

Summary of Consolidated Financial Results
For the Three Months Ended June 30,2013(Based on Japanese GAAP)

July 31, 2013

Company name: Fuji Nihon Seito Corporation Listing: Second Section of Tokyo Exchange
 Stock code: 2114 http://www.fnsugar.co.jp
 Company Representative: Yoshikazu Funakoshi President and Chief Executive
 Contact person in charge: Hiroshi Fukuda Executive Officer Administrative Headquarters General Manager

TEL.81-3-3667-7811

Planned date for submission of quarterly report: August 9,2013

Preparation of supplementary material for quarterly financial statements: None

Briefing session for quarterly financial statements: None

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

1. Consolidated Financial Results for the Three Months Ended June 30,2013 (from April 1,2013 to June 30,2013)

(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	%
Three months ended June 30,2013	5,111	0.8	264	(0.2)	300	0.2	183	3.8
Three months ended June 30,2012	5,070	1.1	265	(28.8)	299	(31.8)	176	(25.9)

Note: Comprehensive income

Three months ended June 30,2013: 230 million yen (up 142.4%) Three months ended June 30,2012: 95 million yen (down 65.6%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended June 30,2013	6.82		—	
Three months ended June 30,2012	6.60		—	

(2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	
	Million yen		Million yen		%	
As of June 30,2013	19,903		14,270		69.6	
As of March 31,2013	20,023		14,308		69.3	

(Reference) Equity capital: As of June 30,2013: 13,853 million yen As of March 31,2013: 13,879 million yen

2. Cash Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year end	Total
	Yen				
Year ended March 31,2013	—	0.00	—	10.00	10.00
Year ending March 31,2014	—				
Year ending March 31,2014(forecast)		0.00	—	9.00	9.00

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

3. Consolidated Business Forecasts for Year Ending March 31,2014 (from April 1,2013 to March 31,2014)

(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 30,2013	10,000	0.1	550	(8.3)	600	(5.5)	350	(13.6)	13.02
Full year	20,000	1.2	950	(4.5)	1,050	(8.2)	650	(9.3)	24.18

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

※ Notes

(1) Significant changes in subsidiaries during the three months of fiscal year 2014

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

New —companies (company name —) ,Excluded — companies (company name —)

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

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

(i) Changes in accounting policy due to any revision of accounting standards: None

(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 June 30,2013	29,748,200 shares	As of March 31,2013	29,748,200 shares
-----------------------	----------------------	------------------------	----------------------

(ii) Number of treasury stock at period end

As of June 30,2013	2,863,447 shares	As of March 31,2013	2,863,447 shares
-----------------------	---------------------	------------------------	---------------------

(iii) Average number of shares during period
(from the beginning of fiscal year to period end)

As of June 30,2013	26,884,753 shares	As of June 30,2012	26,742,440 shares
-----------------------	----------------------	-----------------------	----------------------

※ Implementation of quarterly review procedure:

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

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

Business forecasts and other forward-looking statements contained in this report and supplementary materials are based on information currently available to the Company and on certain assumptions deemed as rational, and are not intended to guarantee the achievements by the Company. Actual results may differ significantly from such forecasts due to various factors. For preconditions used for business forecasts and notes in using such forecasts, please refer to “(3) Qualitative information regarding consolidated business forecasts” in “1. Qualitative Information Regarding the Results for the First Three Months of Fiscal Year 2014” on page 4 of the Appendix.

○ Appendix

1. Qualitative Information Regarding the Results for the First Nine Months of Fiscal Year 2014	2
(1) Qualitative information regarding consolidated operating results	2
(2) Qualitative information regarding consolidated financial position	2
(3) Qualitative information regarding consolidated business forecasts	3
2. Matters Regarding Summary Information (Notes)	3
(1) Significant change in subsidiaries during the first nine months of fiscal year 2014	4
(2) Application of accounting method unique to preparation of quarterly consolidated financial statements	4
(3) Change in accounting policy and accounting estimates and restatement	4
3. Quarterly Consolidated Financial Statements	5
(1) Quarterly consolidated balance sheets	5
(2) Quarterly Consolidated statements of income and consolidated statements of comprehensive income	7
(3) Notes on consolidated financial statements	9
(Notes on assumptions of a going concern)	9
(Notes on occurrence of significant changes to shareholder's equity)	9
(Segment information)	9

1. Qualitative Information Regarding the Results for the First Nine Months of Fiscal Year 2014

(1) Qualitative information regarding consolidated operating results

During the three months of fiscal year 2014, the Japanese economy showed the improvement of business climate due to the modification of strong yen and soaring stock price by the expectation of the economic and financial policies by the new regime, but the Japanese economy continued to face uncertainty due to factors including the economic slowdown triggered by the government debt crisis in Europe and the slowdown of the Chinese economy.

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

As a result, consolidated net sales for the three months of fiscal year 2014, increased 0.8 % year on year to 5,111 million yen, operating income decreased 0.2% year on year to 264 million yen, ordinary income increased 0.2% year on year to 300 million yen, net income increased 3.8% year on year to 183 million yen due to recorded an extraordinary gain of 11 million yen by gain on sales of investment securities.

Operating results of each segment is as follows:

① Sugar Business

Consolidated net sales increased 0.9% year on year to 3,323 million yen, Operating income decreased 1.2% year on year to 287 million yen. The sales revenue increased due to strong sales for major customer mainly of liquid sugar for beverages and an increase of sales volume year on year despite sales price decreased. Operating income decreased due to declining sales price and an increase of selling expense of logistics cost and others despite the purchase cost of raw sugar decreased.

② Functional Materials Business

Consolidated net sales increased 0.9% year on year to 1,637 million yen, Operating income increased 22.0% year on year to 33 million yen. The sales revenue of functional food “Inulin” wasn’t seen the big growth year on year. The sales revenue of Unitec Foods Co., Ltd. (consolidated subsidiary) increased year on year due to continued success of their main products, gelatin, in addition to an increase of new customers and sales promotion effect. A decrease of the material cost for producing Inulin and a decrease of general and administrative expenses of Unitec Foods Co., Ltd. (consolidated subsidiary) contribute to improve operating income.

③ Real Estate Business

Consolidated net sales decreased 1.1% year on year to 150 million yen, Operating income decreased 1.2% year on year to 129 million yen. The operating income of the Division ended with a small decrease of sales and profits year on year due to a decrease of the rate of operation of a small rental house, but contributed to obtaining stable profits.

(2) Qualitative information regarding consolidated financial position

Total assets as of June 30, 2013 decreased by 0.6% compared to the end of the previous year to 19,903 million yen. The change situation of financial position of the first three months of fiscal year 2014 is as follows:

① Assets

Current assets decreased by 3.5% compared to the end of the previous fiscal year to 8,376 million yen. This was mainly due to a decrease of inventories and so on.

Fixed assets, increased by 1.6% compared to the end of the previous fiscal year to 11,527 million yen. This was mainly due to an increase of construction in progress and so on.

②Liabilities

Current liabilities decreased by 5.7% compared to the end of the previous fiscal year to 3,504 million yen. This was mainly due to a decrease of income taxes payable and so on.

Non-current liabilities increased by 6.6% compared to the end of the previous fiscal year to 2,128 million yen. This was mainly due to an increase of long-term loans payable and so on.

③Net assets

Net assets decreased by 0.3% compared to the end of the previous fiscal year to 11,527 million yen. This was mainly due to a decrease of retained earnings owing to payment of dividend although net income was recorded.

(3) Qualitative information regarding consolidated business forecasts

Business is proceeding largely in line with plans during the first three months of fiscal year 2014, and there are no changes to the consolidated six months ending 30, September and full-year forecasts issued on April 30,2013.

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

2. Matters Regarding Summary Information (Notes)

(1) Significant changes in subsidiaries during the first nine months of fiscal year 2014

None

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

None

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

None

3. Quarterly consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Thousand yen)

	Fiscal 2013 (As of March 31,2013)	First quarter of Fiscal 2014 (As of June 30,2013)
Assets		
Current assets		
Cash and deposits	2,291,486	2,249,938
Notes and accounts receivable-trade	1,993,693	1,953,392
Short-term investment securities	322,085	322,088
Merchandise and finished goods	1,469,940	1,575,980
Work in process	162,901	145,355
Raw materials and supplies	1,246,646	1,016,387
Other	1,191,729	1,116,280
Allowance for doubtful accounts	(2,911)	(3,165)
Total current assets	8,675,571	8,376,258
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	686,222	673,864
Machinery, equipment and vehicles, net	193,074	182,667
Land	2,048,834	2,048,834
Construction in progress	623,883	875,588
Other, net	60,463	55,379
Total property ,plant and equipment	3,612,479	3,836,335
Intangible assets		
Goodwill	793,787	766,790
Other	96,618	101,038
Total intangible assets	890,406	867,828
Investments and other assets		
Investment securities	4,671,323	4,649,619
Long-term loans receivable from subsidiaries and affiliates	1,962,552	1,962,552
Other	281,637	281,484
Allowance for doubtful accounts	(70,252)	(70,262)
Total investments and other assets	6,845,260	6,823,393
Total noncurrent assets	11,348,146	11,527,557
Total assets	20,023,717	19,903,815

(Thousand yen)

	Fiscal 2013 (As of March 31,2013)	First quarter of Fiscal 2014 (As of June 30,2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,269,306	1,408,167
Short-term loans payable	1,261,196	1,192,696
Income taxes payable	207,760	79,773
Provision for bonuses	120,180	54,894
Provision for directors' bonuses	9,830	2,380
Other	848,824	766,624
Total current liabilities	3,717,097	3,504,536
Noncurrent liabilities		
Long-term loans payable	896,803	991,496
Provision for retirement benefits	260,485	234,746
Provision for directors' retirement benefits	164,893	171,641
Asset retirement obligations	53,967	54,107
Other	621,784	676,958
Total noncurrent liabilities	1,997,933	2,128,949
Total liabilities	5,715,031	5,633,485
Net assets		
Shareholders' equity		
Capital stock	1,524,460	1,524,460
Capital surplus	2,530,171	2,530,171
Retained earnings	9,691,308	9,605,737
Treasury stock	(706,124)	(706,124)
Total shareholders' equity	13,039,815	12,954,244
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	759,331	824,085
Foreign currency translation adjustment	80,800	74,723
Total accumulated other comprehensive income	840,131	898,809
Minority interests	428,739	417,276
Total net assets	14,308,686	14,270,329
Total liabilities and net assets	20,023,717	19,903,815

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income
 Quarterly consolidated statements of income
 First three months of fiscal year 2013 and 2014

(Thousand yen)

	First three months of fiscal year 2013 (From April 1,2012 to June 30,2012)	First three months of fiscal year 2014 (From April 1,2013 to June 30,2013)
Net sales	5,070,105	5,111,740
Cost of sales	3,972,472	3,996,804
Gross profit	1,097,633	1,114,935
Selling, general and administrative expenses	832,481	850,388
Operating income	265,151	264,547
Non-operating income		
Interest income	12,208	12,638
Dividends income	24,539	22,565
Equity in earnings of affiliates	2,325	6,842
Other	4,600	3,835
Total non-operating income	43,674	45,881
Non-operating expenses		
Interest expenses	7,592	5,317
Other	1,599	4,977
Total non-operating expenses	9,192	10,294
Ordinary income	299,634	300,133
Extraordinary income		
Gain on sales of investment securities	—	11,540
Total extraordinary income	—	11,540
Extraordinary loss		
Loss on retirement of noncurrent assets	3,309	21
Loss on redemption of investment securities	5,455	—
Loss on valuation of investment securities	9,738	—
Total extraordinary loss	18,503	21
Income before income taxes	281,130	311,652
Income taxes-current	69,340	89,338
Income taxes-deferred	35,686	45,333
Total income taxes	105,026	134,672
Income before minority interests	176,103	176,979
Minority interests in loss	(454)	(6,296)
Net income	176,558	183,276

Quarterly consolidated statements of comprehensive income
 First three months of fiscal year 2013 and 2014

(Thousand yen)

	First three months of fiscal year 2013 (From April 1, 2012 to June 30, 2012)	First three months of fiscal year 2014 (From April 1, 2013 to June 30, 2013)
Income before minority interests	176,103	176,979
Other comprehensive income		
Valuation difference on available-for-sale securities	(77,028)	64,753
Deferred gains or losses on hedges	(0)	—
Foreign currency translation adjustment	(3,021)	(11,480)
Share of associates accounted for using equity method	(976)	237
Total other comprehensive income	(81,026)	53,511
Comprehensive income	95,077	230,491
Comprehensive income attributable to:		
Owners of the parent	96,891	241,953
Minority interests	(1,814)	(11,462)

(3) Notes to consolidated financial statements

(Notes on assumptions of a going concern)

None

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

None

(Segment information)

I First three months of Fiscal 2013(from April 1, 2012 to June 30, 2012)

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

	Reportable Segment				Adjustments ※1	Amount recorded in quarterly consolidated income statements ※2
	Sugar Business	Functional Materials Business	Real Estate Business	Total		
Net sales						
Net sales to third-party customers	3,295,522	1,622,815	151,767	5,070,105	—	5,070,105
Intersegment net sales and transfer	3,332	395	277	4,004	(4,004)	—
Total	3,298,854	1,623,211	152,045	5,074,110	(4,004)	5,070,105
Segment profit	290,649	27,356	131,227	449,232	(184,081)	265,151

Notes: 1 Adjustment for segment income of (184,081) thousand yen is general and administrative expenses of administrative department and research and development department which do not belong to the report segment.

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

II First three months of Fiscal 2014(from April 1, 2013 to June 30, 2013)

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

	Reportable Segment				Adjustments ※1	Amount recorded in consolidated income statements ※2
	Sugar Business	Functional Materials Business	Real Estate Business	Total		
Net sales						
Net sales to third-party customers	3,323,596	1,637,994	150,150	5,111,740	—	5,111,740
Intersegment net sales and transfer	3,293	4,084	277	7,654	(7,654)	—
Total	3,326,889	1,642,078	150,427	5,119,395	(7,654)	5,111,740
Segment profit	287,151	33,367	129,691	450,210	(185,662)	264,547

Notes: 1 Adjustment for segment income of (185,662) thousand yen is general and administrative expenses of administrative department and research and development department which do not belong to the report segment.

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