

Translation

Consolidated Financial Results for FY3/2017 (Japanese GAAP)

May 10, 2017

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: Nobuyuki Watanabe, General Manager, Financial Dept.
 TEL: +81-3-3206-5670 (from overseas)

Scheduled date of Ordinary General Meeting of Shareholders: June 23, 2017
 Scheduled date to commence dividend payments: June 26, 2017
 Scheduled date to file securities report: June 23, 2017
 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, 2017 (April 1, 2016 to March 31, 2017)

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

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to the parent's shareholders | |
|----------|-------------|-------|------------------|------|-----------------|------|--|------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| FY3/2017 | 324,909 | (0.9) | 10,234 | 43.6 | 10,334 | 40.2 | 7,569 | 50.8 |
| FY3/2016 | 327,836 | – | 7,129 | – | 7,370 | – | 5,020 | – |

Note: Comprehensive income (or loss)

FY3/2017: ¥8,975 million (-%)

FY3/2016: -¥1,002 million (-%)

| | Net income per share | Diluted net income per share | Net income/equity | Ordinary income/total assets | Operating income/net sales |
|----------|----------------------|------------------------------|-------------------|------------------------------|----------------------------|
| | Yen | Yen | % | % | % |
| FY3/2017 | 45.57 | – | 6.3 | 4.3 | 3.1 |
| FY3/2016 | 30.22 | – | 4.2 | 3.1 | 2.2 |

Note: Equity in earnings of affiliates

FY3/2017: ¥537 million

FY3/2016: ¥716 million

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------|--------------|-------------|--------------|----------------------|
| | Million yen | Million yen | % | Yen |
| FY3/2017 | 245,831 | 132,035 | 50.1 | 741.65 |
| FY3/2016 | 231,665 | 124,770 | 50.3 | 702.09 |

Note: Equity

FY3/2017: ¥ 123,204 million

FY3/2016: ¥ 116,638 million

(3) Consolidated cash flows

| | Net cash provided by operating activities | Net cash used in investing activities | Net cash provided by (used in) financing activities | Cash and cash equivalents at end of period |
|----------|---|---------------------------------------|---|--|
| | Million yen | Million yen | Million yen | Million yen |
| FY3/2017 | 13,697 | (5,697) | (405) | 13,995 |
| FY3/2016 | 6,800 | (7,947) | 1,078 | 6,721 |

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 | % | % |
| FY3/2016 | – | 5.00 | – | 5.00 | 10.00 | 1,662 | 33.1 | 1.4 |
| FY3/2017 | – | 5.00 | – | 5.00 | 10.00 | 1,662 | 21.9 | 1.4 |
| FY3/2018 (forecasts) | – | 6.00 | – | 6.00 | 12.00 | | 31.5 | |

The Company plans to consolidate its shares of common stock at the ratio of five shares to one share as of October 1, 2017. Cash dividends per share for the fiscal year ending March 31, 2018 (forecast) are calculated based on the number of shares before the share consolidation.

**3. Consolidated earnings forecasts for FY3/2018
(April 1, 2017 to March 31, 2018)**

(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 |
| FY3/2018 | 340,000 | 4.6 | 10,000 | (2.3) | 10,000 | (3.2) | 6,500 | (14.1) | 38.08 |

Net income per share in the consolidated earnings forecasts for the fiscal year ending March 31, 2018 is calculated based on the number of shares before the share consolidation.

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: No
 - b. Changes in accounting policies due to other reasons: Yes
 - c. Changes in accounting estimates: No
 - d. Restatement of prior financial statements: No
 Note: For details refer to page 13 of the attachment in the section titled "4. 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)

| | |
|----------|--------------------|
| FY3/2017 | 173,339,287 shares |
| FY3/2016 | 173,339,287 shares |

| | |
|---|--------------------|
| b. Number of treasury shares at the end of the period | |
| FY3/2017 | 7,215,457 shares |
| FY3/2016 | 7,207,956 shares |
| c. Average number of shares during the period | |
| FY3/2017 | 166,127,765 shares |
| FY3/2016 | 166,148,841 shares |

Reference: Summary of non-consolidated operating results

1. Non-consolidated operating results for FY3/2017

(April 1, 2016 to March 31, 2017)

(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 | % |
| FY3/2017 | 197,799 | (3.8) | 5,180 | 66.9 | 5,581 | 62.9 | 4,224 | 89.5 |
| FY3/2016 | 205,628 | 3.3 | 3,104 | 17.8 | 3,425 | 17.3 | 2,228 | (5.2) |

| | Net income per share | Diluted net income per share |
|----------|----------------------|------------------------------|
| | Yen | Yen |
| FY3/2017 | 25.42 | – |
| FY3/2016 | 13.41 | – |

(2) Non-consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------|--------------|-------------|--------------|----------------------|
| | Million yen | Million yen | % | % |
| FY3/2017 | 191,399 | 102,529 | 53.6 | 616.89 |
| FY3/2016 | 180,441 | 98,836 | 54.8 | 594.64 |

Note: Equity

FY3/2017: ¥102,529 million

FY3/2016: ¥98,836 million

* This financial report (Consolidated Results for FY3/2017) has not been audited.

* Cautionary statement on the use pertaining to forward-looking statements and other important matters

The forward-looking statements, including earnings 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.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

| | As of March 31, 2016 | As of March 31, 2017 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 8,162 | 14,522 |
| Notes and accounts receivable - trade | 59,581 | 63,860 |
| Short-term investment securities | 0 | 1,000 |
| Inventories | 50,114 | 51,429 |
| Deferred tax assets | 1,805 | 1,626 |
| Short-term loans receivable | 91 | 28 |
| Other | 4,297 | 4,878 |
| Allowance for doubtful accounts | (19) | (18) |
| Total current assets | 124,033 | 137,328 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 28,155 | 29,002 |
| Machinery, equipment and vehicles, net | 18,975 | 19,999 |
| Land | 27,976 | 27,413 |
| Lease assets, net | 538 | 461 |
| Construction in progress | 2,159 | 719 |
| Total property, plant and equipment | 77,804 | 77,596 |
| Intangible assets | | |
| Goodwill | 74 | - |
| Other | 2,160 | 1,927 |
| Total intangible assets | 2,234 | 1,927 |
| Investments and other assets | | |
| Investment securities | 23,336 | 24,856 |
| Long-term loans receivable | 30 | 29 |
| Retirement benefit assets | 553 | 914 |
| Deferred tax assets | 416 | 495 |
| Other | 3,236 | 2,677 |
| Allowance for doubtful accounts | (36) | (35) |
| Total investments and other assets | 27,536 | 28,937 |
| Total noncurrent assets | 107,575 | 108,462 |
| Deferred assets | | |
| Cost of issuing bonds | 55 | 40 |
| Total deferred assets | 55 | 40 |
| Total assets | 231,665 | 245,831 |

(Millions of yen)

| | As of March 31, 2016 | As of March 31, 2017 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 28,742 | 33,309 |
| Short-term loans payable | 16,177 | 11,770 |
| Current portion of bonds | 10,000 | – |
| Lease obligations | 234 | 207 |
| Accounts payable – other | 12,028 | 12,734 |
| Accrued expenses | 4,223 | 4,674 |
| Income taxes payable | 1,120 | 2,275 |
| Deferred tax liabilities | – | 6 |
| Provision for directors' bonuses | 51 | 50 |
| Other | 1,969 | 1,303 |
| Total current liabilities | 74,548 | 66,331 |
| Noncurrent liabilities | | |
| Bonds payable | 10,000 | 10,000 |
| Long-term loans payable | 11,328 | 26,474 |
| Lease obligations | 444 | 359 |
| Deferred tax liabilities | 6,716 | 7,543 |
| Provision for directors' retirement benefits | 404 | 425 |
| Retirement benefit liabilities | 2,500 | 1,712 |
| Other | 950 | 948 |
| Total noncurrent liabilities | 32,345 | 47,464 |
| Total liabilities | 106,894 | 113,795 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 16,332 | 16,332 |
| Capital surplus | 22,393 | 22,374 |
| Retained earnings | 76,616 | 82,524 |
| Treasury stock | (2,798) | (2,802) |
| Total shareholders' equity | 112,543 | 118,428 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for sale securities | 6,262 | 7,149 |
| Deferred gains or losses on hedges | (691) | 32 |
| Foreign currency translation adjustment | 772 | (787) |
| Remeasurement of retirement benefits | (2,247) | (1,617) |
| Total accumulated other comprehensive income | 4,095 | 4,776 |
| Non-controlling interests | 8,132 | 8,830 |
| Total net assets | 124,770 | 132,035 |
| Total liabilities and net assets | 231,665 | 245,831 |

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

Consolidated statements of income

(Millions of yen)

| | As of March 31, 2016 | As of March 31, 2017 |
|--|----------------------|----------------------|
| Net sales | 327,836 | 324,909 |
| Cost of sales | 278,591 | 271,036 |
| Gross profit | 49,244 | 53,873 |
| Selling, general and administrative expenses | 42,115 | 43,639 |
| Operating income | 7,129 | 10,234 |
| Non-operating income | | |
| Interest income | 98 | 78 |
| Dividends income | 281 | 344 |
| Foreign exchange gains | – | 2 |
| Equity in earnings of affiliates | 716 | 537 |
| Other | 347 | 168 |
| Total non-operating income | 1,443 | 1,131 |
| Non-operating expenses | | |
| Interest expenses | 675 | 582 |
| Loss on disposal of inventories | 91 | 87 |
| Loss on foreign exchange translations | 106 | – |
| Other | 330 | 361 |
| Total non-operating expenses | 1,202 | 1,032 |
| Ordinary income | 7,370 | 10,334 |
| Extraordinary income | | |
| Gain on change in equity | – | 113 |
| Gain on sales of noncurrent assets | – | 951 |
| Gain on sales of investment securities | 656 | 248 |
| Gain on liquidation of affiliate | 16 | – |
| Total extraordinary income | 672 | 1,313 |
| Extraordinary loss | | |
| Loss related to voluntary product recall | 679 | – |
| Loss on sales of noncurrent assets | – | 30 |
| Impairment loss | – | 56 |
| Loss on retirement of noncurrent assets | 197 | 270 |
| Loss on sales of investment securities | – | 10 |
| Loss on valuation of investment securities | – | 5 |
| Loss on valuation of shares of subsidiaries and associates | – | 17 |
| Loss on sales of membership rights | – | 15 |
| Relocation expenses | – | 165 |
| Total extraordinary losses | 876 | 572 |
| Income before income taxes and non-controlling interests | 7,166 | 11,075 |
| Income taxes – current | 1,858 | 2,995 |
| Income taxes – deferred | (137) | 10 |
| Total income taxes | 1,720 | 3,005 |
| Net income | 5,445 | 8,070 |
| Net income attributable to non-controlling interests | 425 | 500 |
| Net income attributable to the parent's shareholders | 5,020 | 7,569 |

Consolidated statements of comprehensive income

(Millions of yen)

| | As of March 31, 2016 | As of March 31, 2017 |
|---|----------------------|----------------------|
| Net income | 5,445 | 8,070 |
| Other comprehensive income | | |
| Valuation difference on available-for sale securities | (489) | 944 |
| Deferred gains or losses on hedges | (1,629) | 863 |
| Foreign currency translation adjustment | (3,294) | (1,490) |
| Retirement benefit adjustments | (974) | 630 |
| Share of other comprehensive income of associates accounted for using equity method | (60) | (41) |
| Total other comprehensive income | (6,448) | 905 |
| Comprehensive income or (loss) | (1,002) | 8,975 |
| (Breakdown) | | |
| Comprehensive income or (loss) attributable to owners of the parent | (1,087) | 8,250 |
| Comprehensive income or (loss) attributable to noncontrolling interests | 84 | 725 |

(3) Consolidated statements of changes in net assets

Fiscal year ended March 31, 2016

(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 | 71,033 | (2,791) | 110,646 |
| Cumulative impact owing to changes in accounting policies | | (3,684) | 2,224 | | (1,459) |
| Balance at the beginning of current period reflecting changes in accounting policies | 16,332 | 22,388 | 73,258 | (2,791) | 109,186 |
| Changes of items during the period | | | | | |
| Dividends from surplus | | | (1,662) | | (1,662) |
| Net income attributable to the parent's shareholders | | | 5,020 | | 5,020 |
| Purchase of treasury stock | | | | (6) | (6) |
| Disposal of treasury stock | | | | | - |
| Change in equity owing to acquisition of shares in consolidated subsidiary | | 5 | | | 5 |
| Net changes of items other than shareholders' equity | | | | | - |
| Total changes of items during the period | - | 5 | 3,358 | (6) | 3,356 |
| Balance at the end of current period | 16,332 | 22,393 | 76,616 | (2,798) | 112,543 |

| | Accumulated other comprehensive income | | | | | Non-controlling 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 | 6,781 | (853) | 4,880 | (1,272) | 9,536 | 8,105 | 128,287 |
| Cumulative impact owing to changes in accounting policies | | 1,461 | (794) | | 666 | | (792) |
| Balance at the beginning of current period reflecting changes in accounting policies | 6,781 | 608 | 4,086 | (1,272) | 10,203 | 8,105 | 127,495 |
| Changes of items during the period | | | | | | | |
| Dividends from surplus | | | | | | | (1,662) |
| Net income attributable to the parent's shareholders | | | | | | | 5,020 |
| Purchase of treasury stock | | | | | | | (6) |
| Disposal of treasury stock | | | | | | | - |
| Change in equity owing to acquisition of shares in consolidated subsidiary | | | | | | | 5 |
| Net changes of items other than shareholders' equity | (519) | (1,299) | (3,313) | (974) | (6,107) | 27 | (6,080) |
| Total changes of items during the period | (519) | (1,299) | (3,313) | (974) | (6,107) | 27 | (2,724) |
| Balance at the end of current period | 6,262 | (691) | 772 | (2,247) | 4,095 | 8,132 | 124,770 |

Fiscal year ended March 31, 2017

(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 | 22,393 | 76,616 | (2,798) | 112,543 |
| Changes of items during the period | | | | | |
| Dividends from surplus | | | (1,662) | | (1,662) |
| Net income attributable to the parent's shareholders | | | 7,569 | | 7,569 |
| Purchase of treasury stock | | | | (3) | (3) |
| Disposal of treasury stock | | 0 | | 0 | 0 |
| Change in equity owing to acquisition of shares in consolidated subsidiary | | (18) | | | (18) |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during the period | | (18) | 5,907 | (3) | 5,885 |
| Balance at the end of current period | 16,332 | 22,374 | 82,524 | (2,802) | 118,428 |

| | Accumulated other comprehensive income | | | | | Non-controlling 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 | 6,262 | (691) | 772 | (2,247) | 4,095 | 8,132 | 124,770 |
| Changes of items during the period | | | | | | | |
| Dividends from surplus | | | | | | | (1,662) |
| Net income attributable to the parent's shareholders | | | | | | | 7,569 |
| Purchase of treasury stock | | | | | | | (3) |
| Disposal of treasury stock | | | | | | | 0 |
| Change in equity owing to acquisition of shares in consolidated subsidiary | | | | | | | (18) |
| Net changes of items other than shareholders' equity | 886 | 723 | (1,560) | 630 | 680 | 698 | 1,379 |
| Total changes of items during the period | 886 | 723 | (1,560) | 630 | 680 | 698 | 7,264 |
| Balance at the end of current period | 7,149 | 32 | (787) | (1,617) | 4,776 | 8,830 | 132,035 |

(4) Consolidated statements of cash flows

(Millions of yen)

| | Fiscal year ended March 31, 2016 | Fiscal year ended March 31, 2017 |
|--|-------------------------------------|-------------------------------------|
| Net cash provided by operating activities | | |
| Income before income taxes and non-controlling interests | 7,166 | 11,075 |
| Depreciation and Amortization | 6,022 | 6,152 |
| Impairment loss | – | 56 |
| Amortization of goodwill | 101 | 67 |
| Interest and dividends income | (380) | (423) |
| Interest expenses | 675 | 582 |
| Equity in earnings of affiliates | (716) | (537) |
| Loss (gain) on sales and retirement of noncurrent assets | 197 | (650) |
| Loss (gain) on sales of investment securities | (656) | (238) |
| Loss (gain) on valuation of investment securities | – | 5 |
| Loss on valuation of shares of subsidiaries and associates | – | 17 |
| Loss (gain) on liquidation of affiliate | (16) | – |
| Loss (gain) on sales of membership rights | – | 15 |
| Loss related to voluntary product recall | 679 | – |
| Relocation expenses | – | 165 |
| Decrease (increase) in notes and accounts receivable - trade | (895) | (4,846) |
| Decrease (increase) in inventories | 3,052 | (2,004) |
| Increase (decrease) in notes and accounts payable - trade | (3,915) | 4,843 |
| Loss (gain) on change in equity | – | (113) |
| Decrease (increase) in retirement benefit assets | 89 | (361) |
| Increase (decrease) in retirement benefit liabilities | 980 | (787) |
| Other, net | (3,140) | 2,734 |
| Subtotal | 9,243 | 15,753 |
| Interest and dividends income received | 377 | 413 |
| Interest expenses paid | (675) | (583) |
| Income taxes paid | (2,146) | (1,885) |
| Net cash provided by operating activities | 6,800 | 13,697 |
| Net cash used in investing activities | | |
| Change in time deposits (increase) | 178 | (199) |
| Purchase of property, plant and equipment | (7,967) | (7,277) |
| Proceeds from sales of property, plant and equipment | 24 | 1,711 |
| Purchase of investment securities | (128) | (34) |
| Proceeds from sales of investment securities | 758 | 432 |
| Proceeds from redemption of investment securities | 300 | – |
| Purchase of equity in affiliates | – | (9) |
| Proceeds from liquidation of affiliate | 98 | – |
| Proceeds from collection of loans receivable | 4 | 82 |
| Other, net | (1,215) | (401) |
| Net cash used in investing activities | (7,947) | (5,697) |

(Millions of yen)

| | Fiscal year ended March 31, 2016 | Fiscal year ended March 31, 2017 |
|---|-------------------------------------|-------------------------------------|
| Net cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | 4,177 | (3,730) |
| Proceeds from long-term loans payable | – | 16,218 |
| Repayment of long-term loans payable | (1,086) | (933) |
| Redemption of bonds | – | (10,000) |
| Repayments of lease obligations | (292) | (245) |
| Cash dividends paid | (1,662) | (1,662) |
| Proceeds from sales of treasury stock | – | 0 |
| Purchase of treasury stock | (2) | (3) |
| Cash dividends paid to non-controlling interests | (47) | (54) |
| Acquisition of equity in subsidiary that does not involve a change in the scope of consolidation | (17) | (3) |
| Proceeds from sale of equity in subsidiary that does not involve a change in the scope of consolidation | 9 | 8 |
| Net cash provided by (used in) financing activities | 1,078 | (405) |
| Effect of exchange rate change on cash and cash equivalents | (612) | (320) |
| Net increase (decrease) in cash and cash equivalents | (681) | 7,273 |
| Cash and cash equivalents at beginning of period | 7,402 | 6,721 |
| Cash and cash equivalents at end of period | 6,721 | 13,995 |

(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 25 subsidiaries, of which 18 companies are included in the scope of consolidation.

Note that the following increase in consolidated subsidiaries was recorded during the consolidated fiscal year ended March 31, 2017.

(Newly consolidated)

PT. Indoagri Daitocacao: Increase in conjunction with the establishment of this consolidated subsidiary in February 2017

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 7 non-consolidated subsidiaries are excluded from the scope of consolidation because their impact 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 7 non-consolidated subsidiaries and 13 affiliates. That said, there were no changes in the fiscal year ended March 31, 2017.

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 7 non-consolidated subsidiaries and 7 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 Quimica Lasem, S.A.U., T. &C. Manufacturing Co., Pte. Ltd., Nisshin OilliO (Shanghai) International Trading Co., Ltd. and PT. Indoagri Daitocacao.

In preparing the consolidated financial statements, the financial statements (current as of the book-closing date) of the above companies were used, 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 24, 2016).

(Changes in accounting policies)

Application of Accounting Treatment Based on International Financial Reporting Standards (IFRS) at an Overseas Subsidiary

Effective from the fiscal year ended March 31, 2017, Nisshin Oillio has prepared its consolidated financial statements on the basis of the financial statements of Intercontinental Specialty Fats Sdn. Bhd., a consolidated subsidiary in Malaysia, prepared using accounting treatment based on International Financial Reporting Standards (IFRS). Previously, Nisshin Oillio had prepared its financial statements on the basis of the reclassified financial statements of Intercontinental Specialty Fats Sdn. Bhd., which were originally prepared based on local Malaysian accounting standards and reclassified to conform to accounting treatment based on Japanese GAAP.

This change was made as a result of comprehensive consideration of ways to more appropriately control of profit (loss) as a Group, trends surrounding the adoption of accounting standards and other factors, following the selection of new accounting standards in conjunction with the abolition of the previous accounting standards locally from January 1, 2016. This change in accounting policy has been retrospectively applied. Accordingly, the consolidated financial statements for the previous fiscal year represent the consolidated financial statements after retrospective application of the new accounting policy.

As a result, compared with before the retrospective application of the new accounting policy, operating income, ordinary income and income before income taxes and non-controlling interests decreased by ¥362 million each, while net income and net income attributable to the parent's shareholders decreased by ¥275 million each.

In addition, net assets at the start of the previous fiscal year were adjusted to reflect the cumulative effects of this change in accounting policy. In light of this, after the retrospective application of the new accounting policy, the year-start balance of retained earnings decreased by ¥18 million, while the year-start balance of foreign currency translation adjustment decreased by ¥36 million and the year-start balance of deferred gains or losses on hedges increased by ¥1,461 million.

That said, the impact to segment data and per share information can be found in each respective sections.

(Additional information)

The Company has applied the "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26, March 28, 2016) from the fiscal year ended March 31, 2017.

(Segment information)

1. Overview of 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 Business | 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 Business | Processed palm oil products, specialty fats, margarine, shortening, chocolate-related products |
| Fine Chemical Business | Raw materials for cosmetics and toiletries, chemical products, medium-chain triglycerides, lecithin, tocopherol, detergents, disinfectants, surfactants |
| Healthy Food Business | 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 | Information systems, sales promotions, sports facility management, nonlife insurance agency, real estate leasing |

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

Accounting methods used by the reporting segments are the same as those stipulated in Important matters forming the basis for preparation of the consolidated financial statements.

Pursuant to the disclosure in "Changes in accounting policies," effective from the fiscal year ended March 31, 2017, the Company has prepared the Nisshin Oillio Group's segment information on the basis of the financial statements of Intercontinental Specialty Fats Sdn. Bhd., a consolidated subsidiary in Malaysia, prepared using accounting treatment based on International Financial Reporting Standards (IFRS). This change in accounting policy has been retrospectively applied. Accordingly, the segment information for the previous fiscal year represents segment information after the retrospective application of the new accounting policy.

Reflecting this change in accounting policy, segment income in the Processed Oil and Fat Business for the previous fiscal year decreased by ¥362 million.

3. Information on net sales, income and loss, assets, liabilities and other items by reporting segment
Fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(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 | 217,920 | 83,270 | 15,571 | 7,244 | 324,005 | 3,830 | 327,836 | - | 327,836 |
| Intersegment sales or transactions | 2,554 | 4,534 | 1,077 | 66 | 8,234 | 2,030 | 10,264 | (10,264) | - |
| Total | 220,474 | 87,805 | 16,648 | 7,311 | 332,239 | 5,860 | 338,100 | (10,264) | 327,836 |
| Segment income (loss) | 3,116 | 2,972 | 1,111 | 20 | 7,220 | 500 | 7,720 | (591) | 7,129 |
| Segment assets | 167,910 | 55,400 | 11,654 | 3,655 | 238,620 | 2,106 | 240,726 | (9,061) | 231,665 |
| Other items | | | | | | | | | |
| Depreciation and Amortization | 3,328 | 2,112 | 366 | 89 | 5,897 | 125 | 6,022 | - | 6,022 |
| Change in property, plant and equipment and intangible assets | 6,567 | 2,281 | 409 | 133 | 9,391 | 69 | 9,461 | - | 9,461 |

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 - ¥591 million includes unallocated expenses. These expenses mainly comprise general administrative expenses that cannot be attributed to reporting segments.

(2) Adjustment for segment assets of - ¥9,061 million comprises elimination of intersegment transactions of - ¥9,860 million and unallocated assets of ¥798 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, 2017 (from April 1, 2016 to March 31, 2017)

(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 | 209,477 | 87,678 | 16,879 | 7,275 | 321,310 | 3,599 | 324,909 | - | 324,909 |
| Intersegment sales or transactions | 2,875 | 4,796 | 760 | 72 | 8,504 | 2,024 | 10,529 | (10,529) | - |
| Total | 212,353 | 92,474 | 17,639 | 7,347 | 329,815 | 5,624 | 335,439 | (10,529) | 324,909 |
| Segment income (loss) | 5,149 | 4,199 | 1,281 | (331) | 10,299 | 510 | 10,809 | (575) | 10,234 |
| Segment assets | 171,315 | 57,530 | 11,109 | 4,215 | 244,171 | 2,332 | 246,503 | (672) | 245,831 |
| Other items | | | | | | | | | |
| Depreciation and Amortization | 3,793 | 1,785 | 365 | 96 | 6,041 | 110 | 6,152 | - | 6,152 |
| Change in property, plant and equipment and intangible assets | 5,219 | 1,762 | 436 | 140 | 7,559 | 140 | 7,699 | - | 7,699 |

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 - ¥575 million includes unallocated expenses. These expenses mainly comprise general administrative expenses that cannot be attributed to reporting segments.

(2) Adjustment for segment assets of - ¥672 million comprises elimination of intersegment transactions of - ¥9,132 million and unallocated assets of ¥8,460 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, 2016 (from April 1, 2015 to March 31, 2016)

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 | 263,987 | 32,332 | 31,516 | 327,836 |
| Share of net sales | 80.5% | 9.9% | 9.6% | 100.0% |

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

(2) Property, plant and equipment

(Millions of yen)

| Japan | Asia | Other | Total |
|--------|--------|-------|--------|
| 64,783 | 10,862 | 2,158 | 77,804 |

Fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

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 | 256,792 | 37,943 | 30,174 | 324,909 |
| Share of net sales | 79.0% | 11.7% | 9.3% | 100.0% |

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

(2) Property, plant and equipment

(Millions of yen)

| Japan | Asia | Other | Total |
|--------|-------|-------|--------|
| 66,225 | 9,489 | 1,881 | 77,596 |