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Summary of Financial Statements for the Second Quarter of Fiscal 2015 [Japanese Standards]

October 30, 2014

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 Date to submit the Quarterly Securities Report: November 13, 2014
 Date to start distributing dividends: December 5, 2014
 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 2015 (April 1, 2014 to September 30, 2014)

(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		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months of Fiscal 2015	246,946	3.2	8,601	(16.5)	10,960	(7.5)	7,172	0.7
First six months of Fiscal 2014	239,322	7.9	10,305	4.0	11,845	3.3	7,119	4.2

(Note) Comprehensive income: First six months of Fiscal 2015 ¥14,006 million (up 9.8%)
 First six months of Fiscal 2014 ¥12,760 million (up 367.0%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
First six months of Fiscal 2015	23.84	23.82
First six months of Fiscal 2014	23.68	23.67

(Note) On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. The Company also conducted a 1.1-for-1 stock split of shares of common stock on October 1, 2014. Net income per share and fully diluted net income per share are calculated by deeming stock splits 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, 2014	488,011	343,793	68.5
March 31, 2014	471,039	334,092	68.9

(Reference) Equity capital: September 30, 2014: ¥334,132 million March 31, 2014: ¥324,775 million

2. Dividends

	Dividend per share				
	1Q End	2Q End	3Q End	Year-End	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2014	—	10.00	—	10.00	—
Fiscal 2015	—	10.00	—	—	—
Fiscal 2015 (forecast)	—	—	—	10.00	—

(Note) Revision to the latest forecast of dividends: None

On October 1, 2013, 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, 2014, is the figure prior to the stock split.

The Company also conducted a 1.1-for-1 stock split of shares of common stock on October 1, 2014. For the fiscal year ending March 31, 2015, the year-end dividend forecast will undergo an actual increase since there is no adjustment to the dividend per share in line with the stock split.

3. Forecast of Consolidated Business Results for the Year Ending March 31, 2015 (April 1, 2014 to March 31, 2015)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	530,000	6.9	20,000	(10.2)	24,000	(6.2)	15,200	0.7	50.51

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

On October 1, 2014, the Company conducted a 1.1-for-1 stock split of shares of common stock. Consequently, net income per share under the forecast of consolidated business results is calculated based on the number of shares issued and outstanding (excluding treasury shares) following the stock split.

* Notes

(1) Changes in important subsidiaries during the period under review (changes in specified subsidiaries involving a change in the scope of consolidation): Yes

New: 1 company Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S.

Excluded: —

Note: For details, please refer to “Matters Concerning Summary Information (Notes)” on page 8 of the Attachment.

(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 8 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, 2014	304,357,891	As of March 31, 2014	304,357,891
2) Number of treasury shares	As of September 30, 2014	3,321,928	As of March 31, 2014	3,590,768
3) Average number of shares outstanding	First six months of Fiscal 2015	300,891,412	First six months of Fiscal 2014	300,671,791

Note: On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. The Company also conducted a 1.1-for-1 stock split of shares of common stock on October 1, 2014. 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.

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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, 2015, the Japanese economy took modest steps toward recovery, reflecting beneficial effects from government-backed economic policies, coupled with improvements in corporate performance, the country's employment landscape, and other factors. Nevertheless, the environment surrounding the Company remained adverse, the result mainly of demand volatility tracking an increase in the consumption tax rate, along with high prices for imported raw materials due largely to the yen's depreciation. Under these conditions, the Company moved ahead with measures outlined in "NNI-120, Speed, Growth and Expansion," a medium-term management plan which positions top-line (net sales) and overseas business expansion as priority strategies. The Company took steps to aggressively launch and expand sales of new products in each business area in a bid to energize markets, and worked to strengthen its business structure both domestically and abroad. In Japan, we moved to reinforce our cost competitiveness on a companywide basis, and made strides in consolidating production in the Flour Milling Segment at large-scale plants located near ports. In the Processed Food Segment, we moved forward with construction of a new frozen food production site that will bolster our production and supply framework for the growth market of frozen pasta. In the overseas business, the Company achieved rapid expansion in the Flour Milling Segment with the acquisition of four U.S. flour milling plants. In the Processed Food Segment, we advanced measures designed to bolster cost competitiveness and promote overseas expansion. These efforts saw the completion of a production plant in Vietnam for pasta sauces and other cooked and processed foods, and steady progress on the construction of a pasta production site in Turkey.

As a result, consolidated net sales for the first six months of the fiscal year ending March 31, 2015, increased 3.2% year on year to ¥246,946 million, mainly atop expansion in the overseas business and sales growth domestically and abroad. In terms of profits, operating income was ¥8,601 million, down 16.5% year on year. Ordinary income decreased by 7.5% to ¥10,960 million, and net income increased by 0.7% to ¥7,172 million. The performance in profits largely reflected measures to reduce costs companywide, offset partially by higher sales expansion costs, rising costs for raw materials, and higher depreciation expenses for the flour milling plant in Fukuoka.

On October 1, 2014, the Company conducted a 1.1-for-1 stock split of shares of common stock. For the fiscal year ending March 31, 2015, the year-end dividend forecast will undergo an actual increase since there is no adjustment to the dividend per share in line with the stock split.

[Business Overview by Segment]

1) Flour Milling Segment

In the flour milling business, shipments of commercial wheat flour in Japan rose year on year. This growth was the result of progress in attracting new customers thanks to aggressive sales expansion measures, and came despite the impact of demand volatility triggered by a higher consumption tax rate.

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 bolster cost competitiveness by concentrating production at large-scale plants located near ports in Japan. In the Kyushu region, such concentration of production has been completed with full-scale operations underway at the Fukuoka Plant near Hakata Bay in May 2014, taking over production formerly conducted by the inland Chikugo and Tosu plants prior to their closure. In the Chubu region, construction work that began in October 2013 on the addition of a new production line at the Chita Plant in Aichi, scheduled to start operations in May 2015, is progressing smoothly. Furthermore, in the Kansai region, construction began to increase holding capacity by 25% at a wheat silo operated by Hanshin Silo Co., Ltd., located adjacent to the Higashinada Plant. The expansion is scheduled for completion in April 2015. Furthermore, for the Kanto region, the decision was made to increase wheat silo capacity at the Tsurumi Plant, scheduled to begin operating in June 2016, by 25%.

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

In the overseas business, sales increased year on year, reflecting effects from the consolidation of subsidiaries acquired via M&A activity and by growth in shipments at a U.S. subsidiary Miller Milling Company, LLC, where we increased production capacity. To expand its business scope, in May 2014, Miller Milling Company, LLC acquired four flour milling plants in the United States, giving it a network of six production sites and propelling it into the position of fourth largest flour milling company in the country. Together with operations in New Zealand, Canada, and Thailand, this move has expanded the proportion of overseas production capacity in the Flour Milling Segment to roughly 50%.

As a result, net sales of the Flour Milling Segment increased 11.0% from the same period of the previous fiscal year to ¥109,898 million. Operating income, meanwhile, fell 18.1% to ¥3,978 million, primarily due to an increase in costs related to sales expansion efforts in Japan and higher depreciation expenses for the Fukuoka Plant, which offset contributions from overseas subsidiaries.

2) Processed Food Segment

In the processed food business, for household-use products, we developed sales promotion measures and leveraged the Company's proprietary technology to launch new products to address needs arising from an increase in eating alone and demand for meals that are easy to prepare. In commercial-use products, we launched new products tailored to customer needs and took positive steps toward garnering new customers. These actions prompted brisk growth most notably in frozen food products and pasta sauces, lifting sales in the processed food business year on year. Sales in the prepared dishes and other prepared foods business rose year on year, as stronger product development capabilities attracted new customers, coupled with progress on measures to expand shipments of prepared foods to volume retailers. In the overseas business, we launched aggressive product proposals aimed at obtaining new customers, mainly in the ever-growing Chinese and Southeast Asian markets; however, the sales environment was volatile due to political instability in Thailand and other factors, and sales were lower than those of the same period of the previous fiscal year.

In terms of production, we strengthened cost competitiveness and took steps to develop a new production framework aimed at expanding operations overseas. At Vietnam Nisshin Seifun Co., Ltd., we completed construction of a production site for pasta sauces and other cooked and prepared foods, with progress ongoing ahead of the start of full-scale operations. Thai Nisshin Technomic Co., Ltd. in Thailand has made progress with work to boost production capacity for commercial prepared mix by 25% scheduled to come on-line by the end of this year. At Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S., a joint venture newly established in Turkey in June 2014, steady progress continues on the construction of a pasta plant scheduled to commence operations in April 2015. In Japan as

well, construction continues on a new frozen food production site at the Kobe Plant of Ma•Ma-Macaroni Co., Ltd. set to launch operations in May 2015. This new site is designed to strengthen the Company's production and supply framework for the growing frozen pasta market.

In the yeast business section of the yeast and biotechnology business, while sales of our mainstay yeast products were firm, struggling sales of prepared foods, coupled with weak performance for diagnostic reagents in the biotechnology business, resulted in lower sales overall for this business year on year.

In the healthcare foods business, sales declined year on year, despite brisk sales of consumer products driven by aggressive sales promotion measures, due to weak demand for raw materials for pharmaceuticals and other products.

As a result, net sales of the Processed Food Segment were virtually unchanged year on year, down just 0.1% from the same period of the previous fiscal year to ¥118,963 million. Operating income, meanwhile, fell 19.0% to ¥3,621 million, mainly due to increased costs for sales expansion efforts in Japan and rising costs for raw materials due to the yen's depreciation.

3) Others Segment

In the pet food business, shipments of premium pet food were brisk chiefly due to measures including the aggressive launch of new products, resulting in higher sales compared to the same period of the previous fiscal year.

In the engineering business, sales decreased year on year, mainly due to effects related to the timing of the posting of large-scale projects in the mainstay plant engineering business.

In the mesh cloths business, sales surpassed the previous fiscal year's level, stimulated by brisk sales of materials for screen-printing applications and forming filters mainly for automobile parts.

As a result, net sales of the Others Segment decreased 14.5% to ¥18,085 million, but operating income increased 2.1% to ¥1,078 million.

(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 ¥12,943 million from the previous fiscal year-end to ¥203,465 million, as an increase in inventories was more than offset by a decrease in cash and deposits, etc. Noncurrent assets increased ¥29,914 million from the previous fiscal year-end to ¥284,545 million, primarily due to an increase in property, plant and equipment and goodwill accompanying the acquisition of four flour milling plants in the United States, as well as an increase in investment securities. As a result, total assets increased ¥16,971 million from the previous fiscal year-end to ¥488,011 million. Meanwhile, current liabilities increased ¥1,905 million to ¥92,339 million, as an increase in short-term loans payable was more than offset by a decrease in income taxes payable. Noncurrent liabilities increased ¥5,364 million to ¥51,878 million, primarily due to increases in net defined benefit liability and deferred tax liabilities. As a result, total liabilities increased ¥7,270 million from the previous fiscal year-end to ¥144,217 million. Net assets increased ¥9,700 million to ¥343,793 million, chiefly due to an increase in accumulated other comprehensive income.

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 ¥11,023 million and depreciation and amortization of ¥6,830 million surpassed an increase in operating capital resulting from an increase in inventories 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 ¥6,845 million for the period under review.

Net cash provided by (used in) investing activities

The deposit and purchase of time deposits with terms exceeding three months and investment securities surpassed proceeds from their repayment and maturity, resulting in a decline of ¥4,593 million in cash and cash equivalents. Additionally, cash of ¥22,187 million was used for the acquisition of four flour milling plants in the United States, along with payments of ¥7,947 million for the purchase of property, plant and equipment and intangible assets. This led to net cash used in investing activities of ¥34,683 million.

Free cash flow, the sum of cash flows from operating and investing activities, amounted to an outflow of ¥27,837 million in the period under review.

Net cash provided by (used in) financing activities

To distribute profits to shareholders, the Company paid dividends of ¥2,734 million. Nevertheless, proceeds from long-term and short-term loans surpassed cash used for repayment of these loans by ¥4,712 million, and so these and other factors resulted in net cash provided by financing activities of ¥2,237 million.

As a result, consolidated cash and cash equivalents at the end of the second quarter of the fiscal year ending March 31, 2015 decreased ¥25,824 million from the previous year-end to ¥46,861 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. The environment surrounding the Company, however, is projected to remain severe, reflecting factors such as the impact on consumer spending of a national consumption tax increase instituted in April 2014, and higher prices for imported raw materials due to the yen's depreciation. Under these conditions, we are committed in each business to developing products responsive to customer needs, as well as advancing advertising activities and other sales promotion measures alongside productivity improvements and similar cost reduction steps, all while continuing to promote overseas business expansion.

In terms of the consolidated business outlook for the fiscal year ending March 31, 2015, while we will steadily implement the above-stated measures, as was evident in cumulative consolidated business performance for the first half of the year, the environment surrounding the Company is expected to remain adverse. Consequently, we have lowered performance estimates from those initially announced on May 14, 2014. Consolidated net sales for the fiscal year ending March 31, 2015 are forecast to rise 6.9% year on year to ¥530,000 million, operating income is projected to decline 10.2% to ¥20,000 million, ordinary income is expected to decline 6.2% to ¥24,000 million, and net income is expected to increase 0.7% from the previous fiscal year to ¥15,200 million.

Revisions to Forecast of Consolidated Business Results for the Year Ending March 31, 2015
(April, 1, 2014 to March 31, 2015)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	540,000	22,500	25,800	16,500	54.82
Revised forecast (B)	530,000	20,000	24,000	15,200	50.51
Change (B-A)	(10,000)	(2,500)	(1,800)	(1,300)	–
% change	(1.9)	(11.1)	(7.0)	(7.9)	–
(Reference) Actual consolidated results for the fiscal year ended March 31, 2014	495,930	22,274	25,579	15,098	50.21

(Note) On October 1, 2013, the Company conducted a 1.1-for-1 stock split of shares of common stock. The Company also conducted a 1.1-for-1 stock split of shares of common stock on October 1, 2014. Net income per share is calculated by deeming the stock split to have occurred at the beginning of the previous consolidated fiscal year.

From April, 2012 the Company launched “NNI-120, Speed, Growth and Expansion,” a medium-term management plan for pursuing both top-line (net sales) and overseas business expansion as priority strategies. Under this plan, we conducted aggressive sales promotion measures in all our businesses and strove to strengthen our domestic and overseas business structures.

These efforts notwithstanding, in light of cumulative consolidated business performance for the first half of the year, as well as continuing uncertainty in the external business environment, we have determined that it is now important to build a solid foundation for staging recovery and improvement in current business performance. To this end, we have opted to cancel the scheduled formulation of a new three-year plan from the fiscal year ending March 31, 2016 (from April 2015 to March 2018), and have instead chosen to focus on drafting a management plan for the fiscal year ending March 31, 2016 only. In step with this change, we have decided to cancel the numerical targets named in the previously formulated three-year plan from April 2014 to March 2017.

The Company remains fully committed to the basic policy outlined in the current medium-term management plan, specifically top-line (net sales) and overseas business expansion as priority strategies, and we will continue to move forward with strategies and measures built on a long-term perspective.

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]

Newly established Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S. is included within the scope of consolidation from the first quarter of the current fiscal year.

(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, 2015, the Company has applied the “Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012; herein, “the retirement benefit accounting standard”) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012; herein, “the retirement benefit guidance”), specifically content stipulated in paragraph 35 of the retirement benefit accounting standard and stipulated in paragraph 67 of the retirement benefit guidance. Consequently, the Company has revised its method for calculating its retirement benefit liability and service costs. The method for imputing the time period for estimated retirement benefits has been changed from a straight-line attribution method standard to a benefit calculation formula standard. In tandem, the methodology for deciding the discount rate has also been changed, from a discount rate based on the average remaining period of service to a method that employs a single weighted average discount rate that reflects the estimated period and payment of retirement benefits.

For the application of the retirement benefit accounting standard, pursuant to past adjustments stipulated in paragraph 37 of the retirement benefit accounting standard, monetary effects accompanying changes in the method for calculating retirement benefit liability and service costs are adjusted with retained earnings at the beginning of the period starting from the first quarter of the consolidated fiscal year ending March 31, 2015.

As a result, net retirement benefit asset at the beginning of the period for the first quarter of the fiscal year ending March 31, 2015 declined by ¥487 million, while net retirement benefit liability increased by ¥2,568 million. In parallel, retained earnings declined by ¥1,950 million. These monetary effects had a negligible impact on financial performance for the second quarter of the fiscal year ending March 31, 2015.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2014 (As of March 31, 2014)	Fiscal 2015 Second Quarter (As of September 30, 2014)
Assets		
Current assets		
Cash and deposits	49,104	24,874
Notes and accounts receivable – trade	67,486	64,912
Short-term investment securities	28,869	31,830
Inventories	58,484	70,144
Other	12,686	11,929
Allowance for doubtful accounts	(222)	(224)
Total current assets	216,409	203,465
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	49,187	50,686
Machinery, equipment and vehicles, net	35,089	37,645
Land	38,143	39,782
Other, net	6,519	11,353
Total property, plant and equipment	128,939	139,467
Intangible assets		
Goodwill	5,008	9,415
Other	7,990	10,340
Total intangible assets	12,998	19,756
Investments and other assets		
Investment securities	105,975	119,042
Net defined benefit asset	487	–
Other	6,361	6,409
Allowance for doubtful accounts	(132)	(130)
Total investments and other assets	112,692	125,321
Total noncurrent assets	254,630	284,545
Total assets	471,039	488,011

(Millions of yen)

	Fiscal 2014 (As of March 31, 2014)	Fiscal 2015 Second Quarter (As of September 30, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	45,785	47,189
Short-term loans payable	6,607	11,119
Income taxes payable	4,481	2,794
Provision	228	113
Accrued expenses	17,725	16,277
Other	15,605	14,843
Total current liabilities	90,433	92,339
Noncurrent liabilities		
Long-term loans payable	3,367	3,333
Provision	1,655	1,699
Net defined benefit liability	19,073	21,437
Deferred tax liabilities	15,828	18,732
Other	6,588	6,675
Total noncurrent liabilities	46,514	51,878
Total liabilities	136,947	144,217
Net assets		
Shareholders' equity		
Capital stock	17,117	17,117
Capital surplus	9,483	9,524
Retained earnings	266,581	269,067
Treasury stock	(3,088)	(2,852)
Total shareholders' equity	290,094	292,857
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32,253	39,409
Deferred gains or losses on hedges	21	287
Foreign currency translation adjustment	4,237	3,249
Remeasurements of defined benefit plans	(1,831)	(1,670)
Total accumulated other comprehensive income	34,680	41,275
Subscription rights to shares	260	207
Minority interests	9,057	9,453
Total net assets	334,092	343,793
Total liabilities and net assets	471,039	488,011

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

[Quarterly Consolidated Statements of Income]

(Millions of yen)

	First six months of Fiscal 2014 (April 1, 2013 to September 30, 2013)	First six months of Fiscal 2015 (April 1, 2014 to September 30, 2014)
Net sales	239,322	246,946
Cost of sales	167,916	175,684
Gross profit	71,405	71,262
Selling, general and administrative expenses	61,099	62,660
Operating income	10,305	8,601
Non-operating income		
Interest income	106	94
Dividends income	845	922
Equity in earnings of affiliates	265	987
Other	456	535
Total non-operating income	1,673	2,539
Non-operating expenses		
Interest expenses	77	90
Other	57	90
Total non-operating expenses	134	181
Ordinary income	11,845	10,960
Extraordinary income		
Gain on sales of noncurrent assets	5	931
Gain on sales of investment securities	2	3
Gain on bargain purchase	282	–
Other	–	44
Total extraordinary income	290	979
Extraordinary losses		
Loss on retirement of noncurrent assets	189	183
Litigation settlement	–	732
Litigation expenses	200	–
Acquisition related expenses	106	–
Total extraordinary losses	496	916
Income before income taxes and minority interests	11,639	11,023
Total income taxes	4,078	3,476
Income before minority interests	7,560	7,546
Minority interests in income	441	374
Net income	7,119	7,172

[Quarterly Consolidated Statements of Comprehensive Income]

(Millions of yen)

	First six months of Fiscal 2014 (April 1, 2013 to September 30, 2013)	First six months of Fiscal 2015 (April 1, 2014 to September 30, 2014)
Income before minority interests	7,560	7,546
Other comprehensive income		
Valuation difference on available-for-sale securities	1,407	7,109
Deferred gains or losses on hedges	(144)	183
Foreign currency translation adjustment	3,790	(1,077)
Remeasurements of defined benefit plans	–	129
Share of other comprehensive income of affiliates accounted for by the equity method	146	115
Total other comprehensive income (loss)	5,199	6,459
Comprehensive income	12,760	14,006
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	11,769	13,767
Comprehensive income attributable to minority interests	990	238

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	First six months of Fiscal 2014 (April 1, 2013 to September 30, 2013)	First six months of Fiscal 2015 (April 1, 2014 to September 30, 2014)
Cash flows from operating activities		
Income before income taxes and minority interests	11,639	11,023
Depreciation and amortization	6,548	6,830
Amortization of goodwill	264	382
Litigation settlement	–	732
Increase (decrease) in provision for retirement benefits	142	–
Increase (decrease) in retirement benefit liability	–	(201)
Decrease (increase) in prepaid pension costs	201	–
Interest and dividends income	(951)	(1,017)
Interest expenses	77	90
Equity in (earnings) losses of affiliates	(265)	(987)
Loss (gain) on sales of investment securities	(2)	(3)
Gain on bargain purchase	(282)	–
Decrease (increase) in notes and accounts receivable – trade	3,691	2,458
Decrease (increase) in inventories	3,547	(7,784)
Increase (decrease) in notes and accounts payable – trade	(13,543)	1,545
Other, net	(2,215)	(2,663)
Subtotal	8,852	10,405
Interest and dividends income received	1,361	1,173
Interest expenses paid	(79)	(97)
Litigation settlement paid	–	(732)
Income taxes paid	(2,993)	(3,903)
Net cash provided by operating activities	7,140	6,845
Cash flows from investing activities		
Payments into time deposits	(4,425)	(8,951)
Proceeds from withdrawal of time deposits	15,071	1,726
Purchase of short-term investment securities	(2,749)	(3,315)
Proceeds from sales of short-term investment securities	5,758	5,948
Purchase of property, plant and equipment and intangible assets	(7,501)	(7,947)
Proceeds from sales of property, plant and equipment and intangible assets	(56)	1,317
Purchase of investment securities	(908)	(1,129)
Proceeds from sales of investment securities	115	17
Purchase of stocks of subsidiaries and affiliates	(402)	(2)
Payments for transfer of business	–	(22,187)
Other, net	1,018	(158)
Net cash provided by (used in) investing activities	5,918	(34,683)
Cash flows from financing activities		
Increase in short-term loans payable	1,774	5,677
Decrease in short-term loans payable	(1,452)	(1,413)
Proceeds from long-term loans payable	–	450
Repayment of long-term loans payable	–	(2)
Proceeds from sales of treasury stock	75	278
Purchase of treasury stock	(15)	(2)
Cash dividends paid	(2,485)	(2,734)
Other, net	(382)	(15)
Net cash provided by (used in) financing activities	(2,485)	2,237
Effect of exchange rate change on cash and cash equivalents	841	(223)
Net increase in cash and cash equivalents	11,415	(25,824)
Cash and cash equivalents at beginning of period	53,249	72,685
Cash and cash equivalents at end of period	64,665	46,861

(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 2014 (April 1, 2013 to September 30, 2013)

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	99,028	119,129	218,158	21,163	239,322	–	239,322
Intersegment sales and transfers	9,534	257	9,792	2,709	12,501	(12,501)	–
Total	108,562	119,387	227,950	23,873	251,823	(12,501)	239,322
Segment income	4,856	4,472	9,328	1,055	10,384	(78)	10,305

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.

II. 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, on May 25, 2014, consolidated subsidiary Miller Milling Company, LLC acquired four flour milling plants from Cargill, Inc., Horizon Milling, LLC and ConAgra Foods Food Ingredients Company, Inc. The increase in the amount of goodwill associated with this acquisition for the first half of the fiscal year was ¥4,932 million.

[M&A Activity]

(Business acquisition)

1. Overview of M&A activity

On April 24, 2014, subsidiary Miller Milling Company, LLC signed an asset transfer agreement for the acquisition of four flour milling plants in the United States from Cargill, Inc., Horizon Milling, LLC and ConAgra Foods Food Ingredients Company, Inc. (Los Angeles Plant, Oakland Plant, Saginaw Plant and New Prague Plant), as well as the inventories of the plants as of the asset transfer date. The plants were officially acquired on May 25, 2014.

* Los Angeles Plant was acquired from Cargill, Inc. and Horizon Milling, LLC. The other three plants were acquired from ConAgra Foods Food Ingredients Company, Inc.

(1) Rationale for M&A activity

The United States is the largest flour milling market in the developed world. The Company advanced into this market with the purchase of Miller Milling Company, LLC in March 2012. In the United States, the Group will further expand its business scope by leveraging the advantages of its flour milling business, namely strengths in outstanding product development, technologies and capabilities to supply wheat flour that is consistent in quality.

Also, this acquisition will vastly increase the purchasing volume of raw materials by Miller Milling Company, LLC, and will diversify the type, variety, and production location of wheat that it handles. This development, in turn, will make available a broader range of raw material information and acquisition of expertise than ever before. This is especially meaningful given the Group's aspirations for the development of the flour milling business in the global market.

(2) Date of acquisition

May 25, 2014

2. The period for which acquired businesses results are included in quarterly consolidated financial statements of income

From May 25, 2014 to June 30, 2014

3. Acquisition costs and their details of the business to be acquired

Compensation for the acquisition	¥21,645 million
Direct costs for acquisition	¥541 million
Acquisition costs	¥22,187 million

4. Amount of goodwill that arose, reasons for incidence and amortization method and period

(1) Amount of goodwill that arose

¥4,932 million

(2) Reasons for incidence

The goodwill is attributable to the rational estimation of excess earnings power anticipated by future business development.

(3) Amortization method and period

Amortized using the straight-line method over a period of 10 years

[Material Subsequent Events]

(Stock Split)

On October 1, 2014, the Company conducted a stock split as detailed below. This action was pursuant to a resolution passed by the Board of Directors on August 28, 2014, with the intent of returning profits to shareholders and improving stock liquidity.

1. Stock split ratio

The stock split was carried out at a 1-for-1.1 ratio of shares of common stock held by shareholders listed in the Company's shareholder registry as of September 30, 2014.

2. Increase in shares due to stock split

Common stock 27,668,899 shares

3. Effect on per share data

Per share data, calculated by deeming the stock split to have occurred at the beginning of the previous consolidated fiscal year, is detailed below.

	First six months of Fiscal 2014 (April 1, 2013 to September 30, 2013)	First six months of Fiscal 2015 (April 1, 2014 to September 30, 2014)
Net income per share	23.68	23.84
Fully diluted net income per share	23.67	23.82

(Yen)