



Briefing Session on Business Results
for Fiscal Year Ended March 31, 2014
(FY2014)

May 21, 2014



Performance Overview and Outlook of FY2014

May 21, 2014

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Strategy for Sustainable Growth

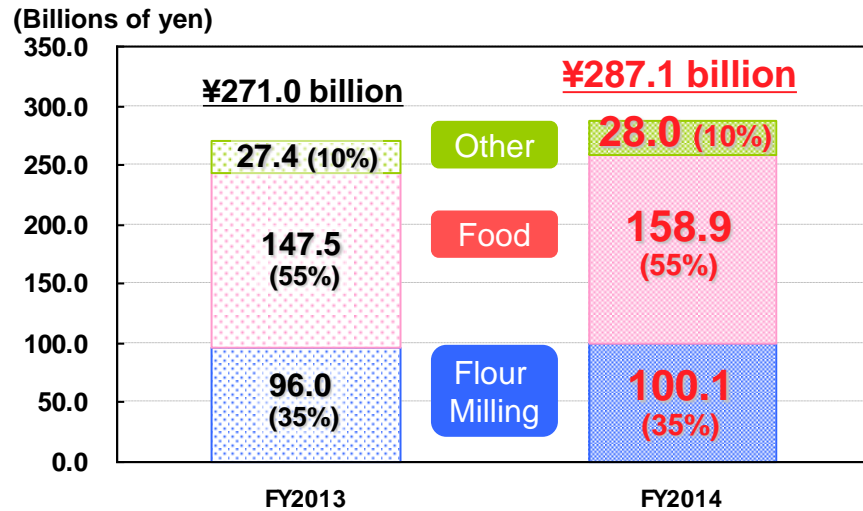
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Promotion of CSR Management

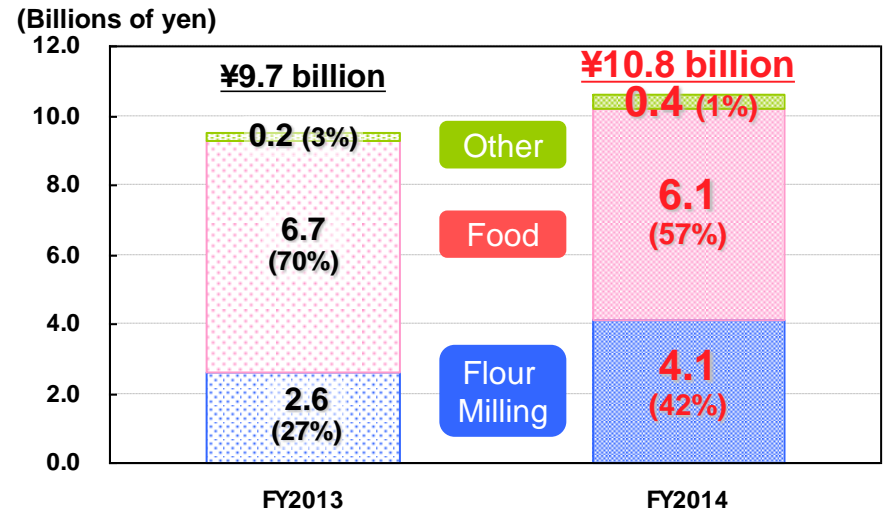
Overview of FY2014 Results and Review of 2012/2013 Mid-term Business Plan (FY2013-2014)

Consolidated Business Results for FY2013 and FY2014

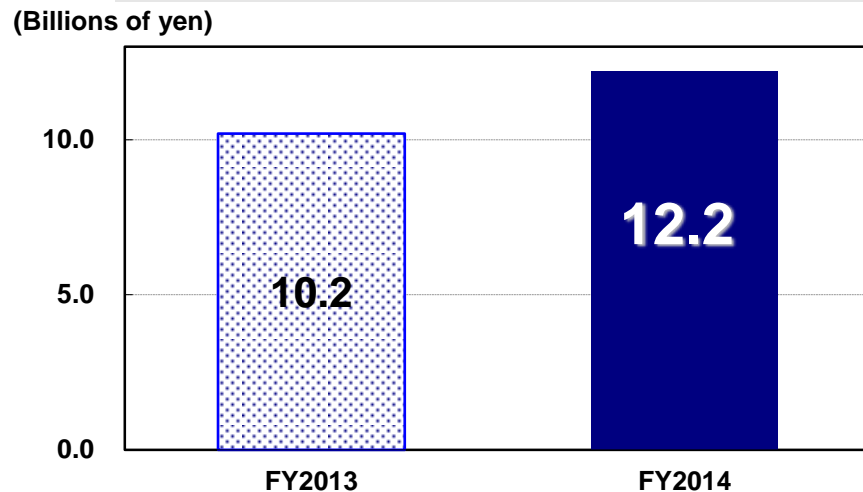
Net Sales



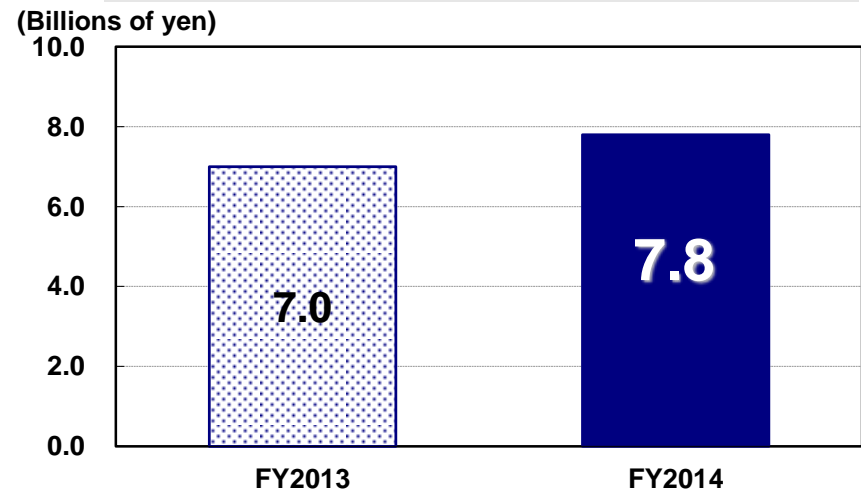
Operating Income



Ordinary Income



Net Income



(Less than hundred million Japanese yen cutting off)

Review of 2012/2013 Mid-term Business Plan (FY2013-2014)

- Sustainable growth achieved
- Initial quantitative targets yet to be achieved
- Urgent need to bolster the Group's ability to address dynamic change in the business environment

1 Further emphasis on low-cost operations

- In-house company system → Need for revision because of change in the business environment
- Capital investment projects for improving the Group's business structure → Operation started as planned
- Cost reduction based on new approaches → Need for further promotion



NIPPN's Kobe-Konan Mill
Completion of grain silo in Jun. 2012
Completion of a flour milling line in Sep. 2012



NIPPN's Chiba Mill
Completion of grain silo in Mar. 2014



NIPPN Frozen Foods'
Ryugasaki Plant
Operation started in Apr. 2012

2 Review the business structure and business portfolio

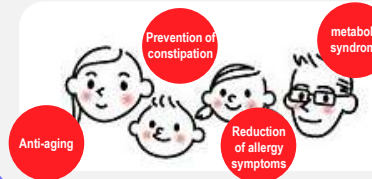
Advance into business fields with high growth potential



High-end, one-person portion, frozen, ready-to-eat pasta dish

Need for further promotion of overseas business and other businesses with growth potential

Enter new business fields



Functional food materials



Nagano Tomato became a consolidated subsidiary



Capital participation in Biotech Japan

3 Strengthen management for total optimization of the Group's operations

- Strengthening of Group companies → Need to further strengthen both the scale and earnings power



Group companies: Nippon Flour Mills Group total 83 subsidiaries and 25 affiliates
Of which, 39 consolidated subsidiaries and 15 affiliates accounted for by the equity method

FY2015 Policy on Group Management

Recognition of Operating Environment (1)

Characteristics of the Japanese economy

- Poor in natural resources
- Value added-oriented
- Technology-oriented
- With good human resources
- Decreasing population



Characteristics of economic environment in the 21st century

- Change (structural)
- Innovation (technological, management)
- Globalization (market)
- Information society (Internet, real time)
- Personalization (diversification of needs)

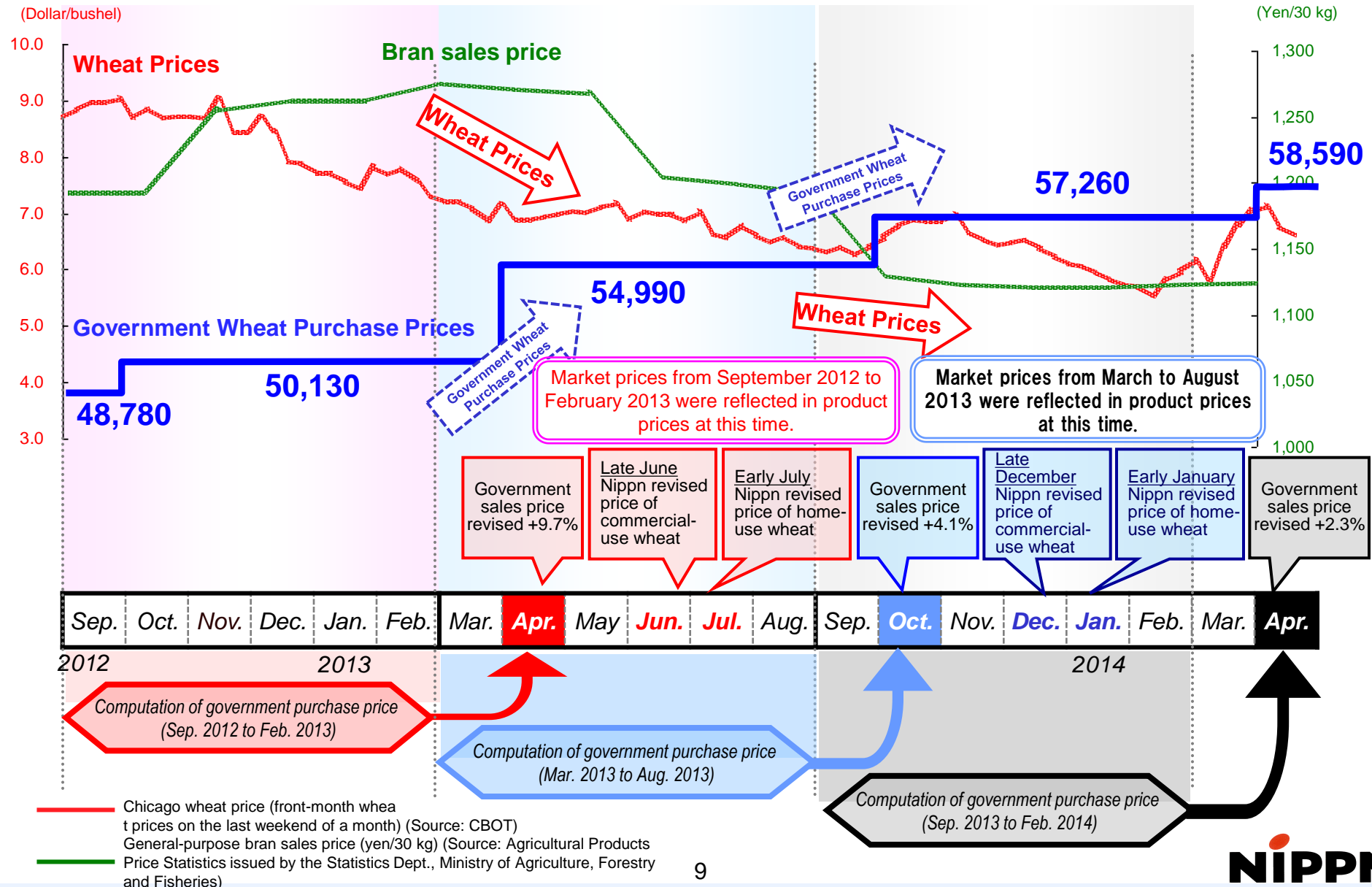


Dynamic change in the business environment

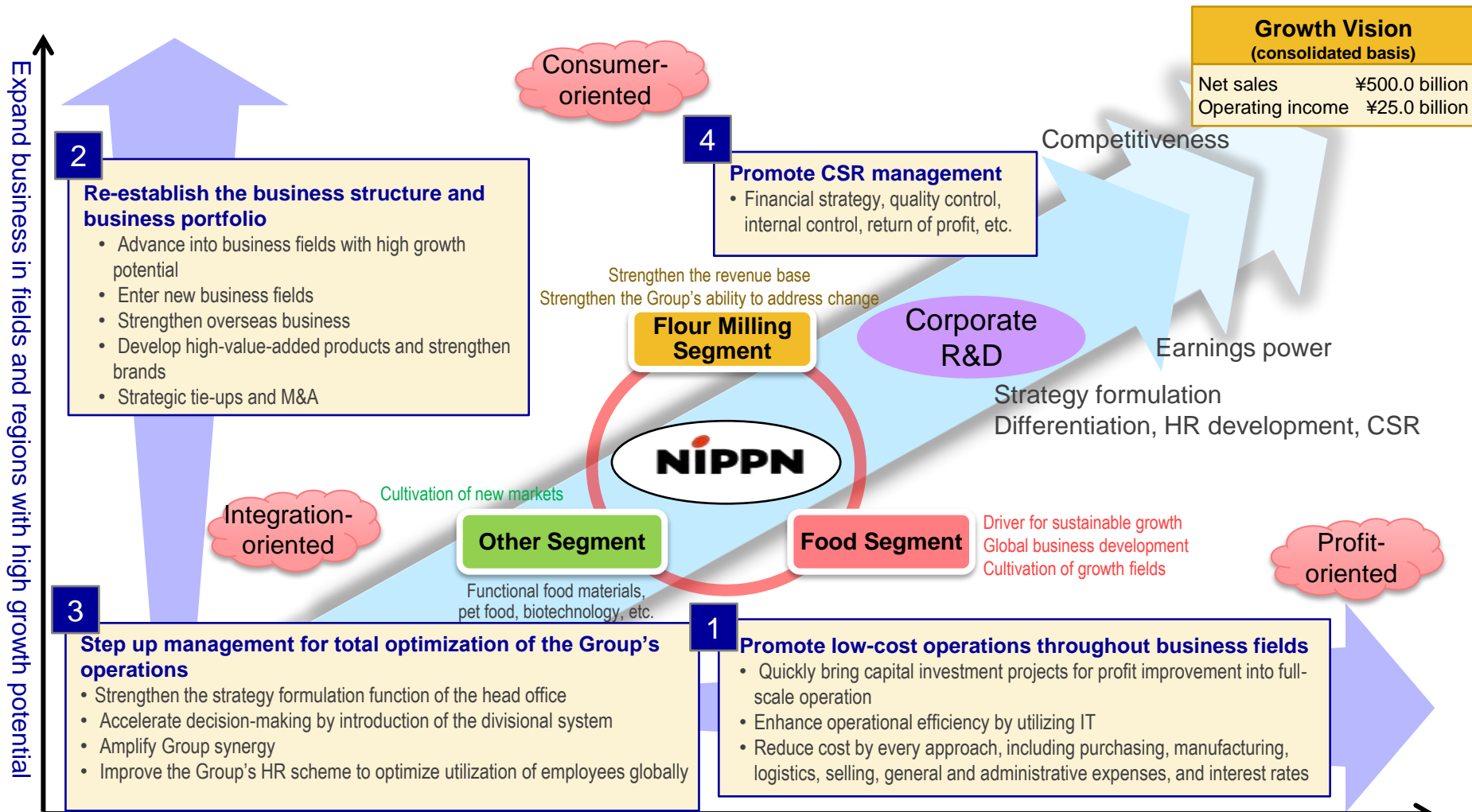
- Consumption structure Diversification of customer needs, higher quality and safety requirements, declining total demand, deflation, budget-minded, growth of new markets (healthcare, nursing)
- Economic structure More M&A/consolidation, wheat system reform, sharp rise in raw material costs, rising prices of daily necessities, shift of the center of gravity of the world economy from developed to emerging-market countries, change in the financing environment, intensifying sales competition, rising labor costs overseas, TPP, tax reform (consumption tax, corporation tax)
- Retail structure Trend toward mega-retailers and concentration on leading retailers, advent of new retail formats



Recognition of Operating Environment (2)



Issues Concerning Group Management



Mission Statement of Nippon Flour Mills (NIPPN)

Strive as a corporation, to gain trust from customers and continue to grow in strength. Make an effort on a daily basis to keep every customer satisfied, by offering, in every area of business, competitive products and services of superior quality, thereby contributing to society.

FY2015 Policy on Group Management

Quantitative Targets for FY2015

(Millions of yen)

	FY2014	FY2015	Change	Change (%)
Net Sales	287,109	300,000	12,891	4.5%
Operating Income	10,808	10,000	(808)	(7.5)%
Ordinary Income	12,248	11,000	(1,248)	(10.2)%
Net Income	7,810	6,800	(1,010)	(12.9)%

FY2015 Policy on Group Management

- Promote low-cost operations throughout business fields
- Re-establish the business structure and business portfolio
- Step up management for total optimization of the Group's operations
- Promote CSR management

Nippon Flour Mills Group Strengths

History

118 years of history

Management history

Expansion was accelerated by mergers

The Company implemented many large-scale mergers and expanded its business during the period from the very start of its foundation to the early Showa period, not only in Japan but also to foreign countries including mainland China.

Expanded business through a series of business transformations like ecdysis of a cicada

*Ecdysis

Flour Milling Segment

Meiji (1868-1912) Taisho (1912-1926) Showa (1926-1989)

1896: Founded with the latest western-style mechanical milling.

1914: Start of buckwheat milling

1969: Started corn flour milling
1975: Started rice flour milling

History of business diversification

Promoted business growth and technological innovation in the post-war era while expanding the scope of the business through diversification.

Nippon Flour Mills Co., Ltd.
founded in 1896.



1897: Innovative product sales method



The distributor system under the manufacturer's initiative was adopted to clearly indicate the manufacturer name, quality and grade.

Food Segment

Ingredients

1959: Joined the premix business



2013: Acquisition of an equity stake in Nagano Tomato

Processed Food

1955: Launched "Oh'my Cut Macaroni"

2003: Advanced into the soybean business (tie-up with OK Food Industry)

Frozen Food



1973: Launched "Cream Croquette"

Delicatessen

1991: Joined the delicatessen business

Other Segment

1969: Launched "Family Germ" (healthcare business)

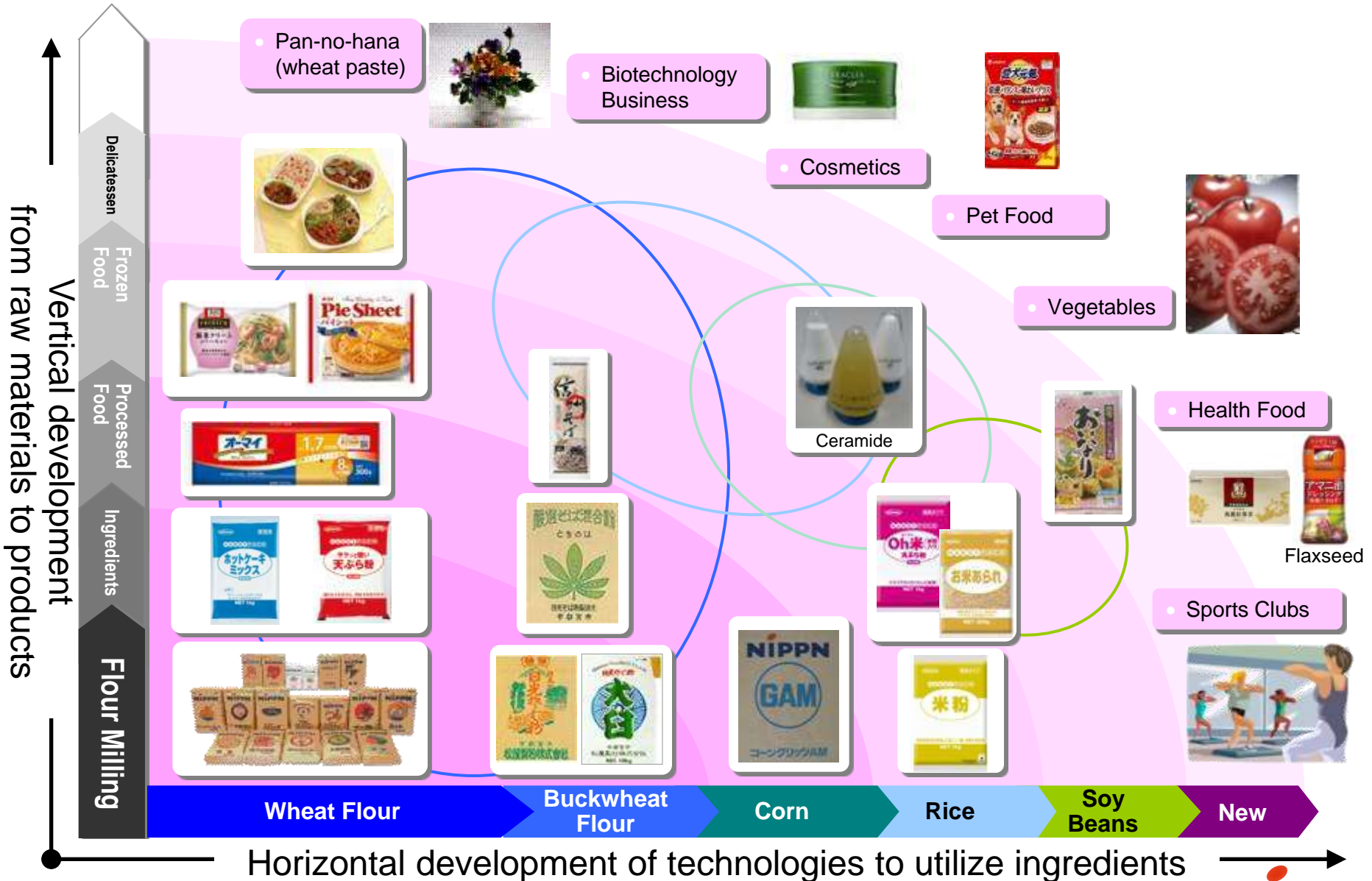
1989: Started full-scale operation of the pet food business for home use



*Ecdysis:

A process of molting. Insects such as cicadas undergo metamorphosis from nymphs to adults.

Nippon Flour Mills Group Strengths (1)



Nippon Flour Mills Group Strengths (2)

■ Sustainable growth and change of the business structure

(Billions of yen)

Flour Milling

Food

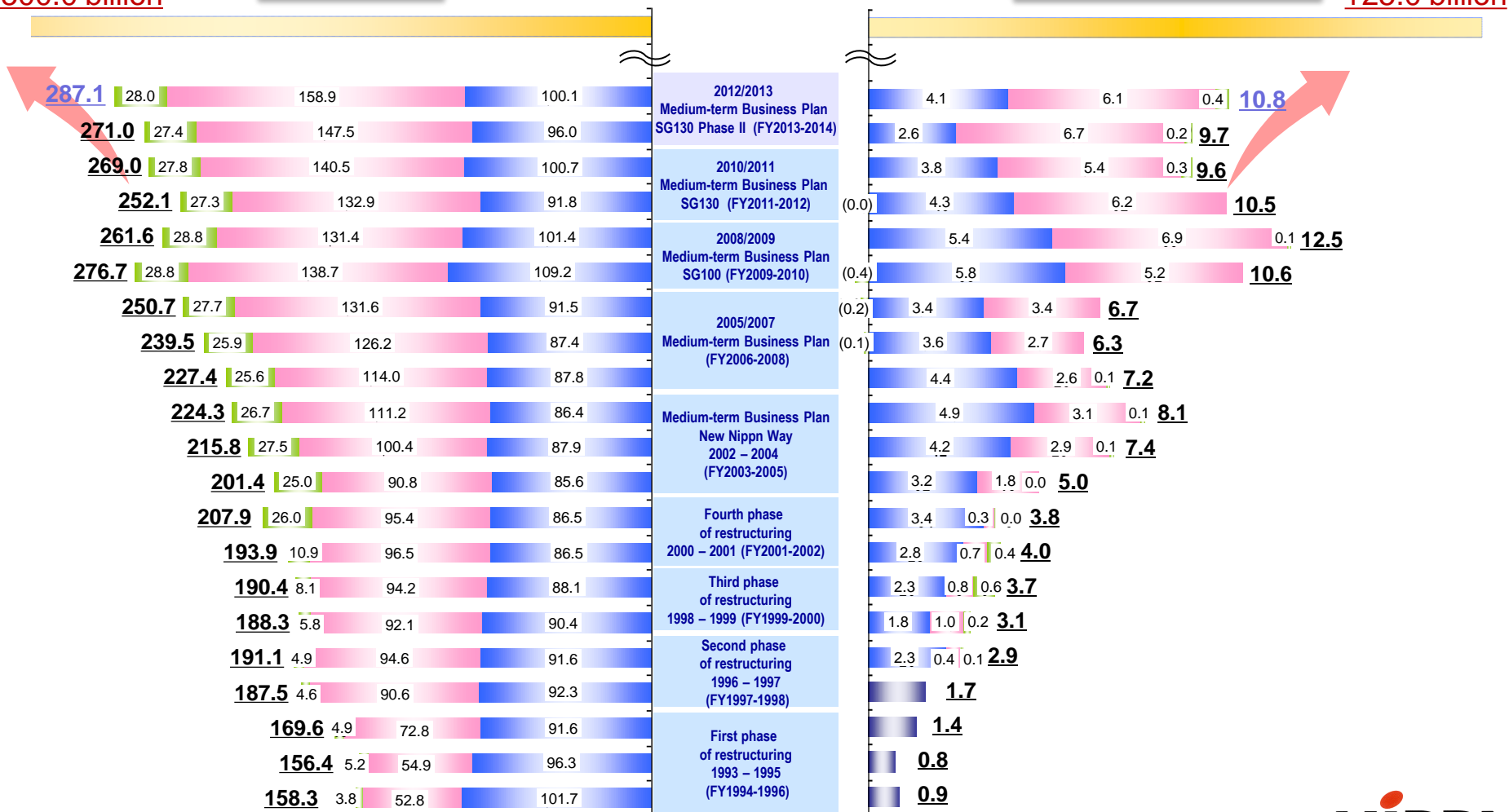
Other

Net Sales

Operating Income

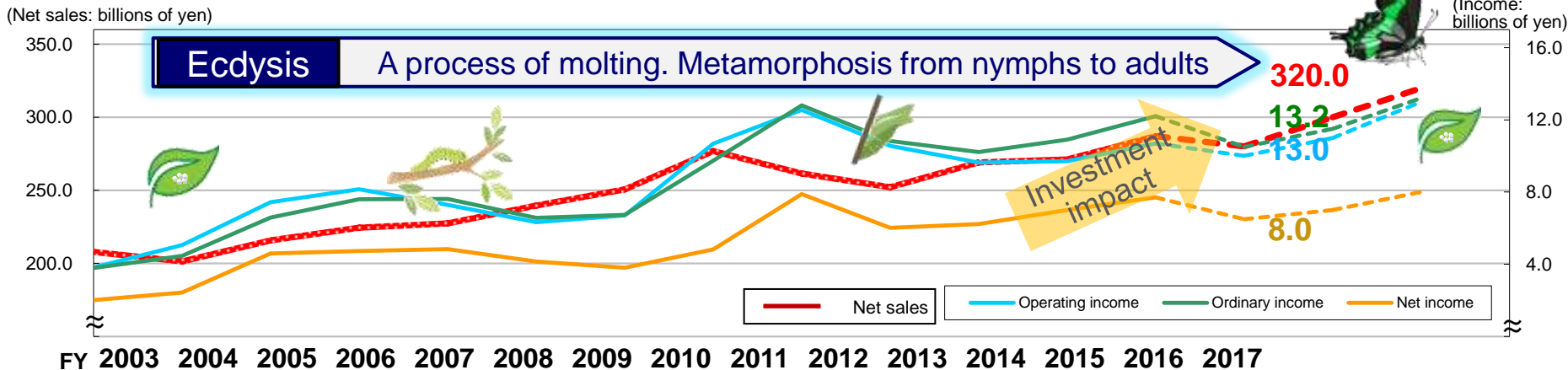
¥500.0 billion

¥25.0 billion



Strategy for Sustainable Growth

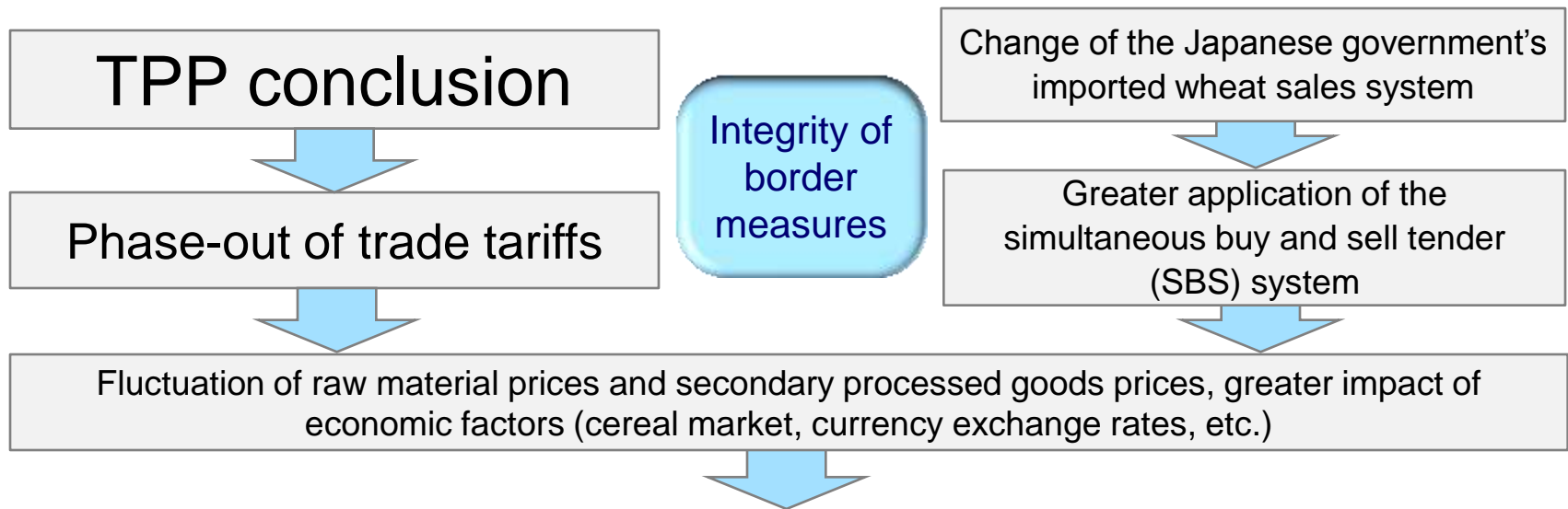
Business Expansion through a Series of Business Transformations





FY 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

	Medium-term Business Plan New Nippon Way			05/07 Medium-term Business Plan			08/09 Medium-term Business Plan		10/11 Medium-term Business Plan		12/13 Medium-term Business Plan		Annual plan	120th anniversary		(Millions of yen)		
Pre-depreciation profit	10,481	12,511	13,343	12,486	12,283	12,908	17,699	19,345	17,352	16,911	17,577	18,851	17,900	19,500	20,900			
Capital investment	4,255	4,152	6,314	9,691	7,448	6,589	6,182	4,691	7,130	11,755	12,216	13,374	10,500	15,500	11,000			
Depreciation and amortization	5,422	5,068	5,184	5,200	5,954	6,202	7,016	6,745	6,784	7,277	7,863	8,043	7,900	8,000	7,900			
Key items during the period	<ul style="list-style-type: none"> Establishment of Nippon Flour Mills (Shanghai) Co., Ltd. Completion of construction of Matsuya Flour Mills buckwheat mix plant Completion of construction of Yokohama Logistics Center Completion of construction of premix plant of Nippon Flour Mills (Shanghai) Co., Ltd. Capacity increase of the pasta production line of Atsugi Plant of OHMY Co., Ltd. Start of operation of cogeneration facilities of Ryugasaki Plant of NIPPON Frozen Foods Co., Ltd. 			<ul style="list-style-type: none"> Establishment of Nippon Shoji Corporation, Co., Ltd. Completion of a silo for raw cereal at Chiba Plant Completion of construction of Chiba D Mill Establishment of NIPPON (Thailand) Co., Ltd. Establishment of NIPPON California Inc. Fast Foods Nagoya Co., Ltd. became a consolidated subsidiary Eagle Sports Plaza Oyama reopened after refurbishment Completion of construction of Numazu Plant of Fast Foods Co., Ltd. Completion of construction of a new plant of NIPPON (Thailand) Co., Ltd. 			<ul style="list-style-type: none"> Completion of construction of Chiba Plant of NPF Japan Co., Ltd. Capacity increase of the pasta production line of Kakogawa Plant of OHMY Co., Ltd. Tofuku Flour Mills Co., Ltd. became an equity-method affiliate 		<ul style="list-style-type: none"> Completion of construction for increasing capacity of the premix plant of NIPPON (Thailand) Co., Ltd. OK Food Industry Co., Ltd. became a consolidated subsidiary after takeover bid Completion of consolidation of buckwheat milling facilities into Kaminokawa Plant of Matsuya Flour Mills Co., Ltd. Completion of construction of Kaminokawa Plant of Mizuho Foods Co., Ltd. Completion of construction of Amagi Plant 2 of OK Food Industry Co., Ltd. Completion of construction of a small-portion premix packaging facility at Kobe-Mill 		<ul style="list-style-type: none"> Completion of consolidation and capacity increase of Ryugasaki Plant of NIPPON Frozen Foods Co., Ltd. Completion of Kobe-Konan grain silos Completion of construction of a flour milling line at Kobe-Konan Mill Nagano Tomato became a consolidated subsidiary Establishment of NIPPON Donuts Kyushu Co., Ltd. Completion of construction of a frozen food plant of Fast Foods Nagoya Co., Ltd. Capital participation in Biotech Japan Completion of Chiba grain silos 			<p>Silos</p>	<p>Chita Mill</p>	<p>Investment in new business development</p>	<p>Investment in new business development</p>	<p>37 billion yen in 3 years</p>
	<p>Red: Completion of construction of a plant etc.</p> <p>Green: Establishment of a company etc.</p>																	

Impact of Trade Liberalization on the Flour Milling Business and Countermeasures



Integrity of border measures

Countermeasure 1	Countermeasure 2	Countermeasure 3	Countermeasure 4
Increase Sales (market share increase)	Improve Earnings Power (cost reduction) 〔 Vigorous investment in large coastal mill complexes and silos for raw materials 〕	Business Structural Reform 〔 Increase the weight of businesses other than the flour milling business to enhance resilience against market fluctuations 〕	Response to Industry Reorganization 〔 Collaboration with small and medium-size flour milling companies 〕
	 State-of-the-art Kobe-Konan Mill	 Chiba grain silo completed in March 2014	 Overseas business
			Major partner  Tofuku Flour Mills Co., Ltd.

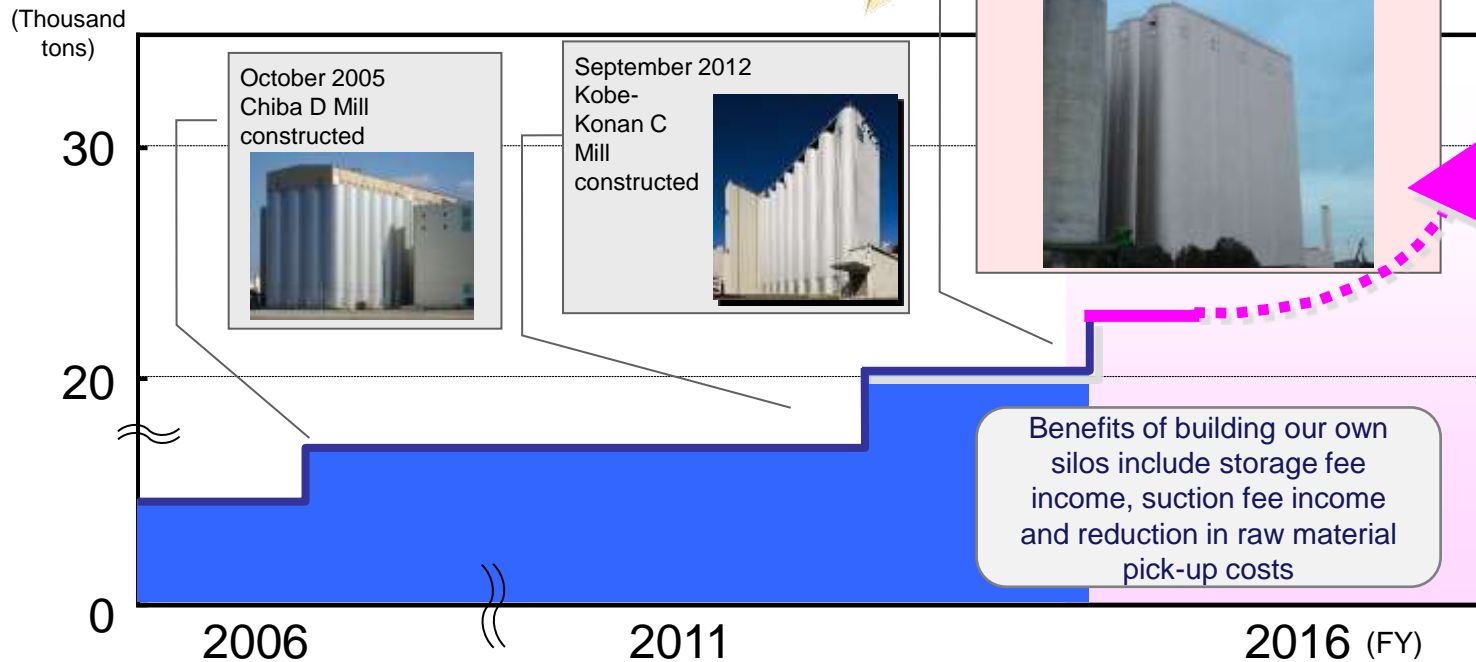
Flour Milling Business Low Cost Operation Strategy (1)

Upgrade and expand own grain silos

- Increase storage capacity for raw material wheat (current capacity of 200,000 tons to 300,000 tons, an increase of 50%)
- Approximate investment of ¥10 billion
- Chiba, Kobe-Konan (stage 2 construction), Fukuoka, and Chita Mills

Storage capacity set to increase by 100,000 tons by FY2016 (Chiba, Kobe, Fukuoka, Chita)

Storage capacity at our silos



Kobe-Konan Mill



Fukuoka Mill



Chita Mill

Flour Milling Business Low Cost Operation Strategy (2)

Ratio of large coastal mills

Upon completion of Chita Mill, the ratio of large coastal mills will increase from:

83% ⇒ **93%**

● : Mills accessible by bulk carriers
 ● : Other mills
 E.g.: Bulk carrier → barge → silo at the mill



Fukuoka Mill

Production capacity: 190,000t/year



Kobe-Konan Mill

Production capacity: 300,000t/year



Osaka Mill



(Current) Nagoya Mill



Chita Mill (slated for construction)



Yokohama Mill

Production capacity: 360,000t/year



Chiba Mill

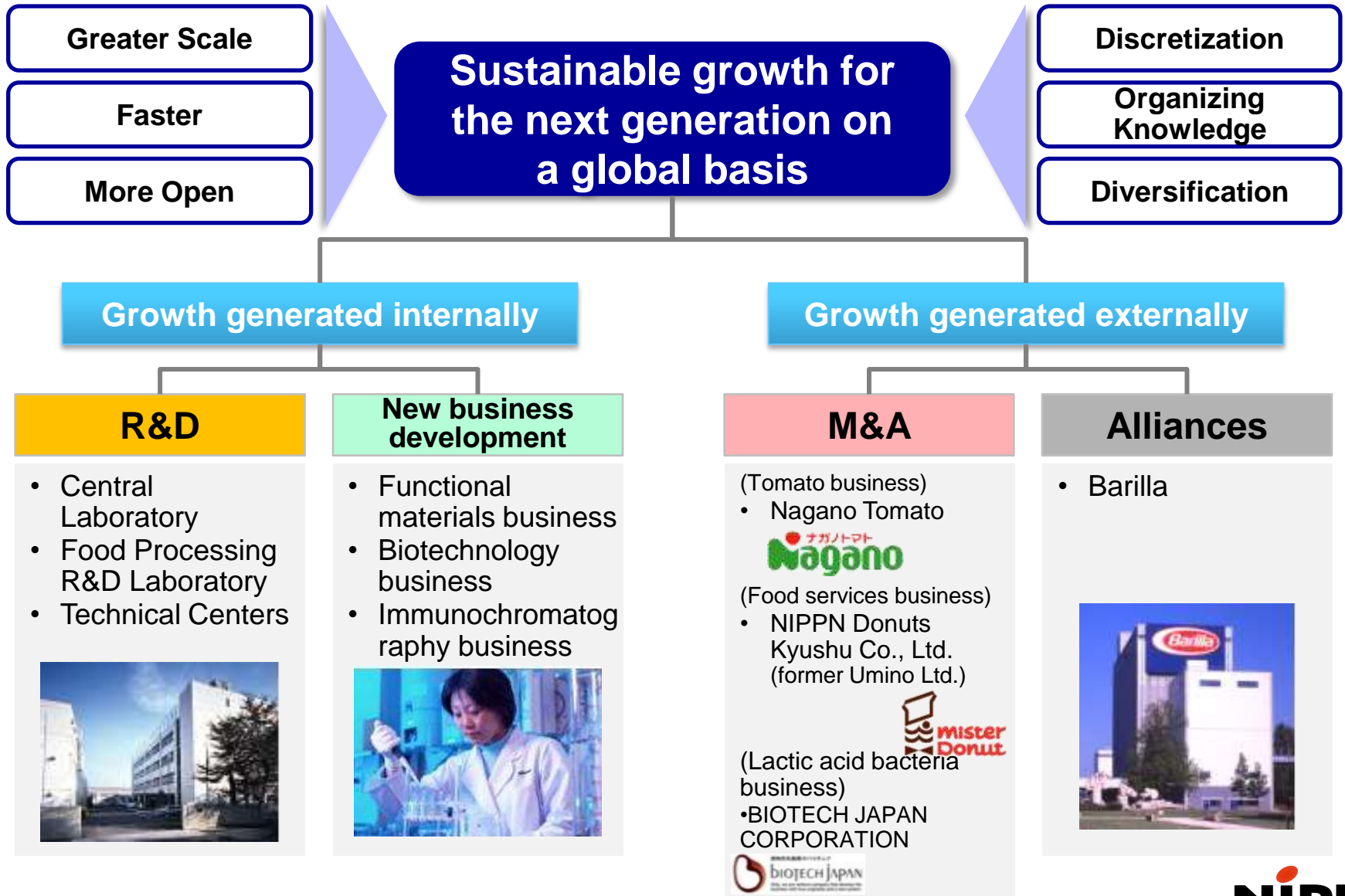
Production capacity: 460,000t/year



Otaru Mill

Re-establish the Business Structure and Business Portfolio (1)

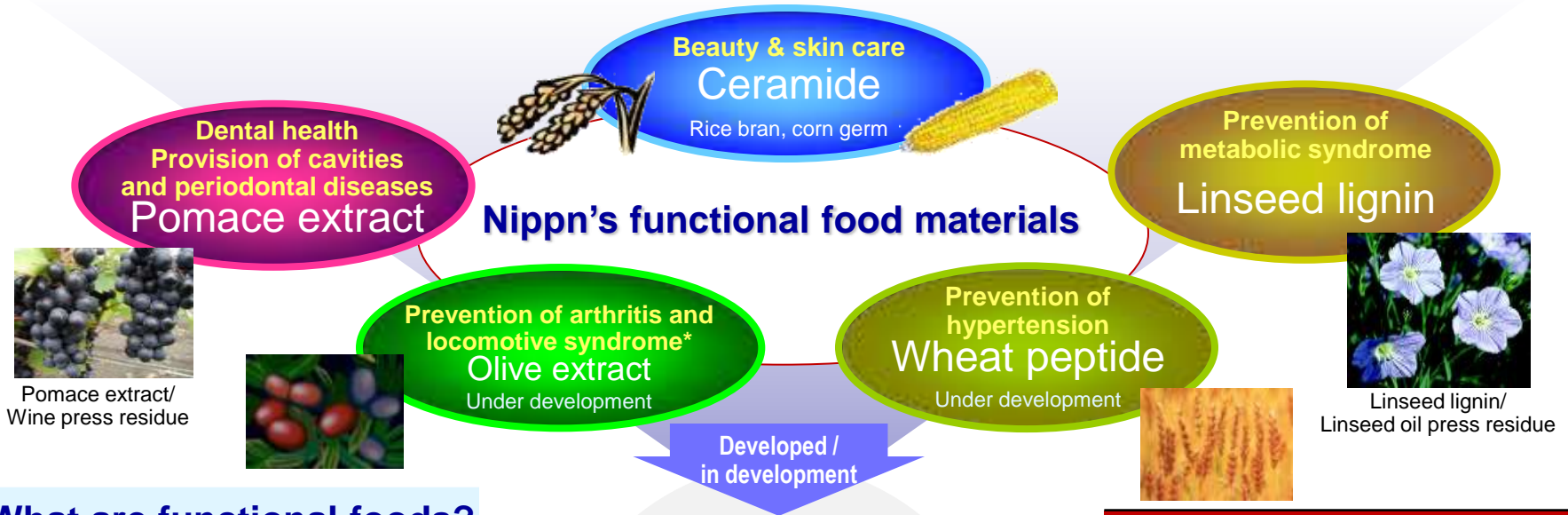
(Source: The Japan Industrial Management & Accounting Institute)



Re-establish the Business Structure and Business Portfolio (2)

a. Functional Food Materials

Nippon's functional food materials



What are functional foods?

— Foods with the tertiary function of the food functions listed below —

Food functions

- ▶ Primary function (nutrition)
Functions to supply nutrient components and calories

- ▶ Secondary function (sensory satisfaction)
Sensory functions related with flavor, taste, etc.

- ▶ Tertiary function (modulation of physiological systems)
Functions to modulate physiological systems contributing to biological defense, disease prevention, anti-aging, etc.

Quest for new materials

Grooming	Hair (thin hair)
Brain	Dementia
Eyes	Eye strain
Allergy	Hay fever
Grooming	Breath, body odor, aging odor
Mental condition	Relaxation
Physical disorders of the middle aged	Urinary frequency, tiredness, poor blood circulation, diabetes



* Locomotive syndrome: Diseases and poor functioning of locomotive organs, such as arthritis and arthralgia

Re-establish the Business Structure and Business Portfolio (3)

b. Flaxseed

What is flaxseed?

Flaxseed is the seed of the flax plant. The sesame-like small **seeds** are rich in α -Linolenic acid, which is **an omega-3 fatty acid**, **lignan**, and **dietary fiber**. Flaxseed is a focus of attention as a **functional ingredient**.

Contains a good balance of insoluble and soluble dietary fiber

α -Linolenic acid, an omega-3 fatty acid, is an **essential fatty acid** that humans must ingest from food.



The lignin content in flaxseed is among the highest in **edible plants**.

Omega-3 fatty acid

In the human body, α -Linolenic acid, an omega-3 fatty acid, is transformed into the DHA and EPA found in brain cells

Expected efficacy of omega-3 fatty acids*

Prevention of arteriosclerosis

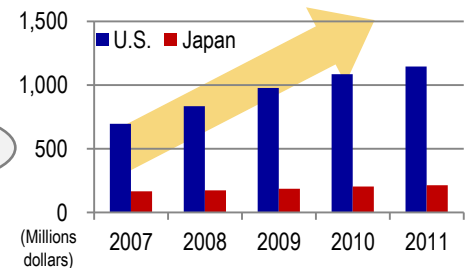
Allergy prevention

Improvement of immune functions

Rich in α -Linolenic acid, flaxseed is a popular ingredient in Europe and North America

* Dietary Reference Intakes for Japanese, 2010 Edition, Ministry of Health, Labour and Welfare

《DHA/EPA supplement market size of Japan and the U.S.》



Source: Nutrition Business Journal, Fuji Keizai, GNG

Nippon's flaxseed products

Roasted flaxseed



Flaxseed oil

Flaxseed dressing



Supplements

Nippon offers a range of flaxseed products

Nippon is the only company offering a variety of flaxseed products ranging from roasted flaxseed and flaxseed oil to flaxseed dressing and supplements.

Hot topic in the media



▲ Yomiuri Shimbun Newspaper

Re-establish the Business Structure and Business Portfolio (4)

Antibody-related technology

Antibody-related technology: What is immunochromatography?

This technology uses test strips that allow anyone to detect a specific protein quickly and simply without using a special testing device. Immunochromatography is attracting interest because of its potentially wide application.

Background: R&D for over 30 years

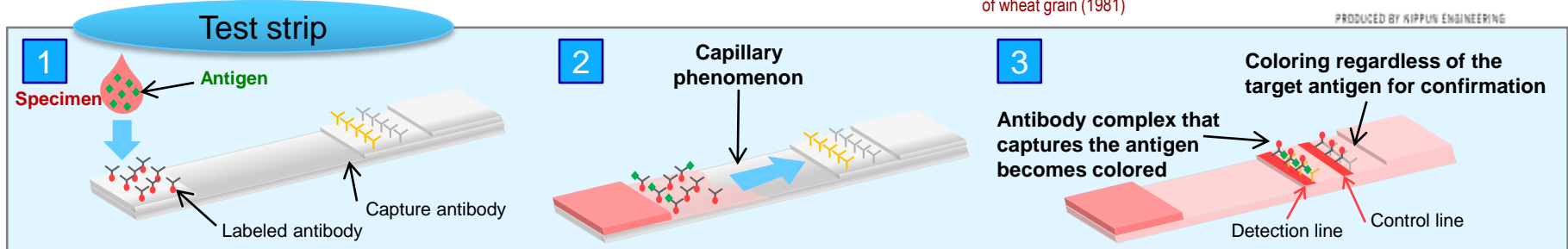
Reached gene analysis and synthesis, diagnostic drug (healthcare), and environmental fields (2001)

Started molecular-level research in the quest for secondary processing property of wheat grain (1981)

1. Agricultural chemical and mycotoxin testing in wheat flour
2. Detection of food poisoning bacteria, GMO testing
3. Production of antibody and recombination protein
4. Development of an immunochromatograph assembler

Immunochromatography PROJECT

PRODUCED BY NIPPON ENGINEERING



Business model

NIPPON Group

Preparation of specific antibodies

(Central Laboratory and NIPPON Engineering)



Selection of production equipment and parts

(NIPPON Engineering)



Immunochromatography Dispenser

Production and sales

(NIPPON Engineering and FASM&C)



Sales of the immunochromatography kit

Customers and research partners

Diagnostic drug market

Support customers' development and production

Support customers' development, production, and sales

Development, production, and sales by Nippon

Business field

Foods field

- Detection of allergen
- Detection of contamination by genetically modified substances
- Detection of antibiotics

Safe and secure

Healthcare field

- Extracorporeal diagnostic agent
- Detection of food poisoning

Treatment
Preventive medicine

Re-establish the Business Structure and Business Portfolio (5)

Lactic acid bacteria business



Biotech Japan Corporation Head Office Plant



Lactic acid bacteria

Promising growth market in the 21st century
Plant origin lactic acid bacteria business

The world's leading owner of excellent strains

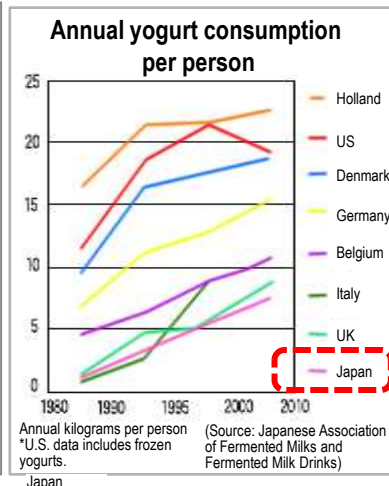
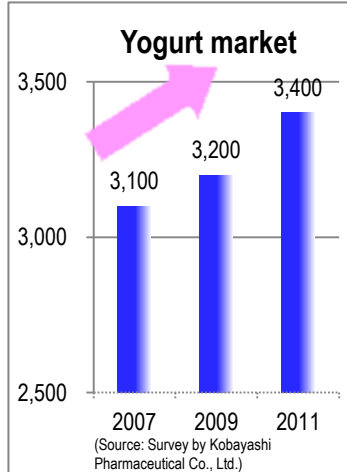
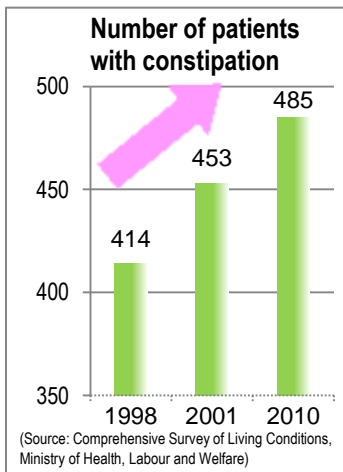
<Benefits of lactic acid bacteria>

1. Adjust gastrointestinal movement
2. Enhance immune system (Reduce allergy symptoms)
3. Reduce cholesterol level

Capital partnership

Application of plant origin lactic acid bacteria

1. Protein-adjusted rice (low-protein food)
2. Protein-adjusted bread (low-protein food)
3. Materials for bread (fermented dough, seasoning liquid, etc.)
4. Beverages (fermented green tea, juice, etc.)
5. Lactic acid bacteria starter (functional lactic acid bacteria for commercial and laboratory use)
6. Other (cosmetics, soil improving agent)



The Japanese market has large growth potential compared with the rest of the world.



Example of a low-protein food product



Rice for emergencies without the need for water or heating

Re-establish the Business Structure and Business Portfolio (6)

Overseas Business

Asia – Thailand, China and Indonesia –

Tianjin Chuan Shun Foods., Ltd.

- Manufacture and sale of premix products

Nippon Flour Mills (Shanghai) Co., Ltd.

- Manufacture and sale of premix products
- Acquired FSSC22000 certification



Nippon Flour Mills (Shanghai) Trading Co., Ltd.

- Sales of business-use ingredients and processed foods

NIPPN (Thailand) Co., Ltd.

- Manufacture and sale of premix products
- Acquired HACCP, HALAL, and other certifications
- Expansion of sales channels in Thailand and adjacent countries

NIPPN Flour Mills (Thailand) Ltd.

- Sales of business-use ingredients and processed foods

PT. NIPPN FOODS INDONESIA

- Manufacturer and distributor of food products (including import and export)

Operation scheduled to start in August 2014

U.S.

Pasta Montana, L.L.C.

- Manufacture and sale of pasta products
- Export to Japan

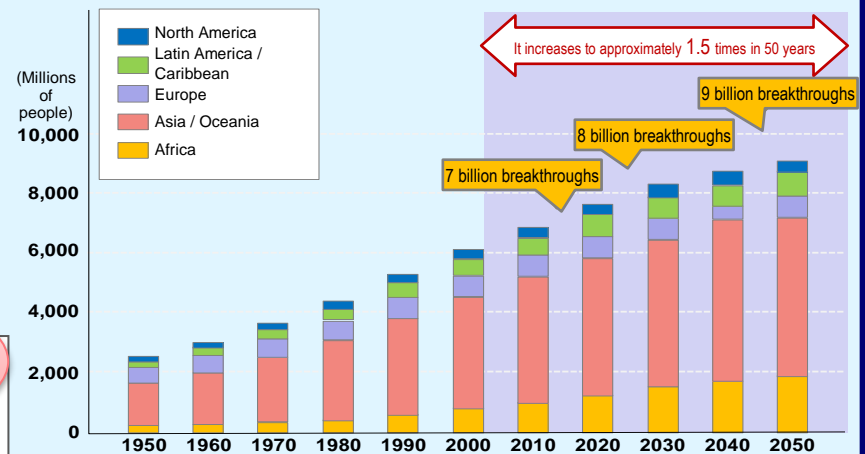


NIPPN California Inc.

- Sales of business-use ingredients and processed foods



Focus on cultivating markets in Asia



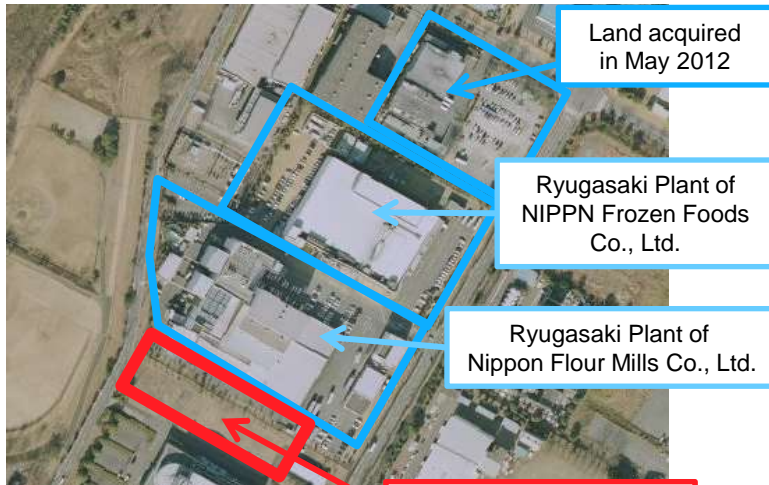
Source: Vol.44 "Battle for Farmland and Food Safety," Wakaru! Kokusajosei (Understand International Affairs), Website of the Ministry of Foreign Affairs of Japan

Re-establish the Business Structure and Business Portfolio (7)

Expand business in fields with high growth potential

Food Ingredients business (premix)

**Ryugasaki Plant of
Nippon Flour Mills Co., Ltd.**
Acquired adjacent land



NIPPN's Ryugasaki Plant
(Premix plant)

- In order to prepare for future extension of the plant
- Koyodai, Ryugasaki-shi (approx. 4,000 m²)
- Acquired in December 2013

Frozen Foods Business

Fast Foods Nagoya Co., Ltd.
New frozen food plant started operation



- Increased production capacity
- Constructed within the site of Kuwana Plant of Fast Foods Nagoya Co., Ltd.
- Operation started in Mar. 2014

<Company overview>

Head Office	Komaki-shi, Aichi
Business	Manufacturing and sales of rice dishes, boxed lunches, prepared dishes, frozen food, etc.
Plant	Komaki-shi, Aichi Kuwana-shi, Mie

Step Up Management for Total Optimization of the Group's Operations

1 Strengthen the strategy formulation function of the head office

2 Accelerate decision-making by introduction of the divisional system

3 Pursue Group synergy

4 Improve the Group's HR scheme to meet the needs of the global market

Summary of the Growth Strategy

Vision

- Group with net sales of ¥500 billion and operating income of ¥25 billion
- Multifaceted global food enterprise with presence

High profit

High efficiency

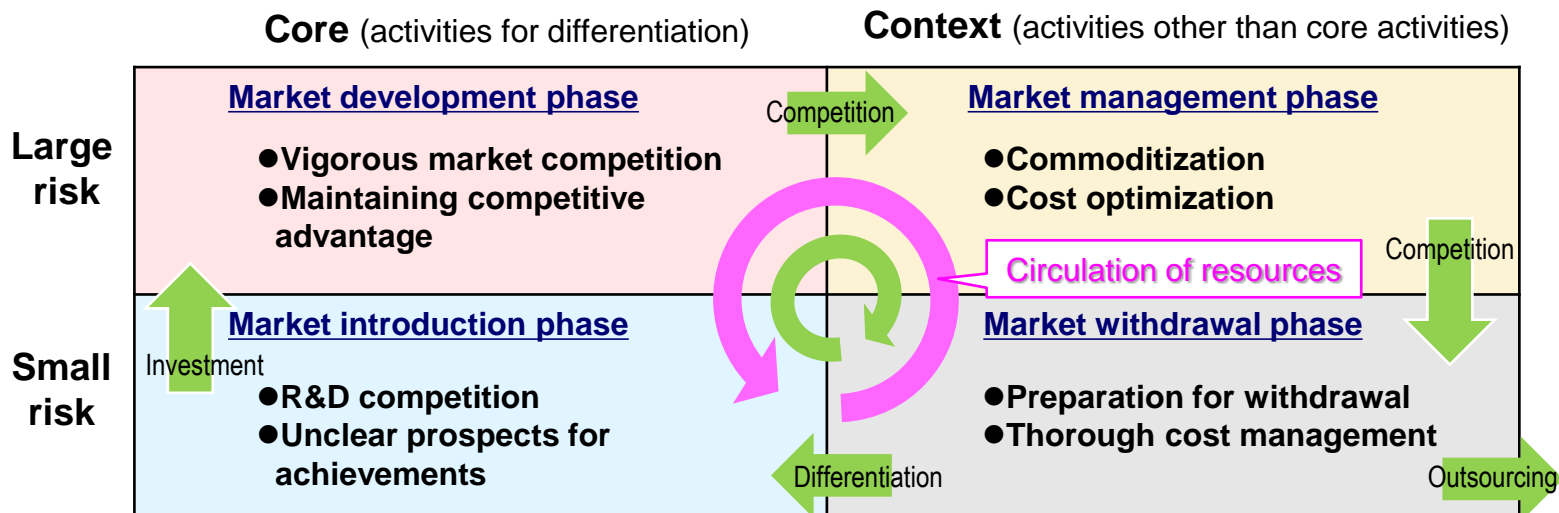
Low-cost

Expansion, growth, and evolution of the businesses

Enhancement of corporate value

Cash flow maximization

Growth Strategy



Core competences effective in a dynamically changing business environment

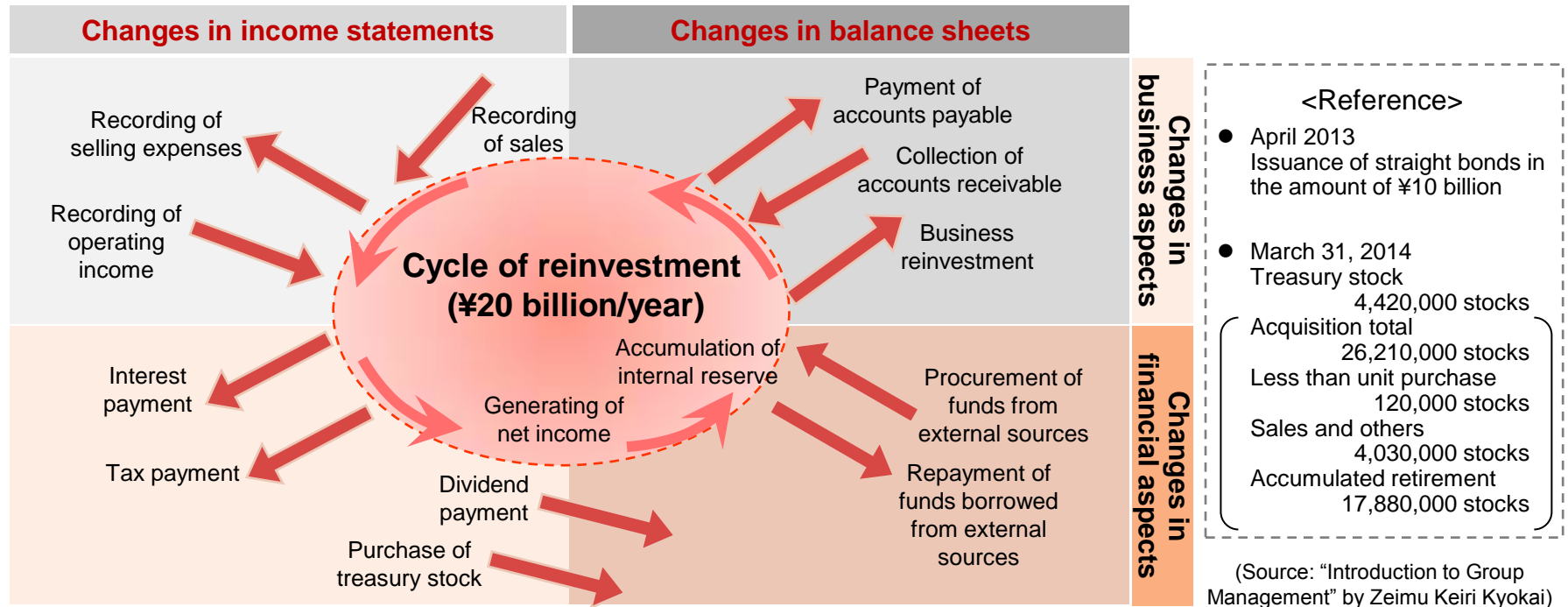
Customer satisfaction, differentiation, swift response, organizational power, ability to make good use of external resources

Promotion of CSR Management

Steps to Strengthen the Group's Financial Position

Basic policies

- Optimally allocate stable CF from operations through sustainable growth by strategic investment
- Realize the optimum capital structure by enhancing asset efficiency to maintain/improve the rating
- Establish the financial condition capable of continually returning profit to shareholders (including acquisition of treasury stock)



Returning Profits to Shareholders

- NIPPN maintains a prudent approach toward its internal reserves taking into consideration the need to strengthen its corporate structure, prepare for future business development, and respond to changes in its operating environment.
- Every effort is made to ensure the stable and continuous payment of dividends.
- The payment of dividends is based on a thoroughgoing assessment of NIPPN consolidated performance and financial position.

Shareholder benefit (for domestic shareholders)

We have a shareholder benefit program to facilitate shareholders' understanding of the business.



March

《Company's products worth 3,000 yen》

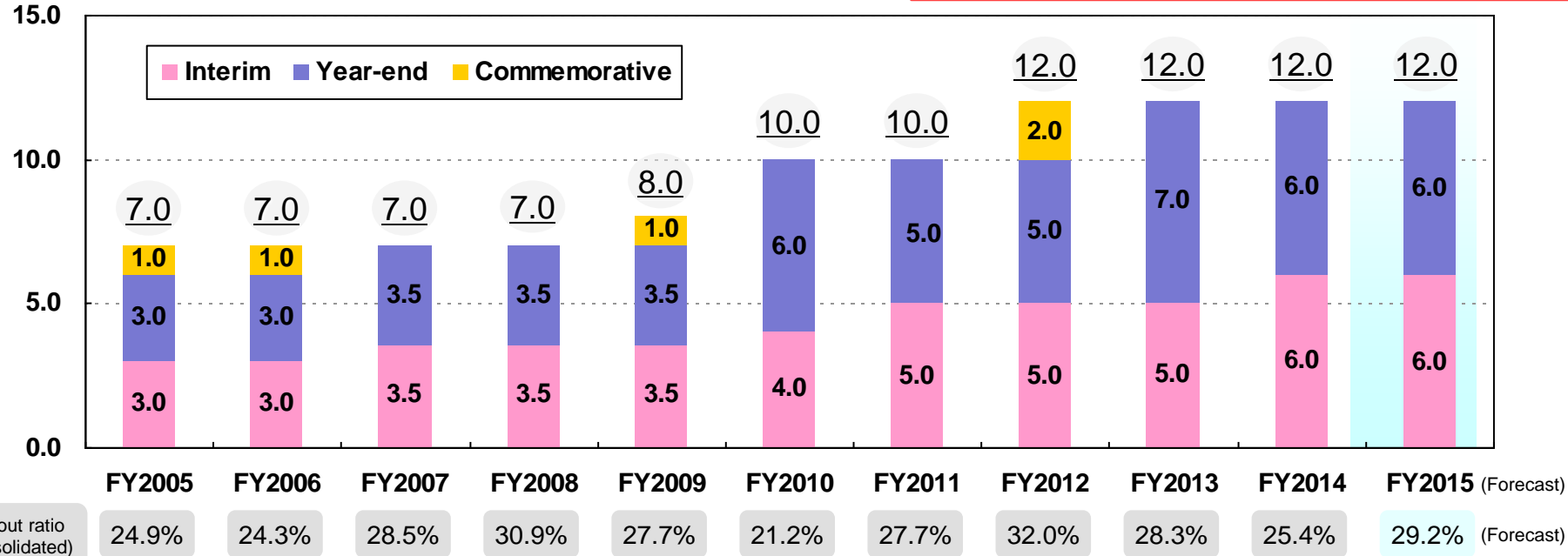
To be newly established for the first six-month period of fiscal 2015 and applied thereafter **September**

《Company's products worth 1,500 yen》

¹Eligibility: Shareholders who have owned the Company's shares for one year or longer



(Yen) **Trends in dividends per share**





Overview of Fiscal Year ended March 31, 2014 (FY2014)
Business Results and FY2015 Future Forecasts

May 21, 2014

Consolidated Statements of Income

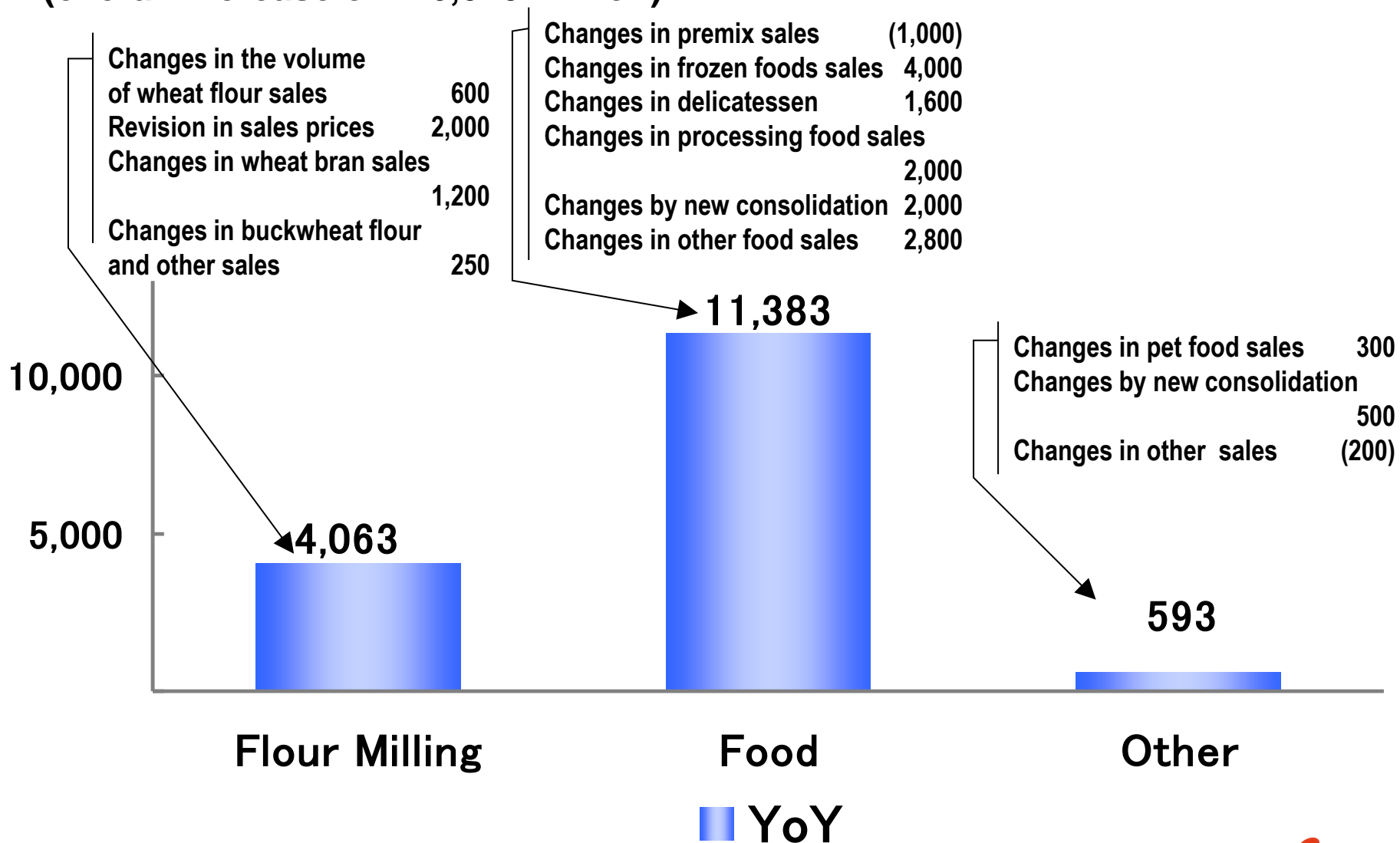
(Millions of yen)

		FY2013		FY2014		YoY	
		(2012.4~ 2013.3)	Vs. net sales	(2013.4~ 2014.3)	Vs. net sales	Change	Change
Net Sales	Flour Milling	96,066	35.4%	100,129	34.9%	4,063	4.2%
	Food	147,591	54.5%	158,974	55.4%	11,383	7.7%
	Other	27,412	10.1%	28,005	9.7%	593	2.2%
	Total	271,069	100.0%	287,109	100.0%	16,040	5.9%
Operating Income	Flour Milling	2,662	2.8%	4,148	4.1%	1,485	55.8%
	Food	6,758	4.6%	6,191	3.9%	(567)	(8.4)%
	Other	293	1.1%	468	1.7%	176	60.0%
	Total	9,713	3.6%	10,808	3.8%	1,095	11.3%
Ordinary Income		10,906	4.0%	12,248	4.3%	1,342	12.3%
Net Income		7,008	2.6%	7,810	2.7%	801	11.4%
ROE		6.6%		6.8%		0.2p	
EPS		¥42.37		¥47.23		¥4.86	

Analysis of Factors for Changes in Net Sales

◆ Factors for changes in net sales (overall increase of ¥16,040 million)

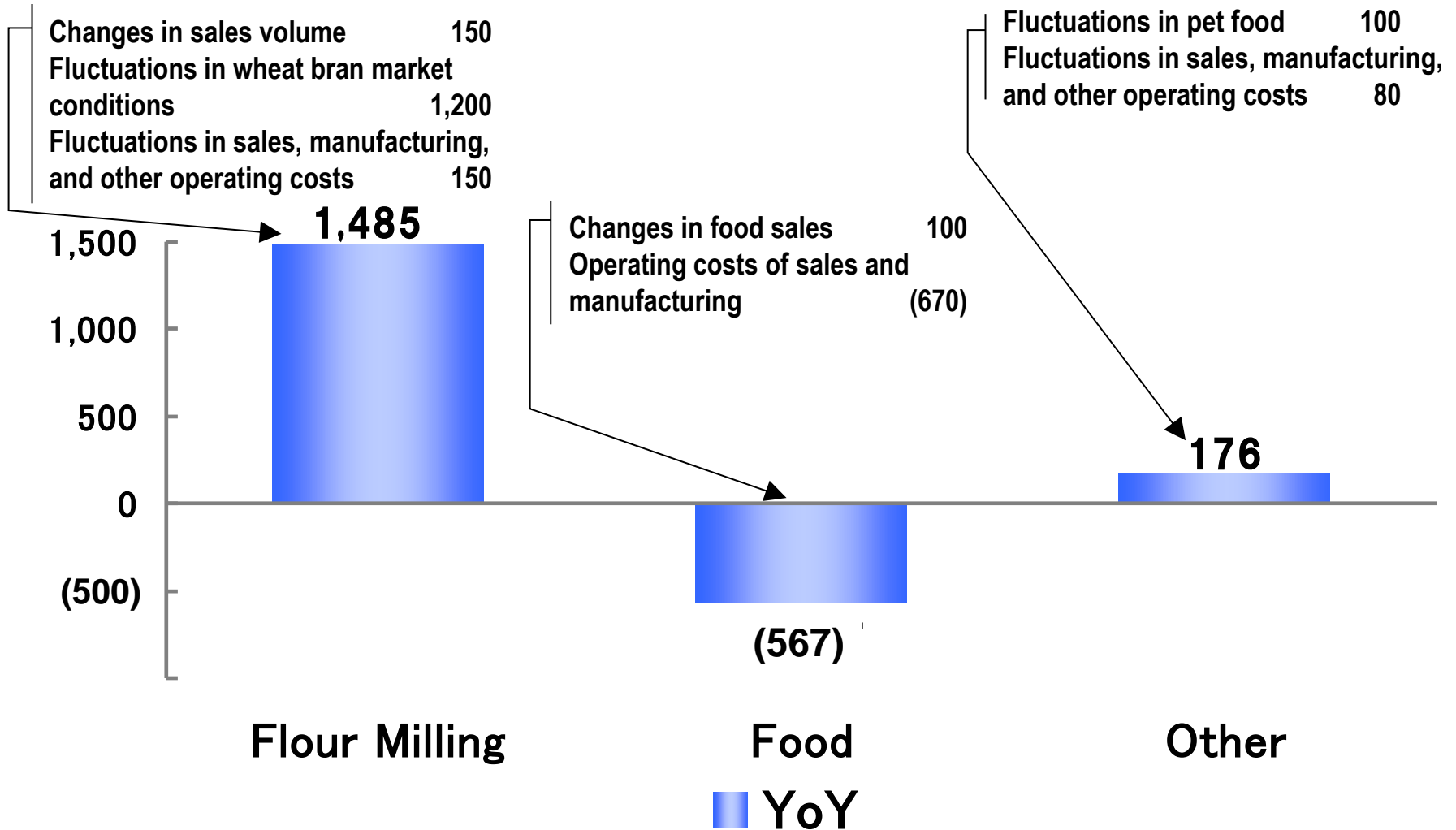
(Millions of yen)



Analysis of Factors for Changes in Operating Income

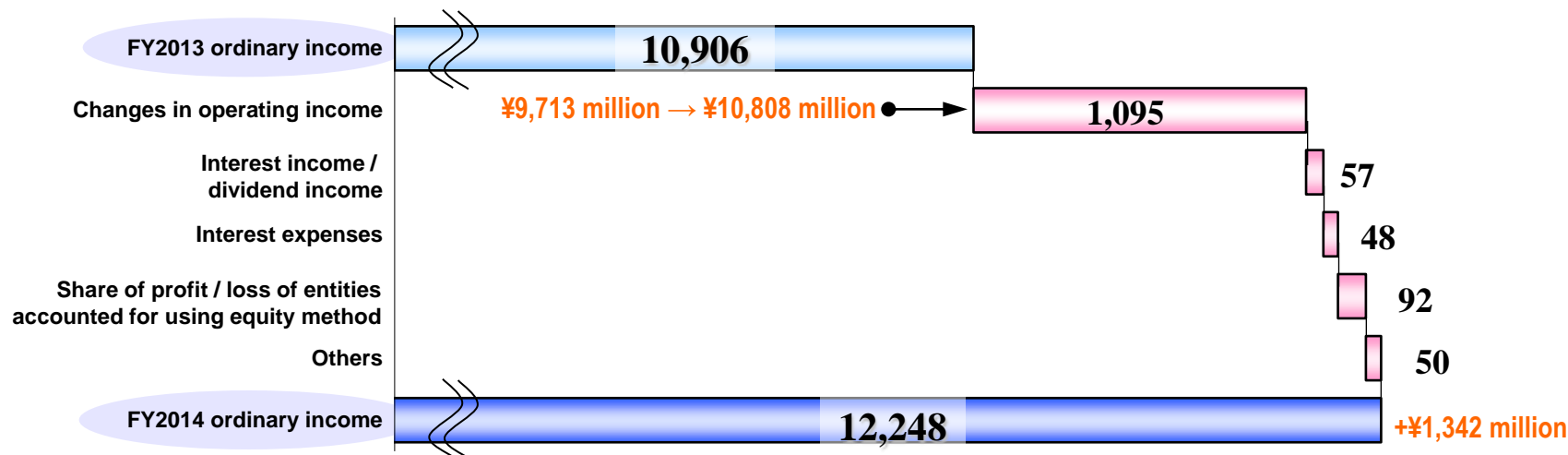
◆ Factors for changes in operating income (overall increase of ¥1,095 million)

(Millions of yen)

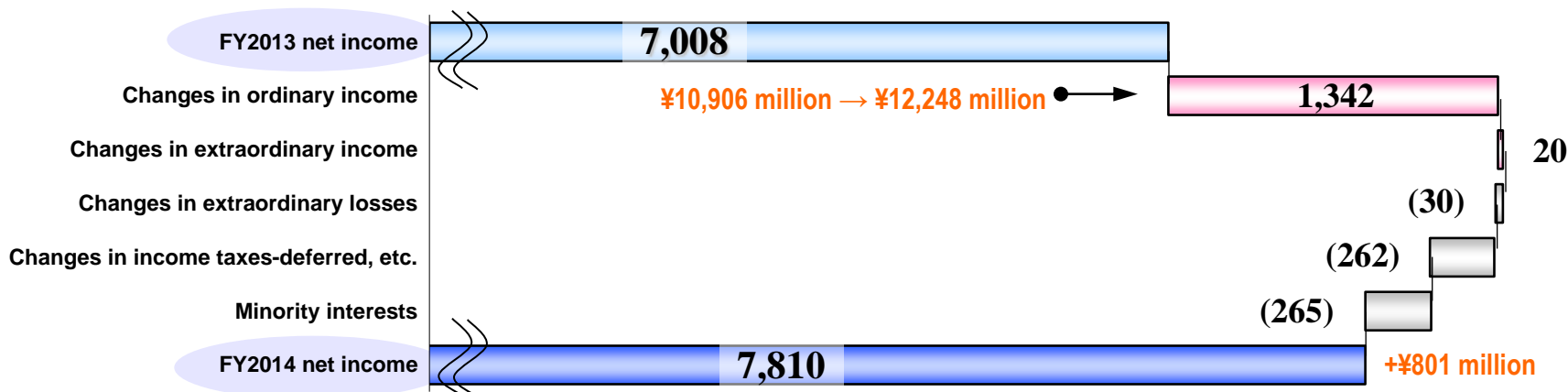


Analysis of Factors for Changes in Ordinary Income/ Net Income

◆Factors for changes in ordinary income



◆Factors for changes in net income



Consolidated Balance Sheets (Assets)

(Millions of yen)

	FY2013		FY2014		Change		Factors for changes
	(As of Mar. 31, 2013)	Component ratio	(As of Mar. 31, 2014)	Component ratio			
Current assets	85,671	39.9%	87,520	38.6%	1,848	(1.3)p	
Tangible assets	78,390	36.5%	85,042	37.5%	6,651	1.0p	
Intangible assets	1,453	0.7%	1,543	0.7%	89	0.0p	
Investments and other assets	49,012	22.9%	52,698	23.2%	3,685	0.4p	Valuation of investment securities
Fixed assets	128,857	60.1%	139,283	61.4%	10,426	1.3p	
Total assets	214,528	100.0%	226,803	100.0%	12,274	-	

Consolidated Balance Sheets (Liabilities and Net Assets)

(Millions of yen)

		FY2013		FY2014		Change		Factors for changes
		(As of Mar. 31, 2013)	Component ratio	(As of Mar. 31, 2014)	Component ratio			
Current liabilities		73,741	34.4%	62,370	27.5%	(11,370)	(6.9)p	
Long-term liabilities		27,523	12.8%	42,796	18.9%	15,272	6.0p	Issuance of bonds
Total liabilities		101,265	47.2%	105,167	46.4%	3,901	(0.8)p	
Shareholders' equity	Common stock	12,240	5.7%	12,240	5.4%	-	(0.3)p	
	Additional capital surplus	10,666	4.9%	10,666	4.7%	0	(0.2)p	
	Retained earnings	77,875	36.3%	83,519	36.8%	5,644	0.5p	
	Treasury stock, at cost	(1,577)	(0.7)%	(1,607)	(0.7)%	(30)	-	
Accumulated other comprehensive income		12,207	5.7%	13,539	6.0%	1,332	0.3p	
Minority interests		1,851	0.9%	3,278	1.4%	1,426	0.6p	
Total net assets		113,263	52.8%	121,636	53.6%	8,372	0.8p	
Total liabilities and net assets		214,528	100.0%	226,803	100.0%	12,274	-	

Consolidated Statements of Cash Flows

(Millions of yen)

	FY2013	FY2014	Change
Cash flows from operating activities	19,198	15,487	(3,711)
Cash flows from investing activities	(13,055)	(13,349)	(293)
Cash flows from financing activities	(6,195)	(123)	6,072
Effect of exchange rate changes on cash and cash equivalents	203	248	45
Increase (decrease) in cash and cash equivalents	151	2,263	2,112
Cash and cash equivalents at beginning of the year	9,848	10,000	151
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	(60)	(60)
Cash and cash equivalents at end of the year	10,000	12,202	2,202

- Major factors contributing to changes in cash flows from operating activities = Decrease in notes and accounts payable-trade
- Major factors contributing to changes in cash flows from investing activities = Increase of capital investment
- Major factors contributing to changes in cash flows from financing activities = Increase due to issuance of bonds

FY2015 Forecasts

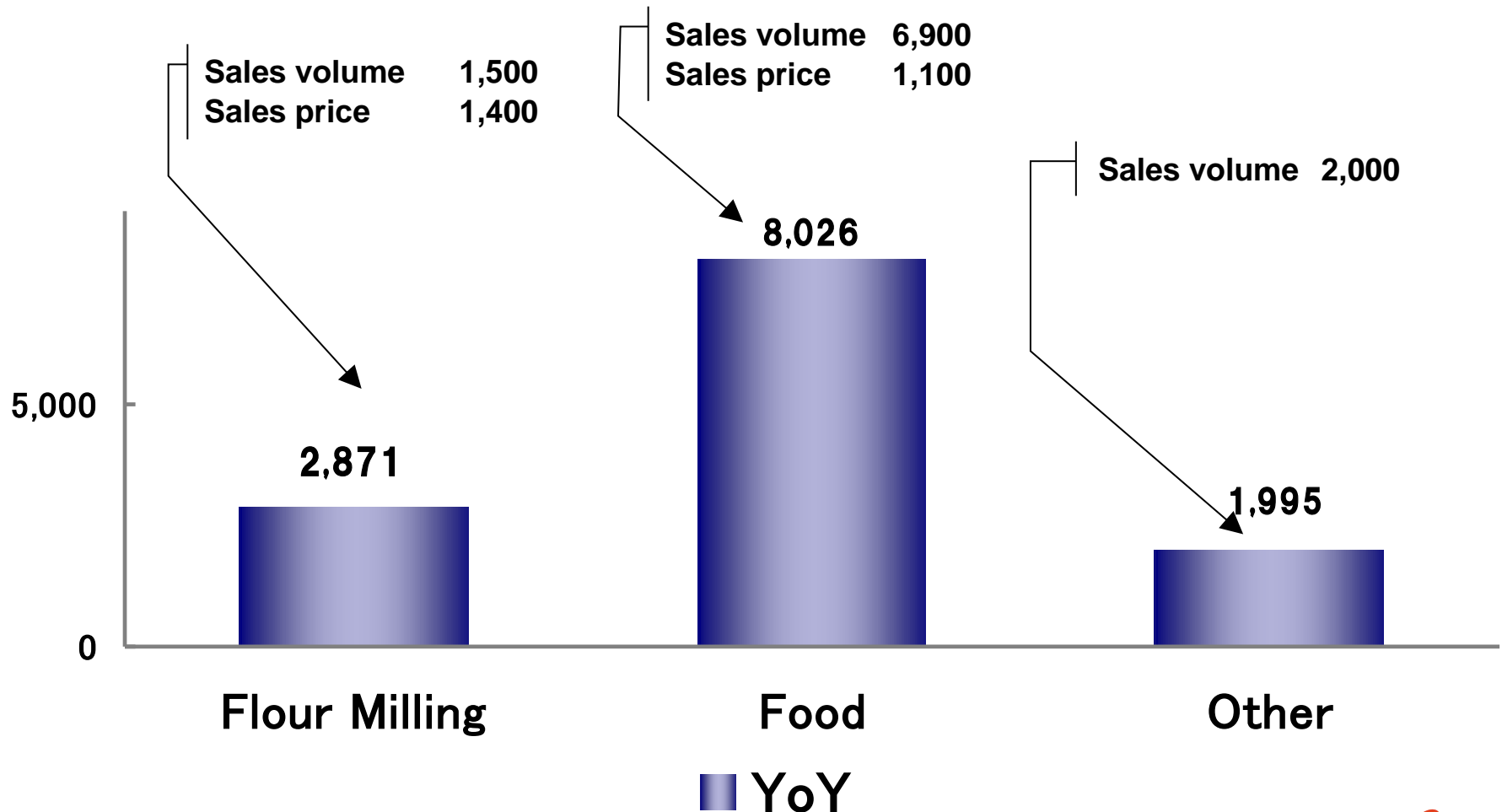
(Millions of yen)

		FY2014		FY2015 (Forecasts)		YoY	
		Result	Vs. net sales	Forecasts	Vs. net sales	Change	Change
Net Sales	Flour Milling	100,129	34.9%	103,000	34.3%	2,871	2.9%
	Food	158,974	55.4%	167,000	55.7%	8,026	5.0%
	Other	28,005	9.7%	30,000	10.0%	1,995	7.1%
	Total	287,109	100.0%	300,000	100.0%	12,891	4.5%
Operating Income	Flour Milling	4,148	4.1%	3,500	3.4%	(648)	(15.6)%
	Food	6,191	3.9%	6,200	3.7%	9	0.1%
	Others	468	1.7%	300	1.0%	(168)	(35.9)
	Total	10,808	3.8%	10,000	3.3%	(808)	(7.5)%
Ordinary Income		12,248	4.3%	11,000	3.7%	(1,248)	(10.2)%
Net Income		7,810	2.7%	6,800	2.3%	(1,010)	(12.9)%
ROE		6.8%		5.6%		(1.2)%	
EPS		¥47.23		¥41.11		¥(6.12)	

Analysis of Factors for Changes in Net Sales Forecasts

◆ Factors for changes in net sales forecasts (overall increase of ¥12,891 million)

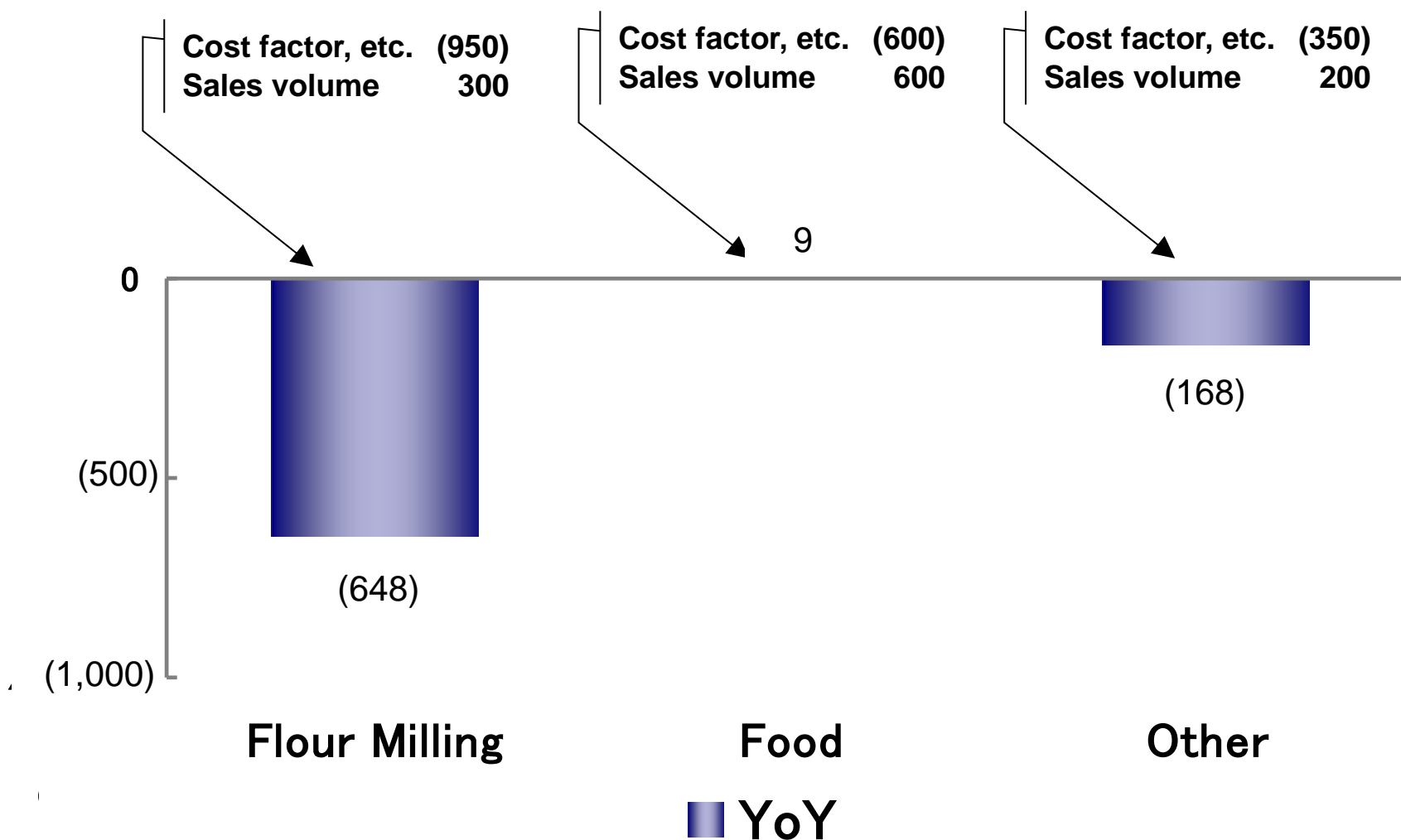
(Millions of yen)



Analysis of Factors for Changes in Operating Income Forecasts

◆ Factors for changes in net sales forecasts (overall decrease of ¥808 million)

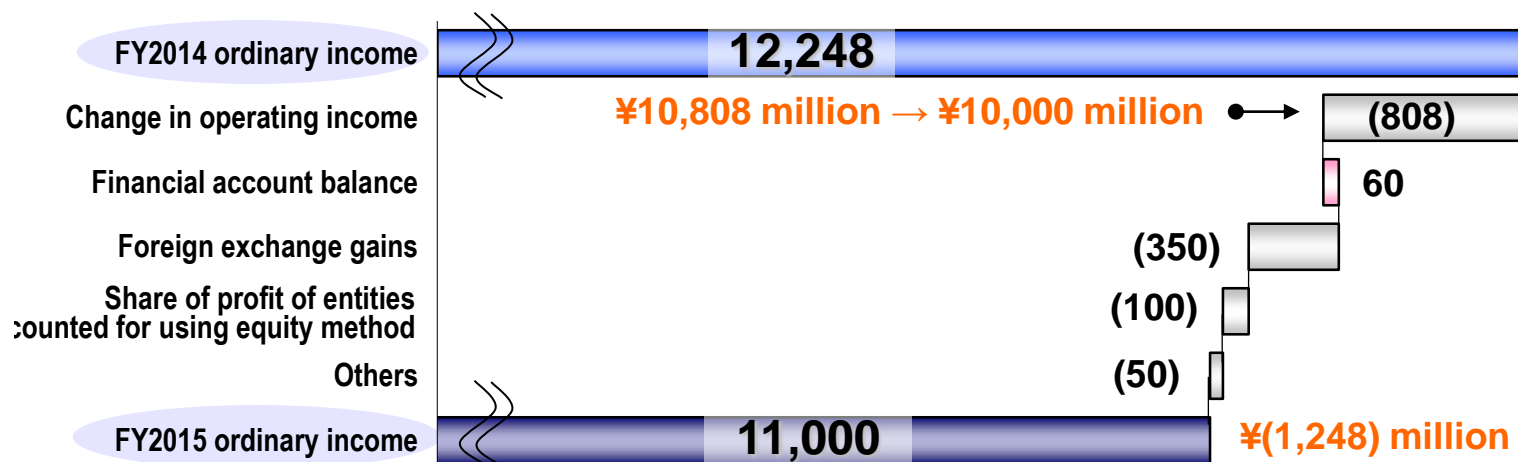
(Millions of yen)



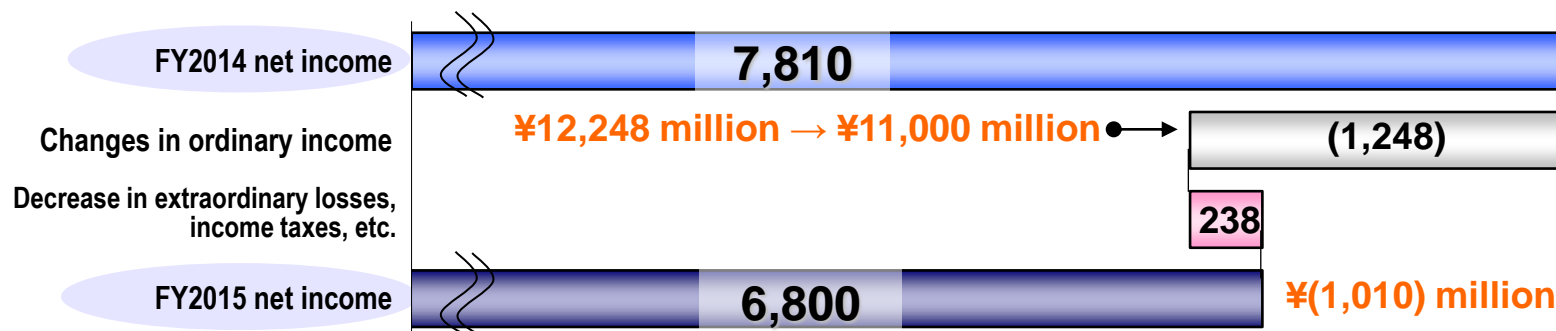
Analysis of Factors for Changes in Ordinary Income/ Net income Forecasts

◆ Factors for changes in ordinary income forecasts

(Millions of yen)



◆ Factors for changes in net income forecasts



Inquiries

This document includes details of the Company's current plans and performance forecasts. These future plans and forecast figures are based on information currently available as well as the Company's plans and projections. Actual results and performance may differ materially from these plans and forecast figures due to a variety of conditions and factors. This document does not represent a definitive commitment or guarantee by the Company to achieve stated plans and forecast figures.

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