

Summary of Consolidated Financial Results For the fiscal year ended March 31, 2018(Japanese Accounting Standards)

April 27, 2018

Company name: Fuji Nihon Seito Corporation Listing: The 2nd Section of Tokyo Stock Exchange
 Securities code: 2114 URL: <http://www.fnsugar.co.jp>
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Scheduled date for annual general meeting of shareholders: June 20, 2018
 Scheduled date of delivery of dividends: June 5, 2018
 Scheduled filing date of quarterly financial report: June 20, 2018
 Supplementary documents for annual financial results: None
 Briefing session for the annual financial results: None

(Round down to millions of Japanese Yen)

1. Consolidated Financial Results for the year ended March 31, 2018 (April 1, 2017 - March 31, 2018)

(1) Consolidated Results of Operations

(Percentages are shown as year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
For the year ended								
March 31, 2018	19,846	2.6	929	49.8	1,225	43.1	793	11.2
March 31, 2017	19,347	0.2	620	(35.3)	856	(10.6)	713	14.5

(Note) Comprehensive income

Year ended March 31, 2018: 1,146 million yen (up 51.8%) Year ended March 31, 2017: 754 million yen (-%)

	Net Profit per Share	Diluted Net Profit per Share	Return on Equity	Ordinary Profit Ratio to Total Assets	Operating Profit Ratio to Net Sales
For the year ended	Yen	Yen	%	%	%
March 31, 2018	29.56	-	4.8	5.4	4.7
March 31, 2017	26.59	-	4.5	3.8	3.2

(Reference) Share of investments accounted for using the equity method: For the year ended March 31, 2018: 146 million yen

For the year ended March 31, 2017: 111 million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
For the year ended	Million yen	Million yen	%	Yen
March 31, 2018	23,353	16,857	72.4	629.34
March 31, 2017	22,231	16,006	72.2	597.42

(Reference) Shareholders' Equity: As of March 31, 2018: 16,899 million yen As of March 31, 2017: 16,042 million yen

(3) Consolidated Statements of Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents at the end of the year
For the year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2018	1,676	(728)	(393)	2,643
March 31, 2017	(621)	667	(773)	2,083

2. Cash Dividends

	Cash Dividend per Share					Total Cash Dividends (annual)	Payout Ratio (consolidated)	Ratio of Dividends to Net Assets (consolidated)
	1Q	2Q	3Q	4Q	Annual			
For the year ended March 31,2017	Yen –	Yen 0.00	Yen –	Yen 11.00	Yen 11.00	Million yen 295	% 41.4	% 1.9
March 31,2018	–	0.00	–	11.00	11.00	295	37.2	1.8
Year ended March 31,2019 (forecast)	–	0.00	–	11.00	11.00		36.0	

(Note) Breakdown of dividend for the fiscal year ending March 31, 2017: Ordinary dividend 10.00 yen, 15th anniversary commemorative dividend 1.00 yen.

3. Consolidated Business Forecasts for the Fiscal Year Ending March 31, 2019 (April 1, 2018 - March 31, 2019)

(Percentages are shown as year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owner of parent		Net Profit per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30,2018	10,000	0.9	580	8.4	650	(13.9)	400	(20.3)	14.90
Year ending March 31, 2019	20,500	3.3	1,000	7.6	1,250	2.0	820	3.3	30.54

※ Notes

(1) Changes in significant subsidiaries during the period

(Change in specified subsidiaries causing changes in scope of consolidation): None

(2) Changes in accounting policies and accounting evaluations and restatement

(i) Changes in accounting policies caused by any revision of bye-law on accounting standards: None

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

(iii) Changes in accounting evaluations: None

(iv) Restatement: None

(3) Number of outstanding shares (Common Shares)

(i) Number of outstanding shares at period end (including Treasury Shares)

As of March 31, 2018	29,748,200	As of March 31, 2017	29,748,200
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(ii) Number of Treasury Shares at end of period

As of March 31, 2018	2,895,808	As of March 31, 2017	2,895,754
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(iii) Average number of shares during the period

As of March 31, 2018	26,852,408	As of March 31, 2017	26,852,521
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1. The Results for the Fiscal Year 2017

(1) Operating Results (consolidated)

In fiscal year 2017, the Japanese economy continued moderate recovery momentum, due to improvement of employment and income supported by upside corporate earnings, while smoldering a global economic policies upheavals like in the United States of America and geopolitical risks in Middle and Near East also East Asia.

The sugar refining industry has been facing tough situation due to changing off by degrees with sweetened preparations, isomerized sugar, and other sweeteners under the declining trend of sugar consumption.

Under these economic circumstances, our Group made effort to continue quality management process, with increase of customer satisfaction and also keep the stable and constant supply of sugar. Also, we keep promoting on sales activities with high-value added proposals in the functional materials.

As a result, consolidated net sales increased 2.6% year on year to 19,846 million yen. Operating profit increased 49.8% year on year to 929 million yen. Ordinary profit increased 43.1% year on year to 1,225 million yen. Net profit attributable to owners of parent increased 11.2% year on year to 793 million yen.

Operating results of each segment is as follows:

① Sugar Business

Regarding the Sugar Business, the net sales decreased 2.6 % year on year to 11,932 million yen. Operating profit increased 6.8 % year on year to 1,235 million yen.

The overseas raw sugar market opened with 16.93 (per pound) at the New York Futures Market at the beginning of the current term, and it dip into below the 13 cents due to oversupply of sugar demand and supply globally for the first time in 3 years and it has been continuous dip through summer season. After that, it recovered to 14 cents level because of the tight supply and demand in the near future with rising crude oil price and shift to ethanol production rather than sugar in Brazil which is the world's largest exporter of sugar. But it dips below the 13 cents again due to conclusive forecast to raise production in leading producing countries and it ended with 12.35 cents.

On the other hand, the Tokyo spot market price at 195 to 196 yen (published in Nihon Keizai Newspaper) at the beginning of the current term, after decrease 6 yen of product shipment price due to decrease of raw sugar market in July and it ended with 189 to 190 yen at the end of term.

Sales volume was less than same period of last year due to decrease of beverage consumption, even good sales of confectioneries.

However, operating profit increased due to raise production efficiency with centralized production of liquid sugar fully this year at the Pacific Sugar Mfg. Co., Ltd. collaborating with other companies for the rationalization since Oct. 2013.

② Functional Materials Business

Net sales increased 12.0 % year on year to 7,140 million yen. Operating profit was 52 million yen (previous fiscal year operating loss 189 million yen).

As for the functional dietary fiber Inulin increased sales volume with increased new orders from our big user applying to confectioneries, baking and functional beverage through getting rooted low-glucide material by degree, and granted our application for presenting the potency effect on label of products as regulate intestinal orders, control sugar level in the blood and reduce blood fat by Consumer Affairs Agency June and November.

At overseas, we made an extended sales expanding to Thailand and near Asian countries and Oceania countries as had a booth at " Fi-Asia2017" was food materials exhibition in Thailand in September. Also Fuji Nihon Thai Inulin Co., Ltd. a consolidated subsidiary, improved margin as increased sales volume by stabilized the quality control.

In the floral preservatives so-called "Keep Flower", increased revenue and profit due to exploited floor and gift of mass retailer and TV-online shopping market, while sales volume in summer was on sluggish pace by bad weather.

Regarding UNITEC Foods Co. Ltd., a consolidated subsidiary, increased revenue and profit by sales volume recovery of gelatin as leading product.

③ Real Estate Business

In the Real Estate Business, sales revenue increased 2.6% year on year to 613 million yen and operating profit increased 2.7% to 549 million yen.

④ Other Food Business

In the other food business such as bakery business of DAY PLUS (THAILAND) Co. Ltd., operation result is sales revenue increased 36.9% to 159 million yen and operating losses of 127 million yen (operating losses on the same period last year was 117 million yen).

(2) Overview of financial position for the fiscal year 2017

Total assets as of March 31, 2018 increased 5.0% compared to the end of the previous fiscal year to 23,353 million yen.

The changes of financial position of fiscal year 2017 are as follows:

① Assets

Total assets increased by 2.7% compared to the end of previous fiscal year to 9,562 million yen. This was mainly due to an increase of cash, cash equivalent and deposits and so on.

Fixed assets increased 6.8% compared to the end of the previous fiscal year to 13,790 million yen. This was mainly due to increase of land, investment securities and so on.

② Liabilities

Current liabilities increased 15.8% compared to the end of the previous fiscal year to 4,428 million yen. This was mainly reflected an increase of short-term loans payable and so on.

Non-current liabilities decreased by 13.9% compared to the end of the previous fiscal year to 2,067 million yen. This was mainly due to a decrease of Long-term loans payable and so on.

③ Net assets

Net assets increased by 5.3% compared to the end of the previous fiscal year to 16,857 million yen. This was mainly reflected an increase valuation difference on available-for-sales securities, retained earnings by booking of profit for the year attributable to owners of parent and so on.

(3) Overview of cash flows for the fiscal year 2017

Cash and cash equivalents (hereinafter called "Funds") as of March 31, 2018 increased by 559 million yen from the end of the previous fiscal year to 2,643 million yen.

Changes in cash flow for fiscal year 2017 and the reasons are as follows.

① Cash flow from operating activities

The funds used in from operating activities amounted to 1,676 million yen (the fiscal year 2016: used in by 621 million yen). This mainly reflected to book Profit before income taxes, a decrease of inventories and so on.

② Cash flow from financing activities

Financing activities caused funds used in the amount of 728 million yen (comparing with the fiscal year 2016: provided by 667 million yen). This mainly reflected cash used of purchase of fixed assets.

③ Cash flow from financing activities

Financing activities caused funds used in the amount of 393 million yen (comparing with the fiscal year 2016: decreased by 49.1%). This mainly reflected cash used of repayment of long-term loans payable, dividends paid by parent company and so on.

(Reference) Change in cash-flow-related indices

	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015	Fiscal year 2016	Fiscal year 2017
Equity ratio (%)	67.6	68.5	69.7	72.2	72.4
Market-Price-based equity ratio (%)	44.6	43.2	53.7	67.4	77.4
Cash flow / interest bearing liabilities ratio (years)	3.2	23.6	1.8	—	1.4
Interest coverage ratio (times)	38.2	3.3	44.1	—	55.2

(Notes)Equity ratio: Shareholder's equity ÷ Total assets

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

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

Interest coverage ratio : Cash flow from operating activities ÷ Interest payment

- ※ 1. Data on a consolidated basis is used for computations
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.
4. Ratio of cash flows to interest-bearing debt and interest coverage ratio in the fiscal year ending March 31, 2017 are not stated because, Fiscal year 2017's cash flow from operating activities are negative.

(4) Outlook for the next fiscal year 2018

In the next fiscal year the Japanese economy is anticipated to further recovery, as employment and income continue to be improved. The Group will make efforts to maintain the stable and constant supply of our products as priority challenge, and also will focus to promote overseas business especially with consolidated subsidiaries in Thailand.

In the sugar business, we prospect for the next year are not so good, decrease the sales income by continued tough business environment of irresistible decreasing trends in sugar consumption, even we focus to make continuous sales efforts by customer-focused and viable-respect sales. However, we expect it would increase the profit by steady and stable raw material purchases and reduce process cost and sales expenses.

In the functional material business-Inulin on domestic sales, we stretch much effort to expand sales for wide range of market as food dietary fiber with function claims. And regarding global sales, we expect to increase income to expand sales mainly in Thailand and the surrounding Asian countries by enhanced sales effort. Also in the each of functional materials business segments, we expect to increase the profit by rationalizing operating costs and selling expenses as well. Regarding UNITEC Foods Co. Ltd., a consolidated subsidiary, we extend to increase revenue by strengthening of the internal management system and make sales effort to expand sales of leading products.

In the real estate business, we will remain profit almost unchanged from the previous year to focus ensuring stable profit by continuous maintenance and operation for the company properties.

In the other food business, we aim to drive for sales profits positive at the early stage by make efforts to expand sales in the domestic of Thailand and Southeast Asian countries.

As a result, the full-year consolidated sales forecasts for the fiscal year ending March 31, 2019 are follows:

Net sales of 20,500 million yen (up 3.3% year on year), operating income of 1,000 million yen (up 7.6% year on year), ordinary income of 1,250 million yen (up 2.0% year on year), and Net income of 820 million yen (up 3.3% year on year).

2. Basic Policy regarding selection of Accounting Standards

The Company Group chose to adopt the Japanese Accounting Standards for the consolidated financial statements taking into consideration that of ensuring comparability with the prior fiscal years and among corporations successively. Depending on circumstance changes, the Group would continue to study arbitrary application of the IFRS both in Japan and overseas.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

	Yearend FY 2016 (As of March 31, 2017)	Yearend FY 2017 (As of March 31, 2018)
Assets		
Current assets		
Cash, cash equipment and deposits	1,782,586	2,343,407
Notes and accounts receivable-trade	2,558,594	2,806,196
Marketable securities	301,047	300,000
Merchandise and finished goods	1,824,765	2,055,612
Work in process	154,957	131,970
Raw materials and supplies	1,472,434	700,988
Deferred tax assets	89,514	85,992
Other current assets	1,134,152	1,143,077
Allowance for doubtful debts	(4,109)	(4,708)
Total current assets	9,313,943	9,562,537
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	839,796	809,036
Machinery, equipment and vehicles(net)	995,180	898,690
Land	2,046,860	2,527,435
Construction in progress	47	90,750
Other non-current assets (net)	92,498	92,129
Total property, plant and equipment	3,974,384	4,418,042
Intangible assets		
Goodwill	393,946	253,842
Other intangible assets	80,250	112,890
Total intangible assets	474,196	366,732
Investment and other assets		
Investment securities	6,348,699	7,000,310
Long-term loans receivable	1,695	1,768
Long-term loans receivable from subsidiaries	1,876,709	1,773,240
Others	266,205	245,759
Allowance for doubtful debts	(24,710)	(15,278)
Total investments and other assets	8,468,598	9,005,799
Total non-current assets	12,917,179	13,790,574
Total assets	22,231,123	23,353,112

(Thousand yen)

	Yearend FY 2016 (As of March 31, 2017)	Yearend FY 2017 (As of March 31, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,498,110	1,460,091
Short-term loans payable	1,430,302	1,809,568
Income taxes payable	161,347	195,792
Accrued consumption taxes	70	175,531
Provision for bonuses	107,032	118,123
Other current liabilities	627,052	669,051
Total current liabilities	3,823,916	4,428,159
Non-current liabilities		
Long-term loans payable	1,000,750	548,097
Deferred tax liabilities	710,549	902,585
Retirement benefits liabilities	63,122	18,251
Liabilities on assets disposal	65,331	65,987
Other non-current liabilities	560,507	532,475
Total non-current liabilities	2,400,261	2,067,396
Total liabilities	6,224,177	6,495,555
Net Equity		
Shareholder equity		
Share capital	1,524,460	1,524,460
Capital surplus	2,077,791	2,049,343
Retained earnings	11,245,427	11,743,913
Treasury stock	(717,003)	(717,035)
Total shareholder equity	14,130,675	14,600,682
Cumulative other comprehensive income		
Valuation difference on available-for-sales securities	1,869,283	2,255,650
Foreign currency translation adjustment	83,422	73,507
Re-measurements of Defined Benefit Plans	(41,319)	(30,555)
Total cumulative other comprehensive income	1,911,387	2,298,602
Non-controlling interests	(35,117)	(41,727)
Total Equity	16,006,946	16,857,556
Total Liabilities and Equity	22,231,123	23,353,112

(2) Consolidated Statements of Profit or Loss

And Consolidated Statement of Comprehensive Profit or Loss

Consolidated Statements of Profit or Loss

(Thousand yen)

	Fiscal year 2016 (From April 1, 2016 to March 31, 2017)	Fiscal year 2017 (From April 1, 2017 to March 31, 2018)
Net sales	19,347,773	19,846,515
Cost of sales	15,346,548	15,390,097
Gross profit	4,001,224	4,456,417
Selling, general and administrative expenses	3,381,114	3,527,203
Operating profit	620,110	929,214
Non-operating income		
Interest income	35,019	30,376
Dividends received	69,107	76,504
Foreign exchange gains	18,140	17,242
Share of Equity in earnings of affiliates	111,687	146,745
Other non-operating income	39,016	55,973
Total non-operating income	272,970	326,841
Non-operating expenses		
Interest expenses	31,292	29,855
Other non-operating expense	5,379	556
Total non-operating expense	36,671	30,411
Ordinary profit or loss	856,409	1,225,644
Extraordinary income		
Gain on sales of non-current assets	143,959	-
Gain on sales investment securities	231,483	20,000
Total extraordinary income	375,443	20,000
Extraordinary loss		
Loss on disposal of fixed assets	263	3,854
Loss on sales of non-current assets	-	317
Impairment loss	344,754	52,722
Loss on valuation of investment securities	-	2,559
Total extraordinary losses	345,017	59,453
Profit before income taxes	886,834	1,186,190
Income taxes-current	385,142	405,780
Income taxes-deferred	67,422	19,399
Total income taxes	452,564	425,180
Profit for the year	434,270	761,010
Loss attributable to non-controlling interests	(279,723)	(32,852)
Profit for the year attributable to owners of parent	713,993	793,862

Consolidated Statements of Profit or Loss and Other Comprehensive Profit or Loss

(Thousand yen)

	Fiscal year 2016 (From April 1, 2016 to March 31, 2017)	Fiscal year 2017 (From April 1, 2017 to March 31, 2018)
Profit for the year	434,270	761,010
Other comprehensive income		
Evaluation at fair value on marketable securities	343,756	386,366
Foreign currencies translation adjustment	(24,438)	(12,120)
Re-measurements of defined benefit plans, (net of tax)	1,393	10,763
Total other comprehensive income for the year	320,711	385,009
Comprehensive income for the year	754,981	1,146,019
Comprehensive income attributable to:		
Owners of parent	1,047,727	1,182,455
Non-controlling interests	(292,746)	(36,436)

(3) Consolidated Statements of Changes in Equity

Fiscal Year 2016 (April 1, 2016 to March 31, 2017)

(Thousand Yen)

	Shareholders' Equity				
	Share Capital	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance at beginning of current period	1,524,460	2,530,171	10,773,108	(716,921)	14,110,817
Changes					
Dividends			(241,673)		(241,673)
Profit for the year			713,993		713,993
Change in scope of consolidation		(452,380)			(452,380)
Purchase of Treasury Shares				(81)	(81)
Net changes of items other than Shareholders' Equity					
Total changes of items during the period	—	(452,380)	472,319	(81)	19,858
Balance at the end of the period	1,524,460	2,077,791	11,245,427	(717,003)	14,130,675

	Cumulative Other Comprehensive Income				Non-controlling Interests	Total Equity
	Valuation at fair value on Marketable Securities	Foreign Currency Translation Adjustment	Re-measurements of Defined Benefits Plans	Total Cumulative Other Comprehensive Income		
Balance at beginning of current period	1,525,527	93,726	(42,712)	1,576,540	200,123	15,887,482
Changes						
Dividends						(241,673)
Profit for the year						713,993
Change in scope of Consolidation						(452,380)
Purchase of Treasury Shares						(81)
Net changes of items other than Shareholders' Equity	343,756	(10,303)	1,393	334,846	(235,241)	99,605
Total changes of items during period	343,756	(10,303)	1,393	334,846	(235,241)	119,463
Balance at the end of current period	1,869,283	83,422	(41,319)	1,911,387	(35,117)	16,006,946

Fiscal Year 2017 (April 1, 2017 to March 31, 2018)

(Thousand Yen)

	Shareholders' Equity				
	Share Capital	Capital Surplus	Retained Earnings	Treasury Shares	Total Non-controlling Equity
Balance at beginning of current period	1,524,460	2,077,791	11,245,427	(717,003)	14,130,675
Changes					
Dividends			(295,376)		(295,376)
Profit for the year			793,862		793,862
Change in scope of consolidation		(28,447)			(28,447)
Purchase of Treasury Shares				(31)	(31)
Net changes of items other than Shareholders' Equity					
Total changes of items during the period	—	(28,447)	498,485	(31)	470,006
Balance at the end of the period	1,524,460	2,049,343	11,743,913	(717,035)	14,600,682

	Cumulative Other Comprehensive Income				Non-controlling Interests	Total Equity
	Valuation at fair value on Marketable Securities	Foreign Currency Translation Adjustment	Re-measurements of Defined Benefits Plans	Total Cumulative Other Comprehensive Income		
Balance at beginning of current period	1,869,283	83,422	(41,319)	1,911,387	(35,117)	16,006,946
Changes						
Dividends						(295,376)
Profit for the year						793,862
Change in scope of Consolidation						(28,447)
Purchase of Treasury Shares						(31)
Net changes of items other than Shareholders' Equity	386,366	(9,914)	10,763	387,215	(6,610)	380,604
Total changes of items during period	386,366	(9,914)	10,763	387,215	(6,610)	850,610
Balance at the end of current period	2,255,650	73,507	(30,555)	2,298,602	(41,727)	16,857,556

(4) Consolidated Statements of Cash Flows

(Thousand Yen)

	Fiscal Year 2016 (April 1, 2016 to March 31, 2017)	Fiscal Year 2017 (April 1, 2017 to March 31, 2018)
Cash Flows from Operating Activities		
Profit before income taxes	886,834	1,186,190
Depreciation and amortization	286,079	268,198
Amortization of goodwill	119,806	118,694
Impairment loss	344,754	52,722
Increase (decrease) in provision for bonuses	2,248	11,090
Increase (decrease) in allowance for doubtful debts	(12,605)	(8,833)
Increase (decrease) in provision for directors' retirement benefits	(172,354)	-
Increase (decrease) in retirement benefits liability	(7,980)	(15,230)
Interest earned and dividend income	(104,127)	(106,881)
Interest expenses	31,292	29,855
Foreign exchange losses (gains)	(18,140)	(17,242)
Share of Equity in (earning) losses of affiliates	(111,687)	(146,745)
Loss (gain) on sales of investment securities	(231,483)	(20,000)
Loss (gain) on valuation of investment securities	-	2,559
Loss on disposal of fixed assets	263	3,854
Loss (gain) on sales of non-current assets	(143,959)	317
Decrease (increase) in notes and account receivable-trade	(154,939)	(247,873)
Decrease (increase) in inventories	(690,283)	556,917
Decrease (increase) in accrued receivable-other	(6,805)	(8,639)
Decrease (increase) in other current assets	(177,927)	154,501
Increase (decrease) in notes and accounts payable-trade	43,563	(41,077)
Increase (decrease) in accrued consumption taxes	(118,301)	175,461
Increase (decrease) in other current liabilities	(38,419)	30,528
Increase (decrease) in other non-current liabilities	128,970	(27,377)
Others (net amount)	929	(25,779)
Subtotal	(144,273)	1,935,210
Interest and dividends received	108,616	137,930
Interest expenses paid	(31,558)	(30,388)
Corporate income taxes paid	(553,997)	(366,146)
Net cash provided by (used in) operating activities	(621,212)	1,676,606

(Thousand Yen)

	Fiscal Year 2016 (April 1, 2016 to March 31, 2017)	Fiscal Year 2017 (April 1, 2017 to March 31, 2018)
Net Cash provided by (used in) Investing Activities		
Proceeds from sales and redemption of securities	292,950	65,299
Purchase of investment securities	(1,383)	(1,355)
Purchase of property, plant and equipment	(211,845)	(674,249)
Proceeds from sales of property, plant and equipment	182,804	1,017
Purchase of intangible assets	(24,480)	(47,611)
Collection of long-term loans receivable	1,294,290	744,340
Payments of long-term loans receivable	(865,089)	(795,081)
Payment for acquisition of subsidiaries' interests	-	(21,083)
Net cash provided by (used in) investing activities	667,245	(728,724)
Net Cash provided by (used in) Financing Activities		
Net increase (decrease) in short-term loans payable	52,014	(53,015)
Borrowing against long-term loans payable	-	151,005
Repayment of long-term loans payable	(188,785)	(196,392)
Purchase of treasury stock	(81)	(31)
Payment for acquisition of subsidiaries' interests remaining same position in scope of consolidation	(394,875)	-
Dividends paid	(241,673)	(295,376)
Net cash provided by (used in) financing activities	(773,400)	(393,811)
Effect of exchange rate change on Cash and Cash Equivalents	2,564	5,704
Net increase (decrease) in Cash and Cash Equivalents	(724,802)	559,774
Cash and Cash Equivalents at the beginning of period	2,808,436	2,083,633
Cash and Cash Equivalents at the end of period	2,083,633	2,643,407

(5) Notes on Consolidated Financial Statements

(Notes on assumption of a going concern)

None

(Segment Information)

1. Outline on Segments

The company's reporting segments are the compositional units of the Company for which separate financial information is available. They are periodically reviewed by the Board of Directors for the purpose of deciding on allocation of management resource and evaluating business performance.

The major products and services are classified as follows, at its each basis of each operation and services formulating own comprehensive strategies against four reporting segments: "Sugar Business", "Functional Materials Business", "Real Estate Business" and "Other Food Business".

Reporting Segments	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.
Other Food Business	Baking

2. Information on amounts of net sales, income/loss, liabilities and other items by each reporting segment

Previous fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Thousand Yen)

	Reporting Segment					Adjustments (Note:1)	Amount recorded in consolidated financial statements (Note:2)
	Sugar Business	Functional Materials Business	Real Estate Business	Other Food Business	Total		
Net sales							
Net sales to third-party customers	12,255,921	6,377,194	598,350	116,306	19,347,773	—	19,347,773
Intersegment net sales and transfer	—	—	2,569	—	2,569	(2,569)	—
Total	12,255,921	6,377,194	600,920	116,306	19,350,342	(2,569)	19,347,773
Segment profit (loss)	1,156,898	(189,143)	535,392	(117,456)	1,385,690	(765,580)	620,110
Segment assets	10,672,568	4,988,508	1,442,201	263,762	17,367,041	4,864,082	22,231,123
Other items							
Depreciation and amortization	59,089	200,677	12,764	13,548	286,079	—	286,079
Impairment loss	—	344,754	—	—	344,754	—	344,754
Amortization of goodwill	—	107,989	—	11,817	119,806	—	119,806
Increase in property, plant and equipment, and intangible assets	32,960	35,512	24,127	21,694	114,294	—	114,294

Notes: 1. Adjustments are as follows:

- (1) Adjustment for segment loss of (780,959) 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 5,330,898 thousand yen is unallocated assets to each segment. The major components are the property, using surplus fund (Cash and deposit, Securities-trading and matured within one year) and investment fund (investment securities).
2. Segment profit is adjusted against the operating profit recorded in the consolidated income statement.

Fiscal year ended March 31, 2018(April 1, 2017 to March 31, 2018)

(Thousand Yen)

	Reporting Segment					Adjustments (Note:1)	Amount recorded in consolidated financial statement (Note:2)
	Sugar Business	Functional Materials Business	Real Estate Business	Other Food Business	Total		
Net sales							
Net sales to third-party customers	11,932,716	7,140,866	613,724	159,207	19,846,515	—	19,846,515
Intersegment net sales and transfer	4,828	648	3,778	—	9,255	(9,255)	—
Total	11,937,544	7,141,514	617,502	159,207	19,855,770	(9,255)	19,846,515
Segment profit (loss)	1,235,163	52,742	549,958	(127,690)	1,710,174	(780,959)	929,214
Segment assets	10,328,662	5,553,850	1,886,779	252,920	18,022,213	5,330,898	23,353,112
Other items							
Depreciation and amortization	50,668	188,369	13,048	16,112	268,198	—	268,198
Impairment loss	6,704	8,580	—	37,437	52,722	—	52,722
Amortization of goodwill	—	107,989	—	10,704	118,694	—	118,694
Increase in property, plant and equipment, and intangible assets	63,362	125,023	481,125	59,573	729,084	—	729,084

Notes: 1. Adjustments are as follows:

- (1) Adjustment for segment loss of (780,959) thousand yen is unallocated expenses to each segment. Unallocated expenses are mainly general and administrative expenses of administrative department and research and development department.
 - (2) Adjustment for segment assets of 5,330,898 thousand yen is unallocated assets to each segment. The major components assets are the property, using surplus fund (Cash and deposit, Securities-trading) and investment fund (investment securities).
2. Segment profit is adjusted against the operating profit recorded in the consolidated statement.