Translation

Consolidated Financial Results for the Fiscal Year Ended March 31, 2013 <Under Japanese GAAP>

May 9, 2013

The Nisshin OilliO Group, Ltd.

Stock exchange listing: Tokyo, Osaka (First Sections)

Stock code: 2602

URL: http://www.nisshin-oillio.com/english/index.shtml

Representative: Takao Imamura, Representative Director, President

Contact: Takeshi Ootara, Officer and General Manager, Financial Dept.

TEL: +81-3-3206-5670 (from overseas)

Scheduled date of Ordinary General Meeting of Shareholders: June 26, 2013

Scheduled date to commence dividend payments: June 27, 2013

Scheduled date to file Securities Report: June 26, 2013

Supplementary explanatory materials prepared: Yes

Explanatory meeting: Yes (for analysts and institutional investors)

(Millions of yen with fractional amounts discarded, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2013 (From April 1, 2012 to March 31, 2013)

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

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2013	309,981	(0.8)	4,227	(28.4)	4,471	(17.1)	1,508	(60.7)
March 31, 2012	312,628	2.4	5,900	(15.3)	5,395	(14.5)	3,833	80.6

Note: Comprehensive income

Fiscal year ended March 31, 2013: ¥5,780 million (244.3%)

Fiscal year ended March 31, 2012: ¥1,679 million (-63.5%)

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2013	9.08	–	1.4	1.8	1.4
March 31, 2012	22.88	–	3.5	2.3	1.9

Reference: Equity in earnings of affiliates:

Fiscal year ended March 31, 2013: ¥244 million

Fiscal year ended March 31, 2012: ¥126 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2013	248,580	117,078	44.4	664.42
March 31, 2012	237,132	113,266	45.2	644.43

Reference: Equity:

As of March 31, 2013: ¥110,410 million

As of March 31, 2012: ¥107,092 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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2013	1,369	(4,945)	(7,793)	16,452
March 31, 2012	13,279	(9,797)	7,799	26,978

2. Cash dividends

	Cash dividends per share					Total amount of dividends (annual)	Payout ratio (consolidated)	Dividends on net assets (consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2012	–	5.00	–	5.00	10.00	1,662	43.7	1.6
March 31, 2013	–	5.00	–	5.00	10.00	1,662	110.2	1.5
Fiscal year ending March 31, 2014 (Forecasts)	–	5.00	–	5.00	10.00		–	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2014 (From April 1, 2013 to March 31, 2014)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2013	163,000	7.1	2,300	(9.2)	2,000	(6.1)	600	(42.9)	3.61
Fiscal year ending March 31, 2014	340,000	9.7	6,700	58.5	6,000	34.2	2,700	79.0	16.25

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, changes in accounting estimates and retrospective restatements

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: Yes
d. Retrospective restatements: No

Note: Beginning from the current consolidated fiscal year, the Company has made a revision to its method of depreciation that corresponds to "Changes in accounting policies that are difficult to distinguish from changes in accounting estimates." The details are described in "4. Consolidated Financial Statements (5) Notes to the Consolidated Financial Statements (Changes in accounting policies, changes in accounting estimates and retrospective restatements)" on page 20 of the Attachments.

(3) Number of issued shares (common stock)

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

As of March 31, 2013	173,339,287 shares
As of March 31, 2012	173,339,287 shares

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

As of March 31, 2013	7,164,450 shares
As of March 31, 2012	7,157,670 shares

c. Average number of shares during the period

As of March 31, 2013	166,178,292 shares
As of March 31, 2012	167,543,622 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 32.

Reference: Summary of non-consolidated operating results

1. Non-consolidated financial results for the fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

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

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2013	187,238	2.5	3,862	(13.6)	4,702	(10.5)	2,528	3.0
March 31, 2012	182,602	3.9	4,470	1.8	5,252	12.0	2,455	21.0

	Net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
March 31, 2013	15.21	–
March 31, 2012	14.65	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2013	188,528	95,016	50.4	571.57
March 31, 2012	179,808	92,251	51.3	554.91

Reference: Equity:
As of March 31, 2013: ¥95,016 million
As of March 31, 2012: ¥92,251 million

2. Non-consolidated forecasts for the fiscal year ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2013	103,000	14.6	1,600	(13.4)	2,000	(15.7)	1,300	(21.0)	7.82
Fiscal year ending March 31, 2014	208,000	11.1	4,700	21.7	5,000	6.3	2,900	14.7	17.44

*** 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.

*** Proper use of earnings forecasts, and other special 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 Concerning 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.

The Nisshin OilliO Group plans to hold an explanatory meeting for analysts and the institutional investors as indicated below.

The Company plans to place the explanatory meeting materials used at this presentation on Nisshin OilliO Group’s website immediately after the meeting.

• Thursday, May 16, 2013: Explanatory meeting for analysts and institutional investors

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, 2013

During the consolidated fiscal year under review, Japan's economy slowed to a crawl despite being supported by reconstruction and recovery demand following the Great East Japan Earthquake, as firms were affected mainly by a decline in exports caused by Europe's economic slump and an economic slowdown in Asia. Nevertheless, anticipation of an economic recovery continued to grow, heightened by factors such as the depreciation of the yen and rising share prices, which were spurred by the emergency economic measures introduced by the new administration formed in December 2012 and expectations of further monetary expansion by the Bank of Japan.

Under this environment, the Nisshin OilliO Group worked during the second year of its "*GROWTH 10 Phase II*" medium-term management plan, which is part of "*GROWTH 10—Generating new value by harnessing the natural power of plants*," to reform its business structure with the goals of establishing a stable earnings base and realizing secure growth. As part of this effort, the Group actively reallocated management resources by focusing on profitability, emphasizing technology and developing overseas markets.

Net sales for the period edged down 0.8% from the previous consolidated fiscal year to ¥309,981 million, affected by factors such as lower sales in the overseas Processed Oils and Fats Business that reflected a drop in palm oil market prices. Results were weaker from an earnings perspective as well, as operating income decreased 28.4% year on year to ¥4,227 million, ordinary income fell 17.1% to ¥4,471 million and net income declined 60.7% to ¥1,508 million. Although the Group worked to form appropriate selling prices in the domestic Oils and Meals Business, and strove to achieve rigorous cost reductions, higher costs including prices for raw materials greatly exceeded these improvements.

Business segment performance was as follows.

[Oils and Meals Business]

The Oils and Meals Business continued to operate under a harsh environment. As global food demand continued to rise, grain market prices soared against the backdrop of last year's sharp drop in South America soybean production and an historic drought in the United States, and in September, the soybean market price reached a record high of US$17.94 per bushel. Despite retreating afterwards on the strength of the outlook for this year's South America soybean harvest, prices were underpinned by shipment delays in Brazil because of frequent rains at harvest time and other factors, and remained high in the range of US$14 per bushel. On the other hand, although the exchange rate moved toward a stronger yen, prices for raw materials jumped compared with the prior consolidated fiscal year. Depreciation of the yen has progressed rapidly since the change of administration in December 2012, however, and this is expected to affect the Group's raw material procurement cost during the next consolidated fiscal year.

In edible oils for household use, the Group implemented a full-line strategy and conscientiously promoted proposal-type sales through sales spaces carefully tailored to meet diversifying consumer needs, menu ideas, and other initiatives. Sales volumes for sesame oil and olive oil rose steadily and exceeded the prior consolidated fiscal year, but for edible oils for household use as a whole, sales were off year on year because of the progress in efforts to form properly priced sales for staple merchandise such as regular oils. Furthermore, net sales fell below the level in the prior consolidated fiscal year. For gift packages as well, market conditions were severe, with the size of the cooking oil and seasonings gift markets contracting to a greater extent year on year more than did the gift market as a whole, and both sales volumes and net sales were lower year on year.

In edible oils for commercial use, sales volumes for the entire market segment were higher year on year. Although sales volume was off year on year for regular oil, sales volumes for products such as premium oil, sesame oil and olive oil increased year on year. Net sales exceeded the prior consolidated fiscal year, boosted by factors such as a higher percentage of premium oil sales.

In the Processed Oils and Fats Business, the Group actively pursued efforts to serve major food customers and users of industrial soybean oil, and expanded sales volumes as a result. Nevertheless, the Group was unable to achieve prices to the extent originally envisaged, and net sales were lower year on year.

In the meals business, sales volume fell year on year as a decrease in the volume of pressed soybean oil outweighed an increase in the volume of pressed rapeseed oil amid an ongoing shift in edible oil demand from soybean oil to rapeseed and palm oil, and meal production declined. Net sales rose year on year because the value of meals also rose and selling prices were higher as well.

Dalian Nisshin Oil Mills, Ltd. devoted its efforts to earnings-focused sales activities under a challenging environment in China, which made it impossible to impute the large jump in raw materials costs in the prices of manufactured goods because of circumstances in which the growth in demand has not caught up despite the rapid expansion of soybean imports. Nevertheless, both sales volumes and net sales were higher compared with the prior consolidated fiscal year, when volume and sales contracted sharply. From an earnings perspective, however, an environment that made it difficult to improve operating results continued.

The above factors resulted in Oils and Meals segment net sales of ¥206,942 million, up 3.2% from the previous fiscal year, and operating income of ¥3,436 million, down 5.8% year on year.

[Processed Oils and Fats Business]

In the Processed Oils and Fats Business in Japan, sales prices slipped year on year under the impact of market prices for cocoa butter, which slid to an historical low level, and because sales prices of specialty fats fell. Net sales, however, rose higher year on year, mainly as the result of expanded sales volumes, especially for shortenings. The Group’s subsidiary Daito Cacao Co., Ltd. achieved sales volumes that were higher year on year, but net sales were off somewhat year on year. Earnings, on the other hand, topped the level reported in the prior consolidated fiscal year as prices for raw materials moved downward.

At Intercontinental Specialty Fats Sdn. Bhd., both sales volumes and net sales declined year on year under the impact of a drop in sales volumes because of the economic slump in Europe and inexpensive palm oil produced in Indonesia. Income also was lower due to several factors, including the deterioration of refining margins because of revision of the export duty system in Indonesia and weakness in the market for palm oil, and a slump in the market for specialty fats.

As a result of the above, Processed Oils and Fats segment net sales decreased 12.9% year on year to ¥74,923 million. In terms of earnings, the conversion of Intercontinental Specialty Fats Sdn. Bhd. into a wholly-owned subsidiary was accompanied by the new amortization of goodwill, pushing operating income down 58.1% year on year to ¥809 million.

[Healthy Foods Business]

In dressings and mayonnaise-type dressings, the Group was able to record higher numbers for both sales volumes and net sales by implementing an aggressive sales expansion strategy focused on *Nisshin Dressing: Diet* and strong results for *Nisshin Mayodore*, a product with good customer appeal as a healthy form of mayonnaise-type dressing. Both nursing care foods and foods for those receiving medical treatment achieved strong sales, but other product categories slid sharply year on year.

At the Group’s subsidiary Mogi Tofu Co., Ltd., sales volumes and net sales decreased year on year because tofu sales were weak during the summer season. Earnings were lower year on year because prices for the domestic soybeans used as a raw material spiked.

As a result of the above factors, the Healthy Foods segment recorded net sales of ¥7,081 million, down 0.2% year on year, and an operating loss of ¥273 million, ¥51 million larger than in the prior consolidated fiscal year.

[Fine Chemicals Business]

Raw materials for cosmetics saw exports as a whole expand, despite being affected by the economic recession in Europe and the impact of slower economic growth of China, because of the substantial growth in sales to Korea. Meanwhile, sales volumes for raw materials for cosmetics overall were unchanged from the prior consolidated fiscal year levels because domestic sales fell year on year, but net sales rose year on year because of the change in the composition of sales. Moreover, net sales of chemical products such as lubricants tumbled year on year as sales of some products were negatively affected by Europe's economic slump. Sales of chemical products such as detergents improved year on year as sales of contracted production operations remained steady.

Industrial Química Lasem, S.A.U., which became a consolidated subsidiary in July 2011 following the Company's acquisition of its shares, saw its operating results severely affected as a result of the economic downturn in Europe. IQL became a wholly-owned subsidiary after the Company completed an additional acquisition of shares in July 2012.

As a result of the above, the Fine Chemical segment's net sales increased 16.3% year on year to ¥12,487 million, a result that reflected the full-year operating results at Industrial Química Lasem, S.A.U. for the first time. Operating income contracted by 37.5% year on year to ¥399 million, however, because of the increased burden for amortization of goodwill.

[Soy Foods and Materials Business]

In the Soy Foods and Materials Business, the Company developed business with integrated production, sales and technical support, and pursued new customers and market development through new merchandise. These efforts resulted in sales volume and net sales that were both higher than in the previous year.

As a result of the above, Soy Foods and Materials Business segment net sales climbed 11.5% year on year to ¥5,285 million, and operating income increased 11.8% year on year to ¥44 million.

[Other Business]

Net sales for the Group's Other Business, which includes the information systems business, decreased 5.9% year on year to ¥3,260 million. Operating income for this segment decreased 13.5% year on year to ¥366 million.

[Sales by Region]

Net sales to China, Malaysia and other parts of Asia eased off 1.7% year on year to ¥48,067 million, reflecting mainly the effect of lower net sales at Intercontinental Specialty Fats Sdn. Bhd., which accompanied the weakness in prices in the palm oil market. Meanwhile, net sales to Europe, the U.S. and other regions slipped 12.3% year on year to ¥24,784 million under the impact of the economic weakness in Europe. The share of consolidated net sales accounted for by overseas sales decreased 1.2 percentage points to 23.5%.

2) Earnings forecasts for the fiscal year ending March 31, 2014

Global demand for grains continues to grow, and prices for raw materials are expected to fluctuate at a high price range in the future as well. In addition, raw materials procurement costs are expected to rise further, and energy costs are expected to climb, because exchange rates will be strongly influenced by the depreciation of the yen during the next fiscal year. Meanwhile, in Japan the Nisshin OilliO Group is facing an extremely difficult business environment. Although business sentiment has been lifted by the change of political administration and an inflation-inducing policy has been developed, the consumer preference for lower priced products is deep-rooted, and breaking out of deflation is not expected to be simple. The Group recognizes these as structural issues for the oils and meals industry and in fiscal 2013, as the final fiscal year of "*GROWTH 10 Phase II*," the Group will execute its "growth strategy" and "structural reforms strategy" and seek to complete its "business structural reforms" with the goal of establishing a stable earnings base and realizing steady growth.

For the fiscal year ending March 31, 2014, the Group projects consolidated net sales of ¥340,000 million, operating income of ¥6,700 million, ordinary income of ¥6,000 million and net income of ¥2,700 million.

(2) Analysis of financial position

1) Assets, liabilities and net assets

Total assets as of March 31, 2013 were ¥248,580 million, an increase of ¥11,447 million compared to the end of the previous fiscal year. This was mainly due to decreases of ¥8,010 million and ¥2,499 million in cash and deposits and short-term loans receivable (repurchase), respectively, a ¥3,028 million increase in accounts receivable – trade, a ¥13,363 million increase in inventories because of increases in prices for raw materials and other factors, a ¥3,106 million increase in property, plant and equipment as a result of investments, and a ¥2,139 million increase in investment securities to reflect current market value and other factors.

Total liabilities amounted to ¥131,502 million, an increase of ¥7,635 million from the end of the previous fiscal year. This was mainly attributable to a decrease of ¥2,938 million in interest-bearing debt, an increase of ¥7,164 million in notes and accounts payable – trade, an increase of ¥1,285 million in accounts payable – other and an increase of ¥1,831 million in deferred tax liabilities (noncurrent).

Total net assets amounted to ¥117,078 million, representing an increase of ¥3,811 million compared with the end of the previous consolidated fiscal year, as the result of a ¥3,473 million increase in accumulated other comprehensive income as a result of changes in current market value.

2) Cash flows

Cash and cash equivalents (hereafter “funds”) as of March 31, 2013 totaled ¥16,452 million, a decrease of ¥10,526 million compared to the end of the previous fiscal year.

[Net cash provided by operating activities]

Operating activities provided net cash of ¥1,369 million. The main contributors to cash were ¥4,520 million in income before income taxes and minority interests, ¥5,893 million from depreciation and amortization, and ¥6,685 million from an increase in notes and accounts payable – trade. The main uses of cash were an increase in notes and accounts receivable – trade of ¥2,152 million and an increase of ¥11,832 million in inventories.

[Net cash used in investing activities]

Net cash used in investing activities totaled ¥4,945 million. This mainly reflected ¥4,897 million of funds used for the purchase of property, plant and equipment.

[Net cash provided by financing activities]

Net cash used in financing activities totaled ¥7,793 million. The main components of cash used were ¥5,000 million for the redemption of bonds and ¥1,662 million for cash dividends paid.

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

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Equity ratio (%)	46.6	48.3	46.9	45.2	44.4
Market value equity ratio (%)	33.8	35.1	29.1	24.0	22.5
Interest-bearing debt to cash flow ratio (Years)	1.9	4.5	–	5.0	46.1
Interest coverage ratio (Times)	32.6	11.0	–	10.4	1.1

Notes:

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

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

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

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

In accordance with this policy, for the year-end dividend for the fiscal year ended March 31, 2013, 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, 2014, 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, 2013.

1) Exchange rates

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

2) International prices for raw materials

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

3) Domestic and international product markets

The sales climate for the Oils and Meals Business is affected by changes in domestic and international product markets. On the whole, domestic selling prices for oil meals and oils and fats 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 27, 2012) are omitted here due to the lack of any significant change.

Industrial Química Lasem, S.A.U. became a wholly-owned subsidiary in July 2012 following the additional acquisition of its shares by the Company. In addition, the Group received from Mitsubishi Corporation a report that it had compared the current conditions with its accounting standards and determined the Nisshin OilliO Group does not correspond to an affiliate of Mitsubishi Corporation, and consequently Mitsubishi Corporation does not correspond to an affiliate of Nisshin OilliO.

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

3. Management Policies

(1) Basic management policies of the Company

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

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

(2) Target management indicators

The Nisshin OilliO Group has established its 10-year basic management vision, "*GROWTH 10—Generating new value by harnessing the natural power of plants*," which started in fiscal 2007. The vision emphasizes optimal allocation of cash flows and management resources, as well as maximizing corporate value. The 3-year medium-term management plan "*GROWTH 10 Phase II*," which started from April 2011, aims to establish a stable earnings base and realize secure growth through business restructuring in response to changes in the business environment. To achieve this, the Group has set targets for net sales, operating income, ordinary income, and net income, and for management indicators such as ROE and overseas sales ratio. The Group has not set specific numerical targets for the medium and long terms because the operating environment is changing quickly and becoming increasingly complex. Earnings targets for each single fiscal year will follow management's consolidated forecasts, and the Group will strive to increase its corporate value over the medium to long term by consistently achieving its single-year targets.

(3) Medium- to long-term management strategies

The goal of the Nisshin OilliO Group's 10-year basic management vision *GROWTH 10* is to create an international corporate group that continually generates new value through "The Natural Power of Plants." The following are five specific goals:

1) Embody "The Natural Power of Plants" through original technologies

We aim to be a corporate group that transforms "The Natural Power of Plants" into new value using original technologies.

2) Become an international corporate group with an overseas sales ratio of 30% or more

We aim to be an international corporate group with an overseas sales ratio of 30% or more by developing businesses and brands with a global perspective.

3) Contribute to society and the environment through CSR activities

We aim to be a trustworthy and esteemed corporate group through sincere contributions to society and the environment.

4) Constantly take on challenges and innovate corporate culture

We aim to be a corporate group with a strong will and corporate culture that ceaselessly takes on challenges and innovates in all that we do.

5) Achieve a highly profitable earnings structure

We aim to be a corporate group with a high earnings structure.

Within the 10-year basic management vision, the three years from the year ended March 2012 are set as our medium-term management plan "*GROWTH 10 Phase II*." Under this plan, we aimed at achieving structural reforms as follows, to make a swift transition to an international corporate group that continually generates new value.

- ◇ In the Oils and Meals Business, we will continue to generate stable earnings irrespective of changes in our operating environment.
- ◇ In the Processed Oils and Fats Business, we will achieve a level of earnings on a par with the Oils and Meals Business.
- ◇ In Growth Businesses, we will establish new business models that will be core earnings drivers in the next term.

The business environment outlined in "Growth10" has changed significantly. Therefore the Group will end this program with Phase II and begin a new medium-term management plan from fiscal 2014.

(4) Issues facing the Group

The Nisshin OilliO Group is facing an extremely difficult business environment. In addition to prices for raw materials, which remain high due to factors such as global growth in demand for grain and inflows of speculative money, in Japan we face a continued decline of the birthrate and aging of the population, a growing consumer preference for lower priced products, and an increase in the costs of imported raw materials and energy because of the weak yen.

The Group recognized these as structural issues for the oils and meals industry. In "*GROWTH 10 Phase II*," we set out to reform our business structure with the goals of establishing a stable earnings base and realizing secure growth.

As the final fiscal year of "*GROWTH 10 Phase II*," during fiscal 2013 the Group will execute its "growth strategy" and "structural reforms strategy," and seek to complete its "business structural reforms."

In the Oils and Meals Business in Japan, the Group again recognizes that support of its customers are the wellspring of its brand, and will pursue its product development and sales strategies by taking the market as its starting point. The Group also will improve its earning capacity on oils and fats sales by creating a production and logistics system that is focused on its vision for the future. Finally, in the Oils and Meals Business in China, we will move forward with restructuring of the business based on changes in the operating environment.

In the Processed Oils and Fats Business, we will expand earnings by strengthening coordination between Daito Cacao Co., Ltd. and our alliance partners, and proceed with structural reforms in the palm oil business centered on Intercontinental Specialty Fats Sdn. Bhd.

In addition to corporate branding strategies for maximizing enterprise value, the Group will also work to strengthen corporate governance.

Specifically, the Group will strengthen its compliance system, and focus on establishing and implementing internal controls.

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

4. Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Assets		
Current assets		
Cash and deposits	17,222	9,211
Notes and accounts receivable – trade	*5, *7 56,001	*5, *7 59,030
Short-term investment securities	251	403
Inventories	*1 44,065	*1 57,428
Deferred tax assets	3,023	2,466
Short-term loans receivable	9,999	7,499
Other	4,575	5,945
Allowance for doubtful accounts	(28)	(24)
Total current assets	135,109	141,960
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	25,885	28,580
Machinery, equipment and vehicles, net	16,032	16,161
Land	28,206	28,247
Lease assets, net	882	710
Construction in progress	2,956	3,367
Total property, plant and equipment	*3 73,962	*3 77,068
Intangible assets		
Goodwill	4,560	4,210
Other	1,805	1,556
Total intangible assets	6,365	5,766
Investments and other assets		
Investment securities	*2, *4 16,114	*2, *4 18,253
Long-term loans receivable	272	253
Deferred tax assets	746	583
Other	5,089	5,271
Allowance for doubtful accounts	(587)	(623)
Total investments and other assets	21,636	23,739
Total noncurrent assets	101,964	106,574
Deferred assets		
Bond issuance cost	58	45
Total deferred assets	58	45
Total assets	237,132	248,580

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Liabilities		
Current liabilities		
Notes and accounts payable – trade	*4, *7 31,511	*4, *7 38,676
Short-term loans payable	*6 18,608	*6 23,850
Current portion of bonds	5,000	5,000
Lease obligations	330	283
Accounts payable – other	11,590	12,876
Accrued expenses	3,987	4,396
Income taxes payable	398	640
Deferred tax liabilities	10	64
Provision for directors' bonuses	53	52
Other	*5 1,866	*5 1,918
Total current liabilities	73,359	87,759
Noncurrent liabilities		
Bonds payable	25,000	20,000
Long-term loans payable	17,540	14,359
Lease obligations	562	446
Deferred tax liabilities	3,967	5,798
Provision for retirement benefits	1,180	1,205
Provision for directors' retirement benefits	1,206	1,204
Negative goodwill	13	5
Other	1,036	723
Total noncurrent liabilities	50,506	43,742
Total liabilities	123,866	131,502
Net assets		
Shareholders' equity		
Capital stock	16,332	16,332
Capital surplus	26,072	26,072
Retained earnings	68,284	68,130
Treasury stock	(2,781)	(2,783)
Total shareholders' equity	107,907	107,751
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,083	2,941
Deferred gains or losses on hedges	99	(381)
Foreign currency translation adjustment	(1,998)	99
Total accumulated other comprehensive income	(814)	2,659
Minority interests	6,173	6,667
Total net assets	113,266	117,078
Total liabilities and net assets	237,132	248,580

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

Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Net sales	312,628	309,981
Cost of sales	*1 262,825	*1 260,643
Gross profit	49,802	49,337
Selling, general and administrative expenses	*2 43,902	*2 45,110
Operating income	5,900	4,227
Non-operating income		
Interest income	90	101
Dividends income	282	272
Foreign exchange gains	491	595
Amortization of negative goodwill	9	9
Equity in earnings of affiliates	126	244
Other	239	568
Total non-operating income	1,239	1,791
Non-operating expenses		
Interest expenses	1,287	1,213
Loss on disposal of inventories	145	103
Other	312	230
Total non-operating expenses	1,744	1,546
Ordinary income	5,395	4,471
Extraordinary income		
Gain on sales of noncurrent assets	–	*4 217
Gain on sales of investment securities	126	8
Gain on negative goodwill	–	21
Total extraordinary income	126	246
Extraordinary loss		
Loss on sales of short-term investment securities	1,577	–
Loss on disaster	*6 209	–
Loss on sales of noncurrent assets	*5 12	–
Loss on retirement of noncurrent assets	*3 210	*3 156
Loss on valuation of investment securities	191	–
Loss on valuation of stocks of subsidiaries and affiliates	78	–
Provision for allowance for doubtful accounts	146	–
Loss on valuation of other investments	4	–
Moving expenses	–	41
Total extraordinary losses	2,431	197
Income before income taxes and minority interests	3,090	4,520
Income taxes – current	771	962
Income taxes – deferred	(1,770)	1,456
Total income taxes	(998)	2,419
Income before minority interests	4,088	2,101
Minority interests in income	255	593
Net income	3,833	1,508

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Income before minority interests	4,088	2,101
Other comprehensive income		
Valuation difference on available-for-sale securities	1,177	1,826
Deferred gains or losses on hedges	(2,936)	(423)
Foreign currency translation adjustment	(636)	2,068
Share of other comprehensive income of associates accounted for using equity method	(14)	208
Total other comprehensive income	(2,409)	3,679
Comprehensive income	1,679	5,780
(Breakdown)		
Comprehensive income attributable to owners of the parent	2,145	4,982
Comprehensive income attributable to minority interests	(466)	798

(3) Consolidated statements of changes in net assets

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	16,332	16,332
Changes of items during the period		
Total changes of items during the period	–	–
Balance at the end of current period	16,332	16,332
Capital surplus		
Balance at the beginning of current period	26,072	26,072
Changes of items during the period		
Disposal of treasury stock	(0)	(0)
Total changes of items during the period	(0)	(0)
Balance at the end of current period	26,072	26,072
Retained earnings		
Balance at the beginning of current period	66,144	68,284
Changes of items during the period		
Dividends from surplus	(1,692)	(1,662)
Net income	3,833	1,508
Total changes of items during the period	2,140	(154)
Balance at the end of current period	68,284	68,130
Treasury stock		
Balance at the beginning of current period	(508)	(2,781)
Changes of items during the period		
Purchase of treasury stock	(2,273)	(2)
Disposal of treasury stock	0	0
Total changes of items during the period	(2,272)	(2)
Balance at the end of current period	(2,781)	(2,783)
Total shareholders' equity		
Balance at the beginning of current period	108,039	107,907
Changes of items during the period		
Dividends from surplus	(1,692)	(1,662)
Net income	3,833	1,508
Purchase of treasury stock	(2,273)	(2)
Disposal of treasury stock	0	0
Total changes of items during the period	(132)	(156)
Balance at the end of current period	107,907	107,751
Other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	(81)	1,083
Changes of items during the period		
Net changes of items other than shareholders' equity	1,165	1,857
Total changes of items during the period	1,165	1,857
Balance at the end of current period	1,083	2,941

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Deferred gains or losses on hedges		
Balance at the beginning of current period	2,457	99
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,357)	(480)
Total changes of items during the period	(2,357)	(480)
Balance at the end of current period	99	(381)
Foreign currency translation adjustment		
Balance at the beginning of current period	(1,502)	(1,998)
Changes of items during the period		
Net changes of items other than shareholders' equity	(495)	2,097
Total changes of items during the period	(495)	2,097
Balance at the end of current period	(1,998)	99
Total accumulated other comprehensive income		
Balance at beginning of current period	872	(814)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,687)	3,473
Total changes of items during the period	(1,687)	3,473
Balance at the end of current period	(814)	2,659
Minority interests		
Balance at the beginning of current period	8,508	6,173
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,335)	494
Total changes of items during the period	(2,335)	494
Balance at the end of current period	6,173	6,667
Total net assets		
Balance at the beginning of current period	117,421	113,266
Changes of items during the period		
Dividends from surplus	(1,692)	(1,662)
Net income	3,833	1,508
Purchase of treasury stock	(2,273)	(2)
Disposal of treasury stock	0	0
Net changes of items other than shareholders' equity	(4,022)	3,968
Total changes of items during the period	(4,155)	3,811
Balance at the end of current period	113,266	117,078

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Net cash provided by operating activities		
Income before income taxes and minority interests	3,090	4,520
Depreciation and amortization	6,260	5,893
Amortization of goodwill	124	792
Increase in provision for retirement benefits	51	24
Interest and dividends income	(373)	(373)
Interest expenses	1,287	1,213
Equity in earnings of affiliates	(126)	(244)
Loss (gain) on sales of short-term investment securities	1,577	(8)
Loss on disaster	209	–
Loss (gain) on sales and retirement of noncurrent assets	222	(60)
Loss (gain) on sales of investment securities	(126)	–
Loss on valuation of investment securities	191	–
Loss on valuation of stocks of subsidiaries and affiliates	78	–
Provision for allowance for doubtful accounts	146	–
Gain on negative goodwill	–	(21)
Moving expenses	–	41
Decrease (increase) in notes and accounts receivable – trade	955	(2,152)
Decrease (increase) in inventories	3,419	(11,832)
Increase (decrease) in notes and accounts payable – trade	(4,223)	6,685
Other, net	1,762	(1,561)
Subtotal	14,527	2,916
Interest and dividends income received	373	375
Interest expenses paid	(1,282)	(1,236)
Income taxes paid	(339)	(685)
Net cash provided by operating activities	13,279	1,369
Net cash used in investing activities		
Net decrease in short-term investment securities	3,122	–
Purchase of property, plant and equipment	(4,504)	(4,897)
Proceeds from sales of property, plant and equipment	23	35
Purchase of investment securities	(258)	(40)
Proceeds from sales of investment securities	180	45
Proceeds from redemption of investment securities	400	750
Purchase of investments in subsidiaries and affiliates resulting in change in scope of consolidation	(1,829)	–
Purchase of stocks of subsidiaries and affiliates	(5,604)	(340)
Proceeds from sales of stocks of subsidiaries and affiliates	–	68
Other, net	(1,327)	(567)
Net cash used in investing activities	(9,797)	(4,945)

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Net cash provided by (used in) financing activities		
Net decrease in short-term loans payable	(2,786)	(29)
Proceeds from long-term loans payable	14,619	2,162
Repayment of long-term loans payable	(4,482)	(2,856)
Redemption of bonds	(5,010)	(5,000)
Proceeds from issuance of bonds	9,933	–
Repayments of lease obligations	(296)	(354)
Cash dividends paid	(1,692)	(1,662)
Proceeds from sales of treasury stock	0	0
Purchase of treasury stock	(2,273)	(2)
Cash dividends paid to minority shareholders	(212)	(50)
Net cash provided by (used in) financing activities	7,799	(7,793)
Effect of exchange rate change on cash and cash equivalents	(294)	842
Net increase (decrease) in cash and cash equivalents	10,986	(10,526)
Cash and cash equivalents at beginning of period	15,992	26,978
Cash and cash equivalents at end of period	*1 26,978	*1 16,452

(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 28 subsidiaries, of which 17 companies are included in the scope of consolidation.

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

[Excluded]

Yoko Engineering Co., Ltd.: Excluded from consolidated subsidiaries because of liquidation of the company.

The main consolidated subsidiaries are as follows:

Settsu Oil Mill, Inc., Nisshin Shoji Co., Ltd., Nisshin Logistics Co., Ltd., Daito Cacao Co., Ltd., Dalian Nisshin Oil Mills, 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 11 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 5 of the Group's 11 non-consolidated subsidiaries and 13 affiliates. There were no changes during the current consolidated fiscal year.

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

PIETRO Co., Ltd., Wakou Shokuhin Co., Ltd. and Saiwai Shoji Co., Ltd.

The 11 non-consolidated subsidiaries and 8 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.

Dalian Nisshin Oil Mills, Ltd., 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 27, 2012).

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

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

In conjunction with the amendment of the Corporation Tax Act, beginning from the consolidated accounting fiscal year under review the Company and its consolidated subsidiaries in Japan will account for tangible fixed assets acquired by the Company on and after April 1, 2012 using depreciation methods based on the revised Corporation Tax Act.

The effect of this change on the operating income, ordinary income, and income before income taxes and minority interests in the consolidated fiscal year under review was minimal.

(Notes to the consolidated balance sheets)

*1. Breakdown of Inventories

	As of March 31, 2012	As of March 31, 2013
Merchandise and finished goods	¥23,683 million	¥26,486 million
Work in process	¥199 million	¥138 million
Raw materials and supplies	¥20,181 million	¥30,803 million

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

	As of March 31, 2012	As of March 31, 2013
Investment securities (Shares)	¥3,382 million	¥3,480 million
Investment securities (Investments in capital)	¥758 million	¥865 million

*3. Accumulated depreciation of property, plant and equipment

	As of March 31, 2012	As of March 31, 2013
Accumulated depreciation of property, plant and equipment	¥127,200 million	¥132,153 million

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

	As of March 31, 2012	As of March 31, 2013
Investment securities	¥86 million	¥95 million

Amount of liabilities secured by assets pledges as collateral

	As of March 31, 2012	As of March 31, 2013
Accounts payable – trade	¥7 million	¥9 million

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

	As of March 31, 2012	As of March 31, 2013
Account receivable transfers	¥2,168 million	¥997 million
Deposits (debt collector portion)	¥524 million	¥146 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 the end of the fiscal year under review.

	As of March 31, 2012	As of March 31, 2013
Total amount of overdraft facility limit and commitment line agreement	¥40,086 million	¥40,092 million
Balance of executed loans	¥ (400) million	¥ (300) million
Difference	¥39,686 million	¥39,792 million

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

	As of March 31, 2012	As of March 31, 2013
Notes receivable – trade	¥136 million	¥135 million
Notes payable – trade	¥34 million	¥3 million

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

	As of March 31, 2012	As of March 31, 2013
Employees of the Company	¥365 million	¥292 million

Guarantees of utility usage fees

	As of March 31, 2012	As of March 31, 2013
Colasem. A. I. E.	–	¥20 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, 2012	As of March 31, 2013
Cost of sales	¥381 million	¥252 million

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

	As of March 31, 2012	As of March 31, 2013
Freightage expenses, haulage expenses, warehousing fees	¥12,179 million	¥11,990 million
Provision of allowance for doubtful accounts	¥15 million	¥ (16) million
Salaries and wages	¥7,374 million	¥7,612 million
Retirement benefit expenses	¥996 million	¥1,081 million
Provision for directors' retirement benefits	¥186 million	¥137 million
Provision for directors' bonuses	¥53 million	¥52 million
Advertising expenses	¥4,254 million	¥4,373 million
Depreciation and amortization	¥1,758 million	¥1,750 million
Amortization of goodwill	¥133 million	¥801 million

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

	As of March 31, 2012	As of March 31, 2013
Research and development expenses	¥2,015 million	¥1,900 million

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

	As of March 31, 2012	As of March 31, 2013
Buildings and structures	¥119 million	¥98 million
Machinery, equipment and vehicles	¥83 million	¥56 million
Other noncurrent assets	¥7 million	¥0 million
Total	¥210 million	¥156 million

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

	As of March 31, 2012	As of March 31, 2013
Buildings and structures	–	¥214 million
Machinery, equipment and vehicles	–	¥2 million
Total	–	¥217 million

*5. Items and amount of loss on sale of noncurrent assets are as follows:

	As of March 31, 2012	As of March 31, 2013
Machinery, equipment and vehicles	¥12 million	–

*6. Items and amounts of loss on disaster are as follows:

	As of March 31, 2012	As of March 31, 2013
Inventory disposal expenses	¥209 million	–

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

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

1. Type and total number of issued shares

Type of shares	Number of shares as of April 1, 2011	Increase	Decrease	Number of shares as of March 31, 2012
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, 2011	Increase	Decrease	Number of shares as of March 31, 2012
Common stock (Shares)	1,135,118	6,023,382	830	7,157,670

(Reasons for the change)

Main reasons for the increase are as follows:

Increase due to the purchase of shares less than one unit 23,382 shares

Acquisition of treasury stock based on a resolution of the Board of Directors on May 10, 2011 6,000,000 shares

Main reason for the decrease is as follows:

Decrease due to additional purchase requests of less than one unit 830 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 28, 2011	Common stock	861	5.00	March 31, 2011	June 29, 2011
Board of Directors' Meeting held on November 4, 2011	Common stock	831	5.00	September 30, 2011	December 6, 2011

(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 27, 2012	Common stock	Retained earnings	831	5.00	March 31, 2012	June 28, 2012

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

1. Type and total number of issued shares

Type of shares	Number of shares as of April 1, 2012	Increase	Decrease	Number of shares as of March 31, 2013
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, 2012	Increase	Decrease	Number of shares as of March 31, 2013
Common stock (Shares)	7,157,670	7,243	463	7,164,450

(Reasons for the change)

Main reason for the increase is as follows:

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

Main reason for the decrease is as follows:

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

3. Stock acquisition rights

No item to report

4. Cash dividends

(1) Dividend payments

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

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

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

(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, 2012	As of March 31, 2013
Cash and deposits	¥17,222 million	¥9,211 million
Short-term investment securities	¥251 million	¥403 million
Short-term loans receivable (repurchase)	¥9,998 million	¥7,498 million
Time deposits with a maturity exceeding three months that are included in cash and deposits	¥ (243) million	¥ (259) million
Stocks and bonds with a maturity exceeding three months that are included in short-term investment securities	¥ (250) million	¥ (402) million
Cash and cash equivalents	¥26,978 million	¥16,452 million

(Business combinations)

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

Common control transactions

1. Overview of transaction

(1) Name of acquired company and details of business

Acquired company: Industrial Química Lasem, S.A.U. (Location: Spain)
Business: Manufacture and sale of raw materials for cosmetics and lubricant oil

(2) Date of integration

July 21, 2012

(3) Legal form of the integration

Cash acquisition of shares (additional purchase of shares)

(4) Name after integration

Unchanged

(5) Outline of transaction, including purpose of transaction

In 2011, the Company acquired the majority of the outstanding shares (85%) of Industrial Química Lasem, S.A.U. (“IQL”), and to enhance the corporate value of the entire group by accelerating decision making and increasing management freedom the Company acquired all of the IQL shares held by Josep Marti Pellise and Josep Betriu Pi, the sellers and partners.
As a result of this share acquisition, IQL became a wholly-owned subsidiary of the Company.

2. Overview of accounting treatment

This transaction is accounted for as a transaction under common control in accordance with Accounting Standard for Business Combinations (ASBJ Statement No. 21, December 26, 2008) and Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, December 26, 2008).

3. Additional purchase of shares of a subsidiary

(1) Purchase price for acquired company and breakdown

Cash acquisition of shares € 3,438,000

(2) Amount of goodwill incurred, reasons for goodwill, amortization method and period

(a) Amount of goodwill

¥154 million

(b) Reasons for goodwill

The goodwill derives from additional future earnings capability, including synergies, expected from business development going forward.

(c) Amortization method and period

Straight-line method over 5 years

(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 five reporting segments are "Oils and Meals", "Processed Oils and Fats", "Healthy Foods", "Fine Chemicals" and "Soy Foods and Materials. "

Major products for each reporting segment are as follows:

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

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

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

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

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(Millions of yen)

	Reporting segments						Other *1	Total	Adjustments *2	Amounts in the consolidated financial statements*3
	Oils and Meals	Processed Oils and Fats	Healthy Foods	Fine Chemicals	Soy Foods and Materials	Total				
Net sales										
Sales to external customers	200,562	86,023	7,095	10,740	4,740	309,162	3,465	312,628	–	312,628
Intersegment sales or transactions	2,609	4,066	71	70	57	6,876	2,097	8,973	(8,973)	–
Total	203,172	90,089	7,167	10,811	4,797	316,038	5,563	321,601	(8,973)	312,628
Segment income (loss)	3,649	1,934	(221)	638	40	6,041	423	6,464	(564)	5,900
Segment assets	151,409	53,551	4,226	8,884	3,777	221,849	2,486	224,335	12,797	237,132
Other items										
Depreciation and amortization	4,341	1,347	126	218	79	6,112	147	6,260	–	6,260
Increase in property, plant and equipment and intangible assets	3,010	2,514	63	66	22	5,676	97	5,774	–	5,774

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

2. Adjustments are as follows:

(1) Adjustment for segment income (loss) of - ¥564 million includes unallocated expenses. These expenses mainly comprise general administrative expenses that cannot be attributed to reporting segments.

(2) Adjustment for segment assets of ¥12,797 million comprises elimination of intersegment transactions of - ¥8,354 million and unallocated assets of ¥21,151 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, 2013 (from April 1, 2012 to March 31, 2013)

(Millions of yen)

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

Notes: 1. The Other category is for business segments that are not included in reporting segments, such as computing-related services.
2. Adjustments are as follows:
(1) Adjustment for segment income (loss) of - ¥556 million includes unallocated expenses. These expenses mainly comprise general administrative expenses that cannot be attributed to reporting segments.
(2) Adjustment for segment assets of ¥4,315 million comprises elimination of intersegment transactions of - ¥7,352 million and unallocated assets of ¥11,668 million. Major components of the unallocated assets are the surplus funds (cash and deposits and short-term investment securities) and long-term investment funds (those that cannot be charged directly to each segment in investment securities).
3. Segment income is adjusted against the operating income recorded in the consolidated income statement.

[Related information]

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

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	235,455	48,910	28,262	312,628
Share of net sales	75.3%	15.6%	9.0%	100.0%

Note: Sales are classified into countries or regions based on customer’s locations.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Europe	Total
59,980	12,461	1,521	73,962

3. Information by principal customers

(Millions of yen)

Name	Net sales	Related segments
Mitsubishi Corporation	45,580	Oils and Meals Business, Processed Oils and Fats Business, Healthy Foods Business, Fine Chemicals Business, Soy Foods and Materials Business

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

1. Information by products and services

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

2. Information by countries and regions

(1) Net sales

(Millions of yen)

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

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

(2) Property, plant and equipment

(Millions of yen)

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

3. Information by principal customers

(Millions of yen)

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

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

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

No item to report

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

No item to report

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

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(Millions of yen)

	Reporting segments						Other	Corporate/ Eliminations	Total
	Oils and Meals	Processed Oils and Fats	Healthy Food	Fine Chemicals	Soy Foods and Materials	Total			
(Goodwill)									
Amortized during the period	3	64	26	39	–	133	0	–	133
Balance at the end of current period	3	3,796	39	720	–	4,560	–	–	4,560
(Negative goodwill)									
Amortized during the period	7	–	–	–	–	7	1	–	9
Balance at the end of current period	11	–	–	–	–	11	2	–	13

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

(Millions of yen)

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

(Per share information)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Net assets per share	¥644.43	¥664.42
Net income per share	¥22.88	¥9.08

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, 2012	Fiscal year ended March 31, 2013
Net income per share		
Net income (Millions of yen)	3,833	1,508
Amounts not attributable to common shareholders (Millions of yen)	–	–
Net income related to common shares (Millions of yen)	3,833	1,508
Average number of common shares during the period (1,000 shares)	167,543	166,178

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

	As of March 31, 2012	As of March 31, 2013
Total net assets (Millions of yen)	113,266	117,078
Amount deducted from total net assets		
(Minority interests [Millions of yen])	(6,173)	(6,667)
Net assets related to common shares (Millions of yen)	107,092	110,410
Number of common shares used to calculate net assets per share (1,000 shares)	166,181	166,174

(Important subsequent events)

No item to report

5. Other

(1) Transfer of Directors and Corporate Auditors (scheduled on June 26, 2013)

1) **Transfer** of Representative Director

1. Retirement

Kazuo Ogome (Currently Representative Director, Chairman)
* Will retire as Director on the above date, when the Company plans to appoint him Advisor

2) **Transfer** of other Directors

1. New appointee

Director and Managing Officer Hidetoshi Ogami (Currently Managing Officer)

2. Retirement

Yoshihito Tamura (Currently Director and Senior Managing Officer)
* Will retire as Director and Senior Managing Officer on the above date, when the Company plans to appoint Mr. Tamura Standing Advisor

3) **Transfer** of other Executive Officers

1. Promotions

Director and Senior Managing Officer	Akira Seto (Currently Director and Managing Officer)
Managing Officer	Masaharu Kayanoma (Currently Executive Officer)
Managing Officer	Tomoyuki Kikuchi (Currently Executive Officer)
Managing Officer	Nobuaki Yoshida (Currently Executive Officer)

2. Retirements

Hiroshi Itokazu (Currently Managing Officer)
* Planned to continue as General Manager, Dalian Nisshin Oil Mills, Ltd.

Toshio Mori (Currently Managing Officer)
* The Company plans to appoint Mr. Mori to Standing Advisor on the same date

4) **Transfer** of Corporate Auditors

No item to report