

Consolidated Financial Results for FY2015 and Forecast for FY2016 [J-GAAP]

Listed company name: **Nippon Flour Mills Co., Ltd.**
 Listing: The 1st section of Tokyo Stock Exchange
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*Amounts less than one million yen have been rounded down.

1. Consolidated results for the year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

(1) Consolidated operating results

(Millions of yen, percentage figures indicate the rate changes from previous year.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
FY2015	298,511	4.0%	8,406	(22.2)%	9,807	(19.9)%	6,981	(10.6)%
FY2014	287,109	5.9%	10,808	11.3%	12,248	12.3%	7,810	11.4%

(Note) Comprehensive income: FY2015: 16,565 million yen (56.0%) FY2014: 10,619 million yen (-3.1%)

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)	ROE (%)	Ordinary Income to Total Assets (%)	Operating Income to Net Sales (%)
FY2015	42.22	42.20	5.6	4.1	2.8
FY2014	47.23	—	6.8	5.6	3.8

Reference: Equity in earnings of affiliated companies: FY2015: 80 million yen FY2014: 220 million yen

(2) Consolidated financial position

(Millions of yen)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
FY2015	248,890	137,535	53.3	802.19
FY2014	226,803	121,636	52.2	715.84

Reference: Equity capital: FY2015: 132,633 million yen FY2014: 118,358 million yen

(3) Consolidated cash flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of the Year
FY2015	11,803	(8,653)	(2,813)	12,847
FY2014	15,487	(13,349)	(123)	12,202

2. Dividends

	Dividends per Share (Yen)					Total Amount of Cash Dividends (Millions of yen)	Dividends Payout Ratio (Consolidated) (%)	Dividends on Net Assets (Consolidated) (%)
	1Q-end	2Q-end	3Q-end	Year-end	Full Year			
FY2014	—	6.00	—	6.00	12.00	1,989	25.4	1.7
FY2015	—	6.00	—	6.00	12.00	1,988	28.4	1.6
FY2016 (Forecast)	—	6.00	—	6.00	12.00		29.6	

3. Forecast of consolidated business results for FY2016 (From April 1, 2015 to March 31, 2016)

(Millions of yen, percentage figures show changes from corresponding year-ago period.)

	Net Sales		Operating Income		Ordinary Income		Profit (loss) attributable to owners of parent		Net Income per Share (Yen)
Half Year	155,000	5.0%	4,500	19.9%	5,000	17.7%	3,300	5.2%	19.96
Full Year	310,000	3.8%	9,500	13.0%	10,500	7.1%	6,700	(4.0)%	40.52

*Notes

(1) Significant changes in subsidiaries during the term (changes in specified subsidiaries in accordance with changes in the scope of consolidation): None

(2) Changes in accounting policies, accounting estimates and retrospective restatements

- | | |
|-----------------------------------------------------------------------------|------|
| 1) Changes in accounting policies due to revisions of accounting standards: | Yes |
| 2) Changes other than 1): | None |
| 3) Changes in accounting estimates: | None |
| 4) Retrospective restatements: | None |

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

1) Number of shares outstanding at the end of each period (including treasury shares):	FY2015	170,148,018 shares	FY2014	170,148,018 shares
2) Number of treasury shares at the end of each period:	FY2015	4,719,895 shares	FY2014	4,718,989 shares
3) Average number of shares:	FY2015	165,340,866 shares	FY2014	165,392,738 shares

*Presentation of implementation status for audit procedures

The audit procedure based on the Financial Instruments and Exchange Act does not apply to this report. At the time of disclosure of this report, audit procedures for financial statements pursuant to the Financial Instruments and Exchange Act had not been completed.

*Note to ensure appropriate use of forecast, other remarks

Descriptions regarding the future, including the financial outlook contained in this material, are based on certain information currently available to the Company and particular assumptions, which are, at the discretion of the Company, deemed reasonable, and actual financial results may significantly vary due to various factors. Please refer to "1. Operating Results, (1) Analysis of operating results" on page 4 for information on preconditions underlying the above outlook and other related information.

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1. Operating results

(1) Analysis of operating results

During the fiscal year ended March 31, 2015, the Japanese economy remained on a moderate recovery track as earnings of certain companies and the labor market showed signs of improvement, supported by the beneficial effects of Abe administration's economic policy and the Bank of Japan's additional quantitative easing.

However, personal consumption continued to falter primarily because of the negative repercussions of the consumption tax increase and a decline in disposable incomes, and prospects for personal consumption remained uncertain.

The food industry continued to operate in a challenging business environment. Amid a growing preoccupation with the safety and security of food throughout society, bipolarization proceeded. While prices of raw materials and energy and logistics costs increased in line with the depreciation of the yen, consumers become more frugal in a Japanese market that is shrinking as the population ages while the birth rate remains low.

In these circumstances, in order to flexibly and speedily respond to the changing business environment, the Group is strengthening the business foundation based on the fundamental measures implemented so far that center on cost reduction and sales expansion.

In the Flour Milling segment, as part of our plan for increasing the storage capacity of grain silos by 100,000 tons to 300,000 tons with a view to strengthening cost competitiveness, we decided to construct a grain silo with a 20,000-ton capacity at the Fukuoka Mill. In addition, in order to expand and strengthen the Group's flour milling business in Kyushu, we acquired a stake in Tofuku Flour Mills Co., Ltd. in August 2014 through a takeover and made it a consolidated subsidiary.

In international business, Indonesian subsidiary PT. NIPPON FOODS INDONESIA, whose mission is to expand sales of the Group's ingredients and processed foods for professional use in the ASEAN region, started operation.

As a result, consolidated net sales increased by 4.0% year on year to ¥298,511 million, operating income decreased by 22.2 % to ¥8,406 million, ordinary income decreased by 19.9 % to ¥9,807 million, and net income decreased by 10.6 % to ¥6,981 million.

The performance of individual business segments was as follows.

Flour Milling

In line with the increase of government sales prices of imported wheat by 2.3% on average for the five key products in April 2014, we revised the prices of wheat flour products for professional use. However, as government sales prices of imported wheat from October onward were virtually unchanged from the previous period, we did not revise the prices.

The Group promoted proposal-driven sales and development of new products attuned to customer needs, participated in various trade shows, and held cookery workshops and seminars, including management seminars. As a result of these vigorous sales & marketing initiatives, sales of wheat flour increased compared with the previous year.

Sales of wheat bran, a by-product, were lower than the previous year.

As a result, net sales for the Flour Milling segment increased by 1.5% year on year to ¥101,673 million, but segment income decreased by 44.7% year on year to ¥2,295 million.

Food

In the professional-use category, the Group engaged in vigorous marketing, including participating in various exhibitions, such as FABEX 2014, a trade show for the catering and take-out food sectors, and the holding of Italian cookery workshops. Despite a challenging market environment, sales of premixes and pasta increased compared with the previous year, partly due to the impact of companies newly included in the scope of consolidation.

In the home-use product category, in light of the growing interest in flaxseed as a functional ingredient attuned to rising health consciousness, we emphasized product development with the theme of proposing new value from customers' viewpoints. We released dressings, mayonnaise, etc. that contain flaxseed under a new brand, Oh' my PLUS, so that consumers unfamiliar with flaxseed can try products containing it without hesitation. At the same time, we strove to strengthen the existing brands, centering on "*Wa pasta zuki no tameno* (for people who love Japanese-style pasta)," which is a brand emphasizing the Japanese image. Moreover, Oh' my Lasagnette based on the concept of "ease of cooking, convenience, time reduction, and tastiness" was highly evaluated by customers and received a superior award of the 2014 Japan Food Journal Hit Food Awards. As a result, owing to brisk sales of pasta sauces, sales of home-use products exceeded the level for the previous year.

In regard to frozen foods, with the theme of offering satisfaction to more customers with a product lineup attuned to diversifying needs, as well as enriching the existing brands, we launched three new series: Oh' my Premium Grande of frozen high-quality pasta dishes in a large portion for greater satisfaction, Oh' my Light Meal of frozen authentic pasta dishes ideal for a snack, and Oh' my Yokubari Plate of frozen one-plate dishes consisting of a hamburger and pasta. As a result, sales of frozen foods both for professional use and home use exceeded the previous year's level.

Sales of deli-products increased compared with the previous year.

As a result, net sales for the Food segment increased by 4.8% year on year to ¥166,581 million, but segment income decreased by 8.3% year on year to ¥5,676 million.

Other Businesses

Sales of the healthcare business were higher than for the previous year owing to brisk sales of functional ingredients, such as flaxseed-related products. Sales of the pet care business, the engineering business, and the donut shop business were also higher than for the previous year.

As a result, net sales for the Other segment increased by 8.0% year on year to ¥30,256 million, but operating income decreased by 14.4% to ¥384 million.

—Forecast for the year ending March 31, 2016—

Although the Japanese economy is recovering from the reaction to last-minute demand before the consumption tax increase, personal consumption lacks vigor. Despite the ongoing moderate recovery of the Japanese economy in general, a significant upturn in business confidence in Japan is unlikely. Moreover, there is unease that downside risks of overseas economies, such as sovereign debt problems of European countries and slowing growth of emerging economies, may undermine the Japanese economy and the outlook is expected to remain a source of concern.

The uncertain outlook of the food industry is likely to persist as the Japanese market is contracting because of the declining population and the aging of society with a low birthrate and also owing to increases in prices of raw materials and commodity prices resulting from the weakening of the yen.

The flour milling industry also continues to face a challenging environment in view of the increase of government sales prices of imported wheat by 3.0% on average for the five key products in April 2015 and an increase in prices of durum wheat, a raw material of pasta.

In these circumstances, the Group intends to continue measures in order to further strengthen competitiveness and reduce costs in each business field. Also, we will vigorously invest in growth fields both in and outside of Japan in order to secure sustainable growth while making a group-wide effort to enhance corporate value. Our goal is to develop as a multifaceted global food enterprise.

Flour Milling

The business environment of the flour milling industry in Japan is becoming increasingly challenging in view of the declining population, an aging society with a low birth rate, and consumers' preoccupation with food safety and security. In order to further increase productivity of the flour milling business to reduce costs, we continue to enhance our storage capacity of grain silos. By engaging in vigorous marketing and proposing products that address latent market needs, the Group seeks to enhance customer satisfaction so as to expand sales.

Food

In the Food business, we will aggressively engage in developing and introducing new products that satisfy customer needs. With regard to food for home use, we will strengthen sales capabilities by introducing differentiated products. In deli products, we will further strengthen our structure by underpinning our capabilities to propose and develop new products attuned to customer needs. In frozen food, we intend to increase sales by developing more products with high added value.

Other Businesses

The market for functional ingredients and health foods is expected to grow steadily in step with the aging of Japanese society. We will work on developing unique products and launching mail-order business to fuel sales growth.

There is a widespread perception that pets are a source of happiness and contentment for people. We will endeavor to expand sales in the diversifying pet products market by researching and developing pet foods that meet customer needs.

For the year ending March 31, 2016, management forecasts the consolidated net sales of ¥310.0 billion (up 3.8% year on year), operating income of ¥9.5 billion (up 13.0% year on year), ordinary income of ¥10.5 billion (up 7.1% year on year) and profit attributable to owners of parent of ¥6.7 billion (down 4.0% year on year).

Note: Forecasts for future operating results have been prepared based on certain assumptions and beliefs that can be inferred from the current situation. The Company undertakes to provide no guarantee or assurance that the forecasts will be realized.

(2) Analysis of financial position

(Assets, liabilities and net assets)

As of March 31, 2015, total assets stood at ¥248,890 million, an increase of ¥22,086 million compared with the previous year end. This was mainly because of the increase of investment securities, raw materials and supplies, merchandise and finished goods, property, plant and equipment, and notes and accounts receivable - trade, by ¥13,420 million, ¥2,815 million, ¥1,833 million, ¥1,306 million and ¥1,194 million, respectively.

Liabilities increased by ¥6,187 million year on year to ¥111,354 million. The main reasons for this were the increase of other non-current liabilities and notes and accounts payable - trade, by ¥3,498 million and ¥1,902 million, respectively.

Net assets increased by ¥15,898 million year on year to ¥137,535 million because valuation difference on available-for-sale securities and retained earnings increased by ¥8,810 million and ¥4,870 million, respectively.

(Cash flows)

As of March 31, 2015, the balance of cash and cash equivalents stood at ¥12,847 million, an increase of ¥645 million compared with the end of previous fiscal year. The conditions of cash flows were as follows.

Operating activities provided net cash of ¥11,803 million. This mainly reflected ¥9,676 million for income before income taxes and minority interests, ¥8,030 million for depreciation and amortization and an increase in inventories of ¥3,582 million and ¥3,665 million for income taxes paid.

Investing activities used net cash of ¥8,653 million. This mainly reflected spending of ¥6,833 million for purchase of non-current assets.

Financing activities used net cash of ¥2,813 million. This mainly reflected proceeds of ¥2,775 million from long-term loans payable, repayments of long-term loans payable amounting to ¥3,672 million and payment of dividends of ¥1,988 million.

—Cash flow indicator trends—

	FY2011	FY2012	FY2013	FY2014	FY2015
Equity ratio (%)	50.3	50.4	51.9	52.2	53.3
Equity ratio at market value (%)	32.8	31.0	33.4	41.2	39.5
Ratio of interest-bearing debt to cash flows (%)	278.6	110,008.2	220.0	289.7	392.6
Interest coverage ratio (times)	24.3	0.1	32.2	27.6	26.8

Note: Equity ratio: (Net assets – Minority interests) / Total assets

Equity ratio at market value: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows from operating activities / Interest expense

- * The consolidated financial figures constitute the basis for calculating these indicators.
- * Market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of shares outstanding at the end of the period (after the deduction of treasury stocks).
- * The basis for calculating ratio of interest-bearing debt to cash flows is from operating activities in the consolidated statements of cash flows.
- * Interest-bearing debt includes all debts recorded on the consolidated balance sheets on which interest is paid.
- * The basis for interest expense is the amount of interest paid recorded in the consolidated statements of cash flows.

(3) Basic policy on profit distribution and dividends for the year ended March 31, 2015 and the year ending March 31, 2016

The Company's basic policy on profit distribution is to continue to pay stable dividends while maintaining adequate internal reserves in light of the need to strengthen the corporate structure, prepare for future business development, and respond to change in the operating environment. At the same time, management considers returning profits to shareholders to be an important management issue. We intend to use free cash flow from a long-term perspective, taking into consideration investment efficiency. As well as using free cash flow to invest in order to enhance corporate value, which is our priority, for example through the expansion of the existing core businesses and the cultivation of new businesses, we intend to flexibly conduct a share buyback as a means of returning profit to shareholders.

In accordance with this basic policy, we plan to pay a year-end dividend of ¥6.00 per share. Including the payment of an interim dividend, total cash dividends for the full year will amount to ¥12.00 per share.

In order to improve capital efficiency and enhance the return of profits to shareholders, we will conduct a share buyback up to 3 million shares with the maximum acquisition cost of ¥2 billion.

Dividend payment for the year ending March 31, 2016 is expected to be ¥12.00 per share.

Furthermore, the Group operates a shareholder benefits program in order to increase understanding of and support for the Group's products among shareholders who own at least one minimum trading unit. To express our appreciation to shareholders who hold the Company's shares for the medium to long term and to encourage their continuous support, the Company will launch an additional shareholder benefits program for the interim period from the first-half period ending September 30, 2015 onward for shareholders who satisfy the current criteria for the program and hold the Company's shares for at least 12 months.

2. Nippon Flour Mills Group

Nippon Flour Mills Group (the Company and its affiliated companies) consists of the Company (Nippon Flour Mills Co., Ltd.), 62 subsidiaries, and 24 affiliates.

Details of the Company's core and related business segments are depicted in the schematic diagram below.

(1) Flour Milling

The Company produces wheat flour and bran and Matsuya Flour Mills Co., Ltd. produces buckwheat flour. These products are sold via distributors, which include NIPPON SHOJI Co., Ltd., NIPPON SHOJI Corporation Co., Ltd., SUZUKI Co., Ltd., and MARUSHICHI SHOJI Co., Ltd.

Tofuku Flour Mills Co., Ltd. produces and sells wheat flour and premixes.

(2) Foods

The Company produces wheat flour for home use, premixes, etc. and sells them via distributors. OHMY Co., Ltd. produces pasta products using wheat flour produced by the Company and sells them to the Company. NIPPON Frozen Food Co., Ltd. produces frozen ingredients and foods using wheat flour and premixes produced by the Company and sells them to the Company.

NF Frozen Co., Ltd. produces frozen ingredients and foods and sells them to the Company. Nippon Rich Co., Ltd. sells frozen ingredients and foods procured from the Company.

Fast Foods Co., Ltd. produces and sells boxed lunches and deli products using ingredients produced by the Company.

OK Food Industry Co., Ltd. produces and sells seasoned fried tofu.

Nagano Tomato Co., Ltd. produces and sells tomato-based food products.

Overseas, NIPPON (Thailand) Co., Ltd. produces premixes and Nippon Flour Mills (Thailand) Ltd. sells premixes, etc. In China, Nippon Flour Mills (Shanghai) Co., Ltd. produces premixes and Nippon Flour Mills (Shanghai) Trading Co., Ltd. sells premixes, etc. Pasta Montana, L.L.C. in the U.S. produces pasta products and sells them in North America and to the Company.

(3) Other Businesses

NPF Japan Co., Ltd. produces and sells pet foods.

NIPPON Engineering Co., Ltd. designs, manufactures, and constructs plant and equipment for the food industry and for handling powder materials.

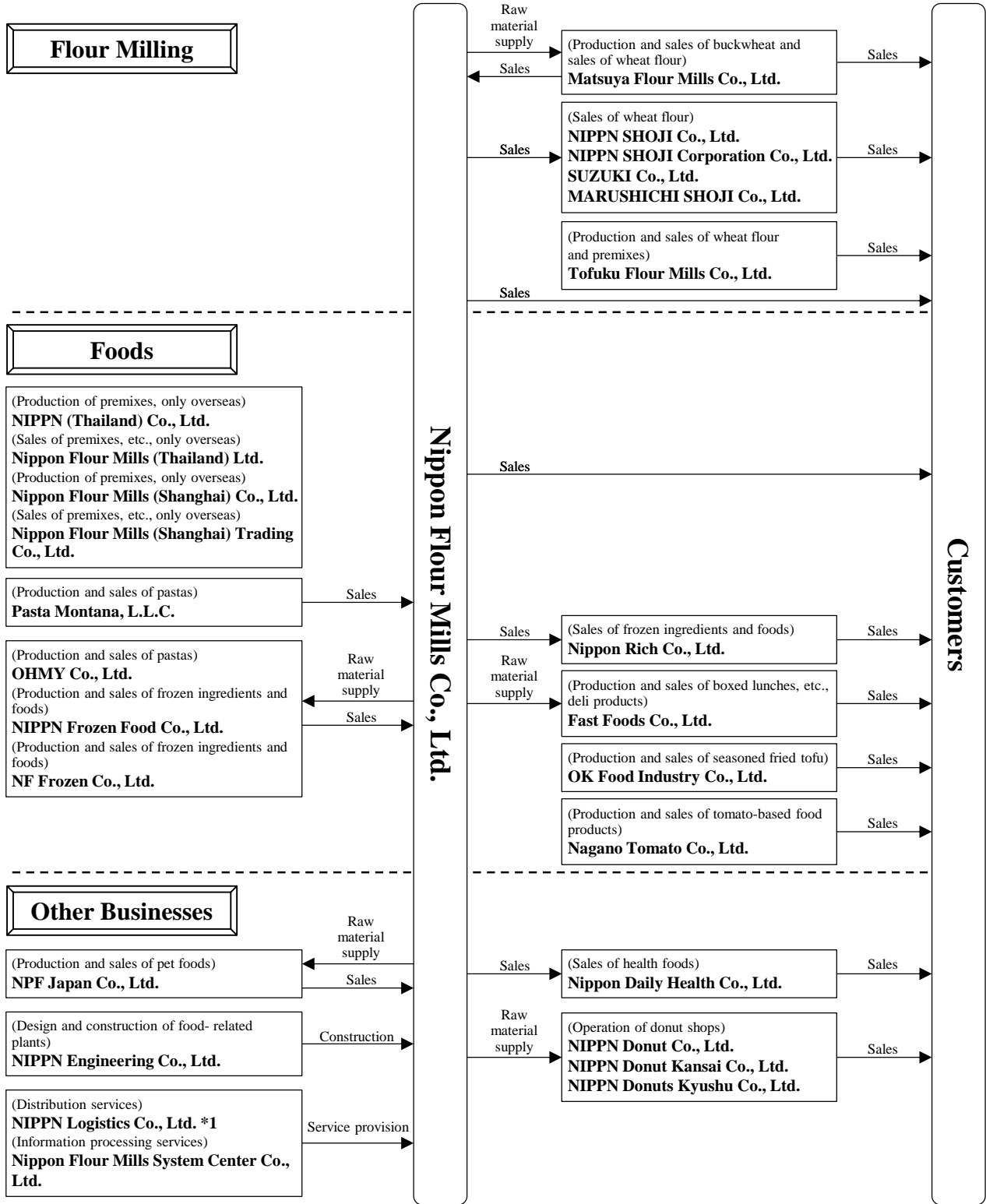
NIPPON Logistics Co., Ltd. operates a freight trucking business in the Kanto area.

Nippon Flour Mills System Center Co., Ltd. is engaged in computer-based information processing and development of information processing systems.

Nippon Daily Health Co., Ltd. sells health foods procured from the Company.

NIPPON Donut Co., Ltd., NIPPON Donut Kansai Co., Ltd., and NIPPON Donuts Kyushu Co., Ltd. operate donut stores that use premixes produced by the Company.

(Schematic diagram)



Without any specification: Consolidated subsidiaries
 *1: Non-consolidated subsidiaries accounted for by the equity method

→ Flow of products and services

3. Management Policy

(1) Basic management policy

“Responding to the changes of the times and boldly applying technological innovation to establish new businesses” — the motto of Nippon Flour Mills Group expresses the venturesome spirit at work when the Company started operation. Based on this motto, the Group’s fundamental policy is to contribute to the welfare of society by introducing excellent products and services.

In addition to actively expanding into new business areas, the Company aims to increase its competitive advantage through unflagging management reform, maintain the trust of our shareholders and other stakeholders, and achieve further growth and development as a highly regarded multifaceted food company.

(2) Management indicators and medium- to long-term management strategies

Through the implementation of the previous five mid-term business plans, with the goal of becoming a multifaceted global food enterprise, the Group consistently promoted the reform of the business structure, strengthening of the profit base, and sales growth by expanding the business, achieving certain positive results and thus maintaining sustainable growth.

In view of the unclear prospects for the business environment, instead of a mid-term business plan, the Group has decided to adopt a single-year policy based on the fundamental measures the Group has been implementing to strengthen the business foundation.

The Group will maintain the basic strategies it has been implementing so far.

[1] Promote low-cost operations

[2] Re-establish the business structure and business portfolio

[3] Step up management for total optimization of the Group’s operations

[4] Respond to change in the food market, reform of the wheat distribution system, and the Trans-Pacific Strategic Economic Partnership Agreement (TPP)

[5] Promote CSR management

(3) Issues to be addressed

Although the Japanese economy is recovering from the reaction to last-minute demand before the consumption tax increase, personal consumption lacks vigor. Despite the ongoing moderate recovery of the Japanese economy in general, a significant upturn in business confidence in Japan is unlikely. Moreover, there is unease that downside risks of overseas economies, such as sovereign debt problems of European countries and slowing growth of emerging economies, may undermine the Japanese economy and the outlook is expected to remain a source of concern.

The uncertain outlook of the food industry is likely to persist as the Japanese market is contracting because of the declining population and the aging of society with a low birthrate and also owing to increases in prices of raw materials and commodity prices resulting from the weakening of the yen.

The flour milling industry also continues to face a challenging environment in view of the increase of government sales prices of imported wheat by 3.0% on average for the five key products in April 2015 and an increase in prices of durum wheat, a raw material of pasta.

The business environment may be subject to greater change, depending on the development of the Japanese government’s imported wheat sales system and progress of the Trans-Pacific Partnership (TPP) negotiations.

In view of the uncertain prospects, the Company will strengthen the effectiveness of the business headquarters system, introduced in April 2014, by reorganizing the business structure into six new headquarters on June 26. The Group will continue to adopt a single-year policy based on the fundamental measures the Group has been implementing to strengthen the business foundation. Under this policy, while enhancing the existing businesses and promoting low-cost operations, we will also pursue structural reform with a sense of urgency, including entry to new business fields, to strengthen the business constitution. New businesses will include sales of new ingredients (ceramide, flaxseed, functional vegetables, pumice extract, etc.) following the introduction of a new regulatory system for labeling of functional foods, export of foods with halal certification, and overseas business development utilizing the global network. Moreover, by continuing

our vigorous efforts to overcome the current challenging situation, we aim to enhance corporate value and fulfill our social responsibility to stakeholders while pursuing sustainable growth.

(4) Other material issues concerning management

There is nothing applicable.

4. Basic Approach to the Selection of Accounting Standards

The Group intends to prepare consolidated financial statements in conformity with the accounting principles and practices generally accepted in Japan (Japanese GAAP) for the time being, taking into consideration comparability of consolidated financial statements over time and comparability among companies.

The Group's policy is to respond to the application of the International Financial Reporting Standards (IFRS) in an appropriate manner, taking into consideration situations in Japan and abroad.

5. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	FY2014 (As of March 31, 2014)	FY2015 (As of March 31, 2015)
Assets		
Current assets		
Cash and deposits	12,859	13,601
Notes and accounts receivable - trade	39,131	40,326
Securities	1	-
Merchandise and finished goods	14,105	15,938
Work in process	297	284
Raw materials and supplies	17,776	20,592
Deferred tax assets	1,327	1,262
Other	2,344	2,508
Allowance for doubtful accounts	(324)	(152)
Total current assets	87,520	94,362
Non-current assets		
Property, plant and equipment		
Buildings and structures	74,096	77,360
Accumulated depreciation	(44,340)	(47,695)
Buildings and structures, net	29,756	29,664
Machinery, equipment and vehicles	98,389	103,839
Accumulated depreciation	(79,510)	(85,703)
Machinery, equipment and vehicles, net	18,879	18,136
Land	32,671	34,636
Construction in progress	1,716	1,867
Other	9,523	10,202
Accumulated depreciation	(7,505)	(8,158)
Other, net	2,018	2,043
Total property, plant and equipment	85,042	86,349
Intangible assets	1,543	1,131
Investments and other assets		
Investment securities	47,915	61,335
Long-term loans receivable	255	995
Deferred tax assets	1,394	1,186
Other	3,461	4,115
Allowance for doubtful accounts	(330)	(585)
Total investments and other assets	52,698	67,047
Total non-current assets	139,283	154,527
Total assets	226,803	248,890

(Millions of yen)

	FY2014 (As of March 31, 2014)	FY2015 (As of March 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,769	27,672
Short-term loans payable	19,767	20,883
Income taxes payable	2,604	1,542
Accrued expenses	9,373	9,952
Provision for bonuses	454	500
Other	4,401	4,064
Total current liabilities	62,370	64,616
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loan payable	15,104	15,454
Deferred tax liabilities	9,220	12,781
Net defined benefit liability	4,488	4,723
Provision for directors' retirement benefits	1,105	963
Other	2,877	2,815
Total non-current liabilities	42,796	46,738
Total liabilities	105,167	111,354
Net assets		
Shareholders' equity		
Capital stock	12,240	12,240
Capital surplus	10,666	10,666
Retained earnings	83,519	88,389
Treasury shares	(1,607)	(1,608)
Total shareholders' equity	104,818	109,688
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,609	23,419
Deferred gains or losses on hedges	3	(7)
Foreign currency translation adjustment	363	947
Remeasurements of defined benefit plans	(1,436)	(1,414)
Total accumulated other comprehensive income	13,539	22,945
Subscription rights to shares	–	46
Minority interests	3,278	4,854
Total net assets	121,636	137,535
Total liabilities and net assets	226,803	248,890

(2) Consolidated statements of income and comprehensive income
(Consolidated statements of income)

(Millions of yen)

	FY2014 (From April 1, 2013 to March 31, 2014)	FY2015 (From April 1, 2014 to March 31, 2015)
Net sales	287,109	298,511
Cost of sales	211,822	222,363
Gross profit	75,286	76,147
Selling, general and administrative expenses		
Sales fare related expenses	33,246	35,116
Provision of allowance for doubtful accounts	283	61
Salaries and allowances	16,145	16,876
Retirement benefit expenses	938	964
Depreciation	908	995
Other	12,954	13,728
Total selling, general and administrative expenses	64,478	67,741
Operating income	10,808	8,406
Non-operating income		
Interest income	56	70
Dividend income	917	955
Rent income on non-current assets	299	316
Share of profit of entities accounted for using equity method	220	80
Foreign exchange gains	334	306
Gain on sales of securities	136	62
Other	319	322
Total non-operating income	2,284	2,114
Non-operating expenses		
Interest expenses	539	446
Cost of rent income	62	49
Other	241	216
Total non-operating expenses	843	712
Ordinary income	12,248	9,807
Extraordinary income		
Gain on sales of non-current assets	870	18
Gain on sales of investment securities	14	10
Gain on bargain purchase	37	491
Other	75	12
Total extraordinary income	997	533

(Millions of yen)

	FY2014 (From April 1, 2013 to March 31, 2014)	FY2015 (From April 1, 2014 to March 31, 2015)
Extraordinary losses		
Loss on valuation of investment securities	27	10
Loss on sales of non-current assets	381	0
Loss on retirement of non-current assets	197	85
Impairment loss	50	322
Loss on step acquisitions	–	131
Other	138	114
Total extraordinary losses	795	664
Income before income taxes and minority interests	12,450	9,676
Income taxes - current	4,417	2,623
Income taxes - deferred	178	(43)
Total income taxes	4,596	2,579
Income before minority interests	7,854	7,097
Minority interests in income	43	116
Net income	7,810	6,981

(Consolidated statements of comprehensive income)

(Millions of yen)

	FY2014 (From April 1, 2013 to March 31, 2014)	FY2015 (From April 1, 2014 to March 31, 2015)
Income before minority interests	7,854	7,097
Other comprehensive income		
Valuation difference on available-for-sale securities	2,346	8,842
Deferred gains or losses on hedges	(20)	(10)
Foreign currency translation adjustment	435	588
Remeasurements of defined benefit plans, net of tax	–	22
Share of other comprehensive income of entities accounted for using equity method	3	25
Total other comprehensive income	2,764	9,468
Comprehensive income	10,619	16,565
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	10,570	16,369
Comprehensive income attributable to minority interests	48	195

(3) Consolidated statements of changes in net assets
FY2014 (From April 1, 2013 to March 31, 2014)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholder's equity
Balance at beginning of current period	12,240	10,666	77,875	(1,577)	99,204
Cumulative effects of changes in accounting policies Restated balance					–
Restated balance	12,240	10,666	77,875	(1,577)	99,204
Changes of items during period					
Dividends of surplus			(2,155)		(2,155)
Net income			7,810		7,810
Change of scope of consolidation			(11)		(11)
Purchase of treasury shares				(30)	(30)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	–	0	5,644	(30)	5,614
Balance at end of current period	12,240	10,666	83,519	(1,607)	104,818

	Accumulated other comprehensive income					Subscription rights to shares	Minority 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 beginning of current period	12,253	23	(69)	–	12,207	–	1,851	113,263
Cumulative effects of changes in accounting policies								–
Restated balance	12,253	23	(69)	–	12,207	–	1,851	113,263
Changes of items during period								
Dividends of surplus								(2,155)
Net income								7,810
Change of scope of consolidation								(11)
Purchase of treasury shares								(30)
Disposal of treasury shares								0
Net changes of items other than shareholders' equity	2,355	(20)	433	(1,436)	1,332	–	1,426	2,758
Total changes of items during period	2,355	(20)	433	(1,436)	1,332	–	1,426	8,372
Balance at end of current period	14,609	3	363	(1,436)	13,539	–	3,278	121,636

FY2015 (From April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholder's equity
Balance at beginning of current period	12,240	10,666	83,519	(1,607)	104,818
Cumulative effects of changes in accounting policies			(124)		(124)
Restated balance	12,240	10,666	83,395	(1,607)	104,694
Changes of items during period					
Dividends of surplus			(1,988)		(1,988)
Net income			6,981		6,981
Change of scope of consolidation			1		1
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	4,994	(0)	4,993
Balance at end of current period	12,240	10,666	88,389	(1,608)	109,688

	Accumulated other comprehensive income					Subscription rights to shares	Minority 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 beginning of current period	14,609	3	363	(1,436)	13,539	-	3,278	121,636
Cumulative effects of changes in accounting policies							(1)	(125)
Restated balance	14,609	3	363	(1,436)	13,539	-	3,276	121,510
Changes of items during period								
Dividends of surplus								(1,988)
Net income								6,981
Change of scope of consolidation								1
Purchase of treasury shares								(0)
Disposal of treasury shares								0
Net changes of items other than shareholders' equity	8,810	(10)	583	22	9,405	46	1,578	11,030
Total changes of items during period	8,810	(10)	583	22	9,405	46	1,578	16,024
Balance at end of current period	23,419	(7)	947	(1,414)	22,945	46	4,854	137,535

(4) Consolidated statements of cash flows

(Millions of yen)

	FY2014 (From April 1, 2013 to March 31, 2014)	FY2015 (From April 1, 2014 to March 31, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	12,450	9,676
Depreciation and amortization	8,043	8,030
Gain on bargain purchase	(37)	(491)
Increase (decrease) in prepaid pension costs and provision for retirement benefits	(2,222)	–
Increase (decrease) in net defined benefit asset/liability	2,225	129
Increase (decrease) in provision for directors' retirement benefits	21	(142)
Increase (decrease) in allowance for doubtful accounts	247	13
Impairment loss	50	322
Interest and dividend income	(974)	(1,025)
Interest expenses	539	446
Loss (gain) on sales of investment securities	(144)	(37)
Loss (gain) on valuation of investment securities	27	10
Foreign exchange losses (gains)	(320)	(296)
Share of (profit) loss of entities accounted for using equity method	(220)	(80)
Loss (gain) on sales of non-current assets	(488)	(18)
Loss on retirement of non-current assets	200	90
Loss (gain) on step acquisitions	–	131
Decrease (increase) in notes and accounts receivable - trade	2,602	(582)
Decrease (increase) in inventories	(265)	(3,582)
Increase (decrease) in notes and accounts payable - trade	(3,512)	1,464
Increase (decrease) in accrued consumption taxes	558	407
Decrease (increase) in other receivables	85	(496)
Increase (decrease) in other payables	(21)	528
Other, net	308	377
Subtotal	19,152	14,874
Interest and dividend income received	992	1,034
Interest expenses paid	(560)	(440)
Income taxes paid	(4,096)	(3,665)
Net cash provided by (used in) operating activities	15,487	11,803

(Millions of yen)

	FY2014 (From April 1, 2013 to March 31, 2014)	FY2015 (From April 1, 2014 to March 31, 2015)
Net cash provided by (used in) investing activities		
Purchase of non-current assets	(13,226)	(6,833)
Proceeds from sales of non-current assets	1,060	32
Purchase of investment securities	(1,400)	(2,995)
Proceeds from sales and redemption of investment securities	1,533	1,782
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,281)	–
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	37
Payments of loans receivable	(161)	(642)
Collection of loans receivable	95	86
Other, net	30	(120)
Net cash provided by (used in) investing activities	(13,349)	(8,653)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	219	522
Net increase (decrease) in commercial papers	(2,000)	–
Proceeds from long-term loans payable	5,690	2,775
Repayment of long-term loans payable	(11,463)	(3,672)
Proceeds from issuance of bonds	9,926	–
Purchase of treasury shares	(0)	(0)
Proceeds from sales of treasury shares	0	0
Cash dividends paid	(2,155)	(1,988)
Cash dividends paid to minority shareholders	(8)	(19)
Repayments of finance lease obligations	(332)	(430)
Net cash provided by (used in) financing activities	(123)	(2,813)
Effect of exchange rate change on cash and cash equivalents	248	309
Net increase (decrease) in cash and cash equivalents	2,263	645
Cash and cash equivalents at beginning of period	10,000	12,202
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(60)	–
Cash and cash equivalents at end of period	12,202	12,847

(Segment information, etc.)

Segment information

1. Overview of reporting segments

The Group's reporting segments are regularly reviewed by the Board of Directors using the segregated financial information available within each segment to determine the allocation of management resources and evaluate business results.

The Group consists of three main business units classified by product types—Flour Milling, Food and Other. Each business unit formulates business strategies and promotes business activities.

Consequently, the Group has classified its operations into two reporting segments: Flour Milling and Food.

The Flour Milling segment covers wheat flour, bran, and buckwheat flour, while the Food segment covers wheat flour for home use, premixes, pasta, frozen foods, deli foods, and rice flour.

2. Calculation methods on sales, income (loss), assets, liabilities and other items by reporting segment

Profit figures reported for business segments are based on operating income. Inter-segment sales and transfers are based on prevailing market prices.

3. Information of sales, income (loss), assets, liabilities and other items by reporting segment FY2014 (From April 1, 2013 to March 31, 2014)

(Millions of yen)

	Reporting segments			Other	Total	Adjustments	Amounts recorded on consolidated financial statements
	Flour Milling	Food	Total				
Net sales							
Net sales to external customers	100,129	158,974	259,104	28,005	287,109	–	287,109
Internal sales or transfers between segments	2,173	514	2,687	2,526	5,213	(5,213)	–
Total	102,303	159,488	261,791	30,531	292,322	(5,213)	287,109
Segment income	4,148	6,191	10,339	448	10,788	20	10,808
Segment assets	101,461	76,031	177,492	14,664	192,157	34,646	226,803
Other items							
Depreciation	4,174	3,015	7,190	827	8,018	25	8,043
Increase in property, plant and equipment and intangible assets	3,802	2,869	6,671	688	7,360	6,502	13,862

- Notes: 1. The "Other" column indicates businesses not included in the reporting segments, including pet food, health food and engineering.
2. Segment income adjustment of ¥20 million is an elimination of inter-segment transactions.
3. Corporate assets included in adjustments of segment assets amounted to ¥36,460 million and mainly comprise the Company's surplus funds (cash and deposits, and securities) and property, plant and equipment concerning administrative operations.
4. Segment income or loss is adjusted to reflect operating income as recorded on the consolidated financial statements.
5. Depreciation expenses and an increase in property, plant and equipment and intangible assets include an increase in long-term prepaid expenses and amortization thereof.

FY2015 (From April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reporting segments			Other	Total	Adjustments	Amounts recorded on consolidated financial statements
	Flour Milling	Food	Total				
Net sales							
Net sales to external customers	101,673	166,581	268,254	30,256	298,511	–	298,511
Internal sales or transfers between segments	2,172	541	2,713	1,684	4,398	(4,398)	–
Total	103,845	167,123	270,968	31,941	302,909	(4,398)	298,511
Segment income	2,295	5,676	7,971	384	8,355	50	8,406
Segment assets	112,812	82,220	195,032	14,460	209,492	39,397	248,890
Other items							
Depreciation	4,071	3,082	7,153	866	8,020	9	8,030
Increase in property, plant and equipment and intangible assets	3,272	2,331	5,603	721	6,324	35	6,360

- Notes: 1. The “Other” column indicates businesses not included in the reporting segments, including pet food, health food and engineering.
2. Segment income adjustment of ¥50 million is an elimination of inter-segment transactions.
3. Corporate assets included in adjustments of segment assets amounted to ¥41,318 million and mainly comprise the Company’s surplus funds (cash and deposits, and securities) and property, plant and equipment concerning administrative operations.
4. Segment income or loss is adjusted to reflect operating income as recorded on the consolidated financial statements.
5. Depreciation expenses and an increase in property, plant and equipment and intangible assets include an increase in long-term prepaid expenses and amortization thereof.

(Per share information)

	FY2014 (From April 1, 2013 to March 31, 2014)	FY2015 (From April 1, 2014 to March 31, 2015)
Net assets per share	¥715.84	¥802.19
Net income per share	¥47.23	¥42.22
Diluted net income per share	–	¥42.20

Notes: 1. Diluted net income per share for FY2014 is not stated because no residual securities existed.

2. Basis for the calculation of net income per share and diluted net income per share are as follows.

	FY2014 (From April 1, 2013 to March 31, 2014)	FY2015 (From April 1, 2014 to March 31, 2015)
Net income per share		
Net income (Millions of yen)	7,810	6,981
Amount not attributable to common shareholders (Millions of yen)	–	–
Net income associated with common shares (Millions of yen)	7,810	6,981
Average number of shares of common stock in the fiscal year (Thousands of shares)	165,392	165,340
Diluted net income per share		
Adjustments to net income (Millions of yen)	–	–
Increase in common stock (Thousands of shares)	–	94
Summary of residual securities not included in calculation of diluted net income per share because of no dilutive effect	–	–