

Summary of Consolidated Financial Results  
For the Six Months Ended September 30, 2015 (Based on Japanese GAAP)

October 30, 2015

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 Stock code: 2114 <http://www.fnsugar.co.jp>  
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 Planned date for submission of quarterly report: November 9, 2015  
 Preparation of supplementary material for quarterly financial statements: None  
 Briefing session for quarterly financial statements: None

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2015 (from April 1, 2015 to September 30, 2015)

(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	%
Six months ended September 30, 2015	9,962	1.4	605	64.9	584	17.8	385	15.2
Six months ended September 30, 2014	9,826	(3.4)	366	(34.6)	496	(20.2)	335	(11.4)

Note: Comprehensive income

Six months ended September 30, 2015: (61) million yen (-) Six months ended September 30, 2014: 518 million yen (down 1.7%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six months ended September 30, 2015	14.37		—	
Six months ended September 30, 2014	12.48		—	

(2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	
	Million yen		Million yen		%	
As of September 30, 2015	22,187		15,802		70.1	
As of March 31, 2015	22,963		16,106		68.5	

(Reference) Equity capital: As of September 30, 2015: 15,542 million yen As of March 31, 2015: 15,721 million yen

2. Cash Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year end	Total
Year ended March 31, 2015	—	0.00	—	9.00	9.00
Year ending March 31, 2016	—	0.00			
Year ending March 31, 2016 (forecast)				9.00	9.00

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

3. Consolidated Business Forecasts for Year Ending March 31, 2016 (From April 1, 2015 to March 31, 2016)

(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	20,000	5.1	950	47.1	1,000	15.7	600	5.6	22.34	

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

※ Notes

- (1) Significant changes in subsidiaries during the first six 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 September 30, 2015	29,748,200 shares	As of March 31, 2015	29,748,200 shares
(ii) Number of treasury stock at period end	As of September 30, 2015	2,895,348 Shares	As of March 31, 2015	2,893,848 shares
(iii) Average number of shares during period (from the beginning of fiscal year to period end)	As of September 30, 2015	26,853,438 shares	As of September 30, 2014	26,858,308 shares

※ 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 six Months of Fiscal Year 2015" on page 3 of the Appendix.

○ Appendix

1. Qualitative Information Regarding the Results for the First Six Months of Fiscal Year 2015.....	2
(1) Qualitative information regarding consolidated operating results .....	2
(2) Qualitative information regarding consolidated financial position .....	2
(3) Qualitative information regarding consolidated business forecasts .....	3
2. Matters Regarding Summary Information (Notes) .....	3
(1) Significant change in subsidiaries during the first six months of fiscal year 2015.....	3
(2) Application of accounting method unique to preparation of quarterly consolidated financial statements .....	3
(3) Change in accounting policy and accounting estimates and restatement .....	3
3. Quarterly Consolidated Financial Statements .....	4
(1) Quarterly consolidated balance sheets .....	4
(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income .....	6
(3) Quarterly consolidated statements of cash flow .....	8
(4) Notes on quarterly consolidated financial statements .....	10
(Notes on assumptions of a going concern) .....	10
(Notes on occurrence of significant changes to shareholder's equity) .....	10
(Segment information) .....	10

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

### (1) Qualitative information regarding consolidated operating results

During the first six months of fiscal year 2015, the Japanese economy continued to recover at moderate pace overall, reflecting a recovery in corporate earnings and employment environment by the result of economic and financial policies of the government, even after international affairs effected by decelerating Chinese and Asia Newly Emerging Forces economy.

In the sugar refining industry, a number of factors still appear to be continued though selling environment caused by penetration of pre-mixed sugar, isomerized sugar and other sweeteners.

Under these economic environments, the Group made efforts to maintain strict quality control and improve customer satisfaction, keeping stable supply of sugar, as main products, and promoting sales of functional food by value added proposal.

As a result, consolidated net sales for the first six months of fiscal year 2015, increased 1.4 % year on year to 9,962 million yen, operating income increased 64.9 % year on year to 605 million yen, ordinary income increased 17.8 % year on year to 584 million yen, profit attributable to owners of parent increased 15.2 % year on year to 385 million yen.

Operating results of each segment is as follows:

#### ① Sugar Business

Regarding the Sugar Business, under the weather has being bad condition with long rainfall term after extremely hot summer season, sales volume to flavor increased but to confectionery and beverage moved sluggish. Sales volume of soft white sugar and liquid sugar were less than the previous fiscal year, but the Company worked to efficient raw sugar procurement and saving production cost.

As a result of the above, the Sugar Business reported net sales decreased 2.2 % year on year to 6,199 million yen and operating income increased 20.5 % year on year to 705 million yen.

#### ② Functional Materials Business

Sales of the Functional Food “Inulin” decreased because of number of adopted new users were increased but sales volumes of big users were stalled. In profit, our subsidiary, Fuji Nihon Thai Inulin Co.,Ltd. shows operating loss due to less operation rate of the factory by taking time to stabilize quality. Consolidated subsidiary Unitec Foods Co.,Ltd. shows big increase of sales and profit by the result of sales promotion and adopted new users of main product pectin and gelatin.

As a result, the Functional Materials Business reported net sales of 3,464 million yen (fiscal 2015: increased 8.7 %) and operating loss improved as of 14 million yen (fiscal 2015: 144 million yen).

#### ③ Real Estate Business

The Real Estate Business reported net sales decreased 0.4 % year on year to 297 million yen, operating decreased 1.9 % year on year to 260 million yen. It contributions of stabilize earnings even though maintenance and operation cost increased.

### (2) Qualitative information regarding consolidated financial position

Total assets as of September 30, 2015 decreased by 3.4 % compared to the end of the previous year to 22,187 million yen.

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

#### ① Assets

Current assets decreased by 0.3 % compared to the end of the previous fiscal year to 8,773 million yen. This was mainly due to decrease of merchandise and finished goods and raw materials and supplies.

Fixed assets, decreased by 5.3 % compared to the end of the previous fiscal year to 13,413 million yen. This was mainly due to decrease of machinery, equipment and vehicles, net and investment securities and so on.

#### ② Liabilities

Current liabilities decreased by 4.3 % compared to the end of the previous fiscal year to 3,794 million yen. This was mainly due to decrease of notes and accounts payable trade.

Non-current liabilities decreased by 10.5 % compared to the end of the previous fiscal year to 2,590 million yen. This was mainly due to decrease of long-term loans payable and deferred tax liability including in non-current liability “Other “and so on.

#### ③ Net assets

Net assets decreased by 1.9 % compared to the end of the previous fiscal year to 15,802 million yen. This was mainly due to decrease of valuation difference on available for sales securities even after recorded profit attributable to owners of parent.

(Cash flow)

Cash and cash equivalents (hereinafter called “Funds”) as of September 30, 2015 increased 461 million yen from the end of the previous fiscal year to 2,652 million yen.

Changes in cash flow for fiscal 2014 and reasons are as follows.

① Cash flow from operating activities

As of September 30, 2015, the funds acquired from operating activities amounted to 834 million yen (fiscal 2014: paid 44 million yen). This mainly reflected income before income taxes were recorded and a decrease by inventories.

② Cash flow from investing activities

As of September 30, 2015, investing activities caused fund to increase in the amount 130 million yen (fiscal 2014: increased 0.5 %). This mainly reflected payments for acquiring property, plant and equipment and long-term loans receivable.

③ Cash flow from financing activities

As of September 30, 2015, financing activities caused funds is 239 million yen (fiscal 2014: increased 114.7 %). This mainly reflected cash used for dividend and repayment of long-term loans payable.

(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, 2015.

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 six 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 Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No.21, September 13, 2013) the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22, September 13, 2013), and the “Accounting Standard for Business Divestitures” (ASBJ Statement No.7, September 13, 2013) from the first quarter of the current fiscal year. The presentation method for “net income” was changed, and references to “minority interests” were changed to “non-controlling interests.” To reflect these changes, the Company has reclassified its quarterly and full-year consolidated financial statements for the second quarter of the previous fiscal year and the previous fiscal year.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly consolidated balance sheets

(Thousand yen)

	Fiscal 2014 (As of March 31, 2015)	Second quarter of Fiscal 2015 (As of September 30, 2015)
<b>Assets</b>		
Current assets		
Cash and deposits	1,815,136	2,329,848
Notes and accounts receivable-trade	2,396,935	2,419,392
Short-term investment securities	378,313	323,070
Merchandise and finished goods	1,508,955	1,263,771
Work in process	431,339	398,392
Raw materials and supplies	1,072,632	797,663
Other	1,204,313	1,245,481
Allowance for doubtful accounts	(3,393)	(3,888)
Total current assets	8,804,233	8,773,732
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	1,036,414	961,116
Machinery, equipment and vehicles, net	1,695,551	1,427,705
Land	2,048,834	2,048,834
Other, net	97,462	142,255
Total property, plant and equipment	4,878,263	4,579,911
Intangible assets		
Goodwill	577,809	523,814
Other	87,228	79,044
Total intangible assets	665,037	602,859
Investment and other assets		
Investment securities	6,383,613	5,933,479
Long-term loans receivable from subsidiaries and affiliates	2,009,124	2,068,445
Net defined benefit assets	-	6,231
Other	273,976	267,171
Allowance for doubtful accounts	(50,589)	(44,182)
Total investments and other assets	8,616,124	8,231,145
Total noncurrent assets	14,159,425	13,413,917
Total assets	22,963,658	22,187,649

(Thousand yen)

	Fiscal 2014 (As of March 31, 2015)	Second quarter of Fiscal 2015 (As of September 30, 2015)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	1,324,447	1,020,560
Short-term loans payable	1,360,947	1,430,312
Income taxes payable	209,316	297,722
Provision for bonuses	99,733	103,735
Other	969,359	942,348
Total current liabilities	3,963,805	3,794,679
Noncurrent liabilities		
Long-term loans payable	1,466,481	1,308,993
Provision for director's retirement benefits	183,039	160,209
Net defined benefit liability	6,018	-
Asset retirement obligations	64,051	64,369
Other	1,174,119	1,056,534
Total noncurrent liabilities	2,893,710	2,590,105
Total liabilities	6,857,515	6,384,785
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,524,460	1,524,460
Capital surplus	2,530,171	2,530,171
Retained earnings	10,391,064	10,535,301
Treasury stock	(716,247)	(716,813)
Total shareholders' equity	13,729,448	13,873,119
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,827,960	1,549,128
Foreign currency translation adjustment	152,501	108,001
Remeasurements of defined benefit plans	11,803	12,245
Total accumulated other comprehensive income	1,992,264	1,669,375
Non-controlling interests	384,430	260,369
Total net assets	16,106,143	15,802,863
Total liabilities and net assets	22,963,658	22,187,649

## (2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

## Quarterly consolidated statements of income

The first six months of fiscal year 2014 and 2015

(Thousand yen)

	First six months of fiscal year 2014 (From April 1, 2014 to September 30, 2014)	First six months of fiscal year 2015 (From April 1, 2015 to September 30, 2015)
Net sales	9,826,474	9,962,862
Cost of sales	7,880,672	7,722,483
Gross profit	1,945,801	2,240,379
Selling, general and administrative expenses	1,578,864	1,635,237
Operating income	366,937	605,142
Non-operating income		
Interest income	21,821	20,939
Dividends income	31,495	32,856
Foreign exchange gains	30,027	-
Equity in earnings of affiliates	40,003	-
Other	25,753	21,151
Total non-operating income	149,102	74,947
Non-operating expenses		
Interest expenses	18,199	18,139
Foreign exchange losses	-	63,952
Equity in losses of affiliates	-	6,919
Other	1,260	6,248
Total non-operating expenses	19,460	95,258
Ordinary income	496,578	584,831
Extraordinary income		
Gain on sales of investment securities	-	1,770
Total extraordinary income	-	1,770
Extraordinary loss		
Loss on retirement of noncurrent assets	125	159
Loss on valuation of investment securities	355	-
Total extraordinary loss	480	159
Income before income taxes	496,098	586,441
Income taxes-current	213,831	298,295
Income taxes-deferred	17,673	(10,127)
Total income taxes	231,504	288,167
Net income	264,593	298,273
Loss attributable to non-controlling interests	(70,522)	(87,651)
Profit attributable to owners of parent	335,115	385,925



Quarterly consolidated statements of comprehensive income

The first six months of fiscal year 2014 and 2015

(Thousand yen)

	First six months of fiscal year 2014 (From April 1, 2014 to September 30, 2014)	First six months of fiscal year 2015 (From April 1, 2015 to September 30, 2015)
Net Income	264,593	298,273
Other comprehensive income		
Valuation difference on available-for-sale securities	200,459	(278,831)
Foreign currency translation adjustment	50,858	(80,908)
Remeasurements of defined benefit plans	2,040	442
Share of associated accounted for using equity method	805	-
Total other comprehensive income	254,164	(359,298)
Comprehensive income	518,757	(61,024)
Comprehensive income attributable to:		
Owners of the parent	566,393	63,036
Non-controlling interests	(47,635)	(124,060)

## (3) Quarterly consolidated statement of cash flow

(Thousand yen)

	First six months of fiscal year 2014 (From April 1, 2014 to September 30, 2014)	First six months of fiscal year 2015 (From April 1, 2015 to September 30, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes	496,098	586,441
Depreciation and amortization	156,374	168,000
Amortization of goodwill	53,994	53,994
Increase (decrease) in provision for bonuses	(10,042)	4,002
Increase (decrease) in provision for directors' bonuses	(9,100)	-
Increase (decrease) in allowance for doubtful accounts	(6,899)	(5,912)
Increase (decrease) in provision for directors' retirement benefits	(12,582)	(22,830)
Net defined benefit liability	(45,380)	-
Net defined benefit asset	-	(11,595)
Interest and dividends income	(53,317)	(53,796)
Interest expenses	18,199	18,139
Foreign exchange losses (gains)	(26,975)	63,127
Equity (earnings) losses of affiliates	(40,003)	6,919
Loss (gain) on sales of investment securities	-	(1,770)
Loss (gain) on valuation of investment securities	355	-
Loss on retirement of noncurrent assets	125	159
Decrease (increase) in notes and accounts receivable-trade	82,925	(22,768)
Decrease (increase) in inventories	(43,284)	526,878
Decrease (increase) in other current assets	6,028	(2,520)
Increase (decrease) in notes and accounts payable-trade	(511,095)	(303,306)
Increase (decrease) in other current liabilities	35,848	(19,648)
Other, net	11,540	5,608
Subtotal	102,809	989,124
Interest and dividends income received	78,924	78,345
Interest expenses paid	(17,387)	(16,934)
Income taxes paid	(209,083)	(216,202)
Net cash provided (used in) operating activities	(44,737)	834,332
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	-	2,000
Purchase of property, plant and equipment	(88,233)	(57,097)
Purchase of intangible assets	(822)	(1,700)
Purchase of investment securities	(650)	(654)
Proceeds from sales and redemption of investment securities	-	10,187
Collection of long-term loans receivable	490,027	506,722
Payments of long-term loans receivable	(530,000)	(573,232)
Other, net	-	(16,611)
Net cash provided by (used in) investing activities	(129,679)	(130,386)

(Thousand yen)

	First six months of fiscal year 2014 (From April 1, 2014 to September 30, 2014)	First six months of fiscal year 2015 (From April 1, 2015 to September 30, 2015)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	29,200	182,310
Proceeds from long-term loans payable	172,624	-
Repayment of long-term loans payable	(71,348)	(179,097)
Purchase of treasury stock	(63)	(565)
Cash dividends paid	(241,725)	(241,689)
Net cash provided (used in) financing activities	(111,312)	(239,042)
Effect of exchange rate change on cash and cash equivalents	4,315	(3,435)
Net increase (decrease) in cash and cash equivalents	(281,413)	461,468
Cash and cash equivalents at beginning of period	2,495,415	2,191,450
Cash and cash equivalents at end of period	2,214,001	2,652,919

(4) Notes on 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 The first six months of fiscal 2014 (From April 1, 2014 to September 30, 2014)

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	6,339,046	3,188,281	299,146	9,826,474	—	9,826,474
Intersegment net sales and transfer	—	—	827	827	(827)	—
Total	6,339,046	3,188,281	299,973	9,827,301	(827)	9,826,474
Segment profit (loss)	585,495	(144,027)	265,821	707,289	(340,352)	366,937

Note 1 Adjustment for segment income of (340,352) 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 The first six months of fiscal year 2015 (From April 1, 2015 to September 30, 2015)

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

(Thousand yen)

	Reportable Segment				Adjustment ※1	Amount recorded in quarterly consolidated income ※2
	Sugar Business	Functional Materials Business	Real Estate Business	Total		
Net sales						
Net sales to third-party customers	6,199,954	3,464,991	297,917	9,962,862	—	9,962,862
Intersegment net sales and transfer	—	—	827	827	(827)	—
Total	6,199,954	3,464,991	298,744	9,963,689	(827)	9,962,862
Segment profit (loss)	705,468	(14,245)	260,856	952,079	(346,936)	605,142

※1 Adjustment for segment income of (346,936) 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.