

Summary of Consolidated Financial Results
For the Ended March 31, 2015 (Based on Japanese GAAP)

April 30, 2015

Company name: Fuji Nihon Seito Corporation Listing: Second Section of Tokyo Exchange
 Stock code: 2114 <http://www.fnsugar.co.jp>
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Planned date for ordinary general meeting of shareholders: June 19, 2015
 Planned date for start dividend payment: June 5, 2015
 Planned date for submission of quarterly report: June 19, 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 Year Ended March 31, 2015 (from April 1, 2014 to March 31, 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	%
Year ended March 31, 2015	19,038	(5.5)	645	(20.3)	864	(12.8)	568	(4.4)
Year ended March 31, 2014	20,155	2.0	810	(18.6)	990	(13.4)	594	(17.1)

Note: Comprehensive income

Year ended March 31, 2015: 1,480 million yen (up 82.8%) Year ended March 31, 2014: 809 million yen (down 34.4%)

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Operating margin
	Yen	Yen	%	%	%
Year ended March 31, 2015	21.17	—	3.8	3.9	3.4
Year ended March 31, 2014	22.12	—	4.2	4.8	4.0

(Reference) Equity in earnings of affiliates: For the year ended March 31, 2015: 44 million yen

For the year ended March 31, 2014: 61 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2015	22,963	16,106	68.5	585.44
Year ended March 31, 2014	21,370	14,821	67.6	537.48

(Reference) Equity capital: As of March 31, 2015: 15,721 million yen As of March 31, 2014: 14,435 million yen

(3) Consolidated Cash Flow

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at period end
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2015	120	(191)	(246)	2,191
Year ended March 31, 2014	857	(1,269)	296	2,495

2. Cash Dividends

	Annual dividend					Total dividends (annual)	Dividend payout ratio (consolidated)	Dividends to net assets (consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2014	—	0.00	—	9.00	9.00	241	40.7	1.7
Year ended March 31, 2015	—	0.00	—	9.00	9.00	241	42.5	1.6
Year ended March 31, 2016 (forecast)	—	0.00	—	9.00	9.00		40.3	

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
Six months ending September 30,2015	10,000	1.8	500	36.3	520	4.7	340	1.5	12.66
Full year	20,000	5.1	950	47.1	1,000	15.7	600	5.6	22.34

※ Notes

(1) Significant changes in subsidiaries during period

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

(2) 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 year ended March 31, 2015	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 year ended March 31, 2015	2,893,848 Shares	As of March 31, 2014	2,889,839 Shares
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(iii) Average number of shares during period

As of year ended March 31, 2015	26,857,151 shares	As of March 31, 2014	26,876,249 shares
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1. Operating Results

(1) Analysis of operating results

(Operating results of the Fiscal Year 2015)

In fiscal year 2015, the Japanese economy continued modest recovery trend due to the improvement of corporate performance and employment situation by the effect of the economic and financial policies by the government, however consumer spending was still weak by the consumption tax increase and price increase by weak yen. On the other hand, the sugar refining industry had tough situation, unable to stop declining trend of sugar consumption and penetrated by other sweetener.

Under these economic environments, the Group made efforts to maintain the stable and constant supply of our products as the top priority. Our subsidiary, Fuji Nihon Thai Inulin Co., Ltd., for produce and sell “Inulin”, focused to promote the construction of Inulin factory for full operation.

As a result, consolidated net sales decreased 5.5% year on year to 19,038 million yen. Operating income decreased 20.3% year on year to 645 million yen. Ordinary income decreased 12.8% year on year to 864 million yen. Net income decreased 4.4% year on year to 568 million yen due to be booked an extraordinary gain and loss of 74 million yen by gain on sales of investment securities and loss of 45 million yen by impairment loss.

Operating results of each segment is as follows:

① Sugar Business

Regarding the Sugar Business, consolidated net sales decreased 7.6% year on year to 12,325 million yen. Operating income increased 0.7% year on year to 1,010 million yen.

The overseas raw sugar market opened with 17.18 cents (per pound) at the New York Futures Market at the beginning of the current term, it continues at seesawing for a while. But it started declining by oversupply and decrease of consumption by the downturn in world economy. It declined further selling by investment fund due to an assumption of export drive will be happened in Brazil, leading sugar producer, by weak real, it ended with 11.99 cents, marked the lowest price of current term.

On the other hand, the Tokyo spot market price at 186 yen (per kg of white superior soft sugar in a bag) at the beginning of the current term, and it ended with 186 yen at the end of current term due to an offset by sharp movement of weak yen. Regarding movement of the product, it moved sluggish due to the consumption tax increase and unseasonable weather in summer, also less expected result of yearend demand. Sales volume of soft white sugar and liquid sugar decreased less than the same period of previous year by sluggish movement of volume of sales for confectionary and beverage.

However, operating income increased a bit on a year to year because of increasing product price and reducing selling expenses even sales volume was decreased.

② Functional Materials Business

Consolidated net sales decreased 1.6% year on year to 6,115 million yen. Operating loss was 207 million yen (previous fiscal year operating income 19 million yen).

The functional food “Inulin” has started export from Fuji Nihon Thai Inulin Co.,Ltd., consolidated subsidiary company in Thailand, for Japan at the later 2014, but it resulted loss due to delay of start operation and additional cost of stabilizing quality. For domestic sales volume of Inulin decreased a bit on a year to year although tried to expand sales volume for importing Inulin from Thailand.

Sales volume of floral preservatives “Keep Flower” decreased due to the consumption tax increase and sluggishness of florist industry. We released watering place stimulants “High Speed 200ml”, expecting it will contribute to sales

performance after fiscal year 2016.

Regarding UNITEC Foods Co.,Ltd., a consolidated subsidiary, decreased sales revenue year on year due to OEM consignment business decreased however sales income was up due to sales expansion of main products collagens and pectin for new user.

③Real Estate Business

Regarding the Real Estate Business, the sales revenue decreased 0.4% year on year to 597 million yen and the operating income increased 1.0% to 530 million yen. It contributed stable profits by solid income from rental of company property and by efficient maintenance control, even though decreases of the rate of operation for a small rental house.

(Outlook for the Next Fiscal Year)

Under the circumstance that the Japanese economy pose to recover representing by the weak yen and soaring stock price, the Group will make efforts to maintain the stable and constant supply of our products as the top priority, and also will focus to promote “Inulin” project for stabilizing quality at the factory in Thailand and expanding sales activities including in abroad.

Regarding Sugar Business, under tough sales situation of continuing decrease in consumption by erosion of other sweetener and by declining birthrate and aging problem, we forecast increase of profit by controlling purchase cost of raw material and reducing selling expense. For the Function Materials Business, we will appeal the functionality of inulin to the domestic market, which is available by revision of the “Food Labeling Standards (Cabinet Office Ordinance No.10, 2015) base on Food Labeling Act (Act No.70, 2013)” and expand sale to wide range of category. We are also expecting increase sales revenue with expand sales to the Southeastern Asia by developing application. Also we expect to increase profit by reducing operating expenses at each departments. We will expect less profit in the Real Estate Business by increase maintenance and operation expenses such as environment and contingency plan for the company property. As a result, consolidated net sales for the fiscal year 2016 are forecast to rise 5.1% year on year to 20,000 million yen. Operating income is projected to increase 47.1% to 950 million yen. Ordinary income is projected to increase 15.7% to 1,000 million yen. Net income is projected to increase 5.6% to 600 million yen.

(2) Analysis of financial position

(Assets, liabilities and net assets)

Total asset as of end of fiscal year 2015 increased by 7.5% compared to the end of previous fiscal year to 22,963 million yen.

The changes of financial position of fiscal year 2015 are as follows:

①Assets

Current assets increased by 2.6% compared to the end of the previous fiscal year to 8,804 million yen. This was mainly due to an increase of inventories and so on.

Fixed assets, increased by 10.7% compared to the end of the previous fiscal year to 14,159 million yen. This was mainly due to an increase of construction in progress and so on.

②Liabilities

Current liabilities increased by 6.1% compared to the end of the previous fiscal year to 3,963 million yen. This was mainly reflected an increase of Short-term loans payable, consumption tax payable and so on.

Non-current liabilities increased by 2.9% compared to the end of the previous fiscal year to 2,893 million yen. This was mainly due to an increase of deferred tax liability and so on.

③Net assets

Net assets increased by 8.7% compared to the end of the previous fiscal year to 16,106 million yen. This was mainly reflected an increase of Valuation difference on available-for-sale securities and an increase Retained earnings by booking Net income.

(Cash flow)

Cash and cash equivalents (hereinafter called “Funds”) as of March 31, 2015 decreased 303 million yen from the end of the previous fiscal year to 2,191 million yen.

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

①Cash flow from operating activities

The funds acquired from operating activities amounted to 120 million yen (fiscal 2014: decrease by 86.0%). This mainly reflected an increase by inventories, versus a decrease by income before income taxes.

②Cash flow from investing activities

Investing activities caused funds to decrease in the amount 191 million yen (fiscal 2014: decrease by 84.9%).

This mainly reflected cash used for long term loan receivable, although cash provided by long term loan receivable.

③Cash flow from financing activities

Financing activities caused funds is 246 million yen (fiscal 2014:296 million yen). This mainly reflected cash used for a net decline in loans payable and cash dividends paid.

(Reference) Changes in cash-flow-related indices

	Fiscal year 2011	Fiscal year 2012	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015
Capital adequacy ratio (%)	69.6	69.5	69.3	67.6	68.5
Market-Price-based capital adequacy ratio (%)	47.6	44.6	43.1	44.6	43.2
Cash flow/interest bearing liabilities ratio (years)	10.3	2.8	1.6	3.2	23.6
Interest coverage ratio (times)	6.2	25.4	51.4	38.2	3.3

(Note) Capital adequacy ratio: Equity capital ÷ Total assets

Market-price-based capital adequacy ratio: Value of shares ÷ Total assets

Cash flow/interest bearing liabilities ratio : Interest-bearing debt ÷ Cash flow

Interest coverage ratio: Cash flow from operating ÷ Interest payment

※1. Data on a consolidated basis is used for calculation.

2. Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year with the number of outstanding shares (excluding treasury stock) as of that date.

3. Cash flow used is operating cash flow. Interest payments equal the amount of interest paid on the consolidated cash flow statements.

2. Consolidated Financial Statements

(1) Consolidated balance sheets

(Thousand yen)

	Fiscal 2014 (As of March 31, 2014)	Fiscal 2015 (As of March 31, 2015)
Assets		
Current assets		
Cash and deposits	2,111,695	1,815,136
Notes and accounts receivable-trade	2,451,842	2,396,935
Short-term investment securities	385,719	378,313
Merchandise and finished goods	1,279,058	1,508,955
Work in process	109,595	431,339
Raw materials and supplies	1,097,743	1,072,632
Deferred tax assets	75,153	95,171
Other	1,077,127	1,109,142
Allowance for doubtful accounts	(3,282)	(3,393)
Total current assets	8,584,653	8,804,233
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	679,664	1,036,414
Machinery, equipment and vehicles, net	158,279	1,695,551
Land	2,048,834	2,048,834
Construction in progress	1,658,701	-
Other, net	91,041	97,462
Total property, plant and equipment	4,636,521	4,878,263
Intangible assets		
Goodwill	685,798	577,809
Other	99,888	87,228
Total intangible assets	785,686	665,037
Investments and other assets		
Investment securities	5,153,069	6,383,613
Long-term loans receivable	3,820	4,104
Long-term loans receivable from subsidiaries and affiliates	1,980,852	2,009,124
Other	289,712	269,872
Allowance for doubtful accounts	(64,140)	(50,589)
Total investments and other assets	7,363,312	8,616,124
Total noncurrent assets	12,785,521	14,159,425
Total assets	21,370,175	22,963,658

(Thousand yen)

	Fiscal 2014 (As of March 31, 2014)	Fiscal 2015 (As of March 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,505,769	1,324,447
Short-term loans payable	1,182,696	1,360,947
Income taxes payable	203,136	209,316
Accrued consumption taxes	70,814	141,676
Provision for bonuses	110,896	99,733
Provision for directors' bonuses	9,100	-
Other	654,205	827,683
Total current liabilities	3,736,618	3,963,805
Noncurrent liabilities		
Long-term loans payable	1,551,216	1,466,481
Deferred tax liabilities	384,885	752,043
Provision for directors' retirement benefits	183,175	183,039
Net defined benefit liability	203,125	6,018
Asset retirement obligations	66,603	64,051
Other	422,831	422,076
Total noncurrent liabilities	2,811,837	2,893,710
Total liabilities	6,548,455	6,857,515
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	10,391,064
Treasury stock	(714,805)	(716,247)
Total shareholders' equity	13,356,655	13,729,448
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,020,619	1,827,960
Foreign currency translation adjustment	77,752	152,501
Remeasurements of defined benefit plans	(19,219)	11,803
Total accumulated other comprehensive income	1,079,152	1,992,264
Minority interests	385,910	384,430
Total net assets	14,821,719	16,106,143
Total liabilities and net assets	21,370,175	22,963,658

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

Consolidated Statements of income

(Thousand yen)

	Fiscal 2014 (From April 1,2013 to March 31,2014)	Fiscal 2015 (From April 1,2014 to March 31,2015)
Net sales	20,155,915	19,038,115
Cost of sales	15,953,818	15,208,391
Gross profit	4,202,096	3,829,723
Selling, general and administrative expenses	3,391,871	3,183,757
Operating income	810,224	645,966
Non-operating income		
Interest income	46,966	43,309
Dividends income	65,042	70,058
Foreign exchange gains	-	58,367
Equity in earnings of affiliates	61,412	44,142
Other	33,756	44,276
Total non-operating income	207,177	260,155
Non-operating expenses		
Interest expenses	22,833	38,222
Other	3,754	3,703
Total non-operating expenses	26,587	41,926
Ordinary income	990,815	864,195
Extraordinary income		
Gain on sales of investment securities	26,825	74,284
Total extraordinary income	26,825	74,284
Extraordinary loss		
Loss on retirement of noncurrent assets	2,193	257
Impairment Loss	-	45,916
Loss on redemption of investment securities	21,749	-
Loss on valuation of investment securities	3,964	457
Total extraordinary loss	27,907	46,631
Income before income taxes	989,732	891,848
Income taxes-current	379,603	387,969
Income taxes-deferred	54,691	(2,777)
Total income taxes	434,294	385,191
Income before minority interests	555,438	506,656
Minority interests in loss	(38,931)	(61,764)
Net income	594,369	568,421

Consolidated statements of comprehensive income

(Thousand yen)

	Fiscal 2014 (From April 1,2013 to March 31,2014)	Fiscal 2015 (From April 1,2014 to March 31,2015)
Income before minority interests	555,438	506,656
Other comprehensive income		
Valuation difference on available-for-sale securities	261,287	807,341
Foreign currency translation adjustment	(8,660)	133,963
Remeasurements of defined benefit plans, net of tax	-	31,022
Share of other comprehensive income of associates accounted for using equity method	1,715	1,068
Total other comprehensive income	254,342	973,395
Comprehensive income	809,781	1,480,052
Comprehensive income attributable to		
Owners of the parent	852,609	1,481,533
Minority interests	(42,828)	(1,480)

(3) Consolidated statements of changes in net assets

Fiscal 2014(From April 1, 2013 to March 31, 2014)

(Thousand yen)

	Shareholder's equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	1,524,460	2,530,171	9,691,308	(706,124)	13,039,815
Cumulative effects of changes in accounting policies					—
Restated balance	1,524,460	2,530,171	9,691,308	(706,124)	13,039,815
Change of items during the period					
Dividends from surplus			(268,847)		(268,847)
Net income			594,369		594,369
Purchase of treasury stock				(8,681)	(8,681)
Net changes of items other than shareholders' equity					
Total change of items during the period	—	—	325,521	(8,681)	316,840
Balance at the end of the period	1,524,460	2,530,171	10,016,829	(714,805)	13,356,655

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of period	759,331	80,800	—	840,131	428,739	14,308,686
Cumulative effects of changes in accounting policies						—
Restated balance	759,331	80,800	—	840,131	428,739	14,308,686
Change of items during the period						
Dividends from surplus						(268,847)
Net income						594,369
Purchase of treasury stock						(8,681)
Net changes of items other than shareholders' equity	261,287	(3,047)	(19,219)	239,020	(42,828)	196,192
Total change of items during the period	261,287	(3,047)	(19,219)	239,020	(42,828)	513,032
Balance at the end of the period	1,020,619	77,752	(19,219)	1,079,152	385,910	14,821,719

Fiscal 2015(From April 1, 2014 to March 31, 2015)

(Thousand yen)

	Shareholder's equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	1,524,460	2,530,171	10,016,829	(714,805)	13,356,655
Cumulative effects of changes in accounting policies			47,538		47,538
Restated balance	1,524,460	2,530,171	10,064,368	(714,805)	13,404,194
Change of items during the period					
Dividends from surplus			(241,725)		(241,725)
Net income			568,421		568,421
Purchase of treasury stock				(1,442)	(1,442)
Net changes of items other than shareholders' equity					
Total change of items during the period	—	—	326,696	(1,442)	325,253
Balance at the end of the period	1,524,460	2,530,171	10,391,064	(716,247)	13,729,448

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of period	1,020,619	77,752	(19,219)	1,079,152	385,910	14,821,719
Cumulative effects of changes in accounting policies						47,538
Restated balance	1,020,619	77,752	(19,219)	1,079,152	385,910	14,869,258
Change of items during the period						
Dividends from surplus						(241,725)
Net income						568,421
Purchase of treasury stock						(1,442)
Net changes of items other than shareholders' equity	807,341	74,748	31,022	913,111	(1,480)	911,631
Total change of items during the period	807,341	74,748	31,022	913,111	(1,480)	1,236,884
Balance at the end of the period	1,827,960	152,501	11,803	1,992,264	384,430	16,106,143

(4) Consolidated statement of cash flows

(Thousand yen)

	Fiscal 2014 (From April 1,2013 to March 31,2014)	Fiscal 2015 (From April 1,2014 to March 31,2015)
Net cash provided by (used in) operating activities		
Income before income taxes	989,732	891,848
Depreciation and amortization	147,816	326,352
Amortization of goodwill	107,989	107,989
Impairment loss	-	45,916
Increase (decrease) in provision for bonuses	(9,283)	(11,163)
Increase (decrease) in provision for directors' bonuses	(730)	(9,100)
Increase (decrease) in allowance for doubtful accounts	(5,741)	(13,439)
Increase (decrease) in provision for directors' retirement benefits	18,282	(136)
Increase(decrease)in defined benefits	(87,203)	(76,010)
Interest and dividends income	(112,008)	(113,368)
Interest expenses	22,833	38,222
Foreign exchange losses (gains)	3,757	(71,065)
Equity in (earnings) losses of affiliates	(61,412)	(44,142)
Loss (gain) on sales of investment securities	(26,825)	(74,284)
Loss (gain) on valuation of investment securities	3,964	457
Loss (gain) on sales of investment securities	21,749	-
Loss on retirement of noncurrent assets	2,193	1,677
Decrease (increase) in notes and accounts receivable-trade	(458,149)	55,062
Decrease (increase) in inventories	392,977	(507,836)
Decrease (increase) in accounts receivable-other	23	(20,957)
Decrease (increase) in other current assets	61,850	(4,229)
Increase (decrease) in notes and accounts payable-trade	236,545	(183,370)
Increase (decrease) in accrued consumption taxes	(52,732)	70,862
Increase (decrease) in other current liabilities	(71,176)	(28,048)
Increase (decrease) in other noncurrent liabilities	(1,602)	(3,307)
Other, net	(12,153)	18,368
Subtotal	1,110,696	396,298
Interest and dividends income received	150,157	142,871
Interest expenses paid	(22,457)	(36,516)
Income taxes paid	(380,872)	(382,651)
Net cash provided by (used in) operating activities	857,524	120,002

(Thousand yen)

	Fiscal 2014 (From April 1,2013 to March 31,2014)	Fiscal 2015 (From April 1,2014 to March 31,2015)
Net cash provided by (used in) investing activities		
Proceeds from sales and redemption of investment securities	273,847	94,834
Purchase of investment securities	(300,261)	(110,141)
Purchase of property, plant and equipment	(1,158,143)	(125,818)
Purchase of intangible assets	(18,120)	(6,447)
Collection of long-term loans receivable	950,954	982,006
Payments of long-term loans receivable	(1,001,676)	(1,025,857)
Purchase of investments in subsidiaries	(3,155)	-
Other, net	(12,624)	-
Net cash provided by (used in) investing activities	(1,269,179)	(191,423)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(10,000)	(42,455)
Proceeds from long-term loans payable	794,941	181,757
Repayment of long-term loans payable	(211,196)	(142,696)
Purchase of treasury stock	(8,681)	(1,442)
Cash dividends paid	(268,847)	(241,725)
Net cash provided by (used in) financing activities	296,216	(246,561)
Effect of exchange rate change on cash and cash equivalents	(716)	14,017
Net increase (decrease) in cash and cash equivalents	(116,156)	(303,964)
Cash and cash equivalents at beginning of period	2,611,571	2,495,415
Cash and cash equivalents at end of period	2,495,415	2,191,450

(5) Note on consolidated financial statements

(Note on assumption of a going concern)

None

(Change in accounting policies)

Effective from the fiscal year under review, the Company has applied the provisions in paragraph 35 of the “Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan (“ASBJ”) Statement No.26, May 17, 2012) and in paragraph 67 of the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No.25, March 26, 2015). As a result, the Company has changed the way it calculates retirement benefit liabilities and prior service costs. The method for attributing projected benefits to periods has been changed from the straight-line basis to the benefit formula basis, and the method for determining the discount rate has been changed from a discount rate based on the average remaining working lives of employees to a single weighted-average discount rate that reflects the periods until the expected payment of retirement benefits and the amount of projected benefits for every such period.

In accordance with the transitional treatment provided in paragraph 37 of the “Accounting Standard for Retirement Benefits”, the effect of changing the method for calculating retirement benefit liabilities and prior service costs was recognized by adjusting retained earnings at the beginning of the fiscal year under review.

As a result, net defined benefit liability decreased 73,818 thousand yen and retained earnings increased 47,538 thousand yen as of March 31, 2015. Influence of per share information, see per share information.

(Segment information)

1 Overview of integration

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 and service divisions at its each base, and each operating and service division formulates comprehensive strategies for each of its assigned products and services, and conducts business activities. As a result, the Company is composed of product and service segments based on the operating divisions, with three reporting segments: "Sugar Business", "Functional Materials Business" and "Real Estate Business" Major products and services for each reporting segment are as follows:

Reportable Segment	Major Products and Services
Sugar Business	Sugar , Liquid sugar , Sugar related products , etc.
Functional Materials Business	Food materials , Food additives , Flower freshness preservation agent , Processed fruit materials , etc.
Real Estate Business	Real estate lease , etc.

2 Calculation method of net sales , income/loss , assets , liabilities and other items of each reportable segment
Accounting of reportable business segments is basically the same as those described in the "Important matters concerning preparation of consolidated financial statements."

3 Information on amounts of net sales , income/loss , liabilities and other items by each reportable segment

Fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Thousand yen)

	Reportable Segment				Adjustments (Note:1)	Amount recorded in consolidated financial statements (Note:2)
	Sugar Business	Functional Materials Business	Real Estate Business	Total		
Net sales						
Net sales to third-party customers	13,342,225	6,213,744	599,945	20,155,915	—	20,155,915
Intersegment net sales and transfer	6,582	7,146	1,614	15,343	(15,343)	—
Total	13,348,807	6,220,891	601,559	20,171,258	(15,343)	20,155,915
Segment profit (loss)	1,003,936	(19,795)	525,686	1,509,826	(699,602)	810,224
Segment assets	9,690,139	5,606,976	1,477,761	16,774,877	4,595,297	21,370,175
Depreciation and amortization	67,528	58,346	21,941	147,816	—	147,816
Amortization of goodwill	—	107,989	—	107,989	—	107,989
Increase of property, plant and equipment and intangible assets	25,269	1,162,221	—	1,187,490	—	1,187,490

Notes: 1 Adjustments are as follows:

- (1) Adjustment for segment income of (699,602) thousand yen is unallocated expenses. Unallocated expenses are mainly general and administrative expenses of administrative department and research and development department.
- (2) Adjustment for segment assets of 4,595,297 thousand yen is unallocated assets. Major components of the unallocated assets are the property, using surplus fund (cash and deposit, Securities-trading and matured within one year) and investment fund (investment securities)

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

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

(Thousand yen)

	Reportable Segment				Adjustments (Note:1)	Amount recorded in consolidated financial statements (Note:2)
	Sugar Business	Functional Materials Business	Real Estate Business	Total		
Net sales						
Net sales to third-party customers	12,325,188	6,115,308	597,618	19,038,115	—	19,038,115
Intersegment net sales and transfer	—	—	2,224	2,224	(2,224)	—
Total	12,325,188	6,115,308	599,842	19,040,339	(2,224)	19,038,115
Segment profit (loss)	1,010,471	(207,009)	530,967	1,334,429	(688,463)	645,966
Segment assets	10,596,800	6,072,862	1,461,854	18,131,517	4,832,141	22,963,658
Depreciation and amortization	65,162	242,523	18,666	326,352	—	326,352
Impairment loss	—	45,916	—	45,916	—	45,916
Amortization of goodwill	—	107,989	—	107,989	—	107,989
Increase of property, plant and equipment and intangible assets	24,897	294,983	730	320,610	—	320,610

Notes: 1 Adjustments are as follows:

- (1) Adjustment for segment income of (688,463) thousand yen is unallocated expenses. Unallocated expenses are mainly general and administrative expenses of administrative department and research and development department.
 - (2) Adjustment for segment assets of 4,832,141 thousand yen is unallocated assets. Major components of the unallocated assets are the property, using surplus fund (cash and deposit, Securities-trading and matured within one year) and investment fund (investment securities)
- 2 Segment income is adjusted against the operating income recorded in the consolidated income statement.