Translation

Consolidated Financial Results for FY3/2014 (Japanese GAAP)

May 9, 2014

Company name: **The Nisshin OilliO Group, Ltd.**
Stock exchange listing: Tokyo (First Section)
Stock code: 2602
URL: http://www.nisshin-oillio.com/english/index.shtml
Representative: Takao Imamura, Representative Director, President
Contact: Takeshi Ootara, Officer and General Manager, Financial Dept.
TEL: +81-3-3206-5670 (from overseas)
Scheduled date of Ordinary General Meeting of Shareholders: June 25, 2014
Scheduled date to commence dividend payments: June 26, 2014
Scheduled date to file Securities Report: June 25, 2014
Supplementary explanatory materials prepared: Yes
Explanatory meeting: Yes (for analysts and institutional investors)

(Figures have been rounded down to the nearest million)

1. Consolidated financial results for the fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/2014	337,148	8.8	5,103	20.7	5,058	13.1	2,276	50.9
FY3/2013	309,981	(0.8)	4,227	(28.4)	4,471	(17.1)	1,508	(60.7)

Note: Comprehensive income or (loss)
FY3/2014: ¥6,631 million (14.7%)
FY3/2013: ¥5,780 million (244.3%)

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
FY3/2014	13.70	–	2.0	2.1	1.5
FY3/2013	9.08	–	1.4	1.8	1.4

Note: Equity in earnings of affiliates:
FY3/2014: ¥424 million
FY3/2013: ¥244 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY3/2014	232,786	119,331	48.1	674.26
FY3/2013	248,580	117,078	44.4	664.42

Note: Equity
FY3/2014: ¥112,036 million
FY3/2013: ¥110,410 million

(3) Consolidated cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY3/2014	12,711	(8,934)	(15,751)	5,717
FY3/2013	1,369	(4,945)	(7,793)	16,452

2. Cash dividends

	Cash dividends per share					Total amount of dividends (annual)	Payout ratio (consolidated)	Dividends on net assets (consolidated)
	1st quarter	2nd quarter	3rd quarter	Fiscal year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY3/2013	–	5.00	–	5.00	10.00	1,662	110.2	1.5
FY3/2014	–	5.00	–	5.00	10.00	1,662	73.0	1.5
FY3/2015 (forecasts)	–	5.00	–	5.00	10.00		59.3	

3. Consolidated earnings forecasts for FY3/15 (April 1, 2014 to March 31, 2015)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2014	–	–	–	–	–	–	–	–	–
FY3/2015	326,000	(3.3)	6,400	25.4	6,000	18.6	2,800	23.0	16.85

Note: Nisshin OilliO Group manages its earnings on a full fiscal year basis and therefore mentions of earnings forecasts for the first half have been omitted.

Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): Yes

New: - Excluded: 1 company (Dalian Nisshin Oil Mills, Ltd.)

Note: For details see “2. Status of the Corporate Group” on page 8 of the attached document.

(2) Changes in accounting policies, accounting estimates and restatement of prior financial statements

a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
b. Changes in accounting policies due to other reasons: Yes
c. Changes in accounting estimates: Yes
d. Restatement of prior financial statements: No

Note: The Company revised its depreciation method from the current consolidated fiscal year due to difficulties in distinguishing changes in accounting policies from changes in accounting estimates. For details refer to page 20 of the attachment in the section titled “4. Consolidated Financial Statements (5) Notes to the Consolidated Financial Statements (Changes in accounting policies, changes in accounting estimates and retrospective restatements).”

(3) Number of common shares and outstanding

a. Total number of issued shares at the end of the period (including treasury stock)

FY3/2014	173,339,287 shares
FY3/2013	173,339,287 shares

b. Number of treasury shares at the end of the period

FY3/2014	7,176,599 shares
FY3/2013	7,164,450 shares

c. Average number of shares during the period

FY3/2014	166,170,399 shares
FY3/2013	166,178,292 shares

Note: For the number of shares used as the basis for calculation of net income per share (consolidated), please refer to "Per share information" on page 31.

Reference: Summary of non-consolidated operating results

1. Non-consolidated operating results for FY3/14 (April 1, 2013 to March 31, 2014)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/2014	207,372	10.8	3,061	(20.7)	3,458	(26.5)	1,919	(24.1)
FY3/2013	187,238	2.5	3,862	(13.6)	4,702	(10.5)	2,528	3.0

	Net income per share	Diluted net income per share
	Yen	Yen
FY3/2014	11.55	–
FY3/2013	15.21	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY3/2014	174,586	95,250	54.6	573.02
FY3/2013	188,528	95,016	50.4	571.57

Note: Equity
FY3/2014: ¥95,250 million
FY3/2013: ¥95,016 million

2. Non-consolidated forecasts for the fiscal year ending March 31, 2015 (April 1, 2014 to March 31, 2015)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2013	–	–	–	–	–	–	–	–	–
FY3/2014	207,000	(0.2)	4,800	56.8	5,000	44.6	2,800	45.9	16.84

Note: Nisshin OilliO Group manages its earnings on a full fiscal year basis and therefore mentions of earnings forecasts for the first half have been omitted.

*** Disclosure of status of review procedure**
This financial report is exempt from review procedure based on the Financial Instruments and Exchange Act. At the time of disclosure of this financial report, the review procedure was not completed.

*** Cautionary statement on the use pertaining to forward-looking statements and other important matters**
The forward-looking statements, including business results forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business results may differ substantially due to a number of factors. Please refer to the Analysis of Operating Results on Page 2 of the Attachments for the conditions used as assumptions for the forecasted operating results and matters to note before using the forecasted operating results.

Attachments Table of Contents

1. Analysis of Operating Results and Financial Position

(1) Analysis of operating results

1) Operating results for the fiscal year ended March 31, 2014

During the consolidated fiscal year under review, Japan's economy remained on a moderate recovery trajectory. This reflected factors such as an improvement in corporate earnings, mainly at exporters, owing to government economic policies and the Bank of Japan's monetary easing. Nonetheless, the operating environment for companies continued to be impaired by challenging factors, including concern of an economic setback due to uncertainty over trends in emerging economies and the situation in the Ukraine, and sharply rising energy-related costs due to yen depreciation and highs prices in the international commodities market.

Amid this backdrop, the Nisshin OilliO Group implemented the growth and structural reforms strategies for the final year of the "*GROWTH 10 Phase II*" medium-term management plan, and embarked on the completion of its business structure reforms for establishing a solid earnings base and realizing secure growth.

Net sales totaled ¥337,148 million, an increase of 8.8% compared with the previous fiscal year. In the profit front, operating income came to ¥5,103 million, up 20.7%, ordinary income stood at ¥5,058 million, a rise of 13.1%, and net income was ¥2,276 million, a growth of 50.9%.

Business segment performance was as follows.

[Oils and Meals Business]

The Oils and Meals Business continued to operate under a harsh environment. The soybean market soared, climbing to $16.00 per bushel in July 2013. Despite forecasts for spring 2013 of large harvests in South America and historically high new-crop grain production in the U.S., prices skyrocketed due to factors such as tight supply-demand conditions of old-crop grain produced in the U.S., concerns about Brazil's distribution infrastructure, and delays in growth for new-crop grain production in the U.S. There were intervals after this during which prices weakened slightly reflecting upward revisions to forecasts for U.S. production yields and on expectations of a large harvest in South America. However, prices turned upward once again in the latter part of the fiscal year due to brisk demand, mainly from China, for U.S. crops, and owing to concerns of dry weather in Brazil. Overall, prices trended at a high level throughout fiscal 2013. Meanwhile, in contrast with a year earlier the yen depreciated in value against major currencies in light of the Bank of Japan's monetary easing policies and signs of economic recovery in the U.S. Consequently, raw material costs, such as those for soybeans and rapeseed, rose sharply compared with the previous fiscal year, in part due to the strong impact of depreciation in the yen's value.

In edible oils for household use, sales volume in the full fiscal year climbed slightly year on year. Although sales volume in the first half declined due to our focus on creating selling prices that were commensurate with raw material costs, volume was bolstered in the second half owing in part to positive impact from demand to beat the rise in consumption tax. Also, in accordance with the full-line strategy, net sales for sesame oil and olive oil increased thanks to the deployment of proposal-oriented sales activities, mainly for high value-added product categories. There was also contribution from other sales activities, such as an expansion in sales of a revamped version of Nisshin Healthy Vege-Oil, which released during fiscal 2013. Accordingly, overall net sales in the edible oils for household use segment were up year on year. Meanwhile, the size of the cooking oil and seasonings gift markets shrank at a faster pace than the overall gift market. Despite this harsh environment, the Group embarked on measures to expand sales, such as launching new gift sets, including those containing Bosco Olive Oil products. Nonetheless, sales volume and net sales of gift sets fell year on year.

In edible oils for commercial use, overall sales volume rose year on year, reflecting a rise in sales volume for products such as premium oil, palm oil, sesame oil and olive oil. Meanwhile, although the Group implemented price revisions in the first half, sales trends deteriorated as the market weakened in the second half. However, thanks to measures to develop reasonable selling prices that were commensurate with raw material costs, net sales rose slightly compared with a year earlier.

In Edible Oils for Food Processing, the Group actively pursued efforts to serve major food customers and users of industrial soybean oil, and carried out measures to create reasonable selling prices that were commensurate with raw material costs. In light of this, net sales and sales volume increased year on year.

In the meals business, sales volume for soybean meal increased in tandem with an increase in the volume of pressed soybean oil. In addition, net sales rose year on year, reflecting higher selling prices owing to a rise in international market prices for soybean meal and yen depreciation. Meanwhile, rapeseed meal sales volume decline in contrast with a year earlier but net sales were up year on year buoyed by a rise in selling prices, which was similar to the trend for soybean meal.

Dalian Nisshin Oil Mills, Ltd. recorded a decline in net sales and sales volume year on year, as the challenging environment for profit margins persisted in China and narrowed down its customer base. Conditions in the profit front also remained tough throughout the fiscal year.

The above factors resulted in Oils and Meals segment net sales of ¥223,888 million, up 8.2% from the previous fiscal year, and operating income of ¥2,541 million, down 26.1% year on year.

That said, as announced on September 27, 2013, in accordance with a business alliance agreement with China Agri-Industries Holdings Ltd., and the sale of a 51% stake in Dalian Nisshin Oil Mills, Ltd. to COFCO Oils & Fats Holdings Ltd., a wholly-owned subsidiary of China Agri-Industries Holdings, Dalian Nisshin Oil Mills, Ltd. became a joint venture of the Nisshin OilliO Group and COFCO Oils & Fats Holdings. The joint venture received its business permit on March 13, 2014 and got off to a new start under the new corporate name, COFCO Nisshin (Dalian) Co., Ltd. In addition to moving forward with the rekindling of the pressed oil business to revive earnings at the business in China, the Group plans to develop a new business that centers around the manufacturing and sales of foods made from a new ingredient (medium- and long-chain triacylglycerol (MLCT) oil).

[Processed Oils and Fats Business]

In the domestic Processed Oils and Fats business, net sales and sales volume for shortening, and specialty fats, as well as profit rose year on year. Group subsidiary Daito Cacao Co., Ltd. developed new sales channels to convenience stores and to the frozen food industry. In addition to this, sales were solid to existing markets. Consequently, net sales, sales volume, and profits at the subsidiary increased in comparison with the previous fiscal year.

Intercontinental Specialty Fats Sdn. Bhd. recorded brisk sales to major customers in Malaysia. Moreover, sales volume rose year on year reflecting contribution from factors such as an expansion in sales of value-added products to Europe and new market development for a palm kernel product. However, sales denominated in local currency declined as negative impact from the palm oil market dragged down selling prices. That said, yen-denominated sales were up year on year reflecting exchange rate factors. Profit also climbed from the previous year.

Meanwhile, at T.&C. Manufacturing Co., Pte. Ltd., a subsidiary in Singapore, sales, sales volume, and profits rose substantially, versus the previous year, owing in part to stable production and sales, including new business transactions, following the start up a of a new plant.

As a result of the above, Processed Oils and Fats segment net sales increased 10.5% year on year to ¥82,771 million, and operating income totaled ¥2,038 million, a growth of 151.7%.

[Healthy Foods Business]

In dressings, sales volume increased compared with the previous year owing to the deployment of aggressive sales activities but net sales were down due in part to the review of the rebate and sales cost structure starting in fiscal 2013. Meanwhile, in mayonnaise-type dressings, sales trended briskly, pushing up net sales and sales volume year on year. Also, in nursing care foods and foods for people receiving medical treatments, net sales and sales volume expanded thanks to brisk sales coupled with other contributions, such as an increase in sales due to the review of operational methods for the mail-order business.

At the Group's subsidiary Mogi Tofu Co., Ltd., net sales and profit increased year on year.

As a result of the above factors, the Healthy Foods segment recorded net sales of ¥7,241 million, a growth of 2.3% year on year, and an operating loss of ¥25 million, an improvement of ¥247 million.

[Fine Chemicals Business]

In the raw materials for cosmetics business, the volume of sales to some customers declined due to pricing revisions implemented after a rise in the cost of raw materials for general-purpose products. However, overall sales in the business increased in contrast with a year earlier, thanks to efforts such as an expansion in sales of value added products. The volume of general-purpose product sales to some customers overseas also decreased. Nonetheless, sales to overseas customers rose thanks to benefits from an expansion in sales to growth market in Asia, including China, and also owing in part to a positive turnaround in the U.S. economy. Also, in the medium-chain triglyceride business, the Group poured energies into market expansion. Consequently, net sales and sales volume increased on contribution from the development of new sales channels and a growth in sales to existing customers.

The operating environment for Industrial Química Lasem, S.A.U. remained daunting due to negative impact from a sluggish European economy. However, sales and profits improved year on year thanks to initiatives carried out to expand into new fields and to enhance productivity.

As a result of the above, the Fine Chemicals segment's net sales increased 9.9% year on year to ¥13,724 million, and operating income totaled ¥580 million, an expansion of 45.3%.

[Soy Foods and Materials Business]

In the Soy Foods and Materials Business, sales volume for soy protein was slight down compared with the previous year due to factors such as faltering production output at major customers, and an increase in low-priced imports from China. However, net sales in this business were on a par with the previous year, thanks to efforts to set reasonable selling prices that were commensurate with raw material costs. In soy foods, sales volume and net sales that were both higher than in the previous year thanks in part to brisk business activities reflecting tight supply-demand conditions and positive impact from a depreciation in the yen's value.

As a result of the above, Soy Foods and Materials segment net sales climbed 9.5% year on year to ¥5,788 million, and operating income increased 39.5% year on year to ¥62 million.

[Other Business]

Net sales for the Group's Other Business, which includes the information systems business, increased 14.5% year on year to ¥3,733 million. Operating income for this segment increased 30.5% year on year to ¥478 million.

[Sales by Region]

Net sales to China, Malaysia and other parts of Asia came to ¥45,616 million, a decrease of 5.1% versus the previous year, due in part to the impact from a decline in sales at Dalian Nisshin Oil Mills, Ltd. Meanwhile, net sales to Europe, the U.S. and other regions stood at ¥28,229 million, an increase of 13.9%, reflecting in part the impact from exchange rates. The share of consolidated net sales accounted for by overseas sales decreased 1.6 percentage points to 21.9%.

2) Earnings forecasts for the fiscal year ending March 31, 2015

Prices for raw materials are expected to remain high in part as emerging economies will continue to vie for resources and as global demand for grains is likely to increase going forward. In addition, costs for energy, such as electrical power, are rising, accompanying the ongoing depreciation in the yen's value. Reflecting this, product costs are substantially rising. In contrast, in Japan the economy is forecast to continue to recover at a moderate pace but the environment in which the Group operates is very challenging as consumer preference for lower priced products is deep-rooted when it comes to daily necessities. Amid this environment, the Group is launching a new medium-term management plan in fiscal 2014 and aims to build a solid earnings base, which mainly consists of earnings improvement in the oils and fats business, a core business.

For the fiscal year ending March 31, 2015, the Group projects consolidated net sales of ¥326,000 million, operating income of ¥6,400 million, ordinary income of ¥6,000 million and net income of ¥2,800 million.

That said, the Group manages its earnings on a full fiscal year basis and therefore mention of earnings forecasts for the first half is omitted.

(2) Analysis of financial position

1) Assets, liabilities and net assets

Total assets as of March 31, 2014 were ¥232,786 million, a decrease of ¥15,793 million compared to the end of the previous fiscal year. This mainly reflects declines in cash and deposits of ¥2,854 million, in inventories of ¥5,762 million, and in short-term loans receivable (repurchase) of ¥7,498 million.

Total liabilities amounted to ¥113,455 million, a decrease of ¥18,047 million from the end of the previous fiscal year. This mainly reflects the posting of liabilities related to retirement benefits accompanying a change to account procedures, and declines in notes and accounts payable – trade of ¥7,231 million and in interest-bearing debt of ¥12,827 million.

Total net assets stood at ¥119,331 million, an increase of ¥2,253 million compared with the end of the previous fiscal year. This reflects an increase in retained earnings of ¥669 million, an increase in accumulated other comprehensive income of ¥960 million, owing to an increase in asset value due to changes in current market value and the remeasurement of retirement benefits and minority interests of ¥627 million.

2) Cash flows

Cash and cash equivalents (hereafter “funds”) as of March 31, 2014 totaled ¥5,717 million, a decrease of ¥10,734 million compared to the end of the previous fiscal year.

[Net cash provided by operating activities]

Operating activities provided net cash of ¥12,711 million. Positive factors include an increase of ¥5,853 million in income before income taxes and minority interests, an increase of ¥5,607 million in depreciation and amortization, and a decline of ¥6,657 million in inventories. Meanwhile, negative factors include a decline in notes and accounts payable – trade of ¥7,039 million.

[Net cash used in investing activities]

Net cash used in investing activities totaled ¥8,934 million. Major items include proceeds from sales of investment securities of ¥821 million, sale of ownership in affiliated companies of ¥2,914 million, and purchase of property, plant and equipment of ¥6,917 million.

[Net cash used in financing activities]

Net cash used in financing activities totaled ¥15,751 million. The major breakdown includes a net decrease in short-term loans payable of ¥2,935 million, repayment of long-term loans payable of ¥5,814 million, redemption of bonds of ¥5,000 million, and cash dividends paid of ¥1,662 million.

(Reference) Trends in cash flow indicators are as shown below:

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Equity ratio (%)	48.3	46.9	45.2	44.4	48.1
Market value equity ratio (%)	35.1	29.1	24.0	22.5	24.0
Interest-bearing debt to cash flow ratio (Years)	4.5	–	5.0	46.1	4.0
Interest coverage ratio (Times)	11.0	–	10.4	1.1	11.9

Notes: Equity ratio: Equity / total assets
Market value equity ratio: Market capitalization / total assets
Interest-bearing debt to cash flow ratio: Interest-bearing debt / cash flow
Interest coverage ratio: Cash flow / paid interest

1. All indicators are calculated using financial figures on a consolidated basis.
2. Market capitalization is calculated by multiplying the closing share price by the number of issued shares as of the end of the fiscal year (excluding treasury stock) by the share price on the last day of the fiscal year.
3. The figure used for cash flow is “net cash provided by operating activities” on the consolidated statements of cash flows. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheets on which interest was paid. For paid interest the “interest expenses paid” recorded on the consolidated statements of cash flows is used.

(3) Basic policy on profit distribution and dividends for the fiscal year under review and the next fiscal year

The Company regards returning profits to shareholders as one of its most important management priorities. In distributing profits, the Company’s basic policy is to pay a continuous, stable dividend, taking into consideration the status of the medium-term management plan, consolidated business results, and the dividend payout ratio. In using retained earnings, the Company will strive to meet the expectations of its shareholders from a long-term perspective by targeting investments that enhance corporate value and by setting aside amounts for necessary profit distribution.

In accordance with this policy, for the year-end dividend for the fiscal year ended March 31, 2014, the Company plans to pay ¥5 per share, as initially planned. Consequently, the Company plans to pay an annual dividend of ¥10 per share, including the interim dividend. For the fiscal year ending March 31, 2015, the Company plans to pay an annual dividend of ¥10 per share.

(4) Business risks

The operating results, share price and financial position of the Nisshin OilliO Group may be impacted by the risks explained below. Any forward-looking statements in the following section have been made based on management’s judgment as of March 31, 2014.

1) Exchange rates

As part of its Oils and Meals Business, the Group imports all of its soybean, rapeseed and other raw materials from overseas. The Group also conducts business overseas, including in China and other parts of East Asia. Consequently, the Group is exposed to exchange rate risks associated with raw material costs and debt denominated in foreign currencies. As such, any fluctuation in exchange rates could impact the operating results and financial position of the Group. To address this risk, the Group uses risk hedge instruments such as forward exchange contracts as necessary to mitigate exchange rate risks.

2) International prices for raw materials

In addition to exchange rate risks, the purchase of soybean, rapeseed and other raw materials is subject to the risk of fluctuations in international prices for raw materials and transportation and other costs that accompany a sharp increase in crude oil prices. Because prices for raw materials constitute a significant portion of the Group’s costs, any fluctuation in prices could have an impact on the Group's operating results. The Group seeks to hedge this risk by purchasing some of its raw materials on the futures market.

3) Domestic and international product markets

The sales climate for the Oils and Meals Business and the Processed Oils and Fats Business is affected by changes in domestic and international product markets. On the whole, domestic selling prices for oil meals and edible oils for food processing are linked to prices in the international market. In addition, trends in imports from overseas could have an impact on domestic selling prices. These and other changes in domestic and international product markets could affect the Group's operating results. In response, the Group is working to expand sales of high-value-added products, which are more resilient to changes in market conditions, and maintain appropriate prices for its products that reflect their inherent quality and costs.

4) Business operations

In addition to Japan, the Group conducts its operations in other countries and regions such as East Asia. Although domestic manufacturing and sales sites are also subject to the risks listed below, overseas operations are particularly exposed to these so-called country risks. The Group's operating results could be affected in the event that any of these risks materialize.

i. Unforeseen enactment, revision to, or abolishment of laws and other regulations

ii. Unexpected political or economic factors

iii. Social instability arising from terrorist incidents, conflict, natural disasters, the spread of infectious diseases or other factors

iv. Issues related to the digitization of information such as computer viruses and the leakage of confidential data

To minimize the impact of the above risks, the Group works to gather information, which it uses as the basis for responding accurately and rapidly to any situations in its crisis management system.

5) Earthquakes, typhoons and other natural disasters and outbreak of infectious diseases

If a large earthquake, typhoon or other natural disaster were to occur, or a new infectious disease were to proliferate, in the vicinity of the Group's manufacturing and logistics sites in Japan, a suspension of business operations and damage to facilities or inventories might ensue, with a resultant impact on the Group's operating results and financial position.

In readiness for such a situation, the Group is implementing measures to mitigate risks by formulating the following emergency management systems: BCP (Business Continuity Plan) for large earthquakes (formulated in June 2009); and BCP for countering a new influenza epidemic (formulated in November 2009).

In light of the Great East Japan Earthquake that occurred on March 11, 2011, in May 2012 the Group newly added an estimation of the maximum level of earthquake and tsunami damage, and restructured its BCP from the standpoint of eliminating to the extent possible the occurrence of an "unanticipated" situation.

6) Laws and other regulations

The Group is subject to a range of laws and regulations, including the Food Sanitation Law, the JAS Law, the Pharmaceutical Affairs Law, environmental and recycling regulations, customs and import/export rules, the Foreign Exchange Act and the Personal Information Protection Law. Within this context, the Group views efforts to enhance compliance as a matter of priority, and does its utmost to ensure that rights are protected. However, the establishment of any unforeseen new law in the future could have an impact on the Group's operating results.

7) Food safety

In recent years, companies have been required to adopt increasingly stringent quality control measures against a backdrop of rising public interest in food quality and safety.

The Group has established a rigorous quality assurance system, including the adoption of international ISO quality standards. The Group plans to further enhance its quality assurance system going forward to ensure even higher levels of safety. However, the occurrence of any quality issues that exceed the scope of these initiatives could have an impact on the Group’s operating results.

2. Status of the Corporate Group

The following change was made to the corporate group in fiscal 2013. In accordance with a business alliance agreement with China Agri-Industries Holdings Ltd., a 51% stake in Dalian Nisshin Oil Mills, Ltd. was sold to COFCO Oils & Fats Holdings Ltd., a wholly-owned subsidiary of China Agri-Industries Holdings. Owing to this sale, Dalian Nisshin Oil Mills, Ltd. became a joint venture of the Nisshin OilliO Group and COFCO Oils & Fats Holdings, and as of the final day of fiscal 2013, is treated as an equity-method affiliate of the Nisshin OilliO Group.

That said, the “Organizational Chart (Description of Business)” and “Status of Subsidiaries and Affiliates” appearing in the most recent Securities Report (submitted June 26, 2013) are omitted here due to the lack of any significant change. For changes in the scope of consolidation, refer to “Scope of consolidation” and “Application of the equity method” under “Important matters used as the basis for preparation for the consolidated financial statements.”

Moreover, for changes in the scope of consolidation, refer to “Scope of consolidation” and “Application of the equity method” under “Important matters used as the basis for preparation for the consolidated financial statements.”

3. Management Policies

(1) Basic management policies of the Company

At the Nisshin OilliO Group, we consider it our mission to help make people happy and to continuously contribute to the development of society and the economy as a corporate group that provides value to customers, shareholders and employees, who are its main stakeholders, as well as to society and the environment. Our core concept – the pursuit of “good flavor, health and beauty” – is founded on technology honed through our long-standing involvement in vegetable oils and other food-related areas. As we strive to fulfill our mission and adhere to this concept, we will remain an ever-growing and evolving corporate group by creating and providing new value to society.

The Company aims to fulfill its responsibilities as a member of modern society by tackling environmental problems proactively, promoting CSR activities and adhering to relevant laws and regulations.

(2) Target management indicators

The Nisshin OilliO Group developed a medium-term management plan covering the three years from fiscal 2014 to fiscal 2016 and plans to execute medium/long-term growth strategies and measures to expand its corporate earnings.

The Group's desired vision and direction are “armed with strong brand power and original technology, the Nisshin OilliO Group aims to become a corporate group conducting the oils and fats and related businesses on a global scale.” By utilizing the brand and technological strength cultivated since the company’s founding, Nisshin OilliO aims to become a corporate group that will globally expand its oils and fats related businesses, which ranges from foods to fine chemicals. The Group has set goals for net sales, operating income, ordinary income, and net income and will embark on measures to achieve these goals.

(3) Medium- to long-term management strategies

The basic policy of the Nisshin OilliO Group's medium-term management plan covering the three years from fiscal 2014 to fiscal 2016 is "centered on the improvement of earnings in our core oils and fats business, we will build a solid earnings base for the future" . In specific, the Group aims to achieve the following four goals.

- In the Domestic Oils and Fats Business, the Group aims to expand gross profit and maintain stable earnings by boosting sales volume, based on the assumption that the Group continues to carry out product development and fair selling prices.
- In the Processed Oils and Fats Business, which is to be the second pillar after the domestic oils and fats business, the Group aims to steadily expand earnings by developing the domestic Processed Oils and Fats business and by promoting its Asian strategy.
- In the Fine Chemicals, Healthy Foods, and Medium-Chain Triglyceride Businesses, the Group plans to expand and grow these businesses to solidify the Group's income base through business development utilizing our original technologies and strengths.
- The Group also plans to trim costs by executing production and distribution cost reforms, and through implementation of the production and distribution optimization plan for flexible response to the environment.

(4) Issues facing the Group

Although there are indications Japan's economy is making a positive turnaround, the environment in which the Nisshin OilliO Group operates is likely to remain challenging going forward due to following issues: high raw material prices mainly reflecting an increase in global grain demand; continued low-birth rate and aging population in Japan; and higher costs for imported raw materials and energy reflecting a depreciation in the yen's value.

The Group launched its 10-year basic management vision *GROWTH 10* in 2007. In its medium-term management plan, "*GROWTH 10 Phase II,*" covering the period from 2011 to 2013, the Group set out to reform its business structure with the goals of establishing a stable earnings base and realizing secure growth.

In the Oils and Meals Business, raw material costs have more than doubled between the time the Group first drew up the *GROWTH 10* vision and fiscal 2013. Raw materials costs in this business continue to trend at a high level. Moreover, the cost of energy, including electrical power, is also rising. This is substantially pushing up product costs. Meanwhile, consumer preference for low-cost products is becoming a prolonged trend in the market. This is wedging a gap between plans and actual achievement of the growth strategies in the Group's *GROWTH 10* vision, which aims to secure stable earnings in the core oils and fats business and invest in growth businesses to develop the next earnings pillar. In light of this, *GROWTH 10* was concluded at the end of fiscal 2013 and from fiscal 2014 a new three-year medium-term management plan was launched with the goal of securing solid earnings in the oils and fats business.

Under this new three-year medium-term management plan, to achieve its desired vision and direction, armed with strong brand power and original technology, the Nisshin OilliO Group aims to become a corporate group conducting the oils and fats and related businesses on a global scale Above all, centered on the improvement of earnings in our core oils and fats business, the Group will build a solid earnings base for the future.

In the Oils and Meals Business, the Group looks to improve earnings strength through continuous product development, by enhancing brand power via an expansion in sales volume, and also by cutting production and distribution costs.

In the Processed Oils and Fats Business, the Group plans to expand the domestic processed oils and fats business with alliances within and outside the company and by fortifying proposal capabilities, and promote its Asia strategy, mainly by improving earnings at its consolidated subsidiary, Intercontinental Specialty Fats Sdn. Bhd.

In the Fine Chemicals Business and the Healthy Foods Business, Nisshin OilliO aims to expand and grow these businesses to solidify the Group's income base through business development utilizing our original technologies and strengths.

Furthermore, as a medium- and long-term growth strategy, the Group plans to develop medium-chain triglycerides into a new business.

In addition to corporate branding strategies for maximizing enterprise value, the Nisshin OilliO Group aims to continue with initiatives to strengthen its corporate governance, including bolstering its compliance system, and setting up and managing an internal control system.

The Nisshin OilliO Group sees the essence of CSR (corporate social responsibility) as being "meeting the expectations of all and any stakeholders." This means not only diligently upholding legally mandated responsibilities, but also stably providing safe products and reliable services, taking steps to care for the environment, giving back to society, and disclosing information appropriately. Taking a proactive stance in CSR activities is the best way to maintain and increase trust and support from our stakeholders. In doing so we strive to develop our business sustainably and to increase our value as a corporation.

4. Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	9,211	6,357
Notes and accounts receivable – trade	*5, *7 59,030	*5, *7 59,886
Short-term investment securities	403	0
Inventories	*1 57,428	*1 51,665
Deferred tax assets	2,466	1,663
Short-term loans receivable	7,499	1,985
Other	5,945	4,715
Allowance for doubtful accounts	(24)	(55)
Total current assets	141,960	126,219
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	28,580	29,907
Machinery, equipment and vehicles, net	16,161	18,811
Land	28,247	28,460
Lease assets, net	710	557
Construction in progress	3,367	340
Total property, plant and equipment	*3 77,068	*3 78,077
Intangible assets		
Goodwill	4,210	3,635
Other	1,556	1,263
Total intangible assets	5,766	4,898
Investments and other assets		
Investment securities	*2, *4 18,253	*2, *4 19,480
Long-term loans receivable	253	40
Retirement benefit assets	–	295
Deferred tax assets	583	525
Other	5,271	3,267
Allowance for doubtful accounts	(623)	(50)
Total investments and other assets	23,739	23,558
Total noncurrent assets	106,574	106,535
Deferred assets		
Bond issuance cost	45	32
Total deferred assets	45	32
Total assets	248,580	232,786

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable – trade	*4, *7 38,676	*4, *7 31,444
Short-term loans payable	*6 23,850	*6 17,459
Current portion of bonds	5,000	10,000
Lease obligations	283	262
Accounts payable – other	12,876	13,211
Accrued expenses	4,396	3,957
Income taxes payable	640	940
Deferred tax liabilities	64	15
Provision for directors' bonuses	52	48
Other	*5 1,918	*5 1,368
Total current liabilities	87,759	78,708
Noncurrent liabilities		
Bonds payable	20,000	10,000
Long-term loans payable	14,359	12,923
Lease obligations	446	415
Deferred tax liabilities	5,798	5,296
Provision for retirement benefits	1,205	–
Provision for directors' retirement benefits	1,204	934
Retirement benefit liabilities	–	4,525
Negative goodwill	5	–
Other	723	650
Total noncurrent liabilities	43,742	34,746
Total liabilities	131,502	113,455
Net assets		
Shareholders' equity		
Capital stock	16,332	16,332
Capital surplus	26,072	26,072
Retained earnings	68,130	68,799
Treasury stock	(2,783)	(2,787)
Total shareholders' equity	107,751	108,416
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,941	3,401
Deferred gains or losses on hedges	(381)	(304)
Foreign currency translation adjustment	99	3,192
Remeasurement of retirement benefits	–	(2,669)
Total accumulated other comprehensive income	2,659	3,620
Minority interests	6,667	7,295
Total net assets	117,078	119,331
Total liabilities and net assets	248,580	232,786

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

Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net sales	309,981	337,148
Cost of sales	*1 260,643	*1 286,532
Gross profit	49,337	50,616
Selling, general and administrative expenses	*2, *3 45,110	*2, *3 45,513
Operating income	4,227	5,103
Non-operating income		
Interest income	101	83
Dividends income	272	275
Foreign exchange gains	595	398
Amortization of negative goodwill	9	5
Equity in earnings of affiliates	244	424
Other	568	278
Total non-operating income	1,791	1,465
Non-operating expenses		
Interest expenses	1,213	1,055
Loss on disposal of inventories	103	110
Other	230	344
Total non-operating expenses	1,546	1,510
Ordinary income	4,471	5,058
Extraordinary income		
Gain on sales of noncurrent assets	*4 217	*4 392
Gain on sales of investment securities	8	351
Gain on sales of equity in affiliates	–	300
Gain on negative goodwill	21	129
Total extraordinary income	246	1,173
Extraordinary loss		
Loss on retirement of noncurrent assets	*5 156	*5 253
Loss on business at affiliates	–	116
Loss on valuation of membership rights	–	9
Moving expenses	41	–
Total extraordinary losses	197	378
Income before income taxes and minority interests	4,520	5,853
Income taxes – current	962	922
Corporate and other taxes for past fiscal years	–	*6 445
Income taxes – deferred	1,456	1,567
Total income taxes	2,419	2,935
Income before minority interests	2,101	2,917
Minority interests in income	593	641
Net income	1,508	2,276

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Income before minority interest	2,101	2,917
Other comprehensive income		
Valuation difference on available-for-sale securities	1,826	400
Deferred gains or losses on hedges	(423)	39
Foreign currency translation adjustment	2,068	2,947
Share of other comprehensive income of associates accounted for using equity method	208	326
Total other comprehensive income	3,679	3,714
Comprehensive income	5,780	6,631
(Breakdown)		
Comprehensive income attributable to owners of the parent	4,982	5,906
Comprehensive income attributable to minority interests	798	725

(3) Consolidated statements of changes in net assets

Fiscal year ended March 31, 2013

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	16,332	26,072	68,284	(2,781)	107,907
Changes of items during the period					
Dividends from surplus			(1,662)		(1,662)
Net income			1,508		1,508
Purchase of treasury stock				(2)	(2)
Disposal of treasury stock		(0)		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	(0)	(154)	(2)	(156)
Balance at the end of current period	16,332	26,072	68,130	(2,783)	107,751

	Other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of current period	1,083	99	(1,998)	(814)	6,173	113,266
Changes of items during the period						
Dividends from surplus						(1,662)
Net income						1,508
Purchase of treasury stock						(2)
Disposal of treasury stock						0
Net changes of items other than shareholders' equity	1,857	(480)	2,097	3,473	494	3,968
Total changes of items during the period	1,857	(480)	2,097	3,473	494	3,811
Balance at the end of current period	2,941	(381)	99	2,659	6,667	117,078

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	16,332	26,072	68,130	(2,783)	107,751
Changes of items during the period					
Dividends from surplus			(1,662)		(1,662)
Net income			2,276		2,276
Change in retained earnings due to mergers between consolidated and non-consolidated subsidiaries			55		55
Purchase of treasury stock				(4)	(4)
Disposal of treasury stock		(0)		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	(0)	669	(3)	665
Balance at the end of current period	16,332	26,072	68,799	(2,787)	108,416

	Other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurement of retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of current period	2,941	(381)	99	–	2,659	6,667	117,078
Changes of items during the period							
Dividends from surplus							(1,662)
Net income							2,276
Change in retained earnings due to mergers between consolidated and non-consolidated subsidiaries							55
Purchase of treasury stock							(4)
Disposal of treasury stock							0
Net changes of items other than shareholders' equity	460	77	3,092	(2,669)	960	627	1,588
Total changes of items during the period	460	77	3,092	(2,669)	960	627	2,253
Balance at the end of current period	3,401	(304)	3,192	(2,669)	3,620	7,295	119,331

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net cash provided by operating activities		
Income before income taxes and minority interests	4,520	5,853
Depreciation and amortization	5,893	5,607
Amortization of goodwill	792	1,166
Interest and dividends income	(373)	(359)
Interest expenses	1,213	1,055
Equity in earnings of affiliates	(244)	(424)
Loss (gain) on sales of short-term investment securities	(8)	–
Loss (gain) on sales and retirement of noncurrent assets	(60)	(138)
Loss (gain) on sales of investment securities	–	(351)
Loss (gain) on sales of equity in affiliates	–	(300)
Gain on negative goodwill	(21)	(129)
Loss on business at affiliates	–	116
Moving expenses	41	–
Decrease (increase) in notes and accounts receivable – trade	(2,152)	(3)
Decrease (increase) in inventories	(11,832)	6,657
Increase (decrease) in notes and accounts payable – trade	6,685	(7,039)
Increase (decrease) in provisions for retirement benefits	24	(1,215)
Decrease (increase) in retirement benefit assets	–	(295)
Increase (decrease) in retirement benefit liabilities	–	4,525
Other, net	(1,561)	(250)
Subtotal	2,916	14,474
Interest and dividends income received	375	347
Interest expenses paid	(1,236)	(1,063)
Income taxes paid	(685)	(1,047)
Net cash provided by operating activities	1,369	12,711
Net cash used in investing activities		
Purchase of property, plant and equipment	(4,897)	(6,917)
Proceeds from sales of property, plant and equipment	35	540
Purchase of investment securities	(40)	(330)
Proceeds from sales of investment securities	45	821
Proceeds from redemption of investment securities	750	400
Purchase of stocks of subsidiaries and affiliates	(340)	–
Proceeds from sales of stocks of subsidiaries and affiliates	68	–
Purchase of equity in affiliates	–	(43)
Proceeds from sales of equity in affiliates due to change in scope of consolidation	–	(2,914)
Other, net	(567)	(491)
Net cash used in investing activities	(4,945)	(8,934)

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net cash used in financing activities		
Net decrease in short-term loans payable	(29)	(2,935)
Proceeds from long-term loans payable	2,162	–
Repayment of long-term loans payable	(2,856)	(5,814)
Redemption of bonds	(5,000)	(5,000)
Repayments of lease obligations	(354)	(308)
Cash dividends paid	(1,662)	(1,662)
Proceeds from sales of treasury stock	0	17
Purchase of treasury stock	(2)	(4)
Cash dividends paid to minority shareholders	(50)	(44)
Net cash used in financing activities	(7,793)	(15,751)
Effect of exchange rate change on cash and cash equivalents	842	1,141
Net increase (decrease) in cash and cash equivalents	(10,526)	(10,834)
Cash and cash equivalents at beginning of period	26,978	16,452
Change in cash and cash equivalents due to mergers between consolidated and non-consolidated subsidiaries	–	99
Cash and cash equivalents at end of period	*1 16,452	*1 5,717

(5) Notes to the consolidated financial statements

(Notes on premise of going concern)

No item to report

(Important matters forming the basis for preparation of the consolidated financial statements)

1) Scope of consolidation

The Group has 26 subsidiaries, of which 16 companies are included in the scope of consolidation.

The decrease in the number of consolidated subsidiaries during the current consolidated fiscal year is as follows.

[Excluded]

Dalian Nisshin Oil Mills, Ltd.: Change from a consolidated subsidiary to an equity-method affiliate owing to the transfer of ownership.

Note: Dalian Nisshin Oil Mills, Ltd. is changing its name to COFCO Nisshin (Dalian) Co., Ltd., following the transfer of ownership.

The main consolidated subsidiaries are as follows:

Settsu Oil Mill, Inc., Nisshin Trading Co., Ltd., Nisshin Logistics Co., Ltd., Daito Cacao Co., Ltd., The Nisshin OilliO (China) Investment Co., Ltd., and Intercontinental Specialty Fats Sdn. Bhd.

The total assets, net sales, and total amount of both the net profit or loss and retained earnings equivalent to the amount accounted for under the equity method for 10 non-consolidated subsidiaries are excluded from the scope of consolidation because their affect on the consolidated financial statements is not material.

2) Application of the equity method

The equity method has been applied to the investments in 6 of the Group's 10 non-consolidated subsidiaries and 15 affiliates. The following companies were newly added during fiscal 2013.

[New addition]

COFCO Nissin (Dalian) Co., Ltd.: Change from a consolidated subsidiary to an equity-method affiliate owing to the transfer of ownership.

Principal affiliates accounted for under the equity method are as follows:

PIETRO Co., Ltd., Wakou Shokuhin Co., Ltd., Saiwai Trading Co., Ltd., and COFCO Nisshin (Dalian) Co., Ltd.

The 10 non-consolidated subsidiaries and 9affiliates are all small and not material when measured by the impact of total amounts of net income (loss) and retained earnings based on the Company's ownership percentage of those companies on consolidated financial statements. They have therefore been excluded from the scope of equity method.

3) Closing date (fiscal year closing date) of consolidated subsidiaries

The closing date of the following consolidated subsidiaries is December 31. Shanghai Nisshin Oil & Fats, Ltd., The Nisshin OilliO (China) Investment Co., Ltd., Intercontinental Specialty Fats Sdn. Bhd., Industrial Química Lasem, S.A.U., and T.&C. Manufacturing Co., Pte. Ltd.

In preparing the consolidated financial statements, the financial statements of the above companies were used as of their respective balance sheet dates and necessary adjustments were made to the consolidated financial statements for any significant transactions that took place between their respective balance sheet dates and the date of the consolidated financial statements.

Items other than those listed above are omitted here due to a lack of any material change from the information appearing in the most recent Securities Report (submitted June 26, 2013).

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

(Changes in accounting policies)

From fiscal 2013, the Nisshin OilliO Group began employing the “Accounting Standards for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No.25, May 17, 2012). (However, this excludes Section 35 in the Accounting Standards for Retirement Benefits statement and Section 67 in the Guidance on Accounting Standard for Retirement Benefits.)

The Group is changing the accounting procedure for posting retirement benefit obligations, excluding pension assets, as retirement benefit assets and liabilities. The unrecognized actuarial gains (losses) and unrecognized prior service cost are to be posted as retirement benefit assets and liabilities.

In employing the Accounting Standards for Retirement Benefits and other rules, retirement benefits are handled as transitional items in accordance with Section 37 of the Accounting Standards for Retirement Benefits. In fiscal 2013, the impact from this change to accounting practices was reflected through the remeasurement of retirement benefits recognized as accumulated other comprehensive income.

Consequently, at the end of fiscal 2013, the Group posted retirement benefit liabilities of ¥4,525 million and retirement benefit assets of ¥295 million. Also, the accumulated other comprehensive income declined by ¥2,669 million.

That said, data on the impact to per-share dividends is mentioned in the section on dividends.

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

Changes in depreciation method for property, plant and equipment

Traditionally, Nisshin OilliO and its domestic consolidated subsidiaries mainly employ the declining balance method as the depreciation method for property, plant and equipment (excluding structures, buildings, and leased assets), while the overseas subsidiaries employed a straight-line method. Beginning fiscal 2013, Nisshin OilliO and its domestic consolidated subsidiaries are changing to the straight-line method. This reflects a review of the usage of the Group’s property, plant and equipment, given the recent business environment, including soaring raw material costs and a decrease in the domestic volume of pressed oils. By employing the straight-line method, the Group can achieve cost allocation that is closer in line with the actual usage of its property, plant and equipment. Also, given plans to expand globally, the standardization of depreciation methods within the Group facilitates the provision of more effective data that can be used for investment decisions and earnings evaluations.

This change in depreciation method resulted in an increase of ¥981 million in operating income, ordinary income, and income before income taxes and minority interests, respectively, in the consolidated fiscal year under review.

The impact to segment data is noted in each respective section.

(Notes to the consolidated balance sheets)

*1. Breakdown of Inventories

	As of March 31, 2013	As of March 31, 2014
Merchandise and finished goods	¥26,486 million	¥24,423 million
Work in process	¥138 million	¥193 million
Raw materials and supplies	¥30,803 million	¥27,048 million

*2. The amount invested in non-consolidated subsidiaries and affiliates is as follows.

	As of March 31, 2013	As of March 31, 2014
Investment securities (Shares)	¥3,480 million	¥3,707 million
Investment securities (Investments in capital)	¥865 million	¥1,391 million

*3. Accumulated depreciation of property, plant and equipment

	As of March 31, 2013	As of March 31, 2014
Accumulated depreciation of property, plant and equipment	¥132,153 million	¥134,078 million

*4. Assets pledged as collateral and liabilities relating to collateral
Amount of assets pledged as collateral

	As of March 31, 2013	As of March 31, 2014
Investment securities	¥95 million	¥94 million

Amount of liabilities secured by assets pledges as collateral

	As of March 31, 2013	As of March 31, 2014
Accounts payable – trade	¥9 million	¥5 million

*5. Liquidation of notes and accounts receivable – trade
Amounts as of the consolidated accounts settlement date are as follows:

	As of March 31, 2013	As of March 31, 2014
Account receivable transfers	¥997 million	¥1,499 million
Deposits (debt collector portion)	¥146 million	¥26 million

Deposits (debt collector portion) represent the amount transferred to the debt collector that is yet unsettled as of the consolidated accounts settlement date with respect to the factoring company.

Deposits (debt collector portion) are included in other current liabilities.

*6. The Company and its consolidated subsidiaries (four companies) executed overdraft agreements and commitment line agreements with nine banks to facilitate effective procurement of working capital.

The following is the balance of loans yet to be executed relating to overdraft agreements and commitment line agreements.

	As of March 31, 2013	As of March 31, 2014
Total amount of overdraft facility limit and commitment line agreement	¥40,092 million	¥45,098 million
Balance of executed loans	¥ (300) million	¥ (200) million
Difference	¥39,792 million	¥44,898 million

* 7. Matured notes at fiscal year-end are accounted for on the settlement date. Since the final day of the prior consolidated fiscal year was a bank holiday, the following notes that matured on that day are included in the closing balance for the prior year.

	As of March 31, 2013	As of March 31, 2014
Notes receivable – trade	¥135 million	–
Notes payable – trade	¥3 million	–

* 8. Contingent liabilities are as follows:
Guarantees of bank loans etc.

As of March 31, 2013		As of March 31, 2014	
Employees	¥292 million	Employees	¥243 million
		COFCO Nisshin (Dalian) Co., Ltd.	¥3,388 million
			($32,920,000)
		The Group’s share of financing is equal to ¥1,660 million ($16,130,000)	
Total	¥292 million		¥3,631 million

Note: Dalian Nisshin Oil Mills, Ltd. is changing its name to COFCO Nisshin (Dalian) Co., Ltd., following the transfer of ownership.

Guarantees of utility usage fees

	As of March 31, 2013	As of March 31, 2014
Colasem.A.I.E.	¥20 million	¥30 million

(Notes to the consolidated statements of income)

*1. Write downs of book values due to lower profitability of inventories held for sale were as follows:

	As of March 31, 2013	As of March 31, 2014
Cost of sales	¥252 million	¥120 million

*2. Major items and amounts of selling, general and administrative expenses are as follows:

	As of March 31, 2013	As of March 31, 2014
Freightage expenses, haulage expenses, warehousing fees	¥11,990 million	¥12,739 million
Provision of allowance for doubtful accounts	¥ (16) million	¥138 million
Salaries and wages	¥7,612 million	¥7,824 million
Retirement benefit expenses	¥1,081 million	¥1,072 million
Provision for directors' retirement benefits	¥137 million	¥144 million
Provision for directors' bonuses	¥52 million	¥48 million
Advertising expenses	¥4,373 million	¥3,557 million
Depreciation and amortization	¥1,750 million	¥1,544 million
Amortization of goodwill	¥801 million	¥1,172 million

*3. Total research and development expenses included in selling, general and administrative expenses are as follows:

	As of March 31, 2013	As of March 31, 2014
Research and development expenses	¥1,900 million	¥1,940 million

*4. Items and amount of gain on sale of noncurrent assets are as follows:

	As of March 31, 2013	As of March 31, 2014
Buildings and structures	¥214 million	¥367 million
Machinery, equipment and vehicles	¥2 million	¥16 million
Other noncurrent assets	–	¥8 million
Total	¥217 million	¥392 million

*5. Items and amounts of loss on retirement of noncurrent assets are as follows:

	As of March 31, 2013	As of March 31, 2014
Buildings and structures	¥98 million	¥162 million
Machinery, equipment and vehicles	¥56 million	¥89 million
Other noncurrent assets	¥0 million	¥0 million
Total	¥156 million	¥253 million

*6 Corporate and other taxes for past years

The Nisshin OilliO Group, Ltd. was contacted by the Tokyo Regional Taxation Bureau informing the Group that it would have to make corrections to its tax payments mainly as it had not satisfied the requirements for carrying over losses related to valuation losses on investments in affiliated companies. The revision to this error is expected to result in a tax penalty of ¥445 million, which is to be posted in fiscal 2013 as corporate and other taxes for past years.

The Company is considering filing an appeal with the Tokyo Regional Taxation Bureau after it receives the official notice for correction and confirms the details of this order.

(Notes to the consolidated statements of changes in net assets)

Fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

1. Type and total number of issued shares

Type of shares	Number of shares as of April 1, 2013	Increase	Decrease	Number of shares as of March 31, 2014
Common stock (Shares)	173,339,287	–	–	173,339,287

2. Type and total number of treasury stock

Type of shares	Number of shares as of April 1, 2013	Increase	Decrease	Number of shares as of March 31, 2014
Common stock (Shares)	7,157,670	7,243	463	7,164,450

(Reasons for the change)

Main reasons for the increase are as follows:

Increase due to the purchase of shares less than one unit 7,243 shares

Main reason for the decrease is as follows:

Decrease due to additional purchase requests of less than one unit 463 shares

3. Stock acquisition rights

No item to report

4. Cash dividends

(1) Dividend payments

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 27, 2012	Common stock	831	5.00	March 31, 2012	June 28, 2012
Board of Directors' Meeting held on November 2, 2012	Common stock	831	5.00	September 30, 2012	December 4, 2012

(2) Dividends whose record dates are in the fiscal year under review but whose effective dates fall in the next fiscal year

Resolution	Type of shares	Source of dividends	Total amount of dividends (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2013	Common stock	Retained earnings	831	5.00	March 31, 2013	June 27, 2013

Fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

1. Type and total number of issued shares

Type of shares	Number of shares as of April 1, 2013	Increase	Decrease	Number of shares as of March 31, 2014
Common stock (Shares)	173,339,287	–	–	173,339,287

2. Type and total number of treasury stock

Type of shares	Number of shares as of April 1, 2013	Increase	Decrease	Number of shares as of March 31, 2014
Common stock (Shares)	7,164,450	13,329	1,180	7,176,599

(Reasons for the change)

Main reasons for the increase are as follows:

Increase due to the purchase of shares less than one unit 13,329 shares

Main reason for the decrease is as follows:

Decrease due to additional purchase requests of less than one unit 1,180 shares

3. Stock acquisition rights

No item to report

4. Cash dividends

(1) Dividend payments

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2013	Common stock	831	5.00	March 31, 2013	June 27, 2013
Board of Directors' Meeting held on November 7, 2013	Common stock	831	5.00	September 30, 2013	December 5, 2013

(2) Dividends whose record dates are in the fiscal year under review but whose effective dates fall in the next fiscal year

Resolution	Type of shares	Source of dividends	Total amount of dividends (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2014	Common stock	Retained earnings	831	5.00	March 31, 2014	June 26, 2014

(Note to the consolidated statements of cash flows)

*1 Cash and cash equivalents at end of the period were reconciled to the accounts reported in the consolidated balance sheets as follows:

	As of March 31, 2013	As of March 31, 2014
Cash and deposits	¥9,211 million	¥6,357 million
Short-term investment securities	¥403 million	¥0 million
Short-term loans receivable (repurchase)	¥7,498 million	–
Time deposits with a maturity exceeding three months that are included in cash and deposits	¥ (259) million	¥ (640) million
Stocks and bonds with a maturity exceeding three months that are included in short-term investment securities	¥ (402) million	–
Cash and cash equivalents	¥16,452 million	¥5,717 million

(Segment information)

1. Overview of reporting segments

(1) Selecting reporting segments

The Company's reporting segments are the compositional units of the Company for which separate financial information is available. They are periodically examined by the board of directors for the purpose of deciding on allocation of management resources and evaluating business results.

The Company's products are divided between operating divisions at its headquarters, and each operating division formulates comprehensive domestic and overseas strategies for each of its assigned products, and conducts business activities. Consequently the Company is comprised of separate product segments based on operating divisions, and its five reporting segments are "Oils and Meals," "Processed Oils and Fats," "Healthy Foods," "Fine Chemicals," and "Soy Foods and Materials."

Major products for each reporting segment are as follows:

Business segment	Main products
Oils and Meals	Edible oils for household use, edible oils for commercial use, edible oils for food processing, oil meals
Processed Oils and Fats	Processed palm oil products, specialty fats, margarine, shortening, chocolate-related products
Healthy Foods	Dressings and mayonnaise varieties, foods for preventing lifestyle-related diseases, foods for the elderly and nursing care foods, foods for those receiving medical treatment, foods for special dietary purposes, functional health food ingredients, tofu
Fine Chemicals	Raw materials for cosmetics and toiletries, chemical products, medium-chain triglycerides, lecithin, tocopherol, detergents, disinfectants, surfactants
Soy Foods and Materials	Soy foods, soy protein
Other	Computing-related services, sales promotions, sports facility management, nonlife insurance agency, real estate leasing

(2) Matters related to changes in reporting segments, etc.

As noted under the "changes in accounting policies that are difficult to distinguish from changes in accounting estimates," from fiscal 2013, Nisshin OilliO and its domestic consolidated subsidiaries began employing the straight-line method for depreciation for plant, property and equipment (excluding buildings, structures, and leased assets). Previously, Nisshin OilliO and its domestic consolidated subsidiaries used the declining balance method while overseas consolidated subsidiaries used the straight-line method.

Reflecting this change, segment profit was impacted as follows: positive impact at the Oils and Meals segment (¥789 million), Processed Oils and Fats segment (¥121 million), Fine Chemicals segment (¥37 million), and Soy

Foods and Materials segment (¥13 million) but negative impact at the Other segment (down ¥2 million). Also, segment loss at the Healthy Foods segment was ¥21 million.

2. Calculation methods for net sales, income and loss, assets, liabilities and other items by reporting segments

The accounting methods used for the reported business segments are the same as reported under "Important matters used as the basis for preparation of the consolidated financial statements."

3. Information on net sales, income and loss, assets, liabilities and other items by reporting segment

Fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

(Millions of yen)

	Reporting segments						Other*1	Total	Adjustments *2	Amounts in the consolidated financial statements*3
	Oils and Meal	Processed Oils and Fats	Healthy Foods	Fine Chemicals	Soy Foods and Materials	Total				
Net sales										
Sales to external customers	206,942	74,923	7,081	12,487	5,285	306,721	3,260	309,981	–	309,981
Intersegment sales or transactions	2,721	3,912	67	147	59	6,907	2,073	8,981	(8,981)	–
Total	209,663	78,835	7,148	12,634	5,345	313,628	5,333	318,962	(8,981)	309,981
Segment income (loss)	3,436	809	(273)	399	44	4,417	366	4,783	(556)	4,227
Segment assets	170,577	53,914	4,334	9,771	3,774	242,373	1,891	244,265	4,315	248,580
Other items										
Depreciation and amortization	3,926	1,351	120	287	69	5,754	138	5,893	–	5,893
Increase in property, plant and equipment and intangible assets	4,019	2,124	67	321	34	6,567	91	6,659	–	6,659

Notes: *1. The Other category is for business segments that are not included in reporting segments, such as computing-related services.

*2. Adjustments are as follows:

(1) Adjustment for segment income (loss) of - ¥556 million includes unallocated expenses. These expenses mainly comprise general administrative expenses that cannot be attributed to reporting segments.

(2) Adjustment for segment assets of ¥4,315 million comprises elimination of intersegment transactions of - ¥7,352 million and unallocated assets of ¥11,668 million. Major components of the unallocated assets are the surplus funds (cash and deposits and short-term investment securities) and long-term investment funds (those that cannot be charged directly to each segment in investment securities).

*3. Segment income is adjusted against the operating income recorded in the consolidated income statement.

Fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Reporting segments						Other*1	Total	Adjustments *2	Amounts in the consolidated financial statements*3
	Oils and Meal	Processed Oils and Fats	Healthy Foods	Fine Chemicals	Soy Foods and Materials	Total				
Net sales										
Sales to external customers	223,888	82,771	7,241	13,724	5,788	333,415	3,733	337,148	–	337,148
Intersegment sales or transactions	2,664	4,257	66	438	63	7,490	1,950	9,440	(9,440)	–
Total	226,553	87,028	7,308	14,163	5,851	340,905	5,684	346,589	(9,440)	337,148
Segment income (loss)	2,541	2,038	(25)	580	62	5,197	478	5,675	(572)	5,103
Segment assets	161,644	58,115	4,140	10,690	3,685	238,276	1,930	240,207	(7,420)	232,786
Other items										
Depreciation and amortization	3,334	1,682	92	303	59	5,472	134	5,607	–	5,607
Increase in property, plant and equipment and intangible assets	5,697	775	25	611	42	7,152	98	7,251	–	7,251

Notes: *1. The Other category is for business segments that are not included in reporting segments, such as computing-related services.

*2. Adjustments are as follows:

(1) Adjustment for segment income (loss) of - ¥572 million includes unallocated expenses. These expenses mainly comprise general administrative expenses that cannot be attributed to reporting segments.

(2) Adjustment for segment assets of ¥7,420 million comprises elimination of intersegment transactions of - ¥7,876 million and unallocated assets of ¥456 million. Major components of the unallocated assets are the surplus funds (cash and deposits and short-term investment securities) and long-term investment funds (those that cannot be charged directly to each segment in investment securities).

*3. Segment income is adjusted against the operating income recorded in the consolidated income statement.

[Related information]

Fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

1. Information by products and services

This information is omitted because it is the same as the information recorded for segment information.

2. Information by countries and regions

(1) Net sales

(Millions of yen)

	Japan	Asia	Other	Total
Net sales	237,129	48,067	24,784	309,981
Share of net sales	76.5%	15.5%	8.0%	100.0%

Note: Sales are classified into countries or regions based on customers' locations.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Europe	Total
60,548	14,773	1,746	77,068

3. Information by principal customers

(Millions of yen)

Name	Net sales	Related segments
Mitsubishi Corporation	48,250	Oils and Meals Business, Processed Oils and Fats Business, Healthy Foods Business, Fine Chemicals Business, Soy Foods and Materials Business

Fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

1. Information by products and services

This information is omitted because it is the same as the information recorded for segment information.

2. Information by countries and regions

(1) Net sales

(Millions of yen)

	Japan	Asia	Other	Total
Net sales	263,302	45,616	28,229	337,148
Share of net sales	78.1%	13.5%	8.4%	100.0%

Note: Sales are classified into countries or regions based on customers' locations.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Europe	Total
63,297	12,405	2,374	78,077

3. Information by principal customers

(Millions of yen)

Name	Net sales	Related segments
Mitsubishi Corporation	55,161	Oils and Meals Business, Processed Oils and Fats Business, Healthy Foods Business, Fine Chemicals Business, Soy Foods and Materials Business

[Information on impairment loss on noncurrent assets by reporting segments]

No item to report

[Information on amortization of goodwill and unamortized amounts by reporting segments]

Fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

(Millions of yen)

	Reporting segments						Other*	Corporate/ Eliminations	Total
	Oils and Meals	Processed Oils and Fats	Healthy Food	Fine Chemicals	Soy Foods and Materials	Total			
(Goodwill)									
Amortized during the period	3	601	26	170	–	801	0	–	801
Balance at the end of current period	–	3,387	13	809	–	4,210	–	–	4,210
(Negative goodwill)									
Amortized during the period	7	–	–	–	–	7	1	–	9
Balance at the end of current period	4	–	–	–	–	4	0	–	5

Note: The “Other” segment is not included in the Company’s reporting segments and includes the information systems and other businesses.

Fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Reporting segments						Other*	Corporate/ Eliminations	Total
	Oils and Meals	Processed Oils and Fats	Healthy Food	Fine Chemicals	Soy Foods and Materials	Total			
(Goodwill)									
Amortized during the period	0	922	13	236	–	1,172	–	–	1,172
Balance at the end of current period	–	2,875	–	759	–	3,635	–	–	3,635
(Negative goodwill)									
Amortized during the period	4	–	–	–	–	4	0	–	5
Balance at the end of current period	–	–	–	–	–	–	–	–	–

Note: The “Other” segment is not included in the Company’s reporting segments and includes the information systems and other businesses.

(Information related to negative goodwill incurred at each reporting segment)

Fiscal 2012 (April 1, 2012 – March 31, 2013)

Explanatory notes were omitted due to a lack of significance.

Fiscal 2013 (April 1, 2013 – March 31, 2014)

The Oils and Meals business posted a gain on negative goodwill of ¥129 million. This mainly reflects acquisition of income on minority interest in Dalian Nisshin Oil Mills, Ltd.

(Per share information)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net assets per share	¥664.42	¥674.26
Net income per share	¥9.08	¥13.70

Note: 1. Diluted net income per share is not disclosed because the Company does not issue dilutive shares.

2. Basis for calculating per share is shown below.

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net income per share		
Net income (Millions of yen)	1,508	2,276
Amounts not attributable to common shareholders (Millions of yen)	–	–
Net income related to common shares (Millions of yen)	1,508	2,276
Average number of common shares during the period (1,000 shares)	166,178	166,170

3. Basis for calculating net assets per share is shown below.

	As of March 31, 2013	As of March 31, 2014
Total net assets (Millions of yen)	117,078	119,331
Amount deducted from total net assets	6,667	7,295
(Minority interests [Millions of yen])	(6,667)	(7,295)
Net assets related to common shares (Millions of yen)	110,410	112,036
Number of common shares used to calculate net assets per share (1,000 shares)	166,174	166,162

4 As mentioned in the “changes in accounting policies,” the Group is employing Accounting Standards for Retirement Benefits and retirement benefits are being handled as transitional items in accordance with Section 37 of the Accounting Standards for Retirement Benefits.
Accordingly, net asset value per share in fiscal 2013 declined ¥16.07.

(Important subsequent events)

No item to report

5. Other

(1) Transfer of Directors and Corporate Auditors (scheduled on June 25, 2014)

1) Transfer of Representative Director

1. New appointee

Representative Director	Akira Seto (Currently Director and Senior Managing Officer) * To maintain position as Senior Managing Officer
Representative Director	Takashi Ishigami (Currently Senior Managing Officer) * To maintain position as Senior Managing Officer

2. Retirement

	Fumio Imokawa (Currently Representative Director and Senior Managing Officer) * Scheduled to be appointed as Standing Advisor on the above date
	Toru Morino (Currently Representative Director and Senior Managing Officer) * Scheduled to be appointed as Standing Advisor on the above date Scheduled to retain post as CEO of Intercontinental Specialty Fats Sdn.Bhd.
	Susumu Watanabe (Currently Representative Director and Senior Managing Officer) * Scheduled to be appointed as Standing Advisor on the above date

2) Transfer of other Directors

1. New appointee

Director	Nobuaki Yoshida (Currently Managing Officer) * Scheduled to maintain post as Managing Officer
Director	Takahisa Kuno (Currently Managing Officer) * Scheduled to maintain post as Managing Officer

3) Transfer of Audit & Supervisory Board Member

1. New appointee

Audit & Supervisory Board Member (Standing)	Takeshi Ootara (Currently Officer and General Manager, Financial Dept.)

2. Retirements

	Yoshifumi Shukuya (Currently Full-time Outside Audit & Supervisory Board Member)