		
Shareholders' equity		
Capital stock	17,117	17,117
Capital surplus	12,834	12,898
Retained earnings	281,324	293,165
Treasury shares	(2,289)	(2,026)
Total shareholders' equity	308,987	321,154
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	55,974	65,475
Deferred gains or losses on hedges	(301)	93
Foreign currency translation adjustment	9,859	7,836
Remeasurements of defined benefit plans	(1,144)	(939)
Total accumulated other comprehensive income	64,387	72,466
Subscription rights to shares	147	175
Non-controlling interests	12,962	13,009
Total net assets	386,485	406,805
Total liabilities and net assets	550,305	557,568

(2) Consolidated Statements of Income and Comprehensive Income

[Consolidated Statements of Income]

(Millions of yen)

	Fiscal 2016 (April 1, 2015 to March 31, 2016)	Fiscal 2017 (April 1, 2016 to March 31, 2017)
Net sales	556,701	532,040
Cost of sales	402,218	374,028
Gross profit	154,483	158,012
Selling, general and administrative expenses	130,713	132,500
Operating profit	23,769	25,511
Non-operating income		
Interest income	201	160
Dividend income	2,303	2,393
Share of profit of entities accounted for using equity method	1,446	1,960
Rent income	308	285
Other	355	319
Total non-operating income	4,615	5,119
Non-operating expenses		
Interest expenses	172	202
Other	113	98
Total non-operating expenses	285	301
Ordinary profit	28,099	30,329
Extraordinary income		
Gain on sales of non-current assets	113	387
Gain on sales of investment securities	7	401
Gain on sales of shares of subsidiaries and associates	–	1,880
Total extraordinary income	121	2,669
Extraordinary losses		
Loss on retirement of non-current assets	757	527
Impairment loss	–	*1 958
Loss on restructuring of production system	–	323
Total extraordinary losses	757	1,809
Profit before income taxes	27,462	31,189
Income taxes – current	8,496	9,924
Income taxes – deferred	534	501
Total income taxes	9,031	10,426
Profit	18,431	20,763
Profit attributable to non-controlling interests	869	1,296
Profit attributable to owners of parent	17,561	19,466

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Fiscal 2016 (April 1, 2015 to March 31, 2016)	Fiscal 2017 (April 1, 2016 to March 31, 2017)
Profit	18,431	20,763
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,290)	9,459
Deferred gains or losses on hedges	(365)	358
Foreign currency translation adjustment	(2,764)	(2,311)
Remeasurements of defined benefit plans	303	225
Share of other comprehensive income of affiliates accounted for by the equity method	(174)	(36)
Total other comprehensive income	(4,290)	7,694
Comprehensive income	14,140	28,457
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,092	27,545
Comprehensive income attributable to non-controlling interests	48	912

(3) Consolidated Statements of Changes in Net Assets

Fiscal 2016 (April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	17,117	9,571	275,194	(2,659)	299,224
Cumulative effects of changes in accounting policies		3,173	(4,196)		(1,023)
Balance at the beginning of current period reflecting changes in accounting policies	17,117	12,744	270,997	(2,659)	298,200
Changes of items during the period					
Dividends from surplus			(7,235)		(7,235)
Profit attributable to owners of parent			17,561		17,561
Purchase of treasury shares				(6)	(6)
Disposal of treasury shares		80		375	456
Change in ownership interest of parent due to transactions with non-controlling interests		9			9
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	90	10,326	369	10,786
Balance at the end of current period	17,117	12,834	281,324	(2,289)	308,987

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling 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	57,298	118	11,911	(1,471)	67,857	179	11,454	378,715
Cumulative effects of changes in accounting policies								(1,023)
Balance at the beginning of current period reflecting changes in accounting policies	57,298	118	11,911	(1,471)	67,857	179	11,454	377,692
Changes of items during the period								
Dividends from surplus								(7,235)
Profit attributable to owners of parent								17,561
Purchase of treasury shares								(6)
Disposal of treasury shares								456
Change in ownership interest of parent due to transactions with non-controlling interests								9
Net changes of items other than shareholders' equity	(1,324)	(420)	(2,052)	327	(3,469)	(32)	1,508	(1,993)
Total changes of items during the period	(1,324)	(420)	(2,052)	327	(3,469)	(32)	1,508	8,792
Balance at the end of current period	55,974	(301)	9,859	(1,144)	64,387	147	12,962	386,485

Fiscal 2017 (April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	17,117	12,834	281,324	(2,289)	308,987
Changes of items during the period					
Dividends from surplus			(7,546)		(7,546)
Profit attributable to owners of parent			19,466		19,466
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		62		265	327
Change of fiscal term of consolidated subsidiaries			(80)		(80)
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	63	11,840	263	12,167
Balance at the end of current period	17,117	12,898	293,165	(2,026)	321,154

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling 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	55,974	(301)	9,859	(1,144)	64,387	147	12,962	386,485
Changes of items during the period								
Dividends from surplus								(7,546)
Profit attributable to owners of parent								19,466
Purchase of treasury shares								(2)
Disposal of treasury shares								327
Change of fiscal term of consolidated subsidiaries								(80)
Change in ownership interest of parent due to transactions with non-controlling interests								0
Net changes of items other than shareholders' equity	9,501	395	(2,023)	204	8,078	28	46	8,153
Total changes of items during the period	9,501	395	(2,023)	204	8,078	28	46	20,320
Balance at the end of current period	65,475	93	7,836	(939)	72,466	175	13,009	406,805

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2016 (April 1, 2015 to March 31, 2016)	Fiscal 2017 (April 1, 2016 to March 31, 2017)
Net cash provided by (used in) operating activities		
Profit before income taxes	27,462	31,189
Depreciation and amortization	16,816	16,132
Impairment loss	–	958
Amortization of goodwill	1,157	1,195
Increase (decrease) in retirement benefit liability	100	(400)
Decrease (increase) in retirement benefit asset	(183)	8
Interest and dividends income	(2,505)	(2,553)
Interest expenses	172	202
Equity in (earnings) losses of affiliates	(1,446)	(1,960)
Loss (gain) on sales of investment securities	(5)	(401)
Loss (gain) on sales of shares of subsidiaries and associates	–	(1,880)
Decrease (increase) in notes and accounts receivable – trade	3,116	1,636
Decrease (increase) in inventories	3,828	6,255
Increase (decrease) in notes and accounts payable – trade	(7,992)	(9,272)
Other, net	(527)	2,701
Subtotal	39,993	43,811
Interest and dividends income received	3,244	3,109
Interest expenses paid	(192)	(161)
Income taxes paid	(7,205)	(11,397)
Net cash provided by (used in) operating activities	35,839	35,361
Net cash provided by (used in) investing activities		
Payments into time deposits	(10,804)	(1,820)
Proceeds from withdrawal of time deposits	16,326	2,530
Purchase of securities	(2,109)	(1,842)
Proceeds from sales of securities	2,166	1,816
Purchase of property, plant and equipment and intangible assets	(15,534)	(13,549)
Proceeds from sales of property, plant and equipment and intangible assets	(161)	767
Purchase of investment securities	(229)	(37)
Proceeds from sales of investment securities	32	853
Purchase of shares of subsidiaries and associates	(164)	(17)
Proceeds from redemption of shares of subsidiaries and associates	–	2,713
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,733)	–
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	–	3,206
Other, net	9	138
Net cash provided by (used in) investing activities	(12,201)	(5,240)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	60	400
Decrease in short-term loans payable	(3,599)	(5,841)
Proceeds from long-term loans payable	1,130	1,951
Repayments of long-term loans payable	–	(2)
Proceeds from sales of treasury shares	456	327
Purchase of treasury shares	(6)	(2)
Cash dividends paid	(7,235)	(7,546)
Other, net	(253)	(757)
Net cash provided by (used in) financing activities	(9,446)	(11,470)
Effect of exchange rate change on cash and cash equivalents	(1,128)	(246)
Net increase (decrease) in cash and cash equivalents	13,062	18,404
Cash and cash equivalents at beginning of period	59,897	72,960
Increase (decrease) in cash and cash equivalents resulting from change of fiscal year-end of subsidiaries	–	(527)
Cash and cash equivalents at end of period	72,960	90,837

(5) Notes to the Consolidated Financial Statements

[Going Concern Considerations]

There are no applicable matters to be reported.

[Important Changes Regarding Basis of Presentation of Consolidated Financial Statements]

(Important changes in scope of consolidation)

During the fiscal year ended March 31, 2017, the Company sold all of the shares of its former consolidated subsidiary Daisen Ham Co., Ltd., held by its consolidated subsidiaries, on September 20, 2016, causing it to be excluded from the scope of consolidation. Statements of income and statements of cash flows of the former subsidiary are consolidated through the recognized date of sale (September 30, 2016). The Company also added one newly established company to and, following the sale of shares, removed one additional company from the scope of consolidation.

(Changes in accounting period of consolidated subsidiary)

For more accurate disclosure in the consolidated financial statements, consolidated subsidiary Joyous Foods Co., Ltd. changed its accounting period from an end date of December 31 to March 31.

Accompanying this change in accounting period, income from Joyous Foods Co., Ltd. from the date of merger on January 29, 2016 through March 31, 2016 has been adjusted as a change in retained earnings. Any change in cash and cash equivalents is presented under “Increase (decrease) in cash and cash equivalents resulting from change of fiscal year-end of subsidiaries” under the consolidated statements of cash flows.

[Changes in Accounting Policies]

(Application of Practical Solution on Accounting for Changes in Depreciation Method related to the 2016 Tax Law Reform)

In accordance with revisions to corporate tax law in Japan, the Company has applied the “Practical Solution on Accounting for Changes in Depreciation Method related to the 2016 Tax Law Reform” (PITF No. 32, June 17, 2016) from the fiscal year ended March 31, 2017. The subsequent result is a switch from the declining-balance method to the straight-line method for depreciation pertaining to building fixtures and structures purchased after April 1, 2016.

These monetary effects had a negligible impact on financial performance for the fiscal year ended March 31, 2017.

[Consolidated Statements of Income]

1. Impairment losses

Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

Impairment losses were posted for the asset groups below during the fiscal year ended March 31, 2017.

Location	Application	Type
Ueda, Nagano Prefecture	Manufacturing facility for raw materials for pharmaceuticals	Buildings and structures, machinery, equipment and vehicles, others
Yokohama, Kanagawa Prefecture, and others	Assets scheduled for disposal (company housing/dormitory)	Buildings and structures

The Nisshin Seifun Group categorizes assets based on the smallest unit that largely generates cash flows independently from the cash flows of other assets and asset groups.

For the manufacturing facility for raw materials for pharmaceuticals, due to changes in the market environment, the recoverable value of this asset fell below the book value. In light of this reduction in recoverable value to the book value, the Company posted an extraordinary loss of ¥785 million as an impairment loss reflecting this decrease. The breakdown of the impairment loss includes ¥275 million for buildings and structures, ¥482 million for machinery, equipment and vehicles, and other items totaling ¥27 million. The recoverable value is measured based on the useable value (discount rate of 6.6%).

Due to their immaterial impact, impairment losses other than those listed above have been omitted.

[M&A Activity]

(Business Divestiture)

1. Overview of Business Divestiture
   (1) Name of Receiver of Divested Business
   Air Water Inc.
   (2) Content of Divested Business
   Daisen Ham Co., Ltd. (Business lines: Manufacturing and sales of processed meat products)
   (3) Main Reason for Business Divestiture
   The Group is taking several measures toward management challenges for a “restructured earnings foundation” that places emphasis on the bottom line as laid out in the new medium-term management plan “NNI-120 II” announced in May 2015, and is continuing to examine a restructuring of the business portfolio as one of those measures.
   On this occasion, the Company transferred all shares of Daisen Ham Co., Ltd. held by its consolidated subsidiaries, Nisshin Foods Inc., Oriental Yeast Co., Ltd., and Nisshin Associates Inc. to Air Water Inc.
   Agriculture and foods are key industries for Air Water Inc., which has as its subsidiary Saveur SS Inc., a company engaged in the processed meat industry. Daisen Ham Co., Ltd. will become a key company within the Air Water Group, improving its value as a company and its outlook for sustainable growth into the future.
   (4) Date of Divestiture
   September 20, 2016
   (5) Other Matters Concerning the Summary of Transaction, Including Legal Framework
   Consideration for transfer of shares will be cash or other assets only.

2. Summary of Accounting Measures Taken
   (1) Gain (or losses) from transfer
   Gain on sales of shares of subsidiaries and associates ¥1,862 million
   (2) Appropriate carrying value and details of assets and liabilities related to transferred business

Current assets:	¥3,634 million
Non-current assets:	¥2,426 million
Total assets:	¥6,060 million
Current liabilities:	¥2,308 million
Non-current liabilities:	¥615 million
Total liabilities:	¥2,924 million

   (3) Accounting
   The difference in the sale price for the shares of Daisen Ham Co., Ltd. and its consolidated carrying value were accounted for as extraordinary income labeled “Gain on sales of shares of subsidiaries and associates.”

3. Reporting Segment that Contained Divested Business
   Processed Food Segment

4. Summarized Profit and Loss for Divested Business as Accounted for in the Consolidated Statements of Income

Net sales:	¥3,887 million
Operating profit:	¥22 million
Ordinary profit:	¥30 million
Profit Attributable to Owners of Parent:	¥6 million

[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, prepared 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 largely the same as those adopted for use in the preparation of the consolidated financial statements. Segment profit figures are the same as operating profit 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, 2016 (April 1, 2015 to March 31, 2016)

(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	262,463	246,703	509,166	47,534	556,701	–	556,701
Intersegment sales and transfers	18,465	464	18,929	5,838	24,768	(24,768)	–
Total	280,928	247,167	528,096	53,373	581,469	(24,768)	556,701
Segment profit	9,244	11,507	20,752	3,152	23,904	(134)	23,769
Segment assets	210,530	170,271	380,802	64,154	444,956	105,349	550,305
Other items							
Depreciation and amortization	9,358	6,231	15,590	1,525	17,115	(298)	16,816
Investment for affiliates accounted for by the equity method	2,577	8,579	11,157	15,330	26,487	–	26,487
Increase in property, plant and equipment and intangible assets	7,507	6,540	14,047	1,500	15,548	(578)	14,970

Notes:

1. Business segment of "Others" is excluded from reportable segment, which includes pet food, engineering, mesh cloths, handling and storage businesses.
2. Segment profit adjustment refers to intersegment transaction eliminations.
   The adjustment in segment assets includes the Group's assets (¥116,918 million): mainly, the Company's surplus operating cash (cash and deposits and securities) and investment securities.
3. Segment profit has been adjusted for the operating profit appearing in the consolidated statements of income.

Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(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	233,618	254,944	488,562	43,478	532,040	–	532,040
Intersegment sales and transfers	16,910	426	17,336	2,951	20,288	(20,288)	–
Total	250,528	255,370	505,899	46,429	552,329	(20,288)	532,040
Segment profit	9,823	12,426	22,250	2,956	25,206	304	25,511
Segment assets	200,279	161,119	361,399	61,803	423,203	134,365	557,568
Other items							
Depreciation and amortization	8,791	6,070	14,861	1,552	16,414	(281)	16,132
Investment for affiliates accounted for by the equity method	2,764	6,234	8,998	16,175	25,173	–	25,173
Increase in property, plant and equipment and intangible assets	6,973	4,784	11,757	1,102	12,860	(170)	12,689

Notes:

1. Business segment of "Others" is excluded from reportable segment, which includes pet food, engineering, mesh cloths, handling and storage businesses.
2. Segment profit adjustment refers to intersegment transaction eliminations.
   The adjustment in segment assets includes the Group's assets (¥144,439 million): mainly, the Company's surplus operating cash (cash and deposits and securities) and investment securities.
3. Segment profit has been adjusted for the operating profit appearing in the consolidated statements of income.

[Related information]

Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

1. Information by geographic segment

(1) Net sales

(Millions of yen)

Japan	U.S.	Other regions	Total
447,266	74,303	35,131	556,701

Note: Net sales are classified based on customer location.

(2) Property, plant and equipment

(Millions of yen)

Japan	U.S.	Other regions	Total
120,214	19,845	11,280	151,339

Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

1. Information by geographic segment

(1) Net sales

(Millions of yen)

Japan	U.S.	Other regions	Total
440,836	59,999	31,205	532,040

Note: Net sales are classified based on customer location.

(2) Property, plant and equipment

(Millions of yen)

Japan	U.S.	Other regions	Total
113,691	18,475	12,673	144,840

[Impairment loss of non-current assets by reportable segment]

Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

There are no applicable matters to be reported.

Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Millions of yen)

	Processed Food	Corporate/Eliminations	Total
Impairment loss	785	173	958

Note: Figures for “Corporate/Eliminations” are impairment losses pertaining to companywide assets not attributable to any individual segment.

[Amortization of goodwill and unamortized balance by reportable segment]

Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(Millions of yen)

	Flour Milling	Processed Food	Others	Total
Amortization for the year under review	1,133	–	24	1,157
Balance at the end of the year under review	7,926	683	–	8,610

Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Millions of yen)

	Flour Milling	Processed Food	Total
Amortization for the year under review	1,024	170	1,195
Balance at the end of the year under review	6,565	484	7,050

[Per Share Information]

(Yen)

	Fiscal 2016 (April 1,2015 to March 31, 2016)	Fiscal 2017 (April 1,2016 to March 31, 2017)
Net assets per share	1,237.64	1,303.45
Net income per share	58.25	64.50
Fully diluted net income per share	58.15	64.43

Notes

1. The basis of calculation for net assets per share

	Fiscal 2016 (As of March 31, 2016)	Fiscal 2017 (As of March 31, 2017)
Total net assets, as stated on the consolidated balance sheets (millions of yen)	386,485	406,805
Net assets associated with common stock (millions of yen)	373,375	393,620
Major components of the difference (millions of yen):		
Subscription rights to shares	147	175
Non-controlling interests	12,962	13,009
Number of shares of common stock issued and outstanding (shares)	304,357,891	304,357,891
Number of treasury shares of common stock (shares)	2,674,306	2,374,365
Number of shares of common stock used in the calculation of net assets per share (shares)	301,683,585	301,983,526

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

	Fiscal 2016 (April 1,2015 to March 31, 2016)	Fiscal 2017 (April 1,2016 to March 31, 2017)
Profit attributable to owners of parent, as stated on the consolidated statements of income (millions of yen)	17,561	19,466
Amount not attributable to owners of common stock (millions of yen)	—	—
Profit attributable to owners of parent associated with common stock (millions of yen)	17,561	19,466
Average number of shares of common stock during the fiscal year (shares)	301,478,316	301,822,349
Adjustment to profit attributable to owners of parent (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	520,362	330,488
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 25, 2015 (111 subscription rights to shares) (215 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 25, 2015 (111 subscription rights to shares) (215 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 28, 2016 (111 subscription rights to shares) (228 subscription rights to shares)

[Material Subsequent Events]

(Purchase of treasury shares)

Pursuant to Article 459-1 of the Companies Act and Article 45 of its Articles of Incorporation, the Company decided the following matters concerning the purchase of treasury shares at a meeting of the Board of Directors convened on May 12, 2017.

1. Rationale for treasury share purchase

The aim of the purchase is to further enhance shareholder returns and allow for flexible capital policies in response to changes in the operating environment.

2. Items Related to the Purchase

(1) Type of shares for purchase: Shares of common stock

(2) Number of shares purchasable: 7 million shares (upper limit)
Percentage of shares issued and outstanding (excluding treasury shares): 2.32%

(3) Total value of share purchase: ¥10 billion (upper limit)

(4) Purchase period: May 17, 2017 to November 30, 2017
(Excludes period between July 3, 2017 to July 20, 2017 and the period between five business days prior to the end of the accounting period and the final day of the accounting period (including quarterly accounting periods).)

(5) Purchase method: Market purchase via trust method

(Reference) Treasury Shares Ownership as of March 31, 2017

Shares issued and outstanding (excluding treasury shares):	302,064,816 shares
Treasury shares (owned by the Company):	2,293,075 shares