Translation

Consolidated Financial Results for FY3/2016
(Japanese GAAP)

May 11, 2016

Company name:	**The Nisshin OilliO Group, Ltd.**
Stock exchange listing:	Tokyo (First Section)
Stock code:	2602
URL:	http://www.nisshin-oillio.com/english/index.shtml
Representative:	Takao Imamura, Representative Director, President
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Scheduled date of Ordinary General Meeting of Shareholders:	June 24, 2016
Scheduled date to commence dividend payments:	June 27, 2016
Scheduled date to file Securities Report:	June 24, 2016
Supplementary explanatory materials prepared:	Yes
Explanatory meeting:	Yes (for analysts and institutional investors)

(Figures have been rounded down to the nearest million)

1. Consolidated financial results for the fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Net income attributable to the parent's shareholders	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/2016	327,836	(0.4)	7,491	34.4	7,732	32.8	5,296	53.6
FY3/2015	329,267	(2.3)	5,574	9.2	5,823	15.1	3,447	51.5

Note: Comprehensive income (or loss)
FY3/2016: -¥290 million (-%)
FY3/2015: ¥10,231 million (54.3%)

	Net income per share	Diluted net income per share	Net income/ equity	Ordinary income/ total assets	Operating income/net sales
	Yen	Yen	%	%	%
FY3/2016	31.88	–	4.5	3.3	2.3
FY3/2015	20.75	–	3.0	2.5	1.7

Note: Equity in earnings of affiliates
FY3/2016: ¥716 million
FY3/2015: ¥522 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY3/2016	232,309	124,076	49.9	697.91
FY3/2015	241,625	128,287	49.7	723.33

Note: Equity
FY3/2016: ¥115,944 million
FY3/2015: ¥120,182 million

(3) Consolidated cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY3/2016	6,800	(7,947)	1,078	6,721
FY3/2015	12,705	(4,303)	(6,966)	7,402

2. Cash dividends

	Cash dividends per share					Total amount of dividends (annual)	Payout ratio (consolidated)	Dividends on net assets (consolidated)
	1st quarter	2nd quarter	3rd quarter	Fiscal year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY3/2015	–	5.00	–	5.00	10.00	1,662	48.2	1.4
FY3/2016	–	5.00	–	5.00	10.00	1,662	31.4	1.4
FY3/2017 (forecasts)	–	5.00	–	5.00	10.00		27.7	

3. Consolidated earnings forecasts for FY3/17 (April 1, 2016 to March 31, 2017)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to the parent's shareholders		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY3/2017	329,000	0.4	9,000	20.1	9,000	16.4	6,000	13.3	36.12

Notes

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

New: - Excluded: -

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

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

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

(3) Number of common shares and outstanding

a. Total number of issued shares at the end of the period (including treasury stock)
   FY3/2016 173,339,287 shares
   FY3/2015 173,339,287 shares
b. Number of treasury shares at the end of the period
   FY3/2016 7,207,956 shares
   FY3/2015 7,186,407 shares
c. Average number of shares during the period
   FY3/2016 166,148,841 shares
   FY3/2015 166,157,569 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 29.

Reference: Summary of non-consolidated operating results

1. Non-consolidated operating results for FY3/16 (April 1, 2015 to March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/2016	205,628	3.3	3,104	17.8	3,425	17.3	2,228	(5.2)
FY3/2015	199,029	(4.0)	2,634	(13.9)	2,921	(15.5)	2,350	22.5

	Net income per share	Diluted net income per share
	Yen	Yen
FY3/2016	13.41	–
FY3/2015	14.14	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY3/2016	180,441	98,836	54.8	594.64
FY3/2015	181,495	99,753	55.0	600.14

Note: Equity
FY3/2016: ¥98,836 million
FY3/2015: ¥99,753 million

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

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

Attachments Table of Contents

1. Analysis of Operating Results and Financial Position

(1) Analysis of operating results

1) Operating results for the fiscal year ended March 31, 2016

During the consolidated fiscal year under review, Japan's economic growth came to a standstill. Although a slowdown in inflation propped up real incomes and led to a continued improvement in employment, the recovery in consumer spending was weak, due in part to faltering growth in nominal wages and deteriorating consumer sentiment. In addition, the economic outlook remained murky due in part to overseas economic concerns, mainly a slowdown in real GDP growth in the U.S. and stagnating economic growth in emerging countries and China.

Amid this economic and market environment, in accordance with the three-year Medium-Term Management Plan the Nisshin OilliO Group launched in the fiscal 2014 (April 1, 2014 – March 31, 2015), it is the basic policy of the group to build a solid earnings base for the future which centers on the improvement of earnings in the group's core oil and fat business.

Net sales totaled ¥327,836 million, on a par with the previous fiscal year. In the profit front, operating income came to ¥7,491 million, up 34.4%, ordinary income stood at ¥7,732 million, a rise of 32.8%, and net income attributable to the parent's shareholders was ¥5,296 million, a growth of 53.6%.

Business segment performance was as follows.

[Oil and Meal Business]

In the market in which the Oil and Meal Business is operated, soybean prices were down year-on-year. Although soybean prices trended around US$10.00-level per bushel up to the summer months, aggravated in part by concerns of poor harvests in major producing regions, prices dropped in subsequent months, mainly reflecting a decline in the commodities market owing to anticipation of bumper crops in producing regions and a slowdown in economic growth in China. Meanwhile prices for rapeseed were volatile, rising sharply up to July due to poor weather in production regions, but falling thereafter due to a recovery in weather conditions. On top of this, conditions for procuring major raw materials remained poor exacerbated by the yen's weakness against major currencies, given impact from negative factors such as the U.S. interest rate hike.

In edible oils for household use, the Company strengthened the sale of major products, including the active launch of new products, including "Nisshin Healthy-Off". Regardless, sales volume was flat year-on-year due in part to negative impact from a rise in the cost of manufacturing roasted sesame seed oil and olive oil products. However, in contrast with the previous year, sales of edible oils for household use increased underpinned mainly by a growth in high value-added product categories, including supplement-like-oils. Meanwhile, in gift set sales, the environment was weak due to the contraction of the overall gift market. Sales trended briskly for olive oil gift sets and the Company also focused on expanding sales, mainly by widening its product lineup of collaboration gift sets developed by partnering with other companies. Despite these efforts, net sales and sales volume were down year-on-year.

In edible oils for commercial use, the Company focused on the development of new business transactions by implementing sales operations that tapped into the underlying needs of consumers. In particular, sales were brisk for premium oils that promote functionality. Consequently, net sales and sales volume for edible oils for commercial use rose in contrast with the previous fiscal year.

In edible oils for food processing, net sales and sales volume outperformed year-on-year owing to an increase in sales directed at major food customers and to the processed oil and fat industry.

In the meals business, selling prices for soybean meal declined in tandem with the fall in international market prices. However, sales and sales volume of soybean meal rose year-on-year owing to aggressive measures to expand sales, reflecting in part an increase in the demand for feed. Meanwhile, while sales volume of rapeseed meal was on a par with the previous year, net sales in rapeseed meal fell aggravated by the decline in soybean meal selling prices.

In soy protein, net sales and sales volume were up year-on-year, reflecting energies poured into sales activities that emphasized the securing of profit margins and sales expansion targeting major customers.

In light of the above, Oil and Meal segment's net sales increased 2.4% year on year to ¥217,920 million, and operating income totaled ¥3,116 million, a growth of 7.0%.

[Processed Oil and Fat Business]

In the domestic Processed Oil and Fat Business, despite a slight decline in sales, mainly of shortenings and specialty fats, net sales were flat year-on-year owing to an expansion in the sale of margarine products and as group subsidiary Daito Cacao Co., Ltd., maintained selling prices (price formation) that were commensurate with raw material costs. In addition, operating income increased reflecting aggressive cost reduction efforts.

Intercontinental Specialty Fats Sdn. Bhd. posted a decline in sales volume year-on-year due to a decline in demand for industrial use products reflecting the drop in crude oil prices and sluggish demand in Malaysia owing to a change in the tax system and government subsidy policies. However, operating income was on a par with the previous fiscal year, thanks to solid sales of high value-added products to Europe. Note that no goodwill amortization expense will be posted for Intercontinental Specialty Fats owing to the adoption of Accounting Standard for Business Combinations.

At T. & C. Manufacturing Co., Pte. Ltd., net sales substantially outperformed previous year levels owing to the development of new customers and sales promotions directed at major customers. Operating income also rose considerably benefiting in part from favorable fluctuations in the foreign exchange market and in market prices for major raw materials.

In light of the above, Processed Oil and Fat segment's net sales decreased 8.7% year on year to ¥83,270 million, while operating income totaled ¥3,334 million, a growth of 49.2%.

[Fine Chemical Business]

In the raw materials for cosmetics business, net sales and sales volume rose year-on-year, owing to rejuvenation of the cosmetics market in Japan by inbound tourists domestic and smooth transactions with major customers. In addition, there was a growth in transactions in China, Europe, and the U.S. Meanwhile, in the medium chain triglyceride (MCT) business, despite heated price competition in the domestic market, net sales and sales volume rose thanks to aggressive sales expansion measures and revisions to selling prices.

Industrial Quimica Lasem, S.A.U. posted a rise in operating income year-on-year reflecting brisk sales, mainly in Spain.

In light of the above, the Fine Chemical segment's net sales increased 6.6% year on year to ¥15,571 million, and operating income totaled ¥1,111 million, a sharp growth of 102.7%.

[Healthy Food Business]

In dressings, net sales slightly undershot the level in the previous year despite efforts to overcome a harsh market environment by actively expanding sales, mainly of products in its “Nisshin Dressing Diet” line and the spring launch of “Nisshin Healthy Dressing Sauces”. Meanwhile, in foods for the elderly and for those in nursing care, net sales rose reflecting brisk sales of “Nisshin MCT Oil”, “Nisshin MCT Powder”, and “Enepurin” energy supplement owing to increased recognition of the benefit of medium-chain triglycerides (MCT).

At the Group’s subsidiary Mogi Tofu Co., Ltd., net sales and operating income increased year-on-year, owing to brisk sales of core products and sales at reasonable prices that took in account the sharp rise in domestic prices for soybeans, which is the main raw material.

Given the above factors, the Healthy Food segment recorded net sales of ¥7,244 million, an increase of 2.9% year on year, and an operating income of ¥20 million, an improvement of ¥33 million versus a year earlier.

[Other Business]

Net sales for the Group's Other Business, which includes the information systems business, increased 4.7% year on year to ¥3,830 million. Operating income for this segment increased 22.8% year on year to ¥500 million.

[Sales by Region]

Sales to Asia totaled ¥32,332 million, a decrease of 17.0% versus the previous year. This was primarily attributable to the decline in sales at Intercontinental Specialty Fats Sdn. Bhd. in Malaysia. Meanwhile, net sales to Europe, the U.S. and other regions stood at ¥31,516 million, a decrease of 7.3%. The share of consolidated net sales accounted for by overseas sales decreased 2.7 percentage points to 19.5%.

2) Earnings forecasts for the fiscal year ending March 31, 2017

The environment for procuring major raw materials is expected to remain grim given there have been no major changes in global population trends and food conditions. Meanwhile, in Japan, uncertainties are likely to dampen the outlook for inflation and an improvement in consumer sentiment, but the economy is expected to continue to grow a certain degree in tandem with an improvement to the employment and income environments. In light of this and other factors, the market environment in which Nisshin OilliO operates is expected to remain bleak. Amid this environment, in the final year of its Medium-Term Management Plan, the Group continues to focus on building a solid earnings base for the future, which mainly consists of earnings improvement in the oil and fat business, a core business.

For the fiscal year ending March 31, 2017, the Group projects consolidated net sales of ¥329,000 million, operating income of ¥9,000 million, ordinary income of ¥9,000 million and net income attributable to the parent's shareholders of ¥6,000 million.

(2) Analysis of financial position

1) Assets, liabilities and net assets

Total assets as of March 31, 2016 were ¥232,309 million, a decrease of ¥9,315 million compared to the end of the previous fiscal year. This mainly reflects a decrease in cash and deposits of ¥933 million, and a decrease in inventories of ¥4,361 million, a decrease in goodwill of ¥2,317 million, and a decrease in investment securities of ¥1,008 million.

Total liabilities amounted to ¥108,233 million, a decrease of ¥5,104 million from the end of the previous fiscal year. This mainly reflects a ¥1,033 million increase in interest-bearing debt, despite a decline of ¥4,411 million in notes and accounts payable–trade and a decline of ¥1,322 million in deferred tax liabilities (fixed liability).

Total net assets stood at ¥124,076 million, a decrease of ¥4,211 million compared with the end of the previous fiscal year. This reflects an increase of ¥5,877 million in retained earnings, despite a decline of ¥3,678 million in capital surplus and a ¥6,429 million decline in accumulated other comprehensive income.

2) Cash flows

Cash and cash equivalents as of March 31, 2016 totaled ¥6,721 million, a decrease of ¥681 million compared to the end of the previous fiscal year.

[Net cash provided by operating activities]

Operating activities provided net cash of ¥6,800 million. The major breakdown is as follows. Factors that contributed to net cash included income before income taxes and non-controlling interests of ¥7,529 million, a decrease in depreciation and amortization to ¥6,022 million, and a decrease in inventories to ¥2,591 million.

Meanwhile, factors that deterred from net cash were equity in earnings of affiliates of ¥716 million, a decrease in gain on sales of investment securities to ¥656 million, an increase in notes and accounts receivable – trade of ¥895 million, and a decline in notes and accounts payable – trade of ¥3,915 million.

[Net cash used in investing activities]

Net cash used in investing activities were ¥7,947 million. The major breakdown includes an outflow used to purchase of property, plant and equipment of ¥7,967 million.

[Net cash provided by financing activities]

Net cash provided by financing activities were ¥1,078 million. The major breakdown includes a net increase in short-term loans payable of ¥4,177 million, repayment of long-term loans payable of ¥1,086 million, and cash dividends paid of ¥1,662 million.

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

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Equity ratio	45.2	44.4	48.1	49.7	49.9
Market value equity ratio:	24.0	22.5	24.0	30.7	32.8
Interest-bearing debt to cash flow ratio (Years)	5.0	46.1	4.0	3.7	7.0
Interest coverage ratio (Times)	10.4	1.1	11.9	16.0	10.1

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 outstanding shares as of the end of the fiscal year (excluding treasury stock) by the share price on the last day of the fiscal year.
3. The figure used for cash flow is "net cash provided by operating activities" on the consolidated statements of cash flows. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheets on which interest was paid. For paid interest the "interest expenses paid" recorded on the consolidated statements of cash flows is used.

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

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

In accordance with this policy, for the year-end dividend for the fiscal year ended March 31, 2016, 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, 2017, 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, 2016.

1) Exchange rates

As part of its Oil and Meal Business, the Group imports all of its soybean, rapeseed and other raw materials from overseas. The Group also conducts business overseas, including in China and other parts of East Asia.

Consequently, the Group is exposed to exchange rate risks associated with raw material costs and debt denominated in foreign currencies. As such, any fluctuation in exchange rates could impact the operating results and financial position of the Group. To address this risk, the Group uses risk hedge instruments such as forward exchange contracts as necessary to mitigate exchange rate risks.

2) International prices for raw materials

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

3) Domestic and international product markets

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

4) Business operations

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

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

ii. Unexpected political or economic factors

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

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

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

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

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

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

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

6) Laws and other regulations

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

7) Food safety

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

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

2. Status of the Corporate Group

The "Organizational Chart (Description of Business)" and "Status of Subsidiaries and Affiliates" appearing in the most recent Securities Report (submitted June 25, 2015) are omitted here due to the lack of any significant change.

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

3. Management Policies

(1) Basic management policies of the Company

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

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

(2) Target management indicators

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

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

(3) Medium- to long-term management strategies

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

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

(4) Issues facing the Group

The environment in which the Nisshin OilliO Group operates is likely to remain challenging going forward due high raw material prices, mainly reflecting an increase in global grain demand, and ongoing low-birth rate and aging population trends in Japan. In addition, given that an agreement has basically been reached on the Trans-Pacific Partnership (TPP), customs tariffs on major oils and fats are scheduled to be completely eliminated through a series of stages over a period of six years. The Company expected customs tariffs for oils and fats would be scrapped since negotiations were carried out for the General Agreement on Tariffs and Trade at the Uruguay Round (GATT-UR). Consequently, in anticipation of this the Company established the Sakai Plant, which specializes in refining and integrated the management of three Group companies in 2002 and then integrated four Group companies later on. Recently, the Company strengthened capabilities for handling imported oils at the Yokohama Isogo Plant. Nisshin OilliO plans to continue to improve its competitive strength going forward to cope with the elimination of customs tariffs.

This is the final year of the new three-year Medium-Term Management Plan, which was put into action in the fiscal year ended March 31, 2015. As its basic policy, the Nisshin OilliO Group aims to achieve its vision and direction by leveraging its strong brand power and original technologies to become a corporate group conducting the oil and fat and related businesses on a global scale. Above all, centered on the improvement of earnings in our core oil and fat business, the Group looks to build a solid earnings base for the future. As this is the final year of the current Medium-Term Management Plan, focusing on the achievement of initial goals, each business segment will aim to accurately grasp their current standing to tackle measures that will tie in with the next Medium-Term Management Plan.

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

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

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

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

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

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

4. Basic policy on adopting accounting principles

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

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	9,096	8,162
Notes and accounts receivable - trade	59,950	59,581
Short-term investment securities	0	0
Inventories	*1 54,891	*1 50,529
Deferred tax assets	1,709	2,109
Short-term loans receivable	98	91
Other	5,150	4,222
Allowance for doubtful accounts	(16)	(19)
Total current assets	130,881	124,678
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	27,700	28,155
Machinery, equipment and vehicles, net	19,692	18,975
Land	28,036	27,976
Lease assets, net	552	538
Construction in progress	1,527	2,159
Total property, plant and equipment	*3 77,509	*3 77,804
Intangible assets		
Goodwill	2,392	74
Other	1,436	2,160
Total intangible assets	3,828	2,234
Investments and other assets		
Investment securities	*2,*4 24,344	*2,*4 23,336
Long-term loans receivable	33	30
Retirement benefit assets	643	553
Deferred tax assets	415	416
Other	3,929	3,236
Allowance for doubtful accounts	(38)	(36)
Total investments and other assets	29,327	27,536
Total noncurrent assets	110,665	107,575
Deferred assets		
Cost of issuing bonds	78	55
Total deferred assets	78	55
Total assets	241,625	232,309

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	*4 33,154	*4 28,742
Short-term loans payable	*5 14,141	*5 16,177
Current portion of bonds	–	10,000
Lease obligations	256	234
Accounts payable – other	12,788	12,028
Accrued expenses	4,062	4,223
Income taxes payable	1,486	1,211
Deferred tax liabilities	187	–
Provision for directors' bonuses	53	51
Other	3,355	3,218
Total current liabilities	69,486	75,888
Noncurrent liabilities		
Bonds payable	20,000	10,000
Long-term loans payable	12,331	11,328
Lease obligations	443	444
Deferred tax liabilities	8,038	6,716
Provision for directors' retirement benefits	387	404
Retirement benefit liabilities	1,519	2,500
Other	1,129	950
Total noncurrent liabilities	43,851	32,345
Total liabilities	113,337	108,233
Net assets		
Shareholders' equity		
Capital stock	16,332	16,332
Capital surplus	26,072	22,393
Retained earnings	71,033	76,910
Treasury stock	(2,791)	(2,798)
Total shareholders' equity	110,646	112,837
Accumulated other comprehensive income		
Valuation difference on available-for sale securities	6,781	6,262
Deferred gains or losses on hedges	(853)	(1,688)
Foreign currency translation adjustment	4,880	780
Remeasurement of retirement benefits	(1,272)	(2,247)
Total accumulated other comprehensive income	9,536	3,106
Non-controlling interests	8,105	8,132
Total net assets	128,287	124,076
Total liabilities and net assets	241,625	232,309

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

Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	329,267	327,836
Cost of sales	*1 279,946	*1 278,229
Gross profit	49,320	49,606
Selling, general and administrative expenses	*2,*3 43,746	*2,*3 42,115
Operating income	5,574	7,491
Non-operating income		
Interest income	90	98
Dividends income	293	281
Foreign exchange gains	250	–
Equity in earnings of affiliates	522	716
Other	229	347
Total non-operating income	1,386	1,443
Non-operating expenses		
Interest expenses	787	675
Loss on disposal of inventories	101	91
Loss on foreign exchange translations	–	106
Other	248	330
Total non-operating expenses	1,137	1,202
Ordinary income	5,823	7,732
Extraordinary income		
Gain on sales of noncurrent assets	*4 405	–
Gain on sales of investment securities	660	656
Gain on negative goodwill	17	–
Gain on liquidation of affiliate	–	16
Total extraordinary income	1,083	672
Extraordinary loss		
Loss related to voluntary product recall	–	679
Impairment loss	*5 251	–
Loss on retirement of noncurrent assets	*6 366	*6 197
Loss on valuation of membership rights	3	–
Total extraordinary losses	621	876
Income before income taxes and non-controlling interests	6,285	7,529
Income taxes – current	1,789	1,899
Income taxes – deferred	520	(92)
Total income taxes	2,310	1,807
Net income	3,975	5,721
Net income attributable to non-controlling interests	527	425
Net income attributable to the parent's shareholders	3,447	5,296

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net income	3,975	5,721
Other comprehensive income		
Valuation difference on available-for sale securities	3,255	(489)
Deferred gains or losses on hedges	(389)	(1,164)
Foreign currency translation adjustment	1,603	(3,322)
Retirement benefit adjustments	1,397	(974)
Share of other comprehensive income of associates accounted for using equity method	389	(60)
Total other comprehensive income	6,256	(6,012)
Comprehensive income or (loss)	10,231	(290)
(Breakdown)		
Comprehensive income attributable to owners of the parent	9,364	(375)
Comprehensive income or (loss) attributable to non-controlling interests	867	84

(3) Consolidated statements of changes in net assets

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	16,332	26,072	68,799	(2,787)	108,416
Cumulative impact owing to changes in accounting policies			448		448
Balance at the beginning of current period reflecting changes in accounting policies	16,332	26,072	69,247	(2,787)	108,864
Changes of items during the period					
Dividends from surplus			(1,662)		(1,662)
Net income attributable to the parent's shareholders			3,447		3,447
Purchase of treasury stock				(4)	(4)
Disposal of treasury stock		0		0	0
Change in equity owing to acquisition of shares in consolidated subsidiary					–
Net changes of items other than shareholders' equity					–
Total changes of items during the period	–	0	1,785	(3)	1,781
Balance at the end of current period	16,332	26,072	71,033	(2,791)	110,646

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Cumulative retirement benefit adjustments	Total accumulated other comprehensive income		
Balance at the beginning of current period	3,401	(304)	3,192	(2,669)	3,620	7,295	119,331
Cumulative impact owing to changes in accounting policies							448
Balance at the beginning of current period reflecting changes in accounting policies	3,401	(304)	3,192	(2,669)	3,620	7,295	119,780
Changes of items during the period							
Dividends from surplus							(1,662)
Net income attributable to the parent's shareholders							3,447
Purchase of treasury stock							(4)
Disposal of treasury stock							0
Change in equity owing to acquisition of shares in consolidated subsidiary							–
Net changes of items other than shareholders' equity	3,379	(549)	1,688	1,397	5,916	809	6,726
Total changes of items during the period	3,379	(549)	1,688	1,397	5,916	809	8,507
Balance at the end of current period	6,781	(853)	4,880	(1,272)	9,536	8,105	128,287

Fiscal year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	16,332	26,072	71,033	(2,791)	110,646
Cumulative impact owing to changes in accounting policies		(3,684)	2,243		(1,440)
Balance at the beginning of current period reflecting changes in accounting policies	16,332	22,388	73,276	(2,791)	109,205
Changes of items during the period					
Dividends from surplus			(1,662)		(1,662)
Net income attributable to the parent's shareholders			5,296		5,296
Purchase of treasury stock				(6)	(6)
Disposal of treasury stock					–
Change in equity owing to acquisition of shares in consolidated subsidiary		5			5
Net changes of items other than shareholders' equity					–
Total changes of items during the period	–	5	3,634	(6)	3,632
Balance at the end of current period	16,332	22,393	76,910	(2,798)	112,837

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Cumulative retirement benefit adjustments	Total accumulated other comprehensive income		
Balance at the beginning of current period	6,781	(853)	4,880	(1,272)	9,536	8,105	128,287
Cumulative impact owing to changes in accounting policies			(758)		(758)		(2,199)
Balance at the beginning of current period reflecting changes in accounting policies	6,781	(853)	4,122	(1,272)	8,777	8,105	126,088
Changes of items during the period							
Dividends from surplus							(1,662)
Net income attributable to the parent's shareholders							5,296
Purchase of treasury stock							(6)
Disposal of treasury stock							–
Change in equity owing to acquisition of shares in consolidated subsidiary							5
Net changes of items other than shareholders' equity	(519)	(835)	(3,341)	(974)	(5,671)	27	(5,644)
Total changes of items during the period	(519)	(835)	(3,341)	(974)	(5,671)	27	(2,012)
Balance at the end of current period	6,262	(1,688)	780	(2,247)	3,106	8,132	124,076

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net cash provided by operating activities		
Income before income taxes and non-controlling interests	6,285	7,529
Depreciation and Amortization	5,813	6,022
Impairment loss	251	–
Amortization of goodwill	1,149	101
Interest and dividends income	(383)	(380)
Interest expenses	787	675
Equity in earnings of affiliates	(522)	(716)
Loss (gain) on sales and retirement of noncurrent assets	(38)	197
Loss (gain) on sales of investment securities	(660)	(656)
Gain on negative goodwill	(17)	–
Gain (loss) on liquidation of affiliate	–	(16)
Loss related to voluntary product recall	–	679
Decrease (increase) in notes and accounts receivable - trade	400	(895)
Decrease (increase) in inventories	(2,360)	2,591
Increase (decrease) in notes and accounts payable - trade	1,395	(3,915)
Decrease (increase) in retirement benefit assets	(348)	89
Increase (decrease) in retirement benefit liabilities	(3,005)	980
Other, net	5,635	(3,042)
Subtotal	14,380	9,243
Interest and dividends income received	389	377
Interest expenses paid	(792)	(675)
Income taxes paid	(1,271)	(2,146)
Net cash provided by operating activities	12,705	6,800
Net cash used in investing activities		
Change in time deposits (increase)	(921)	178
Purchase of property, plant and equipment	(6,524)	(7,967)
Proceeds from sales of property, plant and equipment	2,386	24
Purchase of investment securities	(32)	(128)
Proceeds from sales of investment securities	738	758
Proceeds from redemption of investment securities	300	300
Purchase of equity in affiliates	(35)	–
Proceeds from liquidation of affiliate	–	98
Proceeds from collection of loans receivable	1,954	4
Other, net	(2,168)	(1,215)
Net cash used in investing activities	(4,303)	(7,947)

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(3,347)	4,177
Proceeds from long-term loans payable	425	–
Repayment of long-term loans payable	(1,965)	(1,086)
Redemption of bonds	(10,000)	–
Proceeds from issuance of bonds	9,934	–
Repayments of lease obligations	(301)	(292)
Cash dividends paid	(1,662)	(1,662)
Proceeds from sales of treasury stock	0	–
Purchase of treasury stock	(4)	(2)
Cash dividends paid to non-controlling interests	(46)	(47)
Acquisition of equity in subsidiary that does not involve a change in the scope of consolidation	–	(17)
Proceeds from sale of equity in subsidiary that does not involve a change in the scope of consolidation	–	9
Net cash provided by (used in) financing activities	(6,966)	1,078
Effect of exchange rate change on cash and cash equivalents	249	(612)
Net increase (decrease) in cash and cash equivalents	1,684	(681)
Cash and cash equivalents at beginning of period	5,717	7,402
Cash and cash equivalents at end of period	*1 7,402	*1 6,721

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

Note that the following increase in consolidated subsidiaries was recorded during the consolidated fiscal year ended March 31, 2016.

(Newly consolidated)

The Nisshin OilliO (Shanghai) International Trading Co., Ltd.: Increase in conjunction with the establishment of this consolidated subsidiary in August 2015

The main consolidated subsidiaries are as follows:

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

The total assets, net sales, and total amount of both the net profit or loss and retained earnings equivalent to the amount accounted for under the equity method for 7 non-consolidated subsidiaries are excluded from the scope of consolidation because their impact on the consolidated financial statements is not material.

2) Application of the equity method

The equity method has been applied to the investments in 6 of the Group's 7 non-consolidated subsidiaries and 14 affiliates. That said, there were no changes in the fiscal year ended March 31, 2016.

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

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

The 7 non-consolidated subsidiaries and 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. Shanghai Nisshin Oil & Fats, Ltd., The Nisshin OilliO (China) Investment Co., Ltd., Intercontinental Specialty Fats Sdn. Bhd., Industrial Quimica Lasem, S.A.U., T. &C. Manufacturing Co., Pte. Ltd., and Nisshin OilliO (Shanghai) International Trading Co., Ltd.

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

Items other than those listed above are omitted here due to a lack of any material change from the information appearing in the most recent Securities Report (submitted June 25, 2015).

(Changes in accounting policies)

Starting from the consolidated fiscal year under review (April 1, 2015 - March 31, 2016), Nisshin OilliO adopted the Accounting Standard for Business Combinations (ASBJ Statement No. 21 issued on September 13, 2013), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 issued on September 13, 2013), and Accounting Standard for Business Divestitures (ASBJ Statement No. 7 issued on September 13, 2013). Accordingly, the Company revised its accounting methods as follows. The difference arising from changes in equity in subsidiaries that Nisshin OilliO maintains controlling interests are now to be recorded as capital surplus. And business acquisition costs are to be posted as expense in the fiscal year in which they were incurred. In addition, the accounting method was revised to retroactively reflect adjustments for business combinations effective on or after April 1, 2015. The review of the amount allocated to acquisition costs under provisional accounting treatment is reflected in the consolidated financial statements of the fiscal year in which the business combination takes effect. In addition, terminology was also changed for items such as net income, and the term minority interest has been changed to non-controlling interests. The consolidated financial statements for the previous fiscal year were revised to reflect these changes in terminology.

In the Consolidated Statements of Cash Flows for the fiscal year under review, reporting methods have been revised. Net cash used in the acquisition of, or provided by the sale of subsidiaries that does not involve a change in the scope of consolidation are reported under net cash used in (provided by) financing activities. Meanwhile, net cash used in the acquisition of, or provided by the sale of subsidiaries that involves a change in the scope of consolidation are reported under net cash provided by (used in) operating activities.

The adoption of Accounting Standard for Business Combinations and other standards was conducted in accordance with the transitional treatment set forth in Article 58-2 (3) of the Accounting Standard for Business Combinations, Article 44-5 (3) of the Accounting Standard for Consolidated Financial Statements and Article 57-4 (3) of the Accounting Standard for Business Divestitures. Capital surplus and retained earnings at the start of the fiscal year under review were adjusted to reflect the cumulative impact of these accounting standards, should they have been retroactively applied to past fiscal years.

Note that Nisshin OilliO is in compliance with the transitional treatment set forth in Article 26-4 of the practical guidelines on Accounting Standards for Preparing Consolidated Statements of Cash Flows. Data has not been rearranged for the purposes of comparison.

Accordingly, at the start of the fiscal year under review, goodwill declined ¥2,199 million, capital surplus declined ¥3,684 million, and foreign currency translation adjustment declined ¥758 million, while retained earnings increased ¥2,243 million. Meanwhile, operating income, ordinary income, and income before income taxes and non-controlling interests increased ¥873 million respectively in the fiscal year under review owing to these changes in accounting standards.

Net assets at the start of the fiscal year under review were adjusted to reflect cumulative impact. In light of this, the year-start balance for capital surplus in the consolidated statements of changes in net assets decreased ¥3,684 million, and the year-start balance for foreign currency translation adjustment decreased ¥758 million, while the year-start balance for retained earnings increase ¥2,243 million.

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

(Additional information)

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

The Partial Revision of Income Tax Act, etc. and the Act for Partial Revision of the Local Taxation Act, etc. were passed by the Diet on March 29, 2016. Consequently, the effective statutory tax rate used to calculate deferred tax assets and liabilities will be lowered (but limited to deferred tax assets and liabilities to be eliminated in or after April 1, 2016). The effective statutory tax rate is to be changed from 32.3% in the previous fiscal year to 30.8%

for those deferred tax assets and liabilities that are expected to be recoverable and payable in the fiscal years from April 1, 2016 to March 31, 2018. The applicable effective statutory tax rate is 30.6% for those deferred tax assets and liabilities deemed recoverable and payable on or after April 1, 2018.

Consequently, reflecting the change in tax rate, deferred tax liabilities (the amount minus deferred tax assets) decreased ¥195 million, cumulative retirement benefit adjustments decreased ¥55 million, deferred gains or losses on hedges decreased ¥20 million, the valuation difference on available-for sale securities increased ¥158 million, and income taxes – deferred for the fiscal year ended March 31, 2016 decreased ¥112 million.

(Notes to the consolidated balance sheets)

*1 Breakdown of Inventories

	As of March 31, 2015	As of March 31, 2016
Merchandise and finished goods	¥25,959 million	¥26,203 million
Work in process	¥308 million	¥207 million
Raw materials and supplies	¥28,623 million	¥24,119 million

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

	As of March 31, 2015	As of March 31, 2016
Investment securities (Shares)	¥4,073 million	¥4,429 million
Investment securities (Investments in capital)	¥1,688 million	¥1,596 million

*3 Accumulated depreciation of property, plant and equipment

	As of March 31, 2015	As of March 31, 2016
Accumulated depreciation of property, plant and equipment	¥134,726 million	¥136,287 million

*4 Assets pledged as collateral and liabilities relating to collateral

Amount of assets pledged as collateral

	As of March 31, 2015	As of March 31, 2016
Investment securities	¥96 million	¥84 million

Amount of liabilities secured by assets pledges as collateral

	As of March 31, 2015	As of March 31, 2016
Accounts payable – trade	¥13 million	¥4 million

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

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

	As of March 31, 2015	As of March 31, 2016
Total amount of overdraft facility limit and commitment line agreement	¥45,101 million	¥50,392 million
Balance of executed loans	¥100 million	¥5,400 million
Difference	¥45,001 million	¥44,992 million

6 Contingent liabilities are as follows:

Guarantees of bank loans etc.

As of March 31, 2015		As of March 31, 2016	
Nisshin OilliO employees	¥186 million	Nisshin OilliO employees	¥162 million
COFCO Nisshin (Dalian) Co., Ltd.	¥1,898 million		
	(98,000 thousand RMB)		
Total	¥2,084 million		¥162 million

Guarantees of utility usage fees

	As of March 31, 2015	As of March 31, 2016
Colasem.A.I.E.	¥27 million	¥11 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, 2015	As of March 31, 2016
Cost of sales	¥145 million	¥61 million

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

	As of March 31, 2015	As of March 31, 2016
Freightage expenses, haulage expenses, warehousing fees	¥12,957 million	¥12,605 million
Provision of allowance for doubtful accounts	¥(24) million	¥6 million
Salaries and wages	¥7,668 million	¥7,513 million
Retirement benefit expenses	¥980 million	¥834 million
Provision for directors’ retirement benefits	¥89 million	¥67 million
Provision for directors’ bonuses	¥53 million	¥51 million
Advertising expenses	¥3,137 million	¥3,444 million
Depreciation and Amortization	¥1,748 million	¥1,494 million
Amortization of goodwill	¥1,149 million	¥101 million

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

	As of March 31, 2015	As of March 31, 2016
Research and development expenses	¥1,857 million	¥1,768 million

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

	As of March 31, 2015	As of March 31, 2016
Buildings and structures	¥17 million	–
Machinery, equipment and vehicles	¥1 million	–
Land	¥385 million	–
Total	¥405 million	–

*5 Details of asset impairment are as follows:

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

The Group posted the following impairment losses.

Use	Type	Location
–	Goodwill	Spain

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

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

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

	As of March 31, 2015	As of March 31, 2016
Buildings and structures	¥204 million	¥101 million
Machinery, equipment and vehicles	¥157 million	¥94 million
Other noncurrent assets	¥4 million	¥1 million
Total	¥366 million	¥197 million

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

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

1. Type and total number of issued shares

Type of shares	Number of shares as of April 1, 2014	Increase	Decrease	Number of shares as of March 31, 2015
Common stock (Shares)	173,339,287	–	–	173,339,287

2. Type and total number of treasury stock

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

(Reasons for the change)

Main reasons for the increase are as follows:

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

Main reason for the decrease is as follows:

Decrease due to additional purchase requests of less than one unit 822 shares

3. Stock acquisition rights

No item to report

4. Cash dividends

(1) Dividend payments

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2014	Common stock	831	5.00	March 31, 2014	June 26, 2014
Board of Directors' Meeting held on November 6, 2014	Common stock	831	5.00	September 30, 2014	December 4, 2014

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

Resolution	Type of shares	Source of dividends	Total amount of dividends (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2015	Common stock	Retained earnings	831	5.00	March 31, 2015	June 26, 2015

Fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

1. Type and total number of issued shares

Type of shares	Number of shares as of April 1, 2015	Increase	Decrease	Number of shares as of March 31, 2016
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, 2015	Increase	Decrease	Number of shares as of March 31, 2016
Common stock (Shares)	7,186,407	21,549	–	7,207,956

(Reasons for the change)

Main reasons for the increase are as follows:

Increase due to the purchase of shares less than one unit	5,542 shares
Increase in treasury stock owing to repurchase of Nisshin OilliO shares held by associates accounted for using the equity method owing to a change in the ownership ratio	16,007 shares

3. Stock acquisition rights

No item to report

4. Cash dividends

(1) Dividend payments

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2015	Common stock	831	5.00	March 31, 2015	June 26, 2015
Board of Directors' Meeting held on November 5, 2015	Common stock	831	5.00	September 30, 2015	December 2, 2015

(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 24, 2016	Common stock	Retained earnings	831	5.00	March 31, 2016	June 27, 2016

(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, 2015	As of March 31, 2016
Cash and deposits	¥9,096 million	¥8,162 million
Short-term investment securities	¥0 million	¥0 million
Time deposits with a maturity exceeding three months that are included in cash and deposits	¥(1,694) million	¥(1,442) million
Cash and cash equivalents	¥7,402 million	¥6,721 million

(Segment information)

1. Overview of reporting segments

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

The Company's products are divided between operating divisions at its headquarters, and each operating division formulates comprehensive domestic and overseas strategies for each of its assigned products, and conducts business activities. Consequently, the Company is comprised of separate product segments based on operating divisions, and its four reporting segments are "Oil and Meal," "Processed Oil and Fat," "Fine Chemical," and "Healthy Food."

Major products for each reporting segment are as follows:

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

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

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

   As noted in the section Changes in accounting policies, the Company adopted the Accounting Standard for Business Combinations from the fiscal year under review. Accordingly, the difference arising from changes in equity in subsidiaries that Nisshin OilliO maintains controlling interests are now to be recorded as capital surplus. And business acquisition costs are to be posted as expense in the fiscal year in which they were incurred.

   In addition, the accounting method was revised to retroactively reflect adjustments for business combinations effective on or after April 1, 2015. The review of the amount allocated to acquisition costs under provisional accounting treatment is reflected in the consolidated financial statements of the fiscal year in which the business combination takes effect.

   Reflecting these changes in accounting methods, operating income in the Processed Oil and Fat Business and Fine Chemical Business was respectively ¥862 million and ¥11 million higher. Moreover, goodwill in the Processed Oil and Fat Business and Fine Chemical Business at the start of the fiscal year under review was respectively ¥2,142 million and ¥56 million lower.

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

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

(Millions of yen)

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

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

*2 Adjustments are as follows:

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

(2) Adjustment for segment assets of - ¥6,384 million comprises elimination of intersegment transactions of - ¥8,273 million and unallocated assets of ¥1,889 million. Major components of the unallocated assets are the surplus funds (cash and deposits and short-term investment securities) and long-term investment funds (those that cannot be charged directly to each segment in investment securities).

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

Fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Reporting segments					Other*1	Total	Adjustments *2	Amounts in the consolidated financial statements *3
	Oil and Meal	Processed Oil and Fat	Fine Chemical	Healthy Food	Total				
Net sales									
Sales to external customers	217,920	83,270	15,571	7,244	324,005	3,830	327,836	–	327,836
Intersegment sales or transactions	2,554	4,534	1,077	66	8,234	2,030	10,264	(10,264)	–
Total	220,474	87,805	16,648	7,311	332,239	5,860	338,100	(10,264)	327,836
Segment income (loss)	3,116	3,334	1,111	20	7,582	500	8,083	(591)	7,491
Segment assets	167,910	56,045	11,654	3,655	239,265	2,106	241,371	(9,061)	232,309
Other items									
Depreciation and Amortization	3,328	2,112	366	89	5,897	125	6,022	–	6,022
Change in property, plant and equipment and intangible assets	6,567	2,281	409	133	9,391	69	9,461	–	9,461

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

*2 Adjustments are as follows:

(1) Adjustment for segment income (loss) of - ¥591 million includes unallocated expenses. These expenses mainly comprise general administrative expenses that cannot be attributed to reporting segments.

(2) Adjustment for segment assets of - ¥9,061 million comprises elimination of intersegment transactions of - ¥9,860 million and unallocated assets of ¥798 million. Major components of the unallocated assets are the surplus funds (cash and deposits and short-term investment securities) and long-term investment funds (those that cannot be charged directly to each segment in investment securities).

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

(Related information)

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

1. Information by products and services

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

2. Information by countries and regions

(1) Net sales

(Millions of yen)

	Japan	Asia	Other	Total
Net sales	256,332	38,946	33,987	329,267
Share of net sales	77.9%	11.8%	10.3%	100.0%

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

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Europe	Total
62,316	12,674	2,518	77,509

Fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

1. Information by products and services

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

2. Information by countries and regions

   (1) Net sales

(Millions of yen)

	Japan	Asia	Other	Total
Net sales	263,987	32,332	31,516	327,836
Share of net sales	80.5%	9.9%	9.6%	100.0%

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

   (2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Europe	Total
64,783	10,862	2,158	77,804

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

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

(Millions of yen)

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

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

Fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

No item to report

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

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

(Millions of yen)

	Reporting segments					Other*	Corporate/ Eliminations	Total
	Oil and Meal	Processed Oil and Fat	Fine Chemical	Healthy Food	Total			
Amortized during the period	0	894	255	–	1,149	–	–	1,149
Balance at the end of current period	–	2,142	249	–	2,392	–	–	2,392

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

Fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Reporting segments					Other*	Corporate/ Eliminations	Total
	Oil and Meal	Processed Oil and Fat	Fine Chemical	Healthy Food	Total			
Amortized during the period	–	–	101	–	101	–	–	101
Balance at the end of current period	–	–	74	–	74	–	–	74

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

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

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

Explanatory notes were omitted due to a lack of significance.

Fiscal 2015 (April 1, 2015 – March 31, 2016)

No item to report

(Per share information)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net assets per share	¥723.33	¥697.91
Net income per share	¥20.75	¥31.88

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.
3. As noted in Changes in accounting policies, the Company adopted the Accounting Standard for Business Combinations in accordance with the transitional treatment set forth in Article 58-2 (3) of the Accounting Standard for Business Combinations, Article 44-5 (3) of the Accounting Standard for Consolidated Financial Statements and Article 57-4 (3) of the Accounting Standard for Business Divestitures. Consequently, in the fiscal year under review, net assets per share decreased ¥6.09 and net income per share increased ¥5.26.

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net income per share		
Net income attributable to the parent’s shareholders (Millions of yen)	3,447	5,296
Amounts not attributable to common shareholders (Millions of yen)	–	–
Net income attributable to the parent’s shareholders (common shares) (Millions of yen)	3,447	5,296
Average number of common shares during the period (1,000 shares)	166,157	166,148

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

	As of March 31, 2015	As of March 31, 2016
Total net assets (Millions of yen)	128,287	124,076
Amount deducted from total net assets (Millions of yen)	8,105	8,132
(Non-controlling interests [Millions of yen])	(8,105)	(8,132)
Net assets related to common shares (Millions of yen)	120,182	115,944
Number of common shares used to calculate net assets per share (1,000 shares)	166,152	166,131

(Important subsequent events)

No item to report

6. Other

(1) Transfer of Directors and Audit & Supervisory Board Member

1) Transfer of Representative Director

Not applicable

2) Changes in directors (scheduled to take effect June 24, 2016)

1. New appointments

Director, Managing Officer	Arata Kobayashi (currently Managing Officer)
Director (Outside)	Sayuri Shirai (currently Visiting Professor at the Faculty of Policy Management, Keio University)

2. Resignations

	Toshio Uehara (currently Director (Outside))

3) Transfer of Audit & Supervisory Board Member (scheduled to take effect June 24, 2016)

1. New appointments

Audit & Supervisory Board Member (Outside)	Emi Machida (currently CPA)

2. Resignations

	Susumu Terasawa (currently Audit & Supervisory Board Member (Outside))

4) Transfer of Managing Officers (as of June 1, 2016)

1. New appointments

Executive Officer	Wu Jian
Executive Officer	Hiroshi Nashinoki

2. Promotions

Director, Senior Managing Officer	Takashi Fujii (currently Director, Managing Officer)
Managing Officer	Toshiaki Takayanagi (currently Executive Officer)