

Summary of Consolidated Financial Results
For the Nine Months Ended December 31, 2014 (Based on Japanese GAAP)

February 3, 2015

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 Stock code: 2114 <http://www.fnsugar.co.jp>
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 Planned date for submission of quarterly report: February 12, 2015
 Preparation of supplementary material for quarterly financial statements: None
 Briefing session for quarterly financial statements: None

(Amounts are rounded down to the nearest 1 million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2014 (from April 1, 2014 to December 31, 2014)

(1) Consolidated Results of Operations (Percentages are year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2014	14,626	(5.1)	701	(15.6)	899	(5.4)	584	3.8
Nine months ended December 31, 2013	15,413	1.1	830	(14.7)	951	(10.0)	563	(14.0)

Note: Comprehensive income

Nine months ended December 31, 2014: 1,057 million yen (up 33.1%) Nine months ended December 31, 2013: 794 million yen (down 5.2%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended December 31, 2014	21.78		—	
Nine months ended December 31, 2013	20.96		—	

(2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	
	Million yen		Million yen		%	
As of December 31, 2014	22,541		15,684		67.9	
As of March 31, 2014	21,370		14,821		67.6	

(Reference) Equity capital: As of December 31, 2014: 15,295 million yen As of March 31, 2014: 14,435 million yen

2. Cash Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year end	Total
Year ended March 31, 2014	—	0.00	—	9.00	9.00
Year ending March 31, 2015	—	0.00			
Year ending March 31, 2015 (forecast)				9.00	9.00

Note: Revision of the dividend forecast announced most recently: None

3. Consolidated Business Forecasts for Year Ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Percentages are year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Full year	21,000	4.2	850	4.9	960	(3.1)	600	0.9	22.34

Note: Revision of the business forecasts announced most recently: None

※ Notes

(1) Significant changes in subsidiaries during the nine months of fiscal year 2015

(Change in specified subsidiaries resulting in change of scope of consolidation): None

(2) Application of accounting method unique to preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policy and accounting estimates and restatement

(i) Changes in accounting policy due to any revision of accounting standards: Yes

(ii) Changes in accounting policy other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of outstanding shares (common shares)

(i) Number of outstanding shares at period end
(including treasury stock)

As of December 31, 2014	29,748,200 shares	As of March 31, 2014	29,748,200 shares
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(ii) Number of treasury stock at period end

As of December 31, 2014	2,892,459 shares	As of March 31, 2014	2,889,839 shares
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(iii) Average number of shares during period
(from the beginning of fiscal year to period end)

As of December 31, 2014	26,857,813 shares	As of December 31, 2013	26,880,812 shares
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※ Implementation of quarterly review procedure:

This summary is not subject to quarterly review procedure under the Financial Instruments and Exchange Law. At the time of this document's release, review of the quarterly financial statements under the Financial Instruments and Exchange Law had not been completed.

※ Explanation on appropriate use of business forecasts, and other special notes:

Business forecasts and other forward-looking statements contained in this report and supplementary materials are based on information currently available to the Company and on certain assumptions deemed as rational, and are not intended to guarantee the achievements by the Company. Actual results may differ significantly from such forecasts due to various factors. For preconditions used for business forecasts and notes in using such forecasts, please refer to "(3) Qualitative information regarding consolidated business forecasts" in "1. Qualitative Information Regarding the Results for the First nine Months of Fiscal Year 2015" on page 3 of the Appendix.

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1. Qualitative Information Regarding the Results for the First Nine Months of Fiscal Year 2015

(1) Qualitative information regarding consolidated operating results

During the nine months of fiscal year 2015, the Japanese economy continued modest recovery trend due to the improved corporate performance and employment situation by the effect of the economic and financial policies by the government although shown the some economic downturn by the consumption tax increase and price increase of raw material by weak yen.

Under these economic environments, the Group made efforts to maintain the stable and constant supply as the top priority. Our subsidiary, Fuji Nihon Thai Inulin Co., Ltd. for produce and sell “Inulin”, especially focused to improve and maintain quality and trained the local staff for stable and constant supply.

As a result, consolidated net sales for the nine months of fiscal year 2015, decreased 5.1 % year on year to 14,626 million yen, operating income decreased 15.6% year on year to 701 million yen, ordinary income decreased 5.4% year on year to 899 million yen, net income increased 3.8% year on year to 584 million yen.

Operating results of each segment is as follows:

① Sugar Business

Consolidated net sales decreased 7.4% year on year to 9,515 million yen. Operating income decreased 2.0% year on year to 930 million yen. The sales volume moved sluggish for confectionary and beverage due to consumption tax increase and unseasonable weather in summer. The sales revenue was less than the previous year due to decline of sales volume of soft white sugar and liquid sugar and also expected autumn demand was not happened, even though unit sales price was up by effort of profitable sales.

Operating income decreased due to decrease of sales volume although sales activity focused to commercially viable business operation and reduce manufacturing cost.

② Functional Materials Business

Consolidated net sales decreased 0.6% year on year to 4,622 million yen. Operating loss was 117 million yen (previous fiscal year operating income 14 million yen). The sales revenue remained same with year on year. Sales volume of functional food “Inulin” decreased slightly year on year. It started import from consolidated subsidiary company in Thailand, Fuji Thai Inulin Co.,Ltd.(hereinafter called “FTI”) latter half of the nine months of fiscal year 2015, but it didn't contribute to increase sales revenue. Also under sluggish trend of flower business and by consumption tax increase, sales volume of floral preservatives “Keep Flower” decreased year on year. The Unitec Foods Co., Ltd. (consolidated subsidiary) increased sales profit by sales expansion of their main products, gelatin, but decreased sales revenue year on year due to sluggish OEM consignment. The loss of Fuji Nihon Thai Inulin Co., Ltd. (consolidated subsidiary) increased due to further expense for the stable operation, even though production was started, caused decline of income of Functional Materials Business.

③ Real Estate Business

Consolidated net sales decreased 0.4% year on year to 448 million yen, Operating income increased 1.7% year on year to 398 million yen. The rate of operation and maintenance cost of the Division remained same with year on year, contributed to obtaining stable profits.

(2) Qualitative information regarding consolidated financial position

Total assets as of December 31, 2014 increased by 5.5% compared to the end of the previous year to 22,541 million yen.

The change situation of financial position of the first nine months of fiscal year 2015 is as follows:

①Assets

Current assets increased by 3.2% compared to the end of the previous fiscal year to 8,856 million yen. This was mainly due to increase of notes and accounts receivable-trade and inventory.

Fixed assets, increased by 7.0% compared to the end of the previous fiscal year to 13,684 million yen. This was mainly due to increase of investment securities and so on.

②Liabilities

Current liabilities decreased by 0.2% compared to the end of the previous fiscal year to 3,730 million yen. This was mainly due to decrease of notes and accounts payable-trade.

Non-current liabilities increased by 11.2% compared to the end of the previous fiscal year to 3,126 million yen. This was mainly due to increase of long-term loans payable and deferred tax liability including in non-current liability "Other" and so on.

③Net assets

Net assets increased by 5.8% compared to the end of the previous fiscal year to 15,684 million yen. This was mainly due to increase of retained earnings by an increase of valuation difference on available-for-sales securities and net income was recorded.

(3) Qualitative information regarding consolidated business forecasts

Business is proceeding largely in line with plans during the fiscal year 2015. There are no changes to full-year forecasts issued on April 30, 2014.

The forecasted financial results described in based on information available at the time of announcement. Actual results may differ from such forecasts due to various factors.

2. Matters Regarding Summary Information (Notes)

(1) Significant changes in subsidiaries during the first nine months of fiscal year 2015

None

(2) Application of accounting method unique to preparation of quarterly consolidated financial statements

None

(3) Changes in accounting policy and accounting estimates and restatement

(Changes in accounting policy)

The Company has applied the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No.26, May 17, 2012; the "Retirement Benefit Accounting Standard") and Guidance on Accounting Standard for Retirement Benefit (ASBJ Guidance No.25, May 17, 2012; the "Retirement Benefit Accounting Guidance"), the stipulations of the body text of Article 35 of the Retirement Benefit Accounting Standard and the body text of Article 67 of the Retirement Benefit Accounting Guidance, from the fiscal year ended June 30, 2014, reconsider the method of calculation of retirement benefit and employment cost, changed period method for retirement benefit from fixed amount standard to benefit formula, changed decision method of discount rate from the decision method of the period of credit basis on discount rate as basis on the year approximation with the average remaining years of service of employees to the method of usage of single

weighted average discount rate reflected the amount of estimate payment period of retirement benefit and per amount of estimate payment period of retirement benefit.

In accordance with the transitional treatment stipulated by Article 37 of the Retirement Benefit Accounting Standard, as of December 31, 2014, the amounts of impacts resulting from the application of Retirement Benefit Accounting Standard, etc., were added to, or deducted from, remeasurements of defined benefit plans in accumulated other comprehensive income.

As a result, defined benefit liability for the end of fiscal year 2014 decreased 73,818 thousands yen, retained earnings increased 47,538 thousands yen. The influence of this changes to operating income, ordinary income and net income for the First Nine Months of Fiscal Year 2015 was small.

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Thousand yen)

	Fiscal 2014 (As of March 31, 2014)	Third quarter of Fiscal 2015 (As of December 31, 2014)
Assets		
Current assets		
Cash and deposits	2,111,695	1,802,262
Notes and accounts receivable-trade	2,451,842	2,635,227
Short-term investment securities	385,719	377,585
Merchandise and finished goods	1,279,058	1,836,569
Work in process	109,595	159,235
Raw materials and supplies	1,097,743	914,127
Other	1,152,281	1,135,274
Allowance for doubtful accounts	(3,282)	(3,989)
Total current assets	8,584,653	8,856,292
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	679,664	1,055,425
Machinery, equipment and vehicles, net	158,279	1,709,821
Land	2,048,834	2,048,834
Construction in progress	1,658,701	9,245
Other, net	91,041	106,144
Total property, plant and equipment	4,636,521	4,929,472
Intangible assets		
Goodwill	685,798	604,806
Other	99,888	91,104
Total intangible assets	785,686	695,911
Investments and other assets		
Investment securities	5,153,069	5,824,959
Long-term loans receivable from subsidiaries and affiliates	1,980,852	2,011,052
Other	293,532	280,161
Allowance for doubtful accounts	(64,140)	(56,718)
Total investments and other assets	7,363,312	8,059,454
Total noncurrent assets	12,785,521	13,684,839
Total assets	21,370,175	22,541,131

(Thousand yen)

	Fiscal 2014 (As of March 31, 2014)	Third quarter of Fiscal 2015 (As of December 31, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,505,769	1,291,787
Short-term loans payable	1,182,696	1,267,846
Income taxes payable	203,136	138,300
Provision for bonuses	110,896	50,513
Provision for directors' bonuses	9,100	—
Other	725,019	981,664
Total current liabilities	3,736,618	3,730,111
Noncurrent liabilities		
Long-term loans payable	1,551,216	1,749,316
Provision for director's retirement benefits	183,175	176,816
Defined benefit liability	203,125	54,607
Asset retirement obligations	66,603	63,895
Other	807,716	1,082,007
Total noncurrent liabilities	2,811,837	3,126,643
Total liabilities	6,548,455	6,856,754
Net assets		
Shareholders' equity		
Capital stock	1,524,460	1,524,460
Capital surplus	2,530,171	2,530,171
Retained earnings	10,016,829	10,407,480
Treasury stock	(714,805)	(715,708)
Total shareholders' equity	13,356,655	13,746,402
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,020,619	1,417,191
Foreign currency translation adjustment	77,752	147,994
Remeasurements of defined benefit plans	(19,219)	(16,159)
Total accumulated other comprehensive income	1,079,152	1,549,027
Minority interests	385,910	388,946
Total net assets	14,821,719	15,684,376
Total liabilities and net assets	21,370,175	22,541,131

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income
Quarterly consolidated statements of income
First nine months of fiscal year 2014 and 2015

(Thousand yen)

	First nine months of fiscal year 2014 (From April 1, 2013 to December 31, 2013)	First nine months of fiscal year 2015 (From April 1, 2014 to December 31, 2014)
Net sales	15,413,163	14,626,881
Cost of sales	12,029,060	11,532,228
Gross profit	3,384,102	3,094,652
Selling, general and administrative expenses	2,553,123	2,393,497
Operating income	830,979	701,154
Non-operating income		
Interest income	35,613	32,542
Dividends income	47,619	49,869
Foreign exchange gains	1,914	57,083
Equity in earnings of affiliates	34,894	58,701
Other	18,212	31,728
Total non-operating income	138,254	229,925
Non-operating expenses		
Interest expenses	16,134	28,327
Other	2,099	3,034
Total non-operating expenses	18,233	31,361
Ordinary income	951,000	899,719
Extraordinary income		
Gain on sales of investment securities	11,540	—
Total extraordinary income	11,540	—
Extraordinary loss		
Loss on retirement of noncurrent assets	2,091	125
Loss on valuation of investment securities	3,739	445
Total extraordinary loss	5,830	570
Income before income taxes	956,710	899,148
Income taxes-current	362,483	319,683
Income taxes-deferred	49,709	47,888
Total income taxes	412,192	367,572
Income before minority interests	544,517	531,576
Minority interests in loss	(18,993)	(53,260)
Net income	563,511	584,836

Quarterly consolidated statements of comprehensive income
 First nine months of fiscal year 2014 and 2015

(Thousand yen)

	First nine months of fiscal year 2014 (From April 1, 2013 to December 31, 2013)	First nine months of fiscal year 2015 (From April 1, 2014 to December 31, 2014)
Income before minority interests	544,517	531,576
Other comprehensive income		
Valuation difference on available-for-sale securities	247,898	396,572
Foreign currency translation adjustment	(132)	125,103
Remeasurements of defined benefit plans	—	3,060
Share of associates accounted for using equity method	2,187	1,435
Total other comprehensive income	249,953	526,170
Comprehensive income	794,471	1,057,746
Comprehensive income attributable to:		
Owners of the parent	813,524	1,054,710
Minority interests	(19,053)	3,036

(3) Notes to consolidated financial statements

(Notes on assumptions of a going concern)

None

(Note on occurrence of significant changes to shareholder's equity)

None

(Segment information)

I First nine months of fiscal 2014 (from April 1, 2013 to December 31, 2013)

1. Information on net sales, income/loss by each reportable segment

(Thousand yen)

	Reportable Segment				Adjustments ※1	Amount recorded in quarterly consolidated income statements ※2
	Sugar Business	Functional Materials Business	Real Estate Business	Total		
Net sales						
Net sales to third-party customers	10,272,027	4,690,885	450,249	15,413,163	—	15,413,163
Intersegment net sales and transfer	6,582	7,146	832	14,561	(14,561)	—
Total	10,278,610	4,698,032	451,082	15,427,725	(14,561)	15,413,163
Segment profit	950,235	14,040	392,106	1,356,382	(525,402)	830,979

Notes: 1 Adjustment for segment income of (525,402) thousand yen is general and administrative expenses of administrative department and research and development department which do not belong to the report segment.
2 Segment incomes are adjusted against the operating income recorded in the consolidated income statement.

II First nine months of fiscal 2015 (from April 1, 2014 to December 31, 2014)

1. Information on net sales, income/loss by each reportable segment

(Thousand yen)

	Reportable Segment				Adjustments ※1	Amount recorded in consolidated income statements ※2
	Sugar Business	Functional Materials Business	Real Estate Business	Total		
Net sales						
Net sales to third-party customers	9,515,982	4,662,544	448,353	14,626,881	—	14,626,881
Intersegment net sales and transfer	—	—	1,240	1,240	(1,240)	—
Total	9,515,982	4,662,544	449,594	14,628,122	(1,240)	14,626,881
Segment profit (loss)	930,962	(117,686)	398,797	1,212,074	(510,919)	701,154

Notes: 1 Adjustment for segment income of (510,919) thousand yen is general and administrative expenses of administrative department and research and development department which do not belong to the report segment.
2 Segment incomes are adjusted against the operating income recorded in the consolidated income statement.