

Summary of Consolidated Financial Results
For the fiscal year ended March 31, 2017(Japanese Accounting Standards)

April 28, 2017

Company name: Fuji Nihon Seito Corporation Listing: The 2nd Section of Tokyo Stock Exchange
 Securities code: 2114 URL: <http://www.fnsugar.co.jp>
 Company Representative: Yoshikazu Funakoshi President and Chief Executive Officer
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 Scheduled date for ordinary general meeting of shareholders: June 23, 2017
 Scheduled date of delivery of dividends: June 8, 2017
 Scheduled filing date of quarterly financial report: June 23, 2017
 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, 2017 (April 1,2016 – March 31, 2017)

(1) Consolidated Operating Results

(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, 2017	19,347	0.2	620	(35.3)	856	(10.6)	713	14.5
March 31, 2016	19,312	1.4	959	48.5	958	10.9	623	9.7

(Note) Comprehensive income

Year ended March 31, 2017: 754 million yen (-%) Year ended March 31, 2016: 42 million yen (decrease 97.2%)

	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, 2017	26.59	—	4.5	3.8	3.2
March 31, 2016	23.23	—	4.0	4.2	5.0

(Reference) Share of investments accounted for using the equity method: For the year ended March 31, 2017: 111 million yen

For the year ended March 31, 2016: (21 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, 2017	22,231	16,006	72.2	597.42
March 31, 2016	22,510	15,887	69.7	584.20

(Reference) Shareholders' Equity: As of March 31, 2017: 16,042

As of March 31,2016: 15,687

(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, 2017	(621)	667	(773)	2,083
March 31, 2016	1,452	(347)	(482)	2,808

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	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31,2016	—	0.00	—	9.00	9.00	241	38.7	1.5
March 31,2017	—	0.00	—	11.00	11.00	295	41.4	1.9
Year ended March 31,2018 (forecast)	—	0.00	—	10.00	10.00		43.3	

(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, 2018 (April 1, 2017 – March 31, 2018)

(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, 2017	10,000	1.8	450	1.7	500	(4.2)	300	(20.7)	11.17
Year ending March 31, 2018	20,000	3.4	850	37.0	1,000	16.8	620	(13.2)	23.09

※ 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: Yes

(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 year ended March 31, 2017	29,748,200 shares	As of March 31, 2016	29,748,200 shares
(ii) Number of Treasury Shares at end of period	As of year ended March 31, 2017	2,895,754 Shares	As of March 31, 2016	2,895,576 Shares
(iii) Average number of shares during the period	As of year ended March 31, 2017	26,852,521 shares	As of March 31, 2016	26,853,140 shares

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1. Overview of Operating Results

(1) Overview of operating results for the fiscal year 2016

In fiscal year 2016, the Japanese economy continued moderate recovery momentum, due to improvement of employment and income supported by upside corporate earnings. However, the outlook for the economy remains uncertainty being increased due to cause by the slowdown in developing countries economics including China, as well results of elections in European countries, and geopolitical risk surging in Middle East and East Asia.

The sugar refining industry has been in tough situation due to alternative usage of sweetened preparations, isomerized sugar, and other sweeteners.

Under these economic circumstances, our Group made effort to maintain quality management on our main products, with increase of customer's satisfaction and also keep the stable and constant supply of sugar as our main products. Also, we keep focusing on sales activities with high-value added proposals in the functional materials.

As a result, consolidated net sales increased 0.2% year on year to 19,347 million yen. Operating profit decreased 35.3% year on year to 620 million yen. Ordinary profit decreased 10.6% year on year to 856 million yen. Net profit attributable to owners of parent increased 14.5% year on year to 713 million yen.

Operating results of each segment is as follows:

① Sugar Business

Regarding the Sugar Business, consolidated net sales increased 2.4 % year on year to 12,255 million yen. Operating profit decreased 9.3 % year on year to 1,156 million yen.

The overseas raw sugar market opened with 15.40 cents (per pound) at the New York Futures Market at the beginning of the current term, and it reached a peak with 23.90 cents in October due to outlook significant short supply of sugar for two successive year by extraordinary weather over the world. But it started declining to 18 cents by oversupply and decrease of consumption of the year it rebounded once for prospective of reduces production in India, but it was not big impact to rebound at the beginning, it ended with 16.76 cents.

On the other hand, the Tokyo spot market price at 188 yen (per kg of white superior soft sugar in a sack) at the beginning of the current term, after increase 5 yen of product shipment price due to increase of raw sugar market in October and increase another 3 yen in February 2017, it ended with 196 yen at the end of term.

Sales volume was nearly same of last year due to decrease of beverage consumption, even good sales of confectioneries and frozen dessert.

However, operating profit decreased due to increase of purchase cost of domestic raw sugar.

② Functional Materials Business

Consolidated net sales decreased 5.4 % year on year to 6,377 million yen. Operating loss was 189 million yen (previous fiscal year operating loss 154 million yen).

As for the functional food "Inulin" our company acquired 100% shares of Fuji Nihon Thai Inulin Co., Ltd. (hereinafter called "FTI") to focus more stability of quality and expand sales. Sales decreased due to delay of sales recovering for big users, even increased number of new customers for confectionary and baking market and conversion to Inulin made in Thailand by FTI. Operating profit decreased due to increase of cost for quality stabilization of Inulin made in Thailand.

Sales volume of floral preservatives so-called "Keep Flower" had nearly same as last year, but due to the sluggishness of florist industry expanded sales included so-called "High Speed". Profit increased because of reducing cost of raw materials and manufacturing.

Regarding UNITEC Foods Co. Ltd., a consolidated subsidiary, decreased sales volume and profit on gelatin and OEM sales while the products performed good sales volume last year.

③ Real Estate Business

In the Real Estate Business, sales revenue decreased 0.3% year on year to 598 million yen and operating profit increased 1.8% to 535 million yen. It contributed stable profits.

Sales revenue decreased because of selling one of company properties in August, but profit increased due to decrease of maintenance and operation cost and other expenses.

④ Other Food Business

In the other food business such as baking business of DAY PLUS (THAILAND) Co. Ltd., included in the consolidated segmental achievement from this fiscal year ended March 31, 2017, so the year-on-year for the fiscal year has not been recorded. A consolidated net sale is 116 million yen and operating loss is 117 million yen due to delay of full factory operation.

(2) Overview of financial position for the fiscal year 2016

Total assets as of the end of fiscal year 2016 decreased by 1.2% compared to the end of previous fiscal year to 22,231 million yen.

The changes of financial position of fiscal year 2016 are as follows:

① Assets

Total assets as of the end of fiscal year 2016 increased by 0.3% compared to the end of previous fiscal year to 9,313 million yen. This was mainly due to an increase of inventories.

Fixed assets, decreased 2.3% compared to the end of the previous fiscal year to 12,917 million yen. This was mainly due to a decrease of Long-term loans receivable from subsidiaries and affiliates.

② Liabilities

Current liabilities decreased by 6.4% compared to the end of the previous fiscal year to 3,823 million yen. This was mainly reflected a decrease of Income taxes payable, and accrued consumption taxes and so on.

Non-current liabilities decreased by 5.4% compared to the end of the previous fiscal year to 2,400 million yen. This was mainly due to a decrease of Long-term loans payable and so on.

③ Net assets

Net assets increased by 0.8% compared to the end of the previous year to 16,006 million yen. This was mainly reflected an increase of Valuation difference on available-for-sales securities and an increase retained earnings by booking of Net profit attributable to owners of parent.

(3) Overview of cash flows for the fiscal year 2016

Cash and cash equivalents (hereinafter called "Funds") as of March 31, 2017 decreased by 724 million yen from the end of the previous fiscal year to 2,083 million yen.

Changes in cash flow for fiscal year 2016 and the reasons are as follows.

① Cash flow from operating activities

The funds used in from operating activities amounted to 621 million yen (the fiscal year 2015: provided by 1,452 million yen). This mainly reflected an increase of inventories and so on.

② Cash flow from investing activities

The funds provided by investing activities amounted to 667 million yen (the fiscal year 2015: used in 347 million yen). This mainly reflected an increase of sales of investment securities and collection of Long-term loans receivable.

③ Cash flow from financing activities

Financing activities caused funds used in the amount of 773 million yen (comparing with the fiscal year 2015: increased by 60.4%). This mainly reflected cash used of repayment of Long-term loans payable and payments for acquisition of subsidiary' s interests which do not change in scope of consolidation.

(Reference) Change in cash-flow-related indices

	Fiscal year 2012	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015	Fiscal year 2016
Equity ratio (%)	69.3	67.6	68.5	69.7	72.2
Market-Price-based equity ratio (%)	43.1	44.6	43.2	53.7	67.4
Cash flow / interest bearing liabilities ratio (years)	1.6	3.2	23.6	1.8	—
Interest coverage ratio (times)	51.4	38.2	3.3	44.1	—

(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 2017

In the next fiscal year the Japanese economy is anticipated to 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 expect to increase the income by strengthened power of sales, customer-focused and viable-respect sales, although under continuous tough business environment of irresistible decreasing trends in sugar consumption. And also determine to increase the profit by steady and stable purchase stock of raw materials and rationalizing processing cost and sales expenses.

In the functional materials business - Inulin on domestic sales, we focus to obtain a license of functional representation through enhanced good-enough evidences of the function and expand for extensive business area. And regarding international sales, we expect to increase income by prompt sales expanding in Asian countries. Also in the each of functional materials business segments, we expect to increase the profit by rationalizing operating costs and selling expenses as well.

In the real estate business, we will remain profit unchanged from the previous year by continuous maintenance and operation such as environmental emergency & contingency plan for the company properties, sewing up stable profit and reviewing on assets possession for more efficient utilization.

In the other food business, We are targeting to move into the black in figure promptly with baking business being stable and expand sales for not only Thailand but Southeast Asian Countries.

As a result, the full-year consolidated sales records forecasts for the fiscal year ending March 31, 2018 are follows: Net sales of 20,000 million yen (up 3.4% year on year), operating income of 850 million yen (up 37.0% year on year), ordinary income of 1,000 million yen (up 16.8% year on year), and Net income of 620 million yen (down 13.2% 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)

	Fiscal year 2015 (As of March 31, 2016)	Fiscal year 2016 (As of March 31, 2017)
Assets		
Current assets		
Cash, cash equivalent and deposits	2,485,325	1,782,586
Notes and accounts receivable-trade	2,402,539	2,558,594
Marketable securities	323,111	301,047
Merchandise and finished goods	1,612,323	1,824,765
Work in process	204,095	154,957
Raw materials and supplies	945,201	1,472,434
Deferred tax assets	148,240	89,514
Other current assets	1,167,728	1,134,152
Allowance for doubtful debts	(3,620)	(4,109)
Total current assets	9,284,945	9,313,943
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	969,309	839,796
Machinery, equipment and vehicles (net)	1,370,199	995,180
Land	2,048,834	2,046,860
Construction in progress	38,599	47
Other non-current assets (net)	97,010	92,498
Total property, plant and equipment	4,523,952	3,974,384
Intangible assets		
Goodwill	512,640	393,946
Other intangible assets	76,023	80,250
Total intangible assets	588,663	474,196
Investments and other assets		
Investment securities	5,805,342	6,348,699
Long-term loans receivable	3,698	1,695
Long-term loans receivable from subsidiaries	2,078,347	1,876,709
Others	263,758	266,205
Allowance for doubtful debts	(37,806)	(24,710)
Total investments and other assets	8,113,341	8,468,598
Total non-current assets	13,225,958	12,917,179
Total Assets	22,510,903	22,231,123

(Thousand Yen)

	Fiscal year 2015 (As of March 31, 2016)	Fiscal year 2016 (As of March 31, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,451,251	1,498,110
Short-term loans payable	1,296,387	1,430,302
Income taxes payable	317,892	161,347
Accrued consumption taxes	118,371	70
Provision for bonuses	104,783	107,032
Other current liabilities	797,046	627,052
Total current liabilities	4,085,732	3,823,916
Non-current liabilities		
Long-term loans payable	1,258,468	1,000,750
Deferred tax liabilities	550,031	710,549
Provision for directors' retirement benefits	172,354	-
Retirement benefits liabilities	59,102	63,122
Liabilities on asset disposal	64,686	65,331
Other non-current liabilities	433,045	560,507
Total non-current liabilities	2,537,688	2,400,261
Total Liabilities	6,623,420	6,224,177
Net Equity		
Shareholder equity		
Share capital	1,524,460	1,524,460
Capital surplus	2,530,171	2,077,791
Retained earnings	10,773,108	11,245,427
Treasury stock	(716,921)	(717,003)
Total shareholder equity	14,110,817	14,130,675
Cumulative other comprehensive income		
Valuation difference on available-for-sales securities	1,525,527	1,869,283
Foreign currency translation adjustment	93,726	83,422
Re-measurements of Defined Benefit Plans	(42,712)	(41,319)
Total cumulative other comprehensive income	1,576,540	1,911,387
Non-controlling interests	200,123	(35,117)
Total Equity	15,887,482	16,006,946
Total Liabilities and Equity	22,510,903	22,231,123

(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 2015 (April 1, 2015 to March 31, 2016)	Fiscal year 2016 (April 1, 2016 to March 31, 2017)
Net sales	19,312,581	19,347,773
Cost of sales	15,124,971	15,346,548
Gross profit	4,187,609	4,001,224
Selling, general and administrative expenses	3,228,503	3,381,114
Operating profit	959,106	620,110
Non-operating income		
Interest income	41,909	35,019
Dividends received	62,049	69,107
Foreign exchange gains	-	18,140
Share of Equity in earnings of affiliates	-	111,687
Other non-operating income	40,864	39,016
Total non-operating income	144,823	272,970
Non-operating expenses		
Interest expenses	35,184	31,292
Foreign exchange loss	73,985	-
Equity in losses of affiliates	21,991	-
Other non-operating expenses	14,684	5,379
Total non-operating expenses	145,845	36,671
Ordinary profit or loss	958,083	856,409
Extraordinary income		
Gain on sales of non-current assets	-	143,959
Gain on sales of investment securities	1,825	231,483
Total extraordinary income	1,825	375,443
Extraordinary loss		
Loss on disposal of fixed assets	4,558	263
Impairment losses	-	344,754
Loss on valuation of investment securities	142	-
Total extraordinary losses	4,700	345,017
Profit or loss before corporate income taxes	955,207	886,834
Income taxes-current	495,227	385,142
Income taxes-deferred	(40,014)	67,422
Total income taxes	455,212	452,564
Profit for the year	499,995	434,270
Loss attributable to non-controlling interests	(123,737)	(279,723)
Profit for the year attributable to owners of parent	623,732	713,993

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

(Thousand Yen)

	Fiscal year 2015 (April 1, 2015 to March 31, 2016)	Fiscal year 2016 (April 1, 2016 to March 31, 2017)
Profit for the year	499,995	434,270
Other comprehensive profit or loss		
Evaluation at fair value on marketable securities	(302,433)	343,756
Foreign currencies translation adjustment	(96,332)	(24,438)
Re-measurements of defined benefit plans, (net of tax)	(54,515)	1,393
Share of other comprehensive profit or loss of associates accounted for applying equity method	(4,592)	-
Total other comprehensive profit or loss for the year	(457,874)	320,711
Comprehensive profit or loss for the year	42,120	754,981
Comprehensive profit or loss attributable to:		
Owners of parent	209,120	1,047,727
Non-controlling interests	(166,999)	(292,746)

(3) Consolidated Statements of Changes in Equity

Fiscal Year 2016 (April 1, 2015 to March 31, 2016)

(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	10,391,064	(716,247)	13,729,448
Changes					
Dividends			(241,689)		(241,689)
Profit for the year			623,732		623,732
Change in scope of consolidation					—
Purchase of Treasury Shares				(674)	(674)
Net changes of items other than Shareholders' Equity					
Total changes of items during the period	—	—	382,043	(674)	381,369
Balance at the end of the period	1,524,460	2,530,171	10,773,108	(716,921)	14,110,817

	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	1,827,960	152,501	11,803	1,992,264	384,430	16,106,143
Changes						
Dividends						(241,689)
Profit for the year						623,732
Change in scope of Consolidation						—
Purchase of Treasury Shares						(674)
Net changes of items other than Shareholders' Equity	(302,433)	(58,775)	(54,515)	(415,723)	(184,306)	(600,029)
Total changes of items during period	(302,433)	(58,775)	(54,515)	(415,723)	(184,306)	(218,660)
Balance at the end of current period	1,525,527	93,726	(42,712)	1,576,540	200,123	15,887,482

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

(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	2,530,171	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

(4) Consolidated Statements of Cash Flows

(Thousand Yen)

	Fiscal Year 2015 (April 1, 2015 to March 31, 2016)	Fiscal Year 2016 (April 1, 2016 to March 31, 2017)
Cash Flows from Operating Activities		
Profit before income taxes	955,207	886,834
Depreciation and amortization	333,874	286,079
Amortization of goodwill	107,989	119,806
Impairment loss	-	344,754
Increase (decrease) in provision for bonuses	5,049	2,248
Increase (decrease) in allowance for doubtful debts	(12,557)	(12,605)
Increase (decrease) in provision for directors' retirement benefits	(10,685)	(172,354)
Increase (decrease) in retirement benefits liability	(25,895)	(7,980)
Interest earned and dividend income	(103,958)	(104,127)
Interest expenses	35,184	31,292
Foreign exchange losses (gains)	81,531	(18,140)
Share of Equity in (earning) losses of affiliates	21,991	(111,687)
Loss (gain) on sales of investment securities	(1,825)	(231,483)
Loss (gain) on valuation of investment securities	142	-
Loss on disposal of fixed assets	4,558	263
Loss (gain) on sales of non-current assets	-	(143,959)
Decrease (increase) in notes and account receivable-trade	(5,791)	(154,939)
Decrease (increase) in inventories	290,347	(690,283)
Decrease (increase) in accrued receivable-other	(13,269)	(6,805)
Decrease (increase) in other current assets	(11,988)	(177,927)
Increase (decrease) in notes and accounts payable-trade	123,202	43,563
Increase (decrease) in accrued consumption taxes	(23,304)	(118,301)
Increase (decrease) in other current liabilities	(9,615)	(38,419)
Increase (decrease) in other non-current liabilities	(1,026)	128,970
Others (net amount)	11,350	929
Subtotal	1,750,510	(144,273)
Interest and dividends received	132,826	108,616
Interest expenses paid	(32,919)	(31,558)
Corporate income taxes paid	(397,429)	(553,997)
Net cash provided by (used in) operating activities	1,452,988	(621,212)

(Thousand Yen)

	Fiscal Year 2015 (April 1, 2015 to March 31, 2016)	Fiscal Year 2016 (April 1, 2016 to March 31, 2017)
Net Cash provided by (used in) Investing Activities		
Payments into time deposits	2,000	-
Proceeds from sales and redemption of securities	27,176	292,950
Purchase of investment securities	(1,361)	(1,383)
Purchase of property, plant and equipment	(153,892)	(211,845)
Proceeds from sales of property, plant and equipment	-	182,804
Purchase of intangible assets	(7,470)	(24,480)
Payments of short-term loans receivable	(102,569)	-
Collection of long-term loans receivable	1,003,992	1,294,290
Payments of long-term loans receivable	(1,111,302)	(865,089)
Proceeds from acquisition of subsidiaries' interests resulting in change in scope of consolidation	6,131	-
Payment for acquisition of subsidiaries' interests	(10,631)	-
Net cash provided by (used in) investing activities	(347,926)	667,245
Net Cash provided by (used in) Financing Activities		
Net increase (decrease) in short-term loans payable	114,785	52,014
Repayment of long-term loans payable	(354,687)	(188,785)
Purchase of treasury stock	(674)	(81)
Payment for acquisition of subsidiaries' interests remaining same position in scope of consolidation	-	(394,875)
Dividends paid	(241,689)	(241,673)
Net cash provided by (used in) financing activities	(482,265)	(773,400)
Effect of exchange rate change on Cash and Cash Equivalents	(5,810)	2,564
Net increase (decrease) in Cash and Cash Equivalents	616,985	(724,802)
Cash and Cash Equivalents at the beginning of period	2,191,450	2,808,436
Cash and Cash Equivalents at the end of period	2,808,436	2,083,633

(5) Notes on Consolidated Financial Statements

(Notes on assumption of a going concern)

None

(Change in Accounting Policies)

(Application of Practical Solution on Change in Depreciation Method due to Tax Reform 2016)

Following revision to the Corporation Tax Act, the Company has applied the Practical Solution on Change in Depreciation Method due to Tax Reform 2016 (Accounting Standards Board of Japan (ASBJ), PITF No.32, June 17, 2016), effective from the current fiscal year.

As a result, the depreciation method for building fixtures and structures acquired on or after April 1, 2016 has been changed from the declining-balance method to the straight-line method.

The adoption of the new depreciation method had an immaterial impact on profit or loss in the current fiscal year.

(Additional Information)

(Application of Implementation Guidance on the Recoverability of Deferred Tax Assets)

From the current fiscal year, the Company commences to adopt the Implementation Guidance on the Recoverability of Deferred Tax Assets (Application Guidelines of Accounting Standards for Business Enterprises No.26, March 28, 2016).

(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, 2016 (April 1, 2015 to March 31, 2016)

(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	Total		
Net sales							
Net sales to third-party customers	11,970,703	6,741,710	600,168	—	19,312,581	—	19,312,581
Intersegment net sales and transfer	—	—	2,223	—	2,223	(2,223)	—
Total	11,970,703	6,741,710	602,391	—	19,314,805	(2,223)	19,312,581
Segment profit (loss)	1,275,839	(154,529)	525,670	—	1,646,979	(687,873)	959,106
Segment assets	10,167,284	5,730,346	1,445,475	210,354	17,553,460	4,957,442	22,510,903
Other items							
Depreciation and amortization	61,162	256,390	16,321	—	333,874	—	333,874
Amortization of goodwill	—	107,989	—	—	107,989	—	107,989
Increase in property, plant and equipment, and intangible assets	39,938	133,953	—	168,085	341,977	—	341,977

Notes: 1. Adjustments are as follows:

- (1) Adjustment for segment loss of (687,873) 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 4,957,442 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, 2017(April 1, 2016 to March 31, 2017)

(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	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 (765,580) 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 4,864,082 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.