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 Second Quarter of Fiscal 2016 [Japanese Standards]

October 29, 2015

Listed Company Name: Nisshin Seifun Group Inc. Registered on Tokyo Stock Exchange
Code: 2002
URL: http://www.nisshin.com
Representative: Hiroshi Oeda, Representative Director and President
Contact: Hideki Machida, General Manager, Public Communications Department (General Administration Division)
Tel.: +81-3-5282-6650
Date to submit the Quarterly Securities Report: November 12, 2015
Date to start distributing dividends: December 4, 2015
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 Second Quarter of Fiscal 2016 (April 1, 2015 to September 30, 2015)

(1) Consolidated Business Results

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months of Fiscal 2016	276,410	11.9	10,404	21.0	12,798	16.8	8,343	16.3
First six months of Fiscal 2015	246,946	3.2	8,601	(16.5)	10,960	(7.5)	7,172	0.7

(Note) Comprehensive income: First six months of Fiscal 2016 ¥4,743 million (down 66.1%)
First six months of Fiscal 2015 ¥14,006 million (up 9.8%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
First six months of Fiscal 2016	27.69	27.64
First six months of Fiscal 2015	23.84	23.82

(Note) On October 1, 2014, the Company conducted a 1.1-for-1 stock split of shares of common stock. Net income per share and fully diluted net income per share are calculated by deeming the stock split to have occurred at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
September 30, 2015	531,347	379,151	69.1
March 31, 2015	549,307	378,715	66.8

(Reference) Equity capital: September 30, 2015: ¥367,211 million March 31, 2015: ¥367,081 million

2. Dividends

	Dividend per share				
	1Q End	2Q End	3Q End	Year-End	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2015	—	10.00	—	12.00	—
Fiscal 2016	—	12.00			
Fiscal 2016 (forecast)			—	12.00	24.00

(Note) Revision to the latest forecast of dividends: None
On October 1, 2014, the Company conducted a 1.1-for-1 stock split of shares of common stock. The figure listed for the cash dividend at the end of the interim period for the fiscal year ended March 31, 2015, is the figure prior to the stock split.

3. Forecast of Consolidated Business Results for the Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	563,000	7.0	22,800	11.3	27,000	5.7	17,300	7.9	57.39

(Note) Revision to the latest forecast of business results: Yes

* 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) Adoption of special accounting treatment for preparing quarterly consolidated financial statements: Yes

Note: For details, please refer to "Matters Concerning Summary Information (Notes)" on page 7 of the Attachment.

(3) 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 "Matters Concerning Summary Information (Notes)" on page 7 of the Attachment.

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

1) Number of shares issued and outstanding (including treasury shares)	As of September 30, 2015	304,357,891	As of March 31, 2015	304,357,891
2) Number of treasury shares	As of September 30, 2015	2,836,048	As of March 31, 2015	3,098,077
3) Average number of shares outstanding	First six months of Fiscal 2016	301,384,719	First six months of Fiscal 2015	300,891,412

Note: On October 1, 2014, the Company conducted a 1.1-for-1 stock split of shares of common stock. Number of shares issued and outstanding (common stock) is calculated as if the stock split occurred at the beginning of the previous consolidated fiscal year.

* Status of execution of the quarterly review of financial statements

Because this Summary of Financial Statements is not subject to the review of quarterly financial statements under the Financial Instruments and Exchange Act, the procedures for said review are not completed at the time of disclosing this summary.

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

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 "Forecast of Consolidated Business Results and Other Forward-looking Information" on page 6 of the Attachment.

Contents of the Attachment

1. Qualitative Information for the Period under Review

(1) Business Performance

[Overview of the Period under Review]

During the first six months of the fiscal year ending March 31, 2016, the Japanese economy showed signs of a modest recovery, as effects from government-backed economic policies led to improvement in corporate performance and the country's employment and personal income landscape. At the same time, uncertainty continued, fueled by the growing risk of a global economic downturn due to a slowdown in the Chinese economy. Similarly, the business environment in industries relevant to the Company remained challenging, largely reflecting a continued preference for lower-priced options among consumers and higher prices for raw materials. These industries are also likely to be impacted by the Trans-Pacific Partnership (TPP) trade agreement largely agreed upon in October 2015, which will require they continue to pay close attention to trends and respond appropriately.

Under these conditions, the Group formulated and launched initiatives under a new management plan, dubbed "NNI-120 II," scheduled to conclude in fiscal 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 worked to strengthen its business structure both domestically and abroad. In Japan, as seen most notably with the start of full-scale operations at the Chita Plant's (flour milling) new production line, we made advances in consolidating production at large-scale plants located near ports to reinforce our cost competitiveness. Meanwhile, frozen pasta shipments commenced following the start of operations at a new frozen food production site in Kobe. In the overseas business, along with promotion of Post Merger Integration (PMI) following the acquisition of four U.S. flour milling plants, we opted to enhance production capacity at a flour milling subsidiary in Canada, scheduled to begin operating in autumn 2017. We also marked steady progress on a range of other initiatives, including the start of operations at a pasta production site in Turkey.

As a result, consolidated net sales for the first six months of the fiscal year ending March 31, 2016, increased 11.9% year on year to ¥276,410 million, mainly atop expansion in the overseas business and sales growth domestically. In terms of profits, operating income was ¥10,404 million, up 21.0% year on year. Ordinary income increased by 16.8% to ¥12,798 million, and profit attributable to owners of parent increased by 16.3% to ¥8,343 million. The growth in profits largely reflected new products in the Processed Foods Segment and brisk sales primarily in the prepared dishes and other prepared foods, yeast and biotechnology, and healthcare foods businesses, in addition to growth in the overseas business. These factors offset rising costs for raw materials and higher depreciation expenses for strategic investments.

[Business Overview by Segment]

1) Flour Milling Segment

In the flour milling business, shipments of commercial wheat flour in Japan rose year on year, the result of progress in attracting new customers thanks to aggressive sales expansion measures, including the launch of new products tailored to customer needs.

Also, in June the Company revised its commercial wheat flour prices in response to the government's decision to raise the prices of five brands of imported wheat. On average, the Government's price for imported wheat rose by 3.0% in April 2015.

From the perspectives of production and distribution, we continued to carry out measures to enhance productivity and reduce fixed and other costs. In tandem, we are moving ahead with efforts to concentrate production at large-scale plants located near ports in Japan. In the Chubu region, together with the start of full-scale operations at the new production line at the Chita Plant, we partially halted the production line at the Nagoya Plant as we made progress in concentrating production. In the Kansai region, construction to increase holding capacity by 25% at a wheat silo operated by Hanshin Silo Co., Ltd., located adjacent to the Higashinada Plant, was completed in April 2015. Similarly, in the Kanto region, we are moving to increase raw wheat silo capacity by 25% at the Tsurumi Plant by, June 2016.

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

In the overseas business, we pushed ahead with PMI efforts for four flour milling plants in the United States acquired by our U.S. subsidiary Miller Milling Company, LLC in May 2014, and strengthened our sales network as we drove forward steps to identify new customers. To meet growing demand on the west coast of North America, we also decided to boost by 80% the production capacity of Canadian subsidiary Rogers Foods Ltd.'s Chilliwack Plant, located on the outskirts of Vancouver.

As a result, net sales of the Flour Milling Segment increased 19.9% from the same period of the previous fiscal year to ¥131,805 million. Operating income, meanwhile, fell 2.6% to ¥3,875 million, primarily due to weak bran prices and higher depreciation expenses accompanying the start of operations at the Chita Plant's new production line, outweighing robust contributions from overseas subsidiaries.

2) Processed Food Segment

In the processed food business, for household-use products, we launched new products to address needs arising from an increase in eating alone and demand for meals that are easy to prepare, proposed new eating options, and developed sales promotion measures—most notably TV commercials—and took other proactive initiatives designed to stimulate consumption. In commercial-use products, we launched new products tailored to customer needs and carried out proposal activities geared toward garnering new customers. In the prepared dishes and other prepared foods business, we pursued stronger product development capabilities to attract new customers, coupled with progress on measures to expand shipments of prepared foods to volume retailers. These actions prompted brisk growth most notably in wheat flour for household use and prepared dishes and other prepared foods, leading to a year-on-year increase in sales of the processed food business. In the overseas business, we pursued product proposals aimed at obtaining new customers, mainly in the growing Southeast Asian market, lifting sales higher compared to the same period of the previous fiscal year.

From July 2015, we instituted price revisions for household-use wheat flour, secondary processed wheat products, and domestically produced pasta, a move largely prompted by higher prices for commercial-use wheat flour due to government-imposed price revisions on imported wheat, rising prices for durum wheat, a key pasta ingredient, and higher utility and distribution costs.

In terms of production, we proceeded with additional measures to strengthen product safety. We also strengthened cost competitiveness and took steps to develop a new production framework with the aim of optimizing production sites worldwide. At Vietnam Nisshin Seifun Co., Ltd., full-scale operations and shipments commenced this year at a production plant for pasta sauces and other cooked and processed foods that started operations in October 2014. At Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S., a joint venture newly established in Turkey in 2014, operations commenced at a pasta plant in May 2015. Similarly in Japan, operations and shipments began in May 2015 at a new frozen food production plant at the Kobe site of Ma•Ma-Macaroni Co., Ltd., in a bid to further expand the frozen food business.

In the yeast business section of the yeast and biotechnology business, sales improved year on year, reflecting brisk sales mainly of ingredients for specialty breads. In the biotechnology business section, sales rose primarily atop growth in shipments of diagnostic reagents.

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

As a result, net sales of the Processed Food Segment increased 3.3% from the same period of the previous fiscal year to ¥122,922 million. Operating income climbed 51.0% to ¥5,468 million, reflecting new products in the processed food business and robust shipments in the prepared dishes and other prepared foods business, yeast and biotechnology business, and healthcare foods business, as well as contributions from overseas subsidiaries.

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 expansion efforts, including the launch of new products and TV commercials, resulting in higher sales compared to the same period of the previous fiscal year.

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

In the mesh cloths business, sales exceeded the previous fiscal year’s level, primarily reflecting strong shipments of mesh cloth used primarily in solar panels.

As a result, net sales of the Others Segment increased 19.9% to ¥21,681 million. Operating income, however, declined 3.3% to ¥1,042 million, largely due to higher costs for raw materials.

(2) Financial Position

The status of assets, liabilities and net assets on a consolidated basis at the end of the period under review was as follows.

Current assets decreased ¥10,833 million from the previous fiscal year-end to ¥218,970 million, due to decreases in cash and deposits and notes and accounts receivable – trade, etc. Noncurrent assets decreased ¥7,126 million to ¥312,376 million, primarily due to a decrease in investment securities. As a result, total assets decreased ¥17,960 million from the previous fiscal year-end to ¥531,347 million. Meanwhile, current liabilities shrank ¥15,639 million to ¥96,601 million, mainly reflecting decreases in notes and accounts payable – trade and short-term loans payable. Noncurrent liabilities decreased ¥2,756 million to ¥55,595 million, primarily due to a decrease in deferred tax liabilities. As a result, total liabilities declined ¥18,396 million from the previous fiscal year-end to ¥152,196 million. Net assets increased ¥436 million to ¥379,151 million, including an increase due to profit attributable to owners of parent for the period, a decrease due to accumulated other comprehensive income, and a decrease due to the payment of dividends.

The Company's consolidated cash flows for the period under review were as follows.

Net cash provided by (used in) operating activities

An increase in cash and cash equivalents mainly due to income before income taxes and minority interests of ¥12,595 million and depreciation and amortization of ¥8,230 million surpassed an increase in operating capital resulting from a decrease in notes and accounts payable – trade, etc. and a decrease in cash and cash equivalents from factors such as the payment of income taxes. This led to net cash provided by operating activities of ¥12,751 million for the period under review.

Net cash provided by (used in) investing activities

Although proceeds from repayment and maturity of time deposits with terms exceeding three months and short-term investment securities surpassing payments and purchases for these items by ¥2,915 million, ¥9,900 million for the acquisition of property, plant, and equipment and intangible assets led to net cash used in investing activities of ¥7,063 million.

Subtracting net cash used in investing activities from net cash provided by operating activities, free cash flow came to an inflow of ¥5,688 million.

Net cash provided by (used in) financing activities

To distribute profits to shareholders, the Company paid dividends of ¥3,616 million. Additionally, repayment of short-term loans payable surpassed proceeds from loans by ¥3,451 million, leading to net cash used in financing activities of ¥6,875 million.

As a result, consolidated cash and cash equivalents at the end of the second quarter of the fiscal year ending March 31, 2016 decreased ¥1,454 million from the previous year-end to ¥58,442 million.

(3) Forecast of Consolidated Business Results and Other Forward-looking Information

The Japanese economy is showing modest signs of recovery, as evidenced by a rebound in corporate performance and an improved employment landscape. However, China's economic slowdown and other sources of instability abroad are fueling concerns for the future. The environment surrounding the Company, moreover, is projected to remain challenging, reflecting factors such as the continued preference for lower-priced options among consumers in Japan and higher prices for raw materials. Under these circumstances, we will continue to fulfill our mission of securing stable supplies of wheat flour, and will strive to provide customers with safe and reliable products. Furthermore, we will steadily execute strategies formulated in line with our new management plan, "NNI-120 II," working in every business to develop new products and pursue advertising and other sales promotion measures designed from the customer's perspective, along with productivity enhancements and other cost-reduction efforts. At the same time, we will promote expansion in overseas business.

Also, the Company announced a revision of its commercial wheat flour prices in response to the government's decision to lower the prices of five brands of imported wheat by 5.7% from October 2015.

Considering business performance for the first six months of the fiscal year ending March 31, 2016, we have revised initial estimates announced on May 14, 2015. Consolidated net sales for the fiscal year ending March 31, 2016 are forecast to rise 7.0% year on year to ¥563,000 million, operating income is projected to increase 11.3% to ¥22,800 million, ordinary income is expected to rise 5.7% to ¥27,000 million, and profit attributable to owners of parent is expected to increase 7.9% from the previous fiscal year to ¥17,300 million.

Revisions to Forecast of Consolidated Business Results for the Year Ending March 31, 2016
(April, 1, 2015 to March 31, 2016)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	570,000	20,500	24,300	16,100	53.44
Revised forecast (B)	563,000	22,800	27,000	17,300	57.39
Change (B-A)	(7,000)	2,300	2,700	1,200	–
% change	(1.2)	11.2	11.1	7.5	–
(Reference) Actual consolidated results for the fiscal year ended March 31, 2015	526,144	20,476	25,544	16,036	53.28

Regarding capital policies, as stated in the new management plan, while properly balancing capital efficiency and financial stability, we will promote strategic investments for long-term growth, while taking a more proactive stance in terms of shareholder returns.

With respect to dividends, one of the basic policies of the new 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 ¥24 per share, up ¥2 from the previous fiscal year, also in line with initial projections.

2. Matters Concerning Summary Information (Notes)

(1) Changes in Important Subsidiaries during the Period under Review

[Changes in specified subsidiaries involving a change in the scope of consolidation]

There are no applicable matters to be reported.

(2) Adoption of Special Accounting Treatment for Preparing Quarterly Consolidated Financial Statements

Tax expenses are calculated in accordance with Paragraph 12, “Method for Using the Statutory Effective Tax Rate,” of the Practical Guidelines on Tax-Effect Accounting for Preparation of Interim Financial Statements, pursuant to the provision of Paragraph 19 of the Guidance on the Accounting Standard for Quarterly Financial Reporting.

The amount of “Income taxes – deferred” is included in “Total income taxes.”

(3) Changes in Accounting Policies, Changes in Accounting Estimates and Revisions Restated

[Changes in accounting policies]

From the first quarter of the fiscal year ending March 31, 2016, the Company has applied the “Revised Accounting Standard for Business Combinations” (ASBJ Statement No. 21; September 13, 2013; herein, “the business combinations accounting standard”), the “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22; September 13, 2013; herein, “the consolidated financial statements accounting standard”), and the “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7; September 13, 2013; herein, “the business divestitures accounting standard”). The accounting standards reflect a switch in methodology with respect to the posting to capital surplus of differences arising from changes in equity in a subsidiary by the parent company in cases in which control continues, and the posting of acquisition-related expenses as expenses for the consolidated fiscal year in which they are incurred. For business combinations occurring after the start of the first quarter, the Company has switched to a method in which revisions to the distribution of the cost of the acquisition due to decisions regarding temporary accounting treatment are reflected in the quarterly consolidated financial statements applicable to the quarterly period in which the date of the business combination falls. Additionally, the Company has made changes in the presentation of quarterly net income, etc. and the presentation of a switch from minority interests to non-controlling interests. Financial statements for the second quarter of the previous fiscal year and for the previous fiscal year have been reconfigured to reflect these changes in presentation.

On the Consolidated Statements of Cash Flows for the period under review, the Company has changed its methodology such that cash flows associated with the acquisition or sale of subsidiary stock not accompanying changes in the scope of consolidation are posted under “Net cash provided by (used in) financing activities”; cash flows associated with expenses related to the acquisition of subsidiary stock accompanying changes in the scope of consolidation, as well as expenses arising in relation to the acquisition or sale of subsidiary stock not accompanying changes in the scope of consolidation are posted under “Net cash provided by (used in) operating activities.”

Regarding application of the abovementioned accounting standards, pursuant to pass-through handling procedures stipulated in Article 58-2 (3) of the business combinations accounting standard, Article 44-5 (3) of the consolidated financial statements accounting standard, and Article 57-4 (3) of the business divestitures accounting standard, the cumulative monetary effect at the beginning of the first quarter of the current fiscal year arising from the retroactive application of the new accounting policies to all past periods are added or subtracted from capital surplus and retained earnings.

As a result, goodwill at the beginning of the period for the first quarter of the fiscal year ending March 31, 2016 declined by ¥1,252 million, while capital surplus increased by ¥3,173 million. In parallel, retained earnings declined by ¥4,196 million. These monetary effects had a negligible impact on financial performance for the second quarter of the fiscal year ending March 31, 2016.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2015 (As of March 31, 2015)	Fiscal 2016 Second Quarter (As of September 30, 2015)
Assets		
Current assets		
Cash and deposits	42,584	35,288
Notes and accounts receivable – trade	74,688	68,424
Short-term investment securities	25,565	28,483
Inventories	76,268	74,509
Other	10,905	12,460
Allowance for doubtful accounts	(208)	(195)
Total current assets	229,804	218,970
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	54,001	57,125
Machinery, equipment and vehicles, net	40,602	43,846
Land	40,497	40,446
Other, net	13,600	7,924
Total property, plant and equipment	148,702	149,343
Intangible assets		
Goodwill	10,355	8,632
Other	11,273	10,709
Total intangible assets	21,629	19,341
Investments and other assets		
Investment securities	143,288	137,648
Other	6,012	6,170
Allowance for doubtful accounts	(129)	(126)
Total investments and other assets	149,170	143,691
Total noncurrent assets	319,503	312,376
Total assets	549,307	531,347

(Millions of yen)

	Fiscal 2015 (As of March 31, 2015)	Fiscal 2016 Second Quarter (As of September 30, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	57,561	48,432
Short-term loans payable	17,175	13,971
Income taxes payable	3,157	3,417
Provision	195	100
Accrued expenses	17,042	15,725
Other	17,108	14,953
Total current liabilities	112,240	96,601
Noncurrent liabilities		
Long-term loans payable	3,874	3,395
Provision	1,521	1,617
Net defined benefit liability	21,421	21,300
Deferred tax liabilities	24,837	22,894
Other	6,697	6,387
Total noncurrent liabilities	58,351	55,595
Total liabilities	170,592	152,196
Net assets		
Shareholders' equity		
Capital stock	17,117	17,117
Capital surplus	9,571	12,795
Retained earnings	275,194	275,725
Treasury stock	(2,659)	(2,430)
Total shareholders' equity	299,224	303,208
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	57,298	53,587
Deferred gains or losses on hedges	118	(89)
Foreign currency translation adjustment	11,911	11,824
Remeasurements of defined benefit plans	(1,471)	(1,320)
Total accumulated other comprehensive income	67,857	64,002
Subscription rights to shares	179	139
Non-controlling interests	11,454	11,801
Total net assets	378,715	379,151
Total liabilities and net assets	549,307	531,347

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

[Quarterly Consolidated Statements of Income]

(Millions of yen)

	First six months of Fiscal 2015 (April 1, 2014 to September 30, 2014)	First six months of Fiscal 2016 (April 1, 2015 to September 30, 2015)
Net sales	246,946	276,410
Cost of sales	175,684	200,775
Gross profit	71,262	75,634
Selling, general and administrative expenses	62,660	65,229
Operating income	8,601	10,404
Non-operating income		
Interest income	94	102
Dividends income	922	1,304
Equity in earnings of affiliates	987	761
Other	535	376
Total non-operating income	2,539	2,545
Non-operating expenses		
Interest expenses	90	86
Other	90	65
Total non-operating expenses	181	151
Ordinary income	10,960	12,798
Extraordinary income		
Gain on sales of noncurrent assets	931	–
Gain on sales of investment securities	3	6
Other	44	–
Total extraordinary income	979	6
Extraordinary losses		
Loss on retirement of noncurrent assets	183	209
Litigation settlement	732	–
Total extraordinary losses	916	209
Income before income taxes and minority interests	11,023	12,595
Total income taxes	3,476	3,838
Profit	7,546	8,756
Profit attributable to non-controlling interests	374	412
Profit attributable to owners of parent	7,172	8,343

[Quarterly Consolidated Statements of Comprehensive Income]

(Millions of yen)

	First six months of Fiscal 2015 (April 1, 2014 to September 30, 2014)	First six months of Fiscal 2016 (April 1, 2015 to September 30, 2015)
Profit	7,546	8,756
Other comprehensive income		
Valuation difference on available-for-sale securities	7,109	(3,714)
Deferred gains or losses on hedges	183	(180)
Foreign currency translation adjustment	(1,077)	(257)
Remeasurements of defined benefit plans	129	128
Share of other comprehensive income of affiliates accounted for by the equity method	115	10
Total other comprehensive income (loss)	6,459	(4,012)
Comprehensive income	14,006	4,743
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,767	4,488
Comprehensive income attributable to non-controlling interests	238	254

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	First six months of Fiscal 2015 (April 1, 2014 to September 30, 2014)	First six months of Fiscal 2016 (April 1, 2015 to September 30, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	11,023	12,595
Depreciation and amortization	6,830	8,230
Amortization of goodwill	382	576
Litigation settlement	732	–
Increase (decrease) in retirement benefit liability	(201)	(117)
Interest and dividends income	(1,017)	(1,406)
Interest expenses	90	86
Equity in (earnings) losses of affiliates	(987)	(761)
Loss (gain) on sales of investment securities	(3)	(6)
Decrease (increase) in notes and accounts receivable – trade	2,458	6,158
Decrease (increase) in inventories	(7,784)	1,775
Increase (decrease) in notes and accounts payable – trade	1,545	(9,160)
Other, net	(2,663)	(3,268)
Subtotal	10,405	14,700
Interest and dividends income received	1,173	2,140
Interest expenses paid	(97)	(88)
Litigation settlement paid	(732)	–
Income taxes paid	(3,903)	(4,000)
Net cash provided by operating activities	6,845	12,751
Cash flows from investing activities		
Payments into time deposits	(8,951)	(5,622)
Proceeds from withdrawal of time deposits	1,726	8,448
Purchase of short-term investment securities	(3,315)	(1,089)
Proceeds from sales of short-term investment securities	5,948	1,178
Purchase of property, plant and equipment and intangible assets	(7,947)	(9,900)
Proceeds from sales of property, plant and equipment and intangible assets	1,317	(97)
Purchase of investment securities	(1,129)	(19)
Proceeds from sales of investment securities	17	29
Purchase of stocks of subsidiaries and affiliates	(2)	–
Payments for transfer of business	(22,187)	–
Other, net	(158)	9
Net cash provided by (used in) investing activities	(34,683)	(7,063)
Cash flows from financing activities		
Increase in short-term loans payable	5,677	119
Decrease in short-term loans payable	(1,413)	(3,571)
Proceeds from long-term loans payable	450	–
Repayment of long-term loans payable	(2)	–
Proceeds from sales of treasury stock	278	283
Purchase of treasury stock	(2)	(3)
Cash dividends paid	(2,734)	(3,616)
Other, net	(15)	(88)
Net cash provided by (used in) financing activities	2,237	(6,875)
Effect of exchange rate change on cash and cash equivalents	(223)	(266)
Net increase (decrease) in cash and cash equivalents	(25,824)	(1,454)
Cash and cash equivalents at beginning of period	72,685	59,897
Cash and cash equivalents at end of period	46,861	58,442

(4) Notes on Quarterly Consolidated Financial Statements

[Notes on the Premise of a Going Concern]

There are no applicable matters to be reported.

[Notes on a Significant Change in Shareholders’ Equity]

There are no applicable matters to be reported.

[Segment Information, etc.]

[Segment information]

I. First six months of Fiscal 2015 (April 1, 2014 to September 30, 2014)

1. Information about net sales, profit (loss) for each reportable segment

(Millions of yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Carried on quarterly consolidated statements of income (Note 3)
	Flour Milling	Processed Food	Total				
Net sales							
Sales to external customers	109,898	118,963	228,861	18,085	246,946	–	246,946
Intersegment sales and transfers	9,486	247	9,733	2,388	12,122	(12,122)	–
Total	119,384	119,210	238,595	20,473	259,069	(12,122)	246,946
Segment income	3,978	3,621	7,599	1,078	8,678	(76)	8,601

Notes: 1. Business segment of “Others” is excluded from reportable segment, which includes pet food, engineering, mesh cloths, handling and storage businesses.
2. Segment income adjustment refers to intersegment transaction eliminations and other.
3. Segment income has been adjusted for the operating income appearing in the quarterly consolidated statements of income.

2. Information about goodwill by reporting segment

(Material changes in amount of goodwill)

In the Flour Milling Segment, the Company's consolidated subsidiary, Miller Milling Company, LLC, acquired four flour milling plants in the United States from Cargill, Inc., Horizon Milling, LLC, and ConAgra Foods Food Ingredients Company, Inc. on May 25, 2014. For the first half of the fiscal year under review, goodwill resulting from this acquisition increased by ¥4,932 million.

II. First six months of Fiscal 2016 (April 1, 2015 to September 30, 2015)

1. Information about net sales, profit (loss) for each reportable segment

(Millions of yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Carried on quarterly consolidated statements of income (Note 3)
	Flour Milling	Processed Food	Total				
Net sales							
Sales to external customers	131,805	122,922	254,728	21,681	276,410	–	276,410
Intersegment sales and transfers	9,074	251	9,326	2,565	11,892	(11,892)	–
Total	140,880	123,174	264,054	24,247	288,302	(11,892)	276,410
Segment income	3,875	5,468	9,344	1,042	10,386	18	10,404

Notes: 1. Business segment of “Others” is excluded from reportable segment, which includes pet food, engineering, mesh cloths, handling and storage businesses.
2. Segment income adjustment refers to intersegment transaction eliminations and other.
3. Segment income has been adjusted for the operating income appearing in the quarterly consolidated statements of income.

2. Information about goodwill by reporting segment

(Material changes in goodwill)

As reported earlier under “Changes in accounting policies,” the Company has applied the “Revised Accounting Standard for Business Combinations” and other accounting standards from the first quarter of the fiscal year under review. The reduction in goodwill resulting from this change was ¥1,252 million in the Flour Milling Segment.