Translation

Consolidated Financial Results for FY3/2015
(Japanese GAAP)

May 11, 2015

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
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Scheduled date of Ordinary General Meeting of Shareholders:	June 25, 2015
Scheduled date to commence dividend payments:	June 26, 2015
Scheduled date to file Securities Report:	June 25, 2015
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, 2015 (April 1, 2014 to March 31, 2015)

(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	%
FY3/2015	329,267	(2.3)	5,574	9.2	5,823	15.1	3,447	51.5
FY3/2014	337,148	8.8	5,103	20.7	5,058	13.1	2,276	50.9

Note: Comprehensive income or (loss)
FY3/2015: ¥10,231 million (54.3%)
FY3/2014: ¥6,631 million (14.7%)

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
FY3/2015	20.75	–	3.0	2.5	1.7
FY3/2014	13.70	–	2.0	2.1	1.5

Note: Equity in earnings of affiliates:
FY3/2015: ¥522 million
FY3/2014: ¥424 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY3/2015	241,625	128,287	49.7	723.33
FY3/2014	232,786	119,331	48.1	674.26

Note: Equity
FY3/2015: ¥120,182 million
FY3/2014: ¥112,036 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
FY3/2015	12,705	(4,303)	(6,966)	7,402
FY3/2014	12,711	(8,934)	(15,751)	5,717

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	%	%
FY3/2014	–	5.00	–	5.00	10.00	1,662	73.0	1.5
FY3/2015	–	5.00	–	5.00	10.00	1,662	48.2	1.4
FY3/2016 (forecasts)	–	5.00	–	5.00	10.00		41.5	

3. Consolidated earnings forecasts for FY3/16 (April 1, 2015 to March 31, 2016)

(Percentages indicate year-on-year changes.)

	Net sales		Operating Income		Ordinary Income		Net Income Attributable to the Parent's Shareholders		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY3/2016	340,000	3.3	7,000	25.6	7,000	20.2	4,000	16.0	24.07

Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): No

New: - Excluded: -

(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: No
c. Changes in accounting estimates: No
d. Restatement of prior financial statements: No

Note: For details refer to page 18 of the attachment in the section titled "5. Consolidated Financial Statements (5) Notes to the consolidated financial statements (Changes in accounting policies)."

(3) Number of common shares and outstanding

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

FY3/2015	173,339,287 shares
FY3/2014	173,339,287 shares

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

FY3/2015	7,186,407 shares
FY3/2014	7,176,599 shares

c. Average number of shares during the period

FY3/2015	166,157,569 shares
FY3/2014	166,170,399 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 30.

Reference: Summary of non-consolidated operating results

1. Non-consolidated operating results for FY3/15 (April 1, 2014 to March 31, 2015)

(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	%
FY3/2015	199,029	(4.0)	2,634	(13.9)	2,921	(15.5)	2,350	22.5
FY3/2014	207,372	10.8	3,061	(20.7)	3,458	(26.5)	1,919	(24.1)

	Net income per share	Diluted net income per share
	Yen	Yen
FY3/2015	14.14	–
FY3/2014	11.55	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY3/2015	181,495	99,753	55.0	600.14
FY3/2014	174,586	95,250	54.6	573.02

Note: Equity
FY3/2015: ¥99,753 million
FY3/2014: ¥95,250 million

*** 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, 2015

During the consolidated fiscal year under review, in the first half of the fiscal year, personal consumption in Japan’s economy declined due to negative impact from the consumption tax hike. However, in the second half of the fiscal year, the economy continued to move on a modest trajectory toward recovery reflecting an improvement in earnings at export-driven companies owing to depreciation of the yen’s value, and an increase in capital investments. Meanwhile, recent consumption trends have been weak owing to a fall in real incomes triggered by a rise in commodity prices. In addition, there was also concern of a downturn in overseas economies, including Europe. Consequently, the overall outlook remains murky.

Amid this economic and market environment, the Nisshin OilliO Group put into action its new three-year Medium-Term Management Plan. It is the basic policy of the group to build a solid earnings base for the future which centers on the improvement of earnings in the group’s core oil and fat business.

Net sales totaled ¥329,267 million, a decrease of 2.3% compared with the previous fiscal year. In the profit front, operating income came to ¥5,574 million, up 9.2%, ordinary income stood at ¥5,823 million, a rise of 15.1%, and net income was ¥3,447 million, a growth of 51.5%.

Business segment performance was as follows.

It should be noted that in line with the start of the new Medium-Term Management Plan at the beginning of the fiscal year ended March 31, 2015, Nisshin OilliO reorganized its operations in the first quarter into four business segments—Oil and Meal, Processed Oil and Fat, Fine Chemical, and Healthy Food.

[Oil and Meal Business]

In the market in which the Oil and Meal Business is operated, the structural rise in grain prices continued reflecting the brisk food demand globally. In the fiscal year ended March 31, 2015, soybeans, a major raw material were traded high at around US$15.00 per bushel up to and in June. Then moving toward the month of September, prices began to decline owing to forecasts of bumper crops for soybeans in producing regions. However, prices turned upward once again as irregular weather conditions delayed harvests. Consequently, in the US, soybean prices trended in the US$10.00-level per bushel, owing in part to steady pressed oil demand. Price trends for rapeseed followed similar pattern. Rapeseed prices trended downward up to and in September, impacted by trends in the soybean market, but turned upward in the months following. As this illustrates, the oilseed markets were unstable. In addition, the environment for the procurement of major raw materials was grim given foreign exchange rate trends, namely the acceleration in the yen’s depreciation against the US dollar reflecting the gap between US and Japanese monetary policies.

In edible oils for household use, owing to benefits from proposal-oriented sales activities, mainly for high value-added product categories and sales expansion initiatives, sales volume and net sales of olive oils increased year-on-year. Sales of “Nisshin Healthy Vege-Oil” were also substantially higher in comparison with a year earlier. Meanwhile, the Company aimed to set reasonable selling prices that were commensurate with raw material costs. However, owing to the strong reactionary decline to last-minute demand to beat the consumption tax hike, overall net sales and sales volume in the edible oils for household use business decreased year-on-year.

In gift set sales, the environment was harsh due to the contraction of the overall gift market. Regardless, the Company put its best foot forward to increase its sales, in part by expanding its lineup of gift sets containing Bosco Olive Oil products. Nonetheless, net sales and sales volume declined in comparison with the previous fiscal year.

In edible oils for commercial use, sales volume of premium oils rose substantially year-on-year, and sales volume was brisk for other products in this category, including regular oils, reflecting sales expansion measures. Accordingly, sales volume for edible oils for commercial use overall rose. However, although volume rose, net sales shrank. Although the Company worked to set reasonable selling prices commensurate with raw materials costs, selling prices continued to fall as competition remained harsh in this market.

In edible oils for food processing, the Company actively promoted the expansion of sales to major food customers and to the processed oil and fat industry. However, although sales volume rose, net sales declined year-on-year in tandem with the fall in selling prices.

In soy protein, net sales and sales volume were up year-on-year, reflecting the Company's focus on sales activities that emphasized the securing of profit margins and sales expansion targeting major customers.

In the meals business, net sales and sales volume rose year-on-year, owing to an aggressively sales expansion that was underpinned by an increase in volume of soybeans and rapeseed that was pressed, and measures to sustain adequate selling prices amid price competition with imported soybean meal.

In addition, net sales in the Oil and Meal Business totaled ¥212,795 million, a decrease of 7.4% year-on-year, reflecting in part impact from the change in status of COFCO Nisshin (Dalian) Co., Ltd. (formerly Dalian Nisshin Oil Mills, Ltd.) from a consolidated subsidiary to an equity-method affiliated company.

Meanwhile, operating income stood at ¥2,913 million, a growth of 11.9% year-on-year, attributable to benefits from aggressive groupwide cost reductions.

[Processed Oil and Fat Business]

In the domestic Processed Oil and Fat Business, sales were strong, mainly for shortenings and specialty fats. At group subsidiary Daito Cacao Co., Ltd., net sales and sales volume rose in comparison with a year earlier owing to full-blown measures to expand sales. Operating income decreased versus the previous year due in part to the rise in raw material costs owing to soaring prices in the cacao market.

Intercontinental Specialty Fats Sdn. Bhd. posted a decline in sales volume year-on-year due to a shift in product mix of high value-added products. However, net sales and operating income increased in contrast with the previous year, owing in part to aggressive sales expansion initiatives for specialty fats and other products.

At T.& C. Manufacturing Co., Pte. Ltd., net sales and sales volume outperformed previous year levels thanks to the development of new customers and sales promotions directed at major customers. However, operating income was down year-on-year due to the deterioration in profit margins reflecting the volatility in prices for major raw materials.

In light of the above, Processed Oil and Fat segment's net sales increased 10.1% year on year to ¥91,165 million, and operating income totaled ¥2,234 million, a growth of 9.6%.

[Fine Chemical Business]

In the raw materials for cosmetics business, net sales and sales volume rose year-on-year, owing to brisk domestic and overseas sales, mainly for functional materials. Meanwhile, in the medium chain triglyceride (MCT) business, despite intensifying price competition in the domestic market, net sales and sales volume rose thanks to aggressive sales expansion measures and revisions to selling prices. However, operating income decreased year-on-year due to a rise in the cost of sales reflecting a weak yen and soaring raw material costs.

Industrial Quimica Lasem, S.A.U. posted a rise in net sales year-on-year, reflecting brisk sales, mainly in Spain. However, operating income fell due in part to soaring raw material costs.

In light of the above, the Fine Chemical segment's net sales increased 6.4% year on year to ¥14,606 million, and operating income totaled ¥548 million, a decrease of 5.6%.

Regarding the goodwill posted at the time of the acquisition of Industrial Quimica Lasem, S.A.U., the Company has reduced the estimated recoverable amount of the asset and partially written off this goodwill as an impairment loss of ¥251 million (posted as an extraordinary loss). This reflects management's overall consideration to recent sales activity, which is underperforming plans due a sluggish European economy and the sharp decline in the yen's value.

[Healthy Food Business]

In dressings, net sales and sales volume were basically flat versus a year earlier. Although there was negative impact from the drop in demand in reaction to the last-minute rush to beat out the consumption tax hike, and a decrease in demand in tandem with soaring vegetable prices, the Company benefited from aggressive sales expansion and adequate selling prices. In mayonnaise-type dressings, net sales and sales volume rose year-on-year, partly attributable to brisk sales throughout the year of "Nisshin Mayodorée." Meanwhile, in foods for the elderly and for those in nursing care, net sales and sales volume decreased but sales of foods for people receiving medical treatment rose owing in part to brisk sales trends for MCT-related foods.

At the Group's subsidiary Mogi Tofu Co., Ltd., net sales were up year-on-year but operating income was down due to soaring soybean prices in the domestic market.

Given the above factors, the Healthy Food segment recorded net sales of ¥7,040 million, a decrease of 2.8% year-on-year, and an operating loss of ¥12 million, an improvement of ¥13 million versus a year earlier.

[Other Business]

Net sales for the Group's Other Business, which includes the information systems business, decreased 2.0% year on year to ¥3,659 million. Operating income for this segment decreased 14.7% year on year to ¥407 million.

[Sales by Region]

Net sales to China, Malaysia and other parts of Asia came to ¥38,946 million, a decrease of 14.6% versus the previous year, due in part to the change in status of COFCO Nisshin (Dalian) Co., Ltd. (former Dalian Nisshin Oil Mills, Ltd.) from a consolidated subsidiary to an equity-method affiliated company. Meanwhile, net sales to Europe, the U.S. and other regions stood at ¥33,987 million, an increase of 20.4%, partly attributable to an increase in sales at Intercontinental Specialty Fats Sdn. Bhd. of high value-added products in Europe. The share of consolidated net sales accounted for by overseas sales increased 0.2 percentage points to 22.2%.

2) Earnings forecasts for the fiscal year ending March 31, 2016

Given there have been no major changes in global population trends and food conditions, the market for grains, which are the raw materials for the oils and meals, are likely to continue to trend at high levels. In addition, the environment in the markets for major raw materials is forecast to remain grim due to a downward trend in the yen's value triggered by the gap between monetary policies in the U.S. and Japan. 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 aims to build a solid earnings base for the future, which mainly consists of earnings improvement in the oil and fat business, a core business in accordance with the Medium-Term Management Plan launched in the fiscal year ended March 31, 2015.

For the fiscal year ending March 31, 2016, the Group projects consolidated net sales of ¥340,000 million, operating income of ¥7,000 million, ordinary income of ¥7,000 million and net income attributable to the parent's shareholders of ¥4,000 million.

(2) Analysis of financial position

1) Assets, liabilities and net assets

Total assets as of March 31, 2015 were ¥241,625 million, an increase of ¥8,838 million compared to the end of the previous fiscal year. This mainly reflects a decrease in short-term loans receivable of ¥1,887 million, and an increase in cash and deposits of ¥2,739 million, an increase in inventories of ¥3,225 million, and an increase in investment securities of ¥4,864 million.

Total liabilities amounted to ¥113,337 million, a decrease of ¥117 million from the end of the previous fiscal year. This mainly reflects an increase in notes and accounts payable–trade of ¥1,709 million and an increase in deferred tax liabilities (fixed) of ¥2,742 million, and a decrease in interest-bearing debt of ¥3,909 million and a decrease in retirement benefit liabilities of ¥3,005 million.

Total net assets stood at ¥128,287 million, an increase of ¥8,956 million compared with the end of the previous fiscal year. This reflects an increase in retained earnings of ¥2,233 million and an increase in accumulated other comprehensive income of ¥5,916 million.

2) Cash flows

Cash and cash equivalents (hereafter "funds") as of March 31, 2015 totaled ¥7,402 million, an increase of ¥1,684 million compared to the end of the previous fiscal year.

[Net cash provided by operating activities]

Operating activities provided net cash of ¥12,705 million. Positive factors include income before income taxes and minority interests of ¥6,285 million, depreciation and amortization of ¥5,813 million, amortization of goodwill of ¥1,149 million, and an increase in notes and accounts payable–trade of ¥1,395 million. Meanwhile, negative factors include an increase in inventories of ¥2,360 million.

[Net cash used in investing activities]

Net cash used in investing activities totaled ¥4,303 million. Major items include proceeds from the collection of loans receivable of ¥1,954 million, proceeds from sales of property, plant and equipment of ¥2,386 million, and purchase of property, plant and equipment of ¥6,524 million.

[Net cash used in financing activities]

Net cash used in financing activities totaled ¥6,966 million. The major breakdown includes a net decrease in short-term loans payable of ¥3,347 million, proceeds from the issuance of bonds of ¥9,934 million, repayment of long-term loans payable of ¥1,965 million, redemption of bonds of ¥10,000 million, and cash dividends paid of ¥1,662 million.

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

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Equity ratio (%)	46.9	45.2	44.4	48.1	49.7
Market value equity ratio (%)	29.1	24.0	22.5	24.0	30.7
Interest-bearing debt to cash flow ratio (Years)	–	5.0	46.1	4.0	3.7
Interest coverage ratio (Times)	–	10.4	1.1	11.9	16.0

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 outstanding 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, 2015, 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, 2016, 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, 2015.

1) Exchange rates

As part of its Oil and Meal 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 Oil and Meal Business and the Processed Oil and Fat 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 “Organizational Chart (Description of Business)” and “Status of Subsidiaries and Affiliates” appearing in the most recent Securities Report (submitted June 25, 2014) 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 that are forming 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 oil and fat 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 oil and fat related businesses, which ranges from foods to fine chemicals. The Group has set goals for net sales, operating income, ordinary income, and net income attributable to the parent’s shareholders and plans to 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 oil and fat 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 Oil and Fat 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 Oil and Fat Business, which is to be the second pillar after the domestic oil and fat business, the Group aims to steadily expand earnings by developing the domestic Processed Oil and Fat business and by promoting its Asian strategy.
- In the Fine Chemical, Healthy Food, 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 reflecting a depreciation in the yen's value.

Under the new three-year Medium-Term Management Plan, which was put into action in the fiscal year ended March 31, 2015, the Nisshin OilliO Group aims to achieve its vision and direction by leveraging its strong brand power and original technologies to become a corporate group conducting the oil and fat and related businesses on a global scale. Above all, centered on the improvement of earnings in our core oil and fat business, the Group will build a solid earnings base for the future.

In the Oil and Meal Business, which is the group's core business, the Group is looking to improve earnings strength through continuous product development, by enhancing brand power, and also by cutting production and distribution costs.

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

In the Fine Chemical Business and the Healthy Food 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. Basic policy on adopting accounting principles

Taking into account the comparability of consolidated financial statements over different accounting periods and with other companies, the Nisshin OilliO Group plans to employ generally accepted accounting principles in Japan for the time being when preparing its consolidated financial statements. That said, depending on circumstances in Japan and abroad, the Company plans to adopt International Financial Reporting Standards (IFRS) in a timely and appropriate manner.

5. Consolidated Financial Statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	6,357	9,096
Notes and accounts receivable – trade	*5 59,886	*5 59,950
Short-term investment securities	0	0
Inventories	*1 51,665	*1 54,891
Deferred tax assets	1,663	1,709
Short-term loans receivable	1,985	98
Other	4,715	5,150
Allowance for doubtful accounts	(55)	(16)
Total current assets	126,219	130,881
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	29,907	27,700
Machinery, equipment and vehicles, net	18,811	19,692
Land	28,460	28,036
Lease assets, net	557	552
Construction in progress	340	1,527
Total property, plant and equipment	*3 78,077	*3 77,509
Intangible assets		
Goodwill	3,635	2,392
Other	1,263	1,436
Total intangible assets	4,898	3,828
Investments and other assets		
Investment securities	*2, *4 19,480	*2, *4 24,344
Long-term loans receivable	40	33
Retirement benefit assets	295	643
Deferred tax assets	525	415
Other	3,267	3,929
Allowance for doubtful accounts	(50)	(38)
Total investments and other assets	23,558	29,327
Total noncurrent assets	106,535	110,665
Deferred assets		
Bond issuance cost	32	78
Total deferred assets	32	78
Total assets	232,786	241,625

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable – trade	*4 31,444	*4 33,154
Short-term loans payable	*6 17,459	*6 14,141
Current portion of bonds	10,000	—
Lease obligations	262	256
Accounts payable – other	13,211	12,788
Accrued expenses	3,957	4,062
Income taxes payable	940	1,486
Deferred tax liabilities	15	187
Provision for directors' bonuses	48	53
Other	*5 1,368	*5 3,355
Total current liabilities	78,708	69,486
Noncurrent liabilities		
Bonds payable	10,000	20,000
Long-term loans payable	12,923	12,331
Lease obligations	415	443
Deferred tax liabilities	5,296	8,038
Provision for directors' retirement benefits	934	387
Retirement benefit liabilities	4,525	1,519
Other	650	1,129
Total noncurrent liabilities	34,746	43,851
Total liabilities	113,455	113,337
Net assets		
Shareholders' equity		
Capital stock	16,332	16,332
Capital surplus	26,072	26,072
Retained earnings	68,799	71,033
Treasury stock	(2,787)	(2,791)
Total shareholders' equity	108,416	110,646
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,401	6,781
Deferred gains or losses on hedges	(304)	(853)
Foreign currency translation adjustment	3,192	4,880
Remeasurement of retirement benefits	(2,669)	(1,272)
Total accumulated other comprehensive income	3,620	9,536
Minority interests	7,295	8,105
Total net assets	119,331	128,287
Total liabilities and net assets	232,786	241,625

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

Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	337,148	329,267
Cost of sales	[*1] 286,532	[*1] 279,946
Gross profit	50,616	49,320
Selling, general and administrative expenses	[*2, *3] 45,513	[*2, *3] 43,746
Operating Income	5,103	5,574
Non-operating income		
Interest income	83	90
Dividends income	275	293
Foreign exchange gains	398	250
Amortization of negative goodwill	5	–
Equity in earnings of affiliates	424	522
Other	278	229
Total non-operating income	1,465	1,386
Non-operating expenses		
Interest expenses	1,055	787
Loss on disposal of inventories	110	101
Other	344	248
Total non-operating expenses	1,510	1,137
Ordinary Income	5,058	5,823
Extraordinary income		
Gain on sales of noncurrent assets	[*4] 392	[*4] 405
Gain on sales of investment securities	351	660
Gain on sales of equity in affiliates	300	–
Gain on negative goodwill	129	17
Total extraordinary income	1,173	1,083
Extraordinary loss		
Impairment loss	–	[*5] 251
Loss on retirement of noncurrent assets	[*6] 253	[*6] 366
Loss on business at affiliates	116	–
Loss on valuation of membership rights	9	3
Total extraordinary losses	378	621
Income before income taxes and minority interests	5,853	6,285
Income taxes – current	922	1,789
Corporate and other taxes for past fiscal years	[*7] 445	–
Income taxes – deferred	1,567	520
Total income taxes	2,935	2,310
Income before minority interests	2,917	3,975
Minority interests in income	641	527
Net income	2,276	3,447

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	2,917	3,975
Other comprehensive income		
Valuation difference on available-for-sale securities	400	3,255
Deferred gains or losses on hedges	39	(389)
Foreign currency translation adjustment	2,947	1,603
Retirement benefit adjustments	–	1,397
Share of other comprehensive income of associates accounted for using equity method	326	389
Total other comprehensive income	3,714	6,256
Comprehensive income	6,631	10,231
(Breakdown)		
Comprehensive income attributable to owners of the parent	5,906	9,364
Comprehensive income attributable to minority interests	725	867

(3) Consolidated statements of changes in net assets

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
Cumulative impact owing to changes in accounting policies					–
Balance at the beginning of current period reflecting changes in accounting policies	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

	Accumulated 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	Cumulative retirement benefit adjustments	Total accumulated other comprehensive income		
Balance at the beginning of current period	2,941	(381)	99	–	2,659	6,667	117,078
Cumulative impact owing to changes in accounting policies							–
Balance at the beginning of current period reflecting changes in accounting policies	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

Fiscal year ended March 31, 2015

(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	68,799	(2,787)	108,416
Cumulative impact owing to changes in accounting policies			448		448
Balance at the beginning of current period reflecting changes in accounting policies	16,332	26,072	69,247	(2,787)	108,864
Changes of items during the period					
Dividends from surplus			(1,662)		(1,662)
Net income			3,447		3,447
Change in retained earnings due to mergers between consolidated and non-consolidated subsidiaries					–
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	1,785	(3)	1,781
Balance at the end of current period	16,332	26,072	71,033	(2,791)	110,646

	Accumulated 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	Cumulative retirement benefit adjustments	Total accumulated other comprehensive income		
Balance at the beginning of current period	3,401	(304)	3,192	(2,669)	3,620	7,295	119,331
Cumulative impact owing to changes in accounting policies							448
Balance at the beginning of current period reflecting changes in accounting policies	3,401	(304)	3,192	(2,669)	3,620	7,295	119,780
Changes of items during the period							
Dividends from surplus							(1,662)
Net income							3,447
Change in retained earnings due to mergers between consolidated and non-consolidated subsidiaries							–
Purchase of treasury stock							(4)
Disposal of treasury stock							0
Net changes of items other than shareholders' equity	3,379	(549)	1,688	1,397	5,916	809	6,726
Total changes of items during the period	3,379	(549)	1,688	1,397	5,916	809	8,507
Balance at the end of current period	6,781	(853)	4,880	(1,272)	9,536	8,105	128,287

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net cash provided by operating activities		
Income before income taxes and minority interests	5,853	6,285
Depreciation and Amortization	5,607	5,813
Impairment loss	–	251
Amortization of goodwill	1,166	1,149
Interest and dividends income	(359)	(383)
Interest expenses	1,055	787
Equity in earnings of affiliates	(424)	(522)
Loss (gain) on sales and retirement of noncurrent assets	(138)	(38)
Loss (gain) on sales of investment securities	(351)	(660)
Loss (gain) on sales of equity in affiliates	(300)	–
Gain on negative goodwill	(129)	(17)
Loss on business at affiliates	116	–
Decrease (increase) in notes and accounts receivable – trade	(3)	400
Decrease (increase) in inventories	6,657	(2,360)
Increase (decrease) in notes and accounts payable – trade	(7,039)	1,395
Increase (decrease) in provisions for retirement benefits	(1,215)	–
Decrease (increase) in retirement benefit assets	(295)	(348)
Increase (decrease) in retirement benefit liabilities	4,525	(3,005)
Other, net	(250)	5,635
Subtotal	14,474	14,380
Interest and dividends income received	347	389
Interest expenses paid	(1,063)	(792)
Income taxes paid	(1,047)	(1,271)
Net cash provided by operating activities	12,711	12,705
Net cash used in investing activities		
Change in time deposits (increase)	–	(921)
Purchase of property, plant and equipment	(6,917)	(6,524)
Proceeds from sales of property, plant and equipment	540	2,386
Purchase of investment securities	(330)	(32)
Proceeds from sales of investment securities	821	738
Proceeds from redemption of investment securities	400	300
Purchase of equity in affiliates	(43)	(35)
Proceeds from collection of loans receivable	–	1,954
Cash used in sales of equity in affiliates due to change in scope of consolidation	(2,914)	–
Other, net	(491)	(2,168)
Net cash used in investing activities	(8,934)	(4,303)

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net cash used in financing activities		
Net decrease in short-term loans payable	(2,935)	(3,347)
Proceeds from long-term loans payable	–	425
Repayment of long-term loans payable	(5,814)	(1,965)
Redemption of bonds	(5,000)	(10,000)
Proceeds from issuance of corporate bonds	–	9,934
Repayments of lease obligations	(308)	(301)
Cash dividends paid	(1,662)	(1,662)
Proceeds from sales of treasury stock	17	0
Purchase of treasury stock	(4)	(4)
Cash dividends paid to minority shareholders	(44)	(46)
Net cash used in financing activities	(15,751)	(6,966)
Effect of exchange rate change on cash and cash equivalents	1,141	249
Net increase (decrease) in cash and cash equivalents	(10,834)	1,684
Cash and cash equivalents at beginning of period	16,452	5,717
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] 5,717	[*1] 7,402

(5) Notes to the consolidated financial statements

(Notes on premise of going concern)

No item to report

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

1) Scope of consolidation

The Group has 25 subsidiaries, of which 16 companies are included in the scope of consolidation. That said, there were no changes during the consolidated fiscal year ended March 31, 2015.

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 9 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 9 non-consolidated subsidiaries and 15 affiliates. That said, there were no changes in the fiscal year ended March 31, 2015.

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 9 non-consolidated subsidiaries and 9 affiliates 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 25, 2014).

(Changes in accounting policies)

Starting the fiscal year ended March 31, 2015, the Nisshin OilliO Group adopted the Accounting Standards for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015) in accordance with provisions set forth in Section 35 of the Accounting Standards for Retirement Benefits statement and Section 67 of the Guideline on Accounting Standard for Retirement Benefits. Accordingly, the Nisshin OilliO Group revised its calculation methods for retirement benefit obligations and service costs. The Company is now employing a benefit formula for the period attribution method for projected retirement benefit obligations, rather than the straight-line attribution method. The method for determining the discount rate was also revised. The Company switched to a single-weighted average discount rate, rather than using a discount rate based on the number of years similar to that of the average remaining service period of employees. The single-weighted average discount rate reflects the estimated payment period of retirement benefits and the amount to be paid out per period.

Regarding the adoption of the Accounting Standards for Retirement Benefits and other standards, in accordance with the provision for transitional treatment as stipulated in Section 37 of the Accounting Standards for Retirement Benefits, at the start of the fiscal year ended March 31, 2015, the Nisshin OilliO Group increased its retained earnings to reflect the impact from the change in calculation methods for retirement benefit obligations and service costs.

Consequently, at the beginning of the fiscal year ended March 31, 2015, the Company reduced its retirement benefit liabilities ¥696 million and increased retained earnings ¥448 million. It should be noted that there was minimal impact to operating income, ordinary income, and income before income taxes and minority interests in the said fiscal year.

(Additional information)

(Adjustments to deferred tax assets and liabilities to reflect changes in tax rate for corporate and other taxes)

Following the enactment on March 31, 2015 of the Partial Revision of Income Tax Act, etc. and the Partial Revision of the Local Tax Act, the effective statutory tax rate used to calculate deferred tax assets and liabilities will be lowered to 33.1%, from the current 35.6%, for the period from April 1, 2015 to March 31, 2016 during which deferred tax assets and liabilities are expected to be collected or paid. A tax rate of 32.3% is to be applied for deferred tax asset and liability calculations from April 1, 2016.

Consequently, reflecting the change in tax rate, deferred tax liabilities (the amount minus deferred tax assets) decreased ¥548 million, the valuation difference on available-for sale securities increased ¥324 million, deferred gains or losses on hedges increased ¥27 million, cumulative retirement benefit adjustments decreased ¥62 million, and income taxes – deferred for the fiscal year ended March 31, 2015 decreased ¥259 million.

(Termination of the retirement benefit payment system for directors)

At the 142nd Ordinary General Meeting of Shareholders held on June 25, 2014, a resolution was approved to discontinue director retirement bonuses in conjunction with the termination of the retirement benefit payment system for directors.

In accordance with this, the Company implemented a reversal to the provision for directors' retirement benefits and posted the unpaid portion of ¥382 million for the final retirement benefit payment under "other" in noncurrent liabilities.

(Corporate and other taxes for past years)

In accordance with an official notice for correction, the Nisshin OilliO Group paid a tax penalty of ¥445 million in the first quarter of the fiscal year ended March 31, 2015 associated with prior year corporate and other taxes posted in the previous fiscal year. It should be noted that on July 29, 2014 the Company filed an appeal with the Tokyo Regional Taxation Bureau to dispute this penalty.

(Notes to the consolidated balance sheets)

*1 Breakdown of Inventories

	As of March 31, 2014	As of March 31, 2015
Merchandise and finished goods	¥24,423 million	¥25,959 million
Work in process	¥193 million	¥308 million
Raw materials and supplies	¥27,048 million	¥28,623 million

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

	As of March 31, 2014	As of March 31, 2015
Investment securities (Shares)	¥3,707 million	¥4,073 million
Investment securities (Investments in capital)	¥1,391 million	¥1,688 million

*3 Accumulated depreciation of property, plant and equipment

	As of March 31, 2014	As of March 31, 2015
Accumulated depreciation of property, plant and equipment	¥134,078 million	¥134,726 million

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

	As of March 31, 2014	As of March 31, 2015
Investment securities	¥94 million	¥96 million

Amount of liabilities secured by assets pledges as collateral

	As of March 31, 2014	As of March 31, 2015
Accounts payable – trade	¥5 million	¥13 million

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

	As of March 31, 2014	As of March 31, 2015
Account receivable transfers	¥1,499 million	¥1,400 million
Deposits (debt collector portion)	¥26 million	¥69 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, 2014	As of March 31, 2015
Total amount of overdraft facility limit and commitment line agreement	¥45,098 million	¥45,101 million
Balance of executed loans	¥200 million	¥100 million
Difference	¥44,898 million	¥45,001 million

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

As of March 31, 2014		As of March 31, 2015	
Nisshin OilliO employees	¥243 million	Nisshin OilliO employees	¥186 million
COFCO Nisshin (Dalian) Co., Ltd.	¥3,388 million	COFCO Nisshin (Dalian) Co., Ltd.	¥1,898 million
	($32,920,000)		(98,000,000 RMB)
The Group's share of financing is equal to ¥1,660 million ($16,130,000)			
Total	¥3,631 million		¥2,084 million

Guarantees of utility usage fees

	As of March 31, 2014	As of March 31, 2015
Colasem. A.I.E.	¥30 million	¥27 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, 2014	As of March 31, 2015
Cost of sales	¥120 million	¥145 million

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

	As of March 31, 2014	As of March 31, 2015
Freightage expenses, haulage expenses, warehousing fees	¥12,739 million	¥12,957 million
Provision of allowance for doubtful accounts	¥138 million	¥(24) million
Salaries and wages	¥7,824 million	¥7,668 million
Retirement benefit expenses	¥1,072 million	¥980 million
Provision for directors' retirement benefits	¥144 million	¥89 million
Provision for directors' bonuses	¥48 million	¥53 million
Advertising expenses	¥3,557 million	¥3,137 million
Depreciation and amortization	¥1,544 million	¥1,748 million
Amortization of goodwill	¥1,172 million	¥1,149 million

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

	As of March 31, 2014	As of March 31, 2015
Research and development expenses	¥1,940 million	¥1,857 million

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

	As of March 31, 2014	As of March 31, 2015
Buildings and structures	¥367 million	¥17 million
Machinery, equipment and vehicles	¥16 million	¥1 million
Land	¥8 million	¥385 million
Total	¥392 million	¥405 million

*5 Details of asset impairment are as follows:
In the fiscal year ended March 31, 2015, the Group posted the following impairment losses.

Use	Type	Location
–	Goodwill	Spain

The Nisshin OilliO Group groups business assets according to the smallest group of assets that independently generates cash flow, and pools idle assets into a single asset group.

Reflecting this, in the Fine Chemical Business, the Company implemented an impairment test of the goodwill posted when it acquired Industrial Quimica Lasem, S.A.U., given recent sales activity, which is underperforming plans due a sluggish European economy and the sharp decline in the yen's value. Given the results of the test, the Company reduced the estimated recoverable amount of the asset and posted an impairment loss of ¥251 million as an extraordinary loss. A discount rate of 8% was employed to calculate the useful value of the asset. This is in turn used to assess the estimated recoverable amount.

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

	As of March 31, 2014	As of March 31, 2015
Buildings and structures	¥162 million	¥204 million
Machinery, equipment and vehicles	¥89 million	¥157 million
Other noncurrent assets	¥0 million	¥4 million
Total	¥253 million	¥366 million

*7 Corporate and other taxes for past years
Fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

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, 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, 2014	Increase	Decrease	Number of shares as of March 31, 2015
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, 2014	Increase	Decrease	Number of shares as of March 31, 2015
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

Fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

1. Type and total number of issued shares

Type of shares	Number of shares as of April 1, 2014	Increase	Decrease	Number of shares as of March 31, 2015
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, 2014	Increase	Decrease	Number of shares as of March 31, 2015
Common stock (Shares)	7,176,599	10,630	822	7,186,407

(Reasons for the change)

Main reasons for the increase are as follows:

Increase due to the purchase of shares less than one unit 10,630 shares

Main reason for the decrease is as follows:

Decrease due to additional purchase requests of less than one unit 822 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 25, 2014	Common stock	831	5.00	March 31, 2014	June 26, 2014
Board of Directors' Meeting held on November 6, 2014	Common stock	831	5.00	September 30, 2014	December 4, 2014

(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, 2015	Common stock	Retained earnings	831	5.00	March 31, 2015	June 26, 2015

(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, 2014	As of March 31, 2015
Cash and deposits	¥6,357 million	¥9,096 million
Short-term investment securities	¥0 million	¥0 million
Time deposits with a maturity exceeding three months that are included in cash and deposits	¥(640) million	¥(1,694) million
Cash and cash equivalents	¥5,717 million	¥7,402 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 four reporting segments are "Oil and Meal," "Processed Oil and Fat," "Fine Chemical," and "Healthy Food."

Major products for each reporting segment are as follows:

Business segment	Main products
Oil and Meal	Edible oils for household use, edible oils for commercial use, edible oils for food processing, oil meals, soy foods, soy protein
Processed Oil and Fat	Processed palm oil products, specialty fats, margarine, shortening, chocolate-related products
Fine Chemical	Raw materials for cosmetics and toiletries, chemical products, medium-chain triglycerides, lecithin, tocopherol, detergents, disinfectants, surfactants
Healthy Food	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
Other	Computing-related services, sales promotions, sports facility management, nonlife insurance agency, real estate leasing

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

Previously, Nisshin OilliO organized our businesses into the following five reporting segments: Oil and Meal, Processed Oil and Fat, Healthy Food, Fine Chemical, and Soy Food & Material. However, in accordance with the business strategies in the Medium-Term Management Plan put into action in fiscal 2014, the Company reorganized operations into the following four business segments: Oil and Meal, Processed Oil and Fat, Fine Chemical, and Healthy Food. The objective of the reorganization of these business segments was to more adequately illustrate the actual conditions of the Group's corporate management.

That being said, segment information for past fiscal years was prepared using the classification methods after segment reorganization. This is denoted under "3. Information on net sales, income and loss, assets, liabilities and other items by reporting segment" for the fiscal year ended March 31, 2014.

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 by and large the same as the accounting methods used to prepare the consolidated financial statements.

The changes to calculation methods for retirement benefit obligations and services that took effect from the beginning of the fiscal year ended March 31, 2015, as noted in the section "Changes in accounting policies," also apply to the calculation of retirement benefit obligations and service costs in each business segment.

This change has minimal impact to segment operating income in the fiscal year ended March 31, 2015.

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

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
	Oil and Meal	Processed Oil and Fat	Fine Chemical	Healthy Food	Total				
Net sales									
Sales to external customers	229,677	82,771	13,724	7,241	333,415	3,733	337,148	0	337,148
Intersegment sales or transactions	2,216	4,257	438	66	6,979	1,950	8,929	(8,929)	0
Total	231,894	87,028	14,163	7,308	340,394	5,684	346,078	(8,929)	337,148
Segment income (loss)	2,602	2,038	580	(25)	5,196	478	5,674	(571)	5,103
Segment assets	165,697	58,115	10,690	3,500	238,004	1,930	239,934	(7,148)	232,786
Other items									
Depreciation and Amortization	3,393	1,682	303	92	5,472	134	5,607	–	5,607
Change in property, plant and equipment and intangible assets	5,739	775	611	25	7,152	98	7,251	–	7,251

Notes: *1 The “Other” segment is not included in the Company’s reporting segments and includes the information systems and other businesses.

*2 Adjustments are as follows:

(1) Adjustment for segment income (loss) of - ¥571 million includes unallocated expenses. These expenses mainly comprise general administrative expenses that cannot be attributed to reporting segments.

(2) Adjustment for segment assets of - ¥7,148 million comprises elimination of intersegment transactions of - ¥7,604 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.

Fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reporting segments					Other*1	Total	Adjustments *2	Amounts in the consolidated financial statements *3
	Oil and Meal	Processed Oil and Fat	Fine Chemical	Healthy Food	Total				
Net sales									
Sales to external customers	212,795	91,165	14,606	7,040	325,607	3,659	329,267	–	329,267
Intersegment sales or transactions	2,050	4,892	502	61	7,506	1,956	9,463	(9,463)	–
Total	214,845	96,057	15,108	7,102	333,114	5,615	338,730	(9,463)	329,267
Segment income (loss)	2,913	2,234	548	(12)	5,683	407	6,091	(517)	5,574
Segment assets	170,565	59,960	10,666	3,512	244,705	3,304	248,009	(6,384)	241,625
Other items									
Depreciation and Amortization	3,418	1,797	367	98	5,682	130	5,813	–	5,813
Change in property, plant and equipment and intangible assets	4,822	1,039	519	46	6,428	83	6,511	–	6,511

Notes: *1 The "Other" segment is not included in the Company's reporting segments and includes the information systems and other businesses.

*2 Adjustments are as follows:

(1) Adjustment for segment income (loss) of - ¥517 million includes unallocated expenses. These expenses mainly comprise general administrative expenses that cannot be attributed to reporting segments.

(2) Adjustment for segment assets of - ¥6,384 million comprises elimination of intersegment transactions of - ¥8,273 million and unallocated assets of ¥1,889 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, 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	Oil and Meal Business, Processed Oil and Fat Business, Fine Chemical Business, Healthy Food Business

Fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

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	256,332	38,946	33,987	329,267
Share of net sales	77.9%	11.8%	10.3%	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
62,316	12,674	2,518	77,509

3. Information by principal customers

(Millions of yen)

Name	Net sales	Related segments
Mitsubishi Corporation	53,314	Oil and Meal Business, Processed Oil and Fat Business, Fine Chemical Business, Healthy Food Business

(Information on impairment loss on noncurrent assets by reporting segments)

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

No item to report

Fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reporting segments					Other*	Corporate/ Eliminations	Total
	Oil and Meal	Processed Oil and Fat	Fine Chemical	Healthy Food	Total			
Impairment loss	–	–	251	–	251	–	–	251

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

(Information on amortization of goodwill and unamortized amounts by reporting segments)

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

(Millions of yen)

	Reporting segments					Other*	Corporate/ Eliminations	Total
	Oil and Meal	Processed Oil and Fat	Fine Chemical	Healthy Food	Total			
(Goodwill)								
Amortized during the period	0	922	236	13	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.

Fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reporting segments					Other*	Corporate/ Eliminations	Total
	Oil and Meal	Processed Oil and Fat	Fine Chemical	Healthy Food	Total			
(Goodwill)								
Amortized during the period	0	894	255	–	1,149	–	–	1,149
Balance at the end of current period	–	2,142	249	–	2,392	–	–	2,392
(Negative goodwill)								
Amortized during the period	–	–	–	–	–	–	–	–
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 2013 (April 1, 2013 – March 31, 2014)

The Oil and Meal 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.

Fiscal 2014 (April 1, 2014 – March 31, 2015)

Explanatory notes were omitted due to a lack of significance.

(Per share information)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net assets per share	¥674.26	¥723.33
Net income per share	¥13.70	¥20.75

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, 2014	Fiscal year ended March 31, 2015
Net income per share		
Net income (Millions of yen)	2,276	3,447
Amounts not attributable to common shareholders (Millions of yen)	–	–
Net income related to common shares (Millions of yen)	2,276	3,447
Average number of common shares during the period (1,000 shares)	166,170	166,157

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

	As of March 31, 2014	As of March 31, 2015
Total net assets (Millions of yen)	119,331	128,287
Amount deducted from total net assets (Millions of yen)	7,295	8,105
(Minority interests [Millions of yen])	(7,295)	(8,105)
Net assets related to common shares (Millions of yen)	112,036	120,182
Number of common shares used to calculate net assets per share (1,000 shares)	166,162	166,152

4. As mentioned in "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.
This change had minimal impact on per-share information.

(Important subsequent events)

No item to report