

# Nisshin Seifun Group Inc. and Consolidated Subsidiaries

# Consolidated Balance Sheets

As of March 31, 2013 and 2012

|   |   |          |        |        | ın | ousands of  |
|---|---|----------|--------|--------|----|-------------|
|   |   |          |        |        | U  | .S. dollars |
|   |   | Millions | of yen |        |    | (Note 3)    |
| ASSETS  |   | 2013     | 2      | 2012   |    | 2013        |
|   |   |          |        |        |    |             |
| Current Assets:                                     |   |          |        |        |    |             |
| Cash and deposits (Notes 19 and 21)                 | ¥ | 56,722   | ¥      | 59,020 | \$ | 603,111     |
| Notes and accounts receivable trade (Notes 4, 7 and |   |          |        |        |    |             |
| 19)   |   | 65,393   |        | 65,015 |    | 695,303     |
| Short-term investment securities (Notes 19 and 21)  |   | 19,433   |        | 16,141 |    | 206,631     |
| Inventories (Notes 5 and 7)                         |   | 61,904   |        | 62,283 |    | 658,213     |
| Deferred tax assets (Note 15)                       |   | 5,501    |        | 4,938  |    | 58,493      |
| Other   |   | 9,723    |        | 6,225  |    | 103,382     |
| Allowance for doubtful accounts                     |   |          |        |        |    |             |

# Nisshin Seifun Group Inc. and Consolidated Subsidiaries

# Consolidated Statements of Income

For the Years Ended March 31, 2013 and 2012 /N5( )9(r)5P77 $\hbar$ 5-621 85 $\sharp$ 2583.354 572.14 T

|                                |                 |         |      |         |      | nousands of<br>J.S. dollars |
|--------------------------------|-----------------|---------|------|---------|------|-----------------------------|
|                                | Millions of yen |         |      |         |      | (Note 3)                    |
|                                | 2013            |         | 2012 |         | 2013 |                             |
| Net Sales                      | ¥               | 455,566 | ¥    | 441,963 | \$   | 4,843,872                   |
| Cost of Sales (Notes 5 and 13) | ·<br>           | 316,141 |      | 306,649 |      | 3,361,420                   |
| Gross Profit                   |                 | 139,424 |      | 135,313 |      | 1,482,452                   |
| Selling, General and           |                 |         |      |         |      |                             |

# Nisshin Seifun Group Inc. and Consolidated Subsidiaries

# Consolidated Statements of Comprehensive Income

For the Years Ended March 31, 2013 and 2012

|   |   |         |           |        |          | ousands of<br>.S. dollars |
|---|---|---------|-----------|--------|----------|---------------------------|
|   |   | Millior | ns of yen |        | (Note 3) |                           |
|   |   | 2013    |           | 2012   |          | 2013                      |
| Income before Minority Interests                      | ¥ | 14,408  | ¥         | 14,063 | \$       | 153,199                   |
| Other Comprehensive Income (Note 24):                 |   |         |           |        |          |                           |
| Valuation difference on available-for-sale securities |   | 7,074   |           | 4,561  |          | 75,220                    |
| Deferred gains on hedges                              |   | 3       |           | 80     |          | 37                        |
| Foreign currency translation adjustment               |   | 2,294   |           | (672)  |          | 24,401                    |
| Share of other comprehensive income of affiliates     |   |         |           |        |          |                           |
| accounted for using equity method                     |   | 164     |           | (71)   |          | 1,744                     |
| Total other comprehensive income                      |   | 9,536   |           | 3,898  |          | 101,402                   |
| Comprehensive Income                                  | ¥ | 23,945  | ¥         | 17,962 | \$       | 254,600                   |
| Comprehensive Income Attributable to:                 |   |         |           |        |          |                           |
| Owners of the parent                                  | ¥ | 22,628  | ¥         | 17,573 | \$       | 240,597                   |
| Minority interests                                    |   | 1,317   |           | 389    |          | 14,003                    |

See notes to consolidated financial statements.

Thousands of U.S. dollars (Note 3)

|                     | Accumulated other comprehensive |          |          |                 |          |             |
|---------------------|---------------------------------|----------|----------|-----------------|----------|-------------|
| Shareholders equity |                                 |          | income   |                 |          |             |
|                     |                                 |          |          | Valuation       |          | Foreign     |
|                     |                                 |          |          | difference on   | Deferred | currency    |
| Capital             | Capital                         | Retained | Treasury | available-for-  | gains on | translation |
| st ock              | surplus                         | earnings | stock    | sale securities | hedges   |             |

# Nisshin Seifun Group Inc. and Consolidated Subsidiaries Consolidated Statements of Cash Flows

For the Years Ended March 31, 2013

Effect of Exchange Rate Change on Cash and Cash Equivalents

# Notes to Consolidated Financial Statements

# Nisshin Seifun Group Inc. and Consolidated Subsidiaries

For the Years Ended March 31, 2013 and 2012

- 1. Summary of Significant Accounting Policies
- (a) Basis of Presentation

Nis domestic subsidiaries maintain their accounting records and prepare their financial statements in accordance with  $\cos(e)6-(1)8((n)24)ee$  ) $\sin(9)(e)\cos(1)8((n)20)(e)\cos(1)8($ 

- 1. Summary of Significant Accounting Policies (continued)
- (c) Translation of Foreign Currency Accounts

Current and non-current receiva

### 1. Summary of Significant Accounting Policies (continued)

### (g) Depreciation and Amortization (excluding leased assets)

Property, plant and equipment are carried at cost less accumulated depreciation.

Depreciation of property, plant and equipment is principally computed by the declining-balance method for the Company and its domestic consolidated subsidiaries (excluding buildings acquired on or after April 1, 1998), and by the straight-line method for overseas consolidated subsidiaries over the estimaUSžsZafažy for

### 1. Summary of Significant Accounting Policies (continued)

### (j) Provision for Retirement Benefits

Provision for employees and retired pension recipients retirement benefits is provided based on the projected benefit obligation and the fair value of plan assets at the balance sheet date.

Prior service cost is amortized by the straight-line method over a period equal to the average remaining years of service of the participants of the plans.

### 2. Accounting Standards Issued but Not yet Effective

dance No. 25), which replaced the Accounting

Standard for Retirement Benefits that had been issued by the Business Accounting Council in 1998 with an effective date of April 1, 2000 and the other related practical guidance, being followed by partial amendments from time to time through 2009.

### (1) Overview

The accounting standard for retirement benefits has been revised from the viewpoint of improvements to financial reporting and international convergence, mainly focusing on how unrecognized actuarial gains or losses and prior service costs should be accounted for and how projected benefit obligations and service costs should be determined, and enhancement of disclosures.

### (2) Expected effective date

The Company expects to apply this standard and the guidance from the end of the year beginning April 1, 2013.

### (3) Effects of the application

The Company is currently evaluating the effects of the application of this standard and the guidance on the consolidated financial statements.

### 3. U.S. Dollar Amounts

The translation of yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made, as a matter of arithmetic computation only, at  $\pm 94.05 = U.S.\$1.00$ , the approximate rate of exchange in effect on March 31, 2013.

The translation should not be construed as a representation that yen have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

### 4. Notes Maturing at End of Year

The Group settles notes based on the clearing dates at the end of the fiscal year. Because March 31, 2013 and 2012, the end of the fiscal years, coincided with bank holidays, the following accounts at March 31, 2013 and 2012 included the matured notes:

|                                     |   | Million | s of yen |     | usands of<br>5. dollars |
|-------------------------------------|---|---------|----------|-----|-------------------------|
|                                     | 2 | 013     | 2        | 012 | 2013                    |
| Notes and accounts receivable trade | ¥ | 339     | ¥        | 379 | \$<br>3,614             |
| Notes and accounts payable trade    |   | 1       |          | 0   | 17                      |

# 7. Short-Term and Long-Term Loans Payable (continued)

The annual maturities of long-term loans payable within 5 years of March 31, 2013, excluding the current portion, are summarized as follows:

| Year ending March 31, | Million | nds of U.S.<br>ollars |             |
|-----------------------|---------|-----------------------|-------------|
| 2015                  | ¥       | 688                   | \$<br>7,323 |
| 2016                  |         | 607                   | 6,462       |
| 2017                  |         | 515                   | 5,484       |
| 201                   |         |                       |             |

### 8. Provision

# (continued)

The components of retirement benefit costs for the years ended March 31, 2013 and 2012 are summarized as follows:

|   | Millions of yen |       |      | <br>usands of<br>S. dollars |              |
|---|-----------------|-------|------|-----------------------------|--------------|
|   | 2               | 2013  | 2012 |                             | 2013         |
| Service cost                                | ¥               | 1,151 | ¥    | 1,471                       | \$<br>12,246 |
| Interest cost                               |                 | 510   |      | 768                         | 5,432        |
| Expected return on plan assets              |                 | (137) |      | (340)                       | (1,458)      |
| Amortization of actuarial loss              |                 | 667   |      | 660                         | 7,097        |
| Amortization of prior service cost          | -               | (245) |      | (221)                       | (2,608)      |
| Net retirement benefit costs                |                 | 1,947 |      | 2,337                       | 20,710       |
| Loss on revision of retirement benefit plan |                 | -     |      | 1,290                       | -            |
| Other                                       |                 | 716   |      | 375                         | 7,620        |
| Total                                       | ¥               | 2,664 | ¥    | 4,003                       | \$<br>28,330 |

\*

# 9. Stock Option Plans

Stock option expenses included in Selling, General and Administrative Expenses in the accompanying consoanCPlans in \$\frac{\paragraph}{2}\$ SCPor<<\\840\\Paragraph{2}\$ \daggraph\daggra

# 9. Stock Option Plans (continued)

\*4 Risk free interest rate represents the interest rate of government bonds whose remaining period corresponds to the expected remaining period of the above stock options.

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# 9. Stock Option Plans (continued)

| _                               | 2009 Plan | 2010 Plan | 2011 Plan |
|---------------------------------|-----------|-----------|-----------|
| Non-Vested (number of shares)   |           |           |           |
| Outstanding at beginning of the |           |           |           |
| year                            | 256,000   | 263,000   | -         |
| Granted during the year         | =         | -         | 351,000   |
| Forfeited during the year       | -         | =         | -         |
| Vested during the year          | 256,000   | -         | -         |
| Outstanding at end of the year  | =         | 263,000   | 351,000   |
| Vested (number of shares)       |           |           |           |
| Outstanding at beginning of the |           |           |           |
| year                            | -         | =         | -         |
| Granted during the year         | 256,000   | -         | -         |
| Exercised during the year       | 4,000     | =         | -         |
| Forfeited during the year       | =         | -         | -         |
| Outstanding at end of the year  | 252,000   | -         | -         |

# 11. Supplemental Information for Consolidated Statements of Changes in Net Assets

# (a) Type and number of outstanding shares

|  |                                    | Thousands of shares                      |  |                        |  |  |  |  |  |
|--|------------------------------------|--|--|------------------------|--|--|--|--|--|
|  |                                    | Year ended March 31, 2013                |  |                        |  |  |  |  |  |
| Types of shares                            | Balance at<br>Beginning of<br>Year | Increase in<br>Shares during<br>the Year | Decrease in<br>Shares during<br>the Year | Balance at<br>Year End |  |  |  |  |  |
| Issued stock: Common stock Treasury stock: | 251,535                            | -  | -  | 251,535                |  |  |  |  |  |

# 11. Supplemental Information for Consolidated Statements of Changes in Net Assets (continued)

# (c) Dividends

(1) Dividends paid to shareholders

UAmUte

| Year | ended | March | 31 | 2013 |
|------|-------|-------|----|------|
|      |       |       |    |      |

| Date of  | Resolution Approved | Type of |           |               |       |             | Recording | Effective |
|----------|---------------------|---------|-----------|---------------|-------|-------------|-----------|-----------|
| Approval | by                  | Shares  | А         | mount         | Amoun | t per Share | Date      | Date      |
|          |                     |         | (Millions | (Thousands of | (Yen) | (U.S.       |           |           |
|          |                     |         | of yen)   | U.S. dollars) | , ,   | dollars)    |           |           |

### 13. Research and Development Expenses

Research and development expenses included in selling, general and administrative expenses and manufacturing costs were  $\pm 6,008$  million (\$63,883 thousand) and  $\pm 5,980$  million for the years ended March 31, 2013 and 2012, respectively.

# 14. Impairment Loss

| The Group recognized impairment | loss on the following | assets for the year | ended March 31 |
|---------------------------------|-----------------------|---------------------|----------------|
| 2013:                           |                       |                     |                |

| Location       | Type of assets                   | Item |
|----------------|----------------------------------|------|
| Tosu-shi, Saga | Business property (Flour milling |      |

### 15. Income Taxes (continued)

Disclosure of the reconciliation for the year ended March 31, 2012 has been omitted as the difference was less than 5% of the statutory tax rate.

### 16. Leases

The Group primarily leases information system equipment and software.

The following *pro forma* amounts represent the acquisition cost, accumulated depreciation and net book value of the leased assets at March 31, 2013 and 2012. Finance leases which had been entered into on or before March 31, 2008 and which do not transfer ownership of the leased property to the lessee are currently accounted for as operating leases:

|                      | 2013 |                 |      |           |       |         |     |      |                           |     |           |      |          |    |        |
|----------------------|------|-----------------|------|-----------|-------|---------|-----|------|---------------------------|-----|-----------|------|----------|----|--------|
|                      | -    | Millions of yen |      |           |       |         |     |      | Thousands of U.S. dollars |     |           |      |          |    |        |
|                      |      |                 |      |           | Accur | mulated |     |      | -                         |     |           | Accu | umulated |    |        |
|                      | Acqu | uisition        |      | ımulated  | Impa  | airment |     | Book | Acquisition               |     |           | Imp  | airment  |    | t Book |
|                      |      | Cost            | Dep  | reciation | L     | .OSS    | V   | alue | Cost                      | Dep | reciation |      | Loss     | \  | /alue  |
| Machinery, equipment |      |                 |      |           |       |         |     |      | •                         |     |           | _    |          |    |        |
| and vehicles         | ¥    | 1,284           | ¥    | 1,070     | ¥     | 126     | ¥   | 87   | \$ 13,655                 | \$  | 11,383    | \$   | 1,340    | \$ | 931    |
| Other                |      | 509             |      | 488       |       | 4       |     | 16   | 5,420                     |     | 5,194     |      | 49       |    | 176    |
| Total                | ¥    | 1,793           | ¥    | 1,559     | ¥     | 130     | ¥   | 104  | \$19,074                  | \$  | 16,577    | \$   | 1,390    | \$ | 1,108  |
|                      |      |                 |      |           |       |         |     |      |                           |     |           |      |          |    |        |
|                      |      |                 |      | 201       | 2     |         |     |      |                           |     |           |      |          |    |        |
|                      | -    |                 |      | Millions  | of ye | n       |     | _    |                           |     |           |      |          |    |        |
|                      |      |                 |      |           | Accur | mulated |     |      |                           |     |           |      |          |    |        |
|                      | Acqu | uisition        | Accu | ımulated  | Impa  | airment | Net | Book |                           |     |           |      |          |    |        |
|                      |      | Cost            | Dep  | reciation | L     | .oss    | V   | alue | _                         |     |           |      |          |    |        |
| Machinery, equipment |      |                 |      |           |       |         |     |      |                           |     |           |      |          |    |        |
| and vehicles         | ¥    | 1,696           | ¥    | 1,374     | ¥     | 131     | ¥   | 190  |                           |     |           |      |          |    |        |
| Other                |      | 1,180           |      | 1,049     |       | 45      |     | 85   | _                         |     |           |      |          |    |        |
| Total                | ¥    | 2,876           | ¥    | 2,423     | ¥     | 177     | ¥   | 276  | <u>.</u>                  |     |           |      |          |    |        |

The future minimum lease commitments under finance leases subsequent to March 31, 2013 are summarized as follows:

|                     |          |          | Thousa  | ands of U.S. |  |
|---------------------|----------|----------|---------|--------------|--|
|                     | Millions | s of yen | dollars |              |  |
| Due within one year | ¥        | 89       | \$      | 950          |  |
| Due after one year  |          | 47       |         | 505          |  |
| Total               | ¥        | 136      | \$      | 1,455        |  |

The balances of accumulated impairment loss on leased assets as of and for the years ended March 31, 2013 and 2012 were \(\pm\)32 million (\(\pm\)347 thousand) and \(\pm\)70 million, respectively. The reversal of accumulated impairment loss on leased assets for the years ended March 31, 2013 and 2012 were \(\pm\)38 million (\(\pm\)404 thousand) and \(\pm\)66 million, respectively.

Lease payments relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to  $\pm 211$  million (\$2,245 thousand) and  $\pm 374$  million for the years ended March 31, 2013

16. Leases (continued)

# 18. Per Share Data (continued)

The bases for calculating basic and diluted net income per share are as follows:

2013
2 Net income available for distribution to common 13,688 million shareholders

(b) Market value of financial instruments

### 19. Financial Instruments (continued)

Note 1: Valuation method for financial instruments and information of investment securities are as follows:

#### Assets

### Cash and deposits and Notes and accounts receivable - trade

The carrying value is deemed as the market value since these are scheduled to be settled in a short period of time.

### Short-term investment securities and investment securities

Market value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or the price provided by the correspondent financial institutions.

### Liabilities:

Notes and accountsg (eni)nD9IP16.56 -1n enf,4(c)4(ha)-5(3] 53U8] JE86.56 -1n )-6MCID 30<00B2>BDC 44.876 0 Td()Tj

### 20. Investment Securities

Investments in unconsolidated subsidiaries and affiliates included in Investment securities as of March 31, 2013 and 2012 amounted to  $\pm 23,810$  million (\$253,167 thousand) and  $\pm 15,995$  million, respectively.

There are no held-to-maturity securities at March 31, 2013.

Securities other than those of subsidiaries and affiliates classified as held-to-maturity securities at March 31, 2012 are summarized as follows:

(a) Information regarding held-to-maturity securities with fair market value

| 2012     |                 |            |  |  |  |
|----------|-----------------|------------|--|--|--|
|          | Millions of yen |            |  |  |  |
|          |                 | Unrealized |  |  |  |
| Carrying | Market          | Gains      |  |  |  |
| Value    | Value           | (Losses)   |  |  |  |

Securities whose market value exceeds their carrying value:

### 21. Cash and Cash Equivalents (continued)

(3) Assets and liabilities increased by transfer of business Major Components of assets and liabilities by the transfer of flour milling business division in New Zealand from Goodman Fielder New Zealand Ltd., which was acquired by Champion Flour Milling Ltd., which was newly established and details of the difference between the transfer costs of the business and net payment for the year ended March 31, 2013 are as follows:

|                 | Thousands of |
|-----------------|--------------|
| Millions of yen | U.S. dollars |
| 2013            |              |

# 22. Derivatives (continued)

|                             | 2012 |            |            |         |        |       |      |        |
|-----------------------------|------|------------|------------|---------|--------|-------|------|--------|
|                             |      |            | N          | 1illior | s of y | en    |      |        |
|                             |      | tract      |            |         |        |       |      |        |
|                             |      | ount       | Du<br>afte |         | Mar    | l. at | Hore | alized |
|                             |      | nd<br>ners | One \      |         | Val    |       |      | (Loss) |
| Foreign currency option:    |      |            |            |         |        |       |      |        |
| Buy:<br>Canadian dollars    | ¥    | 283        | ¥          | -       | ¥      | 5     | ¥    | 5      |
| Forward exchange contracts: |      |            |            |         |        |       |      |        |
| Sell:                       |      |            |            |         |        |       |      |        |
| U.S. dollars                | ¥    | 178        | ¥          | -       | ¥      | (8)   | ¥    | (8)    |
| Buy:                        |      |            |            |         |        |       |      |        |
| U.S. dollars                |      | 178        |            | -       |        | 4     |      | 4      |
| Euro<br>Japanese yen        |      | 6          |            | -       |        | (0)   |      | (0)    |

22. Derivatives (continued)

# 23. M&A Activity

For the year ended March 31, 2013

<Business combination by the acquisition>

### 23. M&A Activity (continued)

5. Details of the assets acquired and the liabilities undertaken at the acquisition date

|                        |       |            | Iho | usands of  |
|------------------------|-------|------------|-----|------------|
|                        | Milli | ons of yen | U.S | S. dollars |
|                        | 2     | 2013       |     | 2013       |
| Current assets         | ¥     | 1,076      | \$  | 11,441     |
| Noncurrent assets      |       | 2,466      |     | 26,229     |
| Total assets           | ¥     | 3,542      | \$  | 37,670     |
| Current liabilities    | ¥     | 37         | \$  | 399        |
| Noncurrent liabilities |       | 13         |     | 144        |
| Total liabilities      | ¥     | 51         | \$  | 543        |

6. Allocation of acquisition costs

Identification of assets and liabilities and calculation of market prices were in progress and the allocation of acquisition costs had not been completed as of March 31, 2013. As a result, accounting treatment has been undertaken on a provisional basis in accordance with readily available information at that time.

7. The impact of estimated amounts on the consolidated statements of income for the fiscal year under review on the assumption that the acquisition was completed on the commencement date of the consolidated fiscal year, and calculation methods

Estimated difference between net sales calculated on the assumption that the business acquisition was completed on the commencement date of the fiscal year and net sales recorded on the C

 $\label{eq:million} \mbox{ (\$106,326 thousand). E>8<04n-U\$lan at that 3>BDC 6371.116 0 Td() TjEMC/P <</Lang (en-US)/Islan at that 3>BDC 6371.116 0 Td() TjEMC/P <</Lang (en-US)/Islan at that 3>BDC 6371.116 0 Td() TjEMC/P <</Lang (en-US)/Islan at that 3>BDC 6371.116 0 Td() TjEMC/P <</Lang (en-US)/Islan at that 3>BDC 6371.116 0 Td() TjEMC/P <</Lang (en-US)/Islan at that 3>BDC 6371.116 0 Td() TjEMC/P <</Lang (en-US)/Islan at that 3>BDC 6371.116 0 Td() TjEMC/P <</Lang (en-US)/Islan at that 3>BDC 6371.116 0 Td() TjEMC/P <</Lang (en-US)/Islan at that 3>BDC 6371.116 0 Td() TjEMC/P <</Lang (en-US)/Islan at that 3>BDC 6371.116 0 Td() TjEMC/P <</Lang (en-US)/Islan at that 3>BDC 6371.116 0 Td() TjEMC/P <</Lang (en-US)/Islan at that 3>BDC 6371.116 0 Td() TjEMC/P <</Lang (en-US)/Islan at that 3>BDC 6371.116 0 Td() TjEMC/P <</Lang (en-US)/Islan at that 3>BDC 6371.116 0 Td() TjEMC/P <</Lang (en-US)/Islan at that 3>BDC 6371.116 0 Td() TjEMC/P <</Lang (en-US)/Islan at that 3>BDC 6371.116 0 Td() TjEMC/P <</Li>$ 

# 23. M&A Activity (continued)

| Millions of yen | U.S. dollars |
|-----------------|--------------|
| 2013            | 2013         |

Current assets

### 23. M&A Activity (continued)

5. Details of the assets acquired and the liabilities undertaken at the acquisition date

|                        | Milli | ons of yen |
|------------------------|-------|------------|
|                        | 2     | .012       |
| Current assets         | ¥     | 4,404      |
| Noncurrent assets      |       | 2,482      |
| Total assets           | ¥     | 6,886      |
|                        |       |            |
| Current liabilities    | ¥     | 3,528      |
| Noncurrent liabilities |       | 1,582      |
| Total liabilities      | ¥     | 5,111      |

6. Allocation of acquisition costs

The allocation of acquisition costs had not been completed as of the end of the fiscal year. As a result, accounting treatment has been undertaken on a provisional basis in accordance with readily available information at that time.

7. The impact of estimated amounts on the consolidated statements of income for the fiscal year under review on the assumption that the acquisition11(bl)7(of)-7()5(i)8(rd)-2q243

### 25. Related Party Transactions

Related party transactions for the year ended March 31, 2013 are as follows:

| Category     | Related part                | y Location                                  | Capital                               | Details of business                 | Ownership<br>(Owned) ratio<br>( ) | Relationship  |
|--------------|-----------------------------|---|---------------------------------------|-------------------------------------|-----------------------------------|---|
| Affiliates   | TOKATU<br>FOODS CO.<br>LTD. | Kohoku ward,<br>, Yokohama-shi,<br>Kanagawa | ¥100 million<br>(\$1,063<br>thousand) | Food<br>manufacturi<br>ng and sales | Own<br>Direct 49.00               | Concurrent<br>officers and<br>temporary<br>assignment |
| Details of t | ransaction_                 | Transaction amount                          | _                                     |                                     |                                   |   |
| Collateral   | deposit (Note)              | ¥10,000 million<br>(\$106,326 thousand)     |                                       |                                     |                                   |   |

Note: The Company provided shares of TOKATU FOODS CO., LTD. as third party mortgage to collateralize loans payable from financial institutions of TOKATU FOODS CO., LTD. Transaction amount shows outstanding balance of the loans payable as of March 31, 2013.

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# 26. Segment Information (continued)

3. Net sales, income, assets and other items by reportable segment

|   |                  |                   |          | Millions of yen |       |             |              |
|---|------------------|-------------------|----------|-----------------|-------|-------------|--------------|
|   | '-               |                   |          | 2013            |       |             |              |
|   | Re               | portable segm     | ent      |                 |       |             |              |
|   | Flour<br>Milling | Processed<br>Food | Subtotal | Other           | Total | Adjustments | Consolidated |
| Net Sales:<br>Sales to external customers | ¥ 179,127        | ¥ 232,867         | ¥        |                 |       |             |              |

### 26. Segment Information (continued)

- 2. Adjustments of segment income (loss) refer to elimination of intersegment transactions. Adjustments of segment assets amounted to ¥105,067 million (\$1,117,147 thousand) and ¥96,764 million for the years ended March 31, 2013 and 2012, respectively, consisted primarily of the Company's surplus funds (cash and deposits and short-term investment securities) and investment securities.
- 3. Segment income (loss) is adjusted to operating income on the consolidated statements of income.
- 4. Geographic information
- (1) Sales

Geographic information about sales has been omitted since sales to external customers in Japan constituted more than 90% of net sales on the consolidated statements of income.

(2) Property, plant and equipment

|           |                 | 2013      |              |                  |              |
|-----------|-----------------|-----------|--------------|------------------|--------------|
|           | Millions of yen |           | Thous        | sands of U.S. do | ollars       |
| Japan     | Other areas     | Total     | Japan        | Other areas      | Total        |
| ¥ 108,177 | ¥ 12,798        | ¥ 120,975 | \$ 1,150,211 | \$ 136,080       | \$ 1,286,291 |

Geographic information about property, plant and equipment for the year ended March 31, 2012 has been omitted since property, plant and equipment in Japan constituted more than 90% of property, plant and equipment on the consolidated balance sheet as of March 31, 2012.

5. Information about major customers ye-10n(P <</P <</Lang (en-US)/MCID 121 >>BDC 87EMC6.7q7337.378.\*21)1681137 3 0MC Q

# 26. Segment Information (continued)

7. Information about amortization and unamortized balance of goodwill by reportable segment

|    | 2013   |          |          |       |         |              |         |  |
|----|--------|----------|----------|-------|---------|--------------|---------|--|
|    | N      | /lillion | s of yen |       | Thous   | ands of U.S. | dollars |  |
| FI | our    |          |          |       | Flour   |              |         |  |
| M  | illing | Ot       | her      | Total | Milling | Other        | Total   |  |
| ¥  | 306    | ¥        | 24       |       |         |              |         |  |

Amortization