

# Summary of Consolidated Financial Results

## For the Ended March 31,2013(Based on Japanese GAAP)

April 30, 2013

Company name:	Fuji Nihon Seito Corporation	Listing: Second Section of Tokyo Exchange
Stock code:	2114	<a href="http://www.fnsugar.co.jp">http://www.fnsugar.co.jp</a>
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 ordinary general meeting of shareholders:	June 19,2013	
Planned date to start dividend payment:	June 5,2013	
Planned date for submission of annual securities report:	June 19,2013	
Preparation of supplementary material for quarterly financial statements:	No	
Briefing session for quarterly financial statements:	No	

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

### 1. Consolidated Financial Results for the Year Ended March 31,2013 (from April 1,2012 to March 31,2013)

#### (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	%
Year ended March 31,2013	19,760	2.5	995	(2.9)	1,143	(0.2)	716	12.6
Year ended March 31,2012	19,272	0.5	1,024	(31.0)	1,146	(29.0)	636	(36.8)

Note: Comprehensive income

Year ended March 31,2013: 1,234 million yen (47.4%) Year ended March 31,2012: 837 million yen ((6.0%))

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Operating margin
	Yen	Yen	%	%	%
Year ended March 31,2013	26.71	—	5.3	5.9	5.0
Year ended March 31,2012	23.80	—	5.0	6.3	5.3

(Reference) Equity in earnings of affiliates:

For the year ended March 31, 2013: 23 million yen

For the year ended March 31, 2012: 50 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 31,2013	20,023	14,308	69.3	516.28
Year ended March 31,2012	18,601	12,934	69.5	483.65

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

As of March 31,2012: 12,934 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 31,2013	1,317	(523)	(121)	2,611
Year ended March 31,2012	849	(399)	(467)	1,878

### 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 31,2012	—	0.00	—	10.00	10.00	267	42.0	2.1
Year ended March 31,2013	—	0.00	—	10.00	10.00	268	37.4	2.0
Year ended March 31,2014 (forecast)	—	0.00	—	9.00	9.00		37.2	

### 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

#### ※ Notes

##### (1) Significant changes in subsidiaries during period

(Change in specified subsidiaries resulting in change of scope of consolidation):Yes

New one companies(company name) Fuji Nihon Thai Inulin Co.,Ltd. , Excluded —companies(company name —)

##### (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: Yes

(iv) Restatement: None

Note:

##### (3) Number of outstanding shares (common shares)

(i) Number of outstanding shares at period end (including treasury stock)

As of year ended March 31,2013	29,748,200 shares	AS of March 31,2012	29,748,200 shares
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(ii) Number of treasury stock at period end

As of year ended March 31,2013	2,863,447 shares	AS of March 31,2012	3,005,585 shares
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(iii) Average number of shares during period

As of year ended March 31,2013	26,841,802 shares	AS of March 31,2012	26,746,723 shares
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#### ※ Disclosure regarding the status on implementation of audit procedures

This summary of financial results is not subject audit procedures under the Financial Instruments and Exchange Act, and audit procedures of financial statements under the Act had not yet been completed as of the date of disclosure of this summary of financial results.

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

Descriptions for the future such as business forecasts contained in this report are based on the information we currently have as well as a certain assumption that such information is reasonable. Actual results may greatly differ due to various factors. For preconditions for business forecasts and notes in using such forecasts, please see “Analysis of operating results(outlook for next fiscal year 2013)” on page 2 of the appendix.

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## 1. Operating Results

### (1) Analysis of operating results

(Operating results of the Fiscal Year 2013)

During the fiscal year 2013, the Japanese economy recovers gently due to factors including the demand associated with efforts for reconstruction after the Great East Japan Earthquake, moreover, the improvement of business climate due to the modification of strong yen after regime change and soaring stock price, but the Japanese economy continue to face uncertainty due to the government debt problem in Europe and slowdown of Chinese economy.

Under these economic environments, the Group made efforts to maintain the stable and constant supply of our products as the top priority. We also focused to promote “Inulin” project. We established a joint company, Fuji Nihon Thai Inulin Co., Ltd, for producing “Inulin”, and started construction of new plant in Thailand.

As a result, consolidated net sales increased 2.5% year on year to 19,760 million yen. Operating income decreased 2.9% year on year to 995 million yen. Ordinary income decreased 0.2% year on year to 1,143 million yen. Net income increased 12.6% year on year to 716 million yen due to recorded an extraordinary gain of 20 million yen by gain on sales of investment securities and loss of 5 million yen by redemption investment securities and others.

Operating results of each segment is as follows:

#### ① Sugar Business

Regarding the Sugar Business, the overseas raw sugar market opened with 24.58 cents (per pound) at the New York Futures Market at the beginning of the current term, but it dropped due to an undersupply fear was erased in view of expected satisfactory production in Brazil, India and Thailand. Subsequently, the market went up under the speculations of the supply shortage due to unseasonable weather in sugar producing countries, but the market dropped again finding of minor influence to the production. Furthermore, the market continued to drop without rebound due to over supply assured and it ended with 17.66 cents. On the other hand, the Tokyo spot market price started at 186 yen (per kg of white superior soft sugar in a bag) at the beginning of the current term. As overseas raw sugar price dropped, the price lowered by 3 yen in July, and it ended with 183 yen at the end of the current term. Regarding the movements of products, the demand of confectionary was sluggish, but the beverage, baked goods and dairy products was satisfactory and sales of liquid sugar, granulated sugar was increased. After all sales volume was over the previous year. The comeback of the business of our customer affected by the Great East Japan Earthquake was one of the reasons.

As a result, Sales decreased slightly 0.4% year on year to 13,021 million yen by a decrease of sales price despite sales volume was increased. Operating income decreased 5.6% year on year to 1,125 million yen by an increase of production cost due to rising energy cost and a decrease of sales price despite the cost of raw sugar declined.

#### ② Functional Materials Business

Regarding the Functional Materials Business, the sales volume grew satisfactory, increased by 12.4% compared to previous year due to the sales of “Inulin” using products, taking advantage of its fat substitute function, continued to be successful and the demand of “Inulin” has been gradually spreading. Furthermore, Fuji Nihon Thai Inulin Co., Ltd. established in June, 2012 for aiming future business expansion, is proceeding construction of Thai plant for starting operation in November, 2103. Regarding the Floral Preservatives Business, sales volume remained same with year on year due to the continuing sluggish trend of flower business although the sign of recovery at earthquake disaster Tohoku area was shown.

Regarding UNITEC Foods Co., Ltd., a consolidated subsidiary, ended with increased sales and increased profits due to the sales expansion of natural additives such as gelatin and pectin, their main products.

As a result, the sales revenue of the Functional Materials Business was 6,134 million yen (up 9.7% from the same period of

the previous year) and the operating income was 58 million yen (2 million yen of operating loss in the same period of the previous year). The performance of the Functional Materials Business ended with increased sales and increased profits.

### ③Real Estate Business

Regarding the Real Estate Business, renting of the company-owned properties contributed to obtaining stable profits, but the performance of the Division ended with decreased sales due to decrease of the rate of operation for a small rental house.

As a result, the sales revenue of the real estate business was 604 million yen (down 1.2% from the same period of the previous year) and the operating income was 521 million yen (down 1.2% from the same period of the previous year). The performance of the Division ended with decreased sales and decreased profits.

### (Outlook for the Next Fiscal Year)

Regarding Outlook for the Next Fiscal Year, the Japanese economy expect to recover due to weak yen and soaring stock price. Under these circumstance, 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 to construct new plant in Thailand and to start operation.

Regarding Sugar Business, while the tough sales environment continues due to declining of consumption of sugar, we forecast same revenue with year on year by making efforts to secure sales volume by strengthen sales structure. However, we forecast decrease of profit due to the expectation of increase of energy cost, delivery expense and other. We will be able to expect an increase of sales in the Functional Materials Business by putting emphasis on sales expansion of “Inulin” as well as sales increase in pectin, gelatin by UNITEC Foods Co., Ltd. (consolidated subsidiary). However, we forecast same profit with year on year due to the expectation of increase of early stage expenses for construction of “Inulin” factory. We will be able to expect same operating results with year on year in the Real Estate Business by improvement of the rate of operation of demised premises and the efforts to secure stable earnings.

As a result, consolidated net sales for the fiscal year 2014 are forecast to rise 1.2% year on year to 20,000 million yen. Operating income is projected to decrease 4.5% to 950 million yen. Ordinary income is projected to decrease 8.2% to 1,050 million yen. Net income is projected to decrease 9.3% to 650 million yen.

## (2)Analysis of financial position

### (Assets, liabilities and net assets)

Total asset as of end of fiscal year 2013 increased by 7.6% compared to the end of previous fiscal year to 20,023 million yen. The change of Financial position of fiscal year 2013 are as follows:

#### ①Assets

Current assets increased by 5.8% compared to the end of the previous fiscal year to 8,675 million yen. This was mainly due to increase of cash and deposits.

Fixed assets, increased by 9.1% compared to the end of the previous fiscal year to 11,348 million yen. This was mainly due to increase of construction in progress and investment securities.

#### ②Liabilities

Current liabilities increased by 0.7% compared to the end of the previous fiscal year to 3,717 million yen. This was mainly due to increase of accrued consumption taxes and income taxes payable.

Non-current liabilities increased by 1.1% compared to the end of the previous fiscal year to 1,997 million yen. This was mainly due to increase of deferred tax liabilities included in non-current liabilities “Others”.

### ③Net assets

Net assets increased by 10.6% compared to the end of the previous fiscal year to 14,308 million yen. This was mainly due to increase of retained earnings by added net income and appropriated minority interest.

### (Cash flow)

Cash and cash equivalents (hereinafter called "funds") as of end of fiscal year 2013 increased by 733 million yen to 2,611 million yen compared to the end of the fiscal year 2012.

Cash flow as of fiscal year 2013 and their reasons are as follows:

#### ①Cash flow from operating activities

Funds acquired from operating activities amounted to 1,317 million yen (up 55.0% compared with the same period of the previous year). This was mainly due to income before income taxes recorded and decrease of inventories.

#### ②Cash flow from investing activities

Funds used for investing activities was 523 million yen (up 31.2% compared with the same period of the previous year). This was mainly due to purchase of property, plant and equipment and disbursement of long-term loans despite some collection of long-term loans receivable.

#### ③Cash flow from financing activities

Funds used for financing activities was 121 million of yen (down 73.9% compared with the same period of the previous year). There was proceed from stock issuance to minority shareholders, on the other hand payment made for cash dividends and repayment of long-term loans.

### (Reference) Changes in cash-flow-related indices

	Fiscal year 2009	Fiscal year 2010	Fiscal year 2011	Fiscal year 2012	Fiscal year 2013
Capital adequacy ratio (%)	60.8	65.3	69.6	69.5	69.3
Market-Price-based capital adequacy ratio (%)	41.7	45.3	47.6	44.6	43.1
Cash flow/interest bearing liabilities ratio (years)	2.0	1.7	10.3	2.8	1.6
Interest coverage ratio (times)	30.8	28.5	6.2	25.4	51.4

(Notes) Capital adequacy ratio:  $\text{Equity capital} \div \text{Total assets}$

Market-price-based capital adequacy ratio:  $\text{Value of shares} \div \text{Total assets}$

Cash flow/interest bearing liabilities ratio :  $\text{Interest-bearing debt} \div \text{Cash flow}$

Interest coverage ratio:  $\text{Cash flow from operating} \div \text{Interest payment}$

Notes:

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.

### (3) Fundamental policy for profit allocation and dividends for fiscal year 2013 and 2014

The Company aims to secure steady operating results and establishes solid management infrastructure under a harsh industry climate. To the shareholder, continuation of steady profit allocation and capital policies such as acquisition of treasury stock will help to improve shareholder value as important management issues.

Regarding Dividends policy, our fundamental policy is to provide stable dividends while giving consideration to an increase of retained earnings according to business results. We plan to pay dividends of 10 yen per share for fiscal year 2013. For fiscal year 2014, we plan to pay dividends of 9 yen per share.

### (4) Business risk

The following are concerning risks that may have a significant impact on Group's operating results and financial position

Descriptions regarding the future are based on the Company's judgment as of end of fiscal year 2013

#### (Effect of Agriculture Laws and Regulations)

In the Sugar Business, the major business of the Group, changes in the government's agricultural policies, the progress of TPP (Trans-Pacific Partnership), FTA (Free Trade Agreement) and EPA (Economic Partnership Agreement) may affect the operating results of the Group.

#### (Integration of Production Bases)

The Company consigns majority refined sugar production to the other refining sugar company.

If the consignee is forced to stop operation by technical and regulatory problem or disaster such as conflagration or earthquake, it may affect our operating results by outage of product.

#### (Product Liability)

Research, development, sales and production may occur potential risk of product liability. The Group buys a policy, but the event beyond the coverage may affect operating results.

#### (Changes in the Purchase Prices of Raw Materials)

In the Sugar Business, the Group mainly purchases raw materials from the overseas. Therefore raw sugar market, ocean freight, a rate of foreign exchange, effect of a demand of ethanol may affect purchase prices of raw materials and this may affect the operating results.

#### (Changes in the Selling Price)

In the Sugar Business, it is difficult goods to differentiate product. Therefore the domestic internal price competition affect decrease of the selling prices may affect the operating results.

#### (Changes in the Stock Market)

The Group holds marketable securities as of end of fiscal year 2012, 2,945 million yen. Therefore Changes in the stock market may affect the operating results.

#### (Application of Accounting Standards for Impairment of Fixed Assets)

Effective from April 1, 2005, the Group applied the Accounting Standards for Impairment of Fixed Assets. The operating results may vary due to impairment loss by a decrease of land prices and a deterioration of revenue.

#### (Development of overseas project)

The business activity in overseas, in addition to risk of changes in currency, there are unexpected changes in law and policy, latent country risk of deterioration of politics and economic environment. In case of these becomes tangible, may affect the operating results of the Group.

## 2. Corporate Group

The Group (the Company and its affiliates, subsidiaries) is composed of the Company, 3 consolidated subsidiaries (Kyoritsu Foods Co., Ltd., UNITEC Foods Co., Ltd., Fuji Nihon Thai Inulin Co., Ltd.) and 4 companies accounted for using the equity method (Ma Ma-Macaroni Co., Ltd., Taiheiyo Seito Co., Ltd., Nan-ei Togyo Co., Ltd., Unitec Is Co., Ltd.). The Group's business is mainly composed of Sugar, Functional Materials, and Real Estate Business.

The following is description of the business of the Group and the relationships among the subsidiaries and affiliates. Three Business groupings are the same as those described in [Segment information].

### (1) Sugar Business

The Company produces and sells sugar related products. The affiliate (Nan-ei Togyo Co., Ltd.) produces raw sugar in Kagoshima, the Company purchases part of the product. The affiliate (Taiheiyo Seito Co., Ltd.) produces refined sugar for the Company and for some other companies in the same line of business.

The subsidiary (Kyoritsu Foods Co., Ltd.) sells and purchase refined sugar, liquid sugar and syrup produced by the Company.

### (2) Functional Materials Business

#### ① Food Science Division

Produces and sells a food additive.

#### ② Functional Food Division

The Group and Fuji Nihon Thai Inulin Co., Ltd. produce and sell a functional material (Inulin). The Group sells and purchases the fruit juice and the flavoring agents. The subsidiary (UNITEC Foods Co., Ltd.) sells and purchases natural additives like gelatin, pectin and others.

Fuji Nihon Thai Inulin Co., Ltd. is constructing the factory for produces and sells Inulin.

#### ③ Floral Preservatives Division

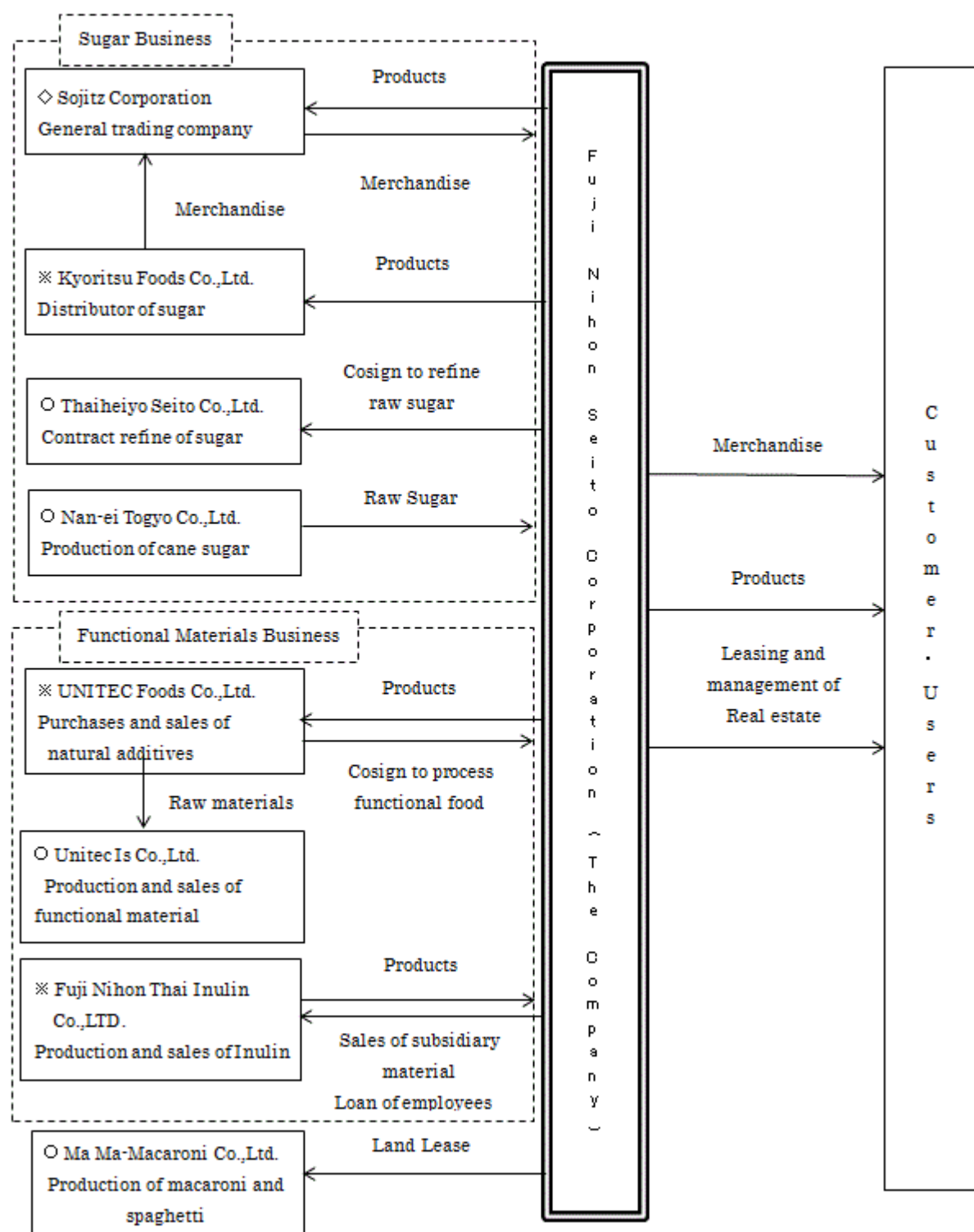
Produces and sells flower freshness preservation agent (Keep Flower).

### (3) Real Estate Business

Lease of company land and buildings and other real estate businesses.

The digram on the following page illustrates the structure business explained above





Note:※ :Consolidated Subsidiary ○ :Equity method affiliate ◇ :Other Affiliated

### 3. Management Policy

#### (1) Fundamental management policy

The Company's fundamental management policy aims to be "a company with robustness and vision", to contribute to healthy lifestyles. Based on 7 management policies, we aim to increase satisfaction of shareholders, clients, employees and contribute to the society through contributing to abundant lifestyles by food culture and maximizing corporate value as its fundamental policy.

- Completeness of Customer First policy
- Establishment of corporate culture employees grows and aims for self-fulfillment with the company
- Maximization of corporate value admired by society
- Creation of new values by promotion of research and development
- Completeness of righteous, transparent corporate activities
- Reinforcement and Expansion of ecological environmental management
- Promotion of corporate citizenship activities contribute to the society

#### (2) Management benchmark

The Group works on enhancing corporate value by efficiency of management. As our important management benchmark for increase revenue for growth and efficiency of capital, we aim for 8% ROE (return on equity).

#### (3) Medium and long term management strategies and issues to work on

The company aim to enhance earning capacity of Three Business Sections, constructs the steady earning system, enhances corporate value by new investment and M&A to develop a new business at some extra related to sugar and a new product and develop actively overseas project.

##### ① Sugar Business

Regarding the Sugar Business, the market is sluggish due to surplus of sugar in the world and also the market will continue to face uncertainty due to the influence of unusual weather in sugar producing countries, inflows and outflows of speculative funds into the sugar future market and big movement of foreign exchanges. We make efforts to purchase raw materials in the steady and reliable manner by collecting appropriate market data.

On the other hand, in the domestic sales, under continuously declining sugar consumption, the tough sales environment will continues, but we will make efforts to secure sales volume by strengthen sales structure, while maintain the stable and constant supply of our products and customer first policy.

##### ② Functional Materials Business

Regarding the Functional Materials Business, we will make efforts to strengthen development of an usage of "Inulin" and creates demand include South East Asia area utilizing sales subsidiary establish in May 2013 for corresponding increase of supply capability in the Thai Plant. Focuses of a food additive, we strive to pursue synergy with UNITEC Foods Co., Ltd. (consolidated subsidiary). Regarding the flower freshness preservative, we continue to make effort to develop new products and new sales route by focusing the continuing expand household products to increase sales volume.

##### ③ Real Estate Business

Regarding the Real Estate Business, we make efforts to secure stable revenue by operation and maintenance of company's own demised premises considering environment problem and disaster control.

#### 4. Consolidated Financial Statements

##### (1) Consolidated balance sheets

(Thousand yen)

	Fiscal 2012 (As of March 31, 2012)	Fiscal 2013 (As of March 31, 2013)
<b>Assets</b>		
Current assets		
Cash and deposits	1,858,033	2,291,486
Notes and accounts receivable-trade	※5 1,975,956	※5 1,993,693
Short-term investment securities	322,069	322,085
Merchandise and finished goods	1,595,762	1,469,940
Work in process	152,386	162,901
Raw materials and supplies	1,279,084	1,246,646
Deferred tax assets	76,057	80,915
Other	945,152	1,110,814
Allowance for doubtful accounts	(2,504)	(2,911)
Total current assets	8,201,997	8,675,571
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	700,228	686,222
Machinery, equipment and vehicles, net	233,151	193,074
Land	※3 2,048,834	※3 2,048,834
Construction in progress	182	623,883
Other, net	55,194	60,463
Total property, plant and equipment	※1 3,037,592	※1 3,612,479
Intangible assets		
Goodwill	901,776	793,787
Other	109,321	96,618
Total intangible assets	1,011,097	890,406
Investments and other assets		
Investment securities	※2 4,111,053	※2 4,671,323
Long-term loans receivable	3,080	2,626
Long-term loans receivable from subsidiaries and affiliates	1,926,200	1,962,552
Deferred tax assets	89,386	—
Other	290,823	279,011
Allowance for doubtful accounts	(70,090)	(70,252)
Total investments and other assets	6,350,453	6,845,260
Total noncurrent assets	10,399,143	11,348,146
Total assets	18,601,140	20,023,717

(Thousand yen)

	Fiscal 2012 (As of March 31,2012)	Fiscal 2013 (As of March 31,2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	※5 1,305,513	1,269,306
Short-term loans payable	1,421,859	1,261,196
Income taxes payable	109,837	207,760
Accrued consumption taxes	42,170	123,546
Provision for bonuses	110,502	120,180
Provision for directors' bonuses	10,610	9,830
Other	689,666	725,278
Total current liabilities	3,690,159	3,717,097
Noncurrent liabilities		
Long-term loans payable	997,716	896,803
Provision for retirement benefits	348,702	260,485
Provision for directors' retirement benefits	147,221	164,893
Asset retirement obligations	54,237	53,967
Other	※3 428,987	※3 621,784
Total noncurrent liabilities	1,976,863	1,997,933
Total liabilities	5,667,023	5,715,031
Net assets		
Shareholders' equity		
Capital stock	1,524,460	1,524,460
Capital surplus	2,524,305	2,530,171
Retained earnings	9,241,908	9,691,308
Treasury stock	(740,988)	(706,124)
Total shareholders' equity	12,549,685	13,039,815
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	385,715	759,331
Deferred gains or losses on hedges	(1,283)	—
Foreign currency translation adjustment	—	80,800
Total accumulated other comprehensive income	384,431	840,131
Minority interests	—	428,739
Total net assets	12,934,117	14,308,686
Total liabilities and net assets	18,601,140	20,023,717

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

(Thousand yen)

	Fiscal 2012 (From April 1,2011 to March 31,2012)	Fiscal 2013 (From April 1,2012 to March 31,2013)
Net sales	19,272,602	19,760,597
Cost of sales	15,088,143	15,462,818
Gross profit	4,184,458	4,297,779
Selling, general and administrative expenses	※1, ※2 3,159,792	※1, ※2 3,302,713
Operating income	1,024,665	995,065
Non-operating income		
Interest income	49,850	50,690
Dividends income	54,189	65,863
Foreign exchange gains	—	21,453
Equity in earnings of affiliates	50,241	23,003
Other	34,300	16,011
Total non-operating income	188,581	177,023
Non-operating expenses		
Interest expenses	34,511	26,148
Loss on investments in silent partnership	29,037	—
Other	3,187	2,291
Total non-operating expenses	66,736	28,439
Ordinary income	1,146,511	1,143,648
Extraordinary income		
Gain on sales of investment securities	22,665	20,444
Total extraordinary income	22,665	20,444
Extraordinary loss		
Loss on retirement of noncurrent assets	※3 9,806	※3 4,841
Loss on sales of noncurrent assets	※4 72	—
Impairment loss	※5 9,125	—
Loss on sales of investment securities	1,794	17
Loss on redemption of investment securities	—	5,455
Loss on valuation of investment securities	57,178	2,263
Total extraordinary loss	77,978	12,577
Income before income taxes	1,091,198	1,151,515
Income taxes-current	358,928	363,377
Income taxes-deferred	95,733	74,073
Total income taxes	454,662	437,451
Income before minority interests	636,536	714,063
Minority interests in loss	—	(2,761)
Net income	636,536	716,825

## Consolidated statements of comprehensive income

(Thousand yen)

	Fiscal 2012 (From April 1,2011 to March 31,2012)	Fiscal 2013 (From April 1,2012 to March 31,2013)
Income before minority interests	636,536	714,063
Other comprehensive income		
Valuation difference on available-for-sale securities	198,766	373,616
Deferred gains or losses on hedges	2,300	1,283
Foreign currency translation adjustment	—	143,620
Share of other comprehensive income of associates accounted for using equity method	—	1,808
Total other comprehensive income	※1 201,067	※1 520,329
Comprehensive income	837,603	1,234,393
Comprehensive income attributable to		
Owners of the parent	837,603	1,172,525
Minority interests	—	61,867

## (3) Consolidated statements of change in net assets

(Thousand yen)

	Fiscal 2012 (From April 1,2011 to March 31,2012)	Fiscal 2013 (From April 1,2012 to March 31,2013)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	1,524,460	1,524,460
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	1,524,460	1,524,460
Capital surplus		
Balance at the beginning of current period	2,524,249	2,524,305
Changes of items during the period		
Disposal of treasury stock	56	5,865
Total changes of items during the period	56	5,865
Balance at the end of current period	2,524,305	2,530,171
Retained earnings		
Balance at the beginning of current period	8,926,603	9,241,908
Changes of items during the period		
Dividends from surplus	(321,231)	(267,426)
Net income	636,536	716,825
Total changes of items during the period	315,305	449,399
Balance at the end of current period	9,241,908	9,691,308
Treasury stock		
Balance at the beginning of current period	(732,754)	(740,988)
Changes of items during the period		
Purchase of treasury stock	(8,455)	(884)
Disposal of treasury stock	221	35,749
Total changes of items during the period	(8,233)	34,864
Balance at the end of current period	(740,988)	(706,124)
Total shareholders' equity		
Balance at the beginning of current period	12,242,558	12,549,685
Changes of items during the period		
Dividends from surplus	(321,231)	(267,426)
Net income	636,536	716,825
Purchase of treasury stock	(8,455)	(884)
Disposal of treasury stock	278	41,615
Total changes of items during the period	307,127	490,129
Balance at the end of current period	12,549,685	13,039,815

(Thousand yen)

	Fiscal 2012 (From April 1,2011 to March 31,2012)	Fiscal 2013 (From April 1,2012 to March 31,2013)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	186,948	385,715
Changes of items during the period		
Net changes of items other than shareholders' equity	198,766	373,616
Total changes of items during the period	198,766	373,616
Balance at the end of current period	385,715	759,331
Deferred gains or losses on hedges		
Balance at the beginning of current period	(3,583)	(1,283)
Changes of items during the period		
Net changes of items other than shareholders' equity	2,300	1,283
Total changes of items during the period	2,300	1,283
Balance at the end of current period	(1,283)	—
Foreign currency translation adjustment		
Balance at the beginning of current period	—	—
Changes of items during the period		
Net changes of items other than shareholders' equity	—	80,800
Total changes of items during the period	—	80,800
Balance at the end of current period	—	80,800
Total accumulated other comprehensive income		
Balance at the beginning of current period	183,364	384,431
Changes of items during the period		
Net changes of items other than shareholders' equity	201,067	455,700
Total changes of items during the period	201,067	455,700
Balance at the end of current period	384,431	840,131
Minority interests		
Balance at the beginning of current period	—	—
Changes of items during the period		
Net changes of items other than shareholders' equity	—	428,739
Total changes of items during the period	—	428,739
Balance at the end of current period	—	428,739
Total net assets		
Balance at the beginning of current period	12,425,922	12,934,117
Changes of items during the period		
Dividends from surplus	(321,231)	(267,426)
Net income	636,536	716,825
Purchase of treasury stock	(8,455)	(884)
Disposal of treasury stock	278	41,615
Net changes of items other than shareholders' equity	201,067	884,439
Total changes of items during the period	508,194	1,374,568
Balance at the end of current period	12,934,117	14,308,686



## (4) Consolidated statement of cash flows

(Thousand yen)

	Fiscal 2012 (From April 1,2011 to March 31,2012)	Fiscal 2013 (From April 1,2012 to March 31,2013)
Net cash provided by (used in) operating activities		
Income before income taxes	1,091,198	1,151,515
Depreciation and amortization	147,419	166,221
Amortization of goodwill	107,989	107,989
Impairment loss	9,125	—
Increase (decrease) in provision for bonuses	(4,411)	9,677
Increase (decrease) in provision for directors' bonuses	(3,210)	(780)
Increase (decrease) in allowance for doubtful accounts	(30,954)	569
Increase (decrease) in provision for retirement benefits	(92,299)	(88,216)
Increase (decrease) in provision for directors' retirement benefits	13,322	17,672
Interest and dividends income	(104,039)	(116,553)
Interest expenses	34,511	26,148
Foreign exchange losses (gains)	272	(19,406)
Equity in (earnings) losses of affiliates	(50,241)	(23,003)
Loss (gain) on sales of investment securities	(20,870)	(20,426)
Loss (gain) on valuation of investment securities	57,178	2,263
Loss (gain) on redemption of investment securities	—	5,455
Loss on retirement of noncurrent assets	9,806	4,841
Loss (gain) on sales of noncurrent assets	72	—
Decrease (increase) in notes and accounts receivable—trade	(225,558)	(17,737)
Decrease (increase) in inventories	(395,296)	147,744
Decrease (increase) in accounts receivable—other	390	866
Decrease (increase) in other current assets	(483)	(62,087)
Increase (decrease) in notes and accounts payable—trade	496,479	(36,206)
Increase (decrease) in accrued consumption taxes	26,634	81,375
Increase (decrease) in other current liabilities	23,647	116,994
Increase (decrease) in other noncurrent liabilities	(18,448)	(348)
Other, net	141,152	18,494
Subtotal	1,213,386	1,473,061
Interest and dividends income received	137,464	138,623
Interest expenses paid	(33,414)	(25,652)
Income taxes paid	(467,815)	(268,907)
Net cash provided by (used in) operating activities	849,621	1,317,124

(Thousand yen)

	Fiscal 2012 (From April 1,2011 to March 31,2012)	Fiscal 2013 (From April 1,2012 to March 31,2013)
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	1,000	300,000
Proceeds from sales and redemption of securities	56,227	137,202
Purchase of investment securities	(20,788)	(115,764)
Purchase of property, plant and equipment	(144,778)	(681,224)
Proceeds from sales of property, plant and equipment	45	—
Purchase of intangible assets	(63,404)	(38,047)
Collection of long-term loans receivable	762,554	869,154
Payments of long-term loans receivable	(990,000)	(986,852)
Other, net	—	(8,187)
Net cash provided by (used in) investing activities	(399,144)	(523,721)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	140,000	(110,000)
Proceeds from long-term loans payable	500,000	109,956
Repayment of long-term loans payable	(777,864)	(261,859)
Proceeds from sales of treasury stock	278	41,615
Purchase of treasury stock	(8,455)	(884)
Cash dividends paid	(321,231)	(267,426)
Proceeds from stock issuance to minority shareholders	—	366,871
Net cash provided by (used in) financing activities	(467,272)	(121,727)
Effect of exchange rate change on cash and cash equivalents	(272)	61,793
Net increase (decrease) in cash and cash equivalents	(17,068)	733,468
Cash and cash equivalents at beginning of period	1,895,170	1,878,102
Cash and cash equivalents at end of period	※1 1,878,102	※1 2,611,571

(5) Note on consolidated financial statements

(Note on assumption of a going concern)

None

(Changes in accounting policy)

(Change in accounting policy, which is difficult to distinguish with changes in accounting estimate)

In conjunction with the revision to the Corporation Tax Act, the Company and its consolidated subsidiaries began adopting the depreciation method (200% Fixed Rate Method) based on the revised Corporation Tax Act for property, plant and equipment acquired on or after April 1, 2012 from the fiscal year 2013.

The impact of this change on operating income, ordinary income and net income before income tax is minimal.

(Changes in presentation policy)

(Consolidated Financial Statements)

In previous fiscal year, "Construction in progress" included in "Other, net" of "Property, plant and equipment" was increased monetary importance, thereby records individually from 2013 fiscal year. Reflect for this presentation method, rearranged previous consolidated financial statement.

(Important matters concerning preparation of consolidated financial statements)

1 Matters concerning scope of consolidation

Below two subsidiaries are included in the scope of consolidation.

Kyoritsu Food Co., Inc.

Unitec Foods Co., Ltd.

Fuji Nihon Thai Inulin Co., Ltd.

Regarding Fuji Nihon Thai Inulin Co., Ltd., included in the scope of consolidation from the fiscal year 2013 by new establishment.

2 Matters of concerning application of equity method

(イ) Equity method affiliates

Taiheiyo Seito Co., Ltd.

Ma•Ma- Macaroni Co., Ltd.

Nan-ei Togyo Co., Ltd.

Unitec Is Co., Ltd.

Regarding Unitec Is Co., Ltd., included in the scope of equity method from the fiscal year 2013 by new requirement of stock.

(ロ) Matters concerning fiscal year of equity method affiliates

Of our equity method affiliates, the closing date of Nan-ei Togyo Co., Ltd. is December 31. The financial statement based on provisional settlement on 31 December is used. However, necessary adjustments are made for material transactions that occurred during the period between the subsidiary's year-end and the consolidated year-end.

3 Matters concerning fiscal year of consolidated subsidiaries

The year closing date for subsidiaries is the same as the consolidated year closing date.

#### 4 Matters concerning accounting standard

##### (1) Evaluation standard and evaluation method of important assets

###### (イ)Securities

###### Available-for-sales-securities

###### Securities with market value

Market value method based on market price as of the closing date. (Valuation difference is reported as a component of shareholder's equity, and cost of securities sold is calculated by the moving-average method.)

###### Securities without market value

Cost method based on the moving average method.

Taking a stake in Investment Limited Partnership and other Partnership similar (It deemed to be Securities in the Financial Instruments and Exchange Law, Article 2-2), net amount of the comparable to equity securities based on current financial statement is available of Partnership contract provisions is used.

###### (ロ)Derivatives

###### Market value method

###### (ノ)Inventories

###### Merchandise

Mainly these are evaluated by the cost method based on the moving-average method. (Amounts in the balance sheets are calculated by devaluating book value base on a decrease in profitability.)

###### Finished goods, work in progress and raw materials

These are evaluated by the cost method based on FIFO. (Amounts in the balance sheets are calculated by devaluating book values based on a decrease in profitability.)

###### Supplies

It is evaluated by the cost method based on the moving-average method. (Amounts in the balance sheets are calculated by devaluating book values based on a decrease in profitability.)

##### (2) Method of depreciation of important depreciable assets

###### (イ)Property, plant and equipment

Buildings acquired on or after April 1, 1998 (excluding building fixtures), they apply the straight-line method, and other tangible assets apply the declining balance method.

Useful life of major categories is as follows:

###### Buildings and structures

3-50 years

###### Machinery, equipment and vehicles

2-10 years

###### (ロ)Intangible assets

###### Straight-line method

However, software is amortized on a straight-line basis over the expected usable period, up to five years.

(3) Standard to record important allowance and provision

(イ) Allowance for doubtful accounts

In preparation for bad debt, for general accounts receivable, a loan loss ratio is taken into account while for certain receivables such as doubtful accounts receivable, collectability of each receivable is considered in recording the estimated uncollectible amount.

(ロ) Provision for employees' bonuses

In preparation for payment of employees' bonuses, a provision thereof is recorded based on the estimated amount of payment in this fiscal year.

(ハ) Provision for directors' bonuses

In preparation for payment of directors' bonuses, a provision thereof is recorded based on the estimated amount of Payment.

(ニ) Provision for retirement benefits

In preparation for payment of employees' retirement benefits, the Company records provision for retirement benefits based on the estimated retirement benefit obligations as well as pension asset as of the end of this fiscal year.

Actuarial difference is first prorated by the straight-line method over a certain period (10 years) up to a ceiling of employees' average remaining service period in each fiscal year at the time of accrual, and the prorated amount is expensed from the fiscal year after the year of accrual.

(ホ) Reserve for retirement allowance for executive

The Company and some of our consolidated subsidiaries are in preparation for payment of director and corporate officers' retirement benefits, the Company records provision for retirement benefits based on the estimated retirement benefit obligations as well as pension asset as of the end of this fiscal year.

(4) Method of important hedge accounting

(イ) Method of hedge accounting

Deferred hedge accounting is adopted.

Interest rate swap that meets the requirements of appropriation processing is recorded based on the appropriation processing, and interest rate swap that meets the requirements of special accounting is recorded based on the special accounting.

(ロ) Hedging instruments, hedged items and hedging policy

a Hedging instruments

Foreign exchange forwards

Hedged items

Monetary receivables and payables are denominated in foreign currencies

b Hedging instruments

Interest rate swap

Hedged items

Interest on borrowing

(ノ)Hedging policy

The company employs derivative financial instruments for the import transactions of raw sugar to manage fluctuations in foreign currency exchange rates within the limits of the outstanding of monetary receivables and payables are denominated in foreign currencies and for the loans to manage fluctuations in interest rate within the limits of the outstanding of loans.

We follow the internal regulations concerning derivative for derivative transactions.

Our policy is not to use any transactions for speculation purpose.

(ニ)Method to evaluate effectiveness of hedging

As for decision for effectiveness of hedging, we give a decision based on the much-up of total amounts of market fluctuation for hedged items or cash flow and total amount of market fluctuation for hedging instruments or cash flow since started to hedge.

As for interest rate swaps, we do not evaluate the effectiveness since they meet the requirement of special accounting.

(5) Method and period of goodwill amortization

Amortization of goodwill is computed by using the straight-line method over 12 years.

(6) Scope of funds in the consolidated statements of cash flows

Funds consist of cash on hand, deposits cashable anytime and short-term investments (to be redeemed within three months from the date of acquisition) that are easily realizable and have limited risk of changes in value.

(7) Other important matters for preparation of consolidated financial statements

Accounting for consumption taxes

All accounting transactions are booked exclusive of any national or local consumption taxes.

(Consolidated balance sheets)

※1

	Fiscal 2012 (As of March 31, 2012)	Fiscal 2013 (As of March 31, 2013)
Accumulated depreciation of property, plant and equipment	2,554,797 Thousand yen	2,632,154 Thousand yen

※2 Item concerning the affiliates is as follows.

	Fiscal 2012 (As of March 31, 2012)	Fiscal 2013 (As of March 31, 2013)
Investment securities (shares)	1,391,605 Thousand yen	1,421,678 Thousand yen

※3 Assets pledged as collateral and munching liabilities

Duty of refund deposit for borrower

(Assets pledged as collateral)

	Fiscal 2012 (As of March 31, 2012)	Fiscal 2013 (As of March 31, 2013)
Land	145,995 Thousand yen	145,995 Thousand yen

(Warranty liabilities)

	Fiscal 2012 (As of March 31, 2012)	Fiscal 2013 (As of March 31, 2013)
Long-term guarantee deposited	57,980 Thousand yen	57,980 Thousand yen

Above long-term deposits are included in the “Other” of fixed liability.

4 Contingent liabilities

Guarantee obligation

The Company guarantees obligations for below affiliates’ loan from banks.

	Fiscal 2012 (As of March 31, 2012)	Fiscal 2013 (As of March 31, 2013)
Taiheiyo Seito Co., Ltd.	685,333 Thousand yen	530,666 Thousand yen
Nan-ei Togyo Co., Ltd.	116,564 Thousand yen	115,956 Thousand yen

※5 Notes matured at the end of the fiscal year are settled on the date of clearing.

Since March 31, 2012 was a holiday of financial institutions, the following notes matured at the end of the fiscal year are included in the ending balance of fiscal year 2011.

	Fiscal 2012 (As of March 31, 2012)	Fiscal 2013 (As of March 31, 2013)
Notes receivable-trade	17,674 Thousand yen	15,223 Thousand yen
Notes payable-trade	21,806 Thousand yen	—

## (Consolidated statements of income)

※1 Major item of expenditure and amounts of money, general and administrative expenses are as follows:

	Fiscal 2012 (From April 1, 2011 to March 31, 2012)	Fiscal 2013 (From April 1, 2012 to March 31, 2013)
Sales promotion premium	416,702 Thousand yen	441,444 Thousand yen
Sales commission	145,114 Thousand yen	144,994 Thousand yen
Provision of allowance for doubtful accounts	(2,864) Thousand yen	407 Thousand yen
Freightage expenses	551,270 Thousand yen	600,296 Thousand yen
Directors' compensations	160,736 Thousand yen	158,923 Thousand yen
Corporate officers' compensations	113,348 Thousand yen	124,602 Thousand yen
Salaries and allowances	547,344 Thousand yen	552,973 Thousand yen
Depreciation	65,156 Thousand yen	74,577 Thousand yen
Provision for bonuses	87,660 Thousand yen	95,772 Thousand yen
Provision for directors' bonuses	10,610 Thousand yen	9,830 Thousand yen
Retirement benefit expenses	37,713 Thousand yen	37,280 Thousand yen
Provision for directors' retirement benefits	25,722 Thousand yen	25,372 Thousand yen
Taxes and dues	35,396 Thousand yen	36,644 Thousand yen
Amortization of goodwill	107,989 Thousand yen	107,989 Thousand yen

※2 Research and development expenses included in selling expenses and selling, general and administrative expenses

	Fiscal 2012 (From April 1, 2011 to March 31, 2012)	Fiscal 2013 (From April 1, 2012 to March 31, 2013)
	58,403 Thousand yen	43,593 Thousand yen

※3 Details of noncurrent assets are as follows:

	Fiscal 2012 (From April 1, 2011 to March 31, 2012)	Fiscal 2013 (From April 1, 2012 to March 31, 2013)
Buildings and structures	2,009 Thousand yen	4,454 Thousand yen
Machinery, equipment and vehicles	2,458 Thousand yen	138 Thousand yen
Other	5,338 Thousand yen	247 Thousand yen
Total	9,806 Thousand yen	4,841 Thousand yen

※4 Details of property, plant and equipment are as follows:

	Fiscal 2012 (From April 1, 2011 to March 31, 2012)	Fiscal 2013 (From April 1, 2012 to March 31, 2013)
Machinery, equipment and vehicles	72 Thousand yen	—



※5 Impairment loss

Fiscal Year Ended March 31, 2012 (April 1, 2011 to March 31, 2012)

The Fuji Nihon Seito Group has recorded for the following asset impairment losses.

Location	Purpose	Type
Shizuoka City, Shizuoka	Inulin facility	Machinery and equipment, etc.

The Fuji Nihon Seito Group accounts for business assets using group based management accounting classifications.

Business of Inulin recorded operating loss in fiscal year 2012, however we reviewed the future plan based on the information is incrementing manufacturing ability and constructing the factory in Thailand, so We reduced an amount of book value to recoverable value and recorded diminution of impairment loss (9,125 thousand yen) as extraordinary loss be justified depending on the operating losses from business of Inulin in fiscal year 2012.

Details of impairment loss are as follows:

Buildings and structures	2,346 Thousand yen
Machinery, equipment and vehicles	6,778 Thousand yen
Total	9,125 Thousand yen

Recoverable value of impairment losses on assets were measured based on net selling price.

Net selling price is evaluated as zero due to difficulty of sales and diversion.

Fiscal Year Ended March 31, 2013 (April 1, 2012 to March 31, 2013)

None

(Consolidated statements of comprehensive income)

※1 Amount for reclassification adjustment pertaining to other comprehensive income and tax effect

	Fiscal 2012 (From April 1, 2011 to March 31, 2012)	Fiscal 2013 (From April 1, 2012 to March 31, 2013)
Valuation difference on available-for-sale securities		
Gain in the current period	241,936 Thousand yen	588,867 Thousand yen
Reclassification adjustment	36,307 Thousand yen	(12,708) Thousand yen
Before tax effect adjustment	278,243 Thousand yen	576,159 Thousand yen
Tax effect	(79,477) Thousand yen	(202,542) Thousand yen
Valuation difference on available-for-sale securities	198,766 Thousand yen	373,616 Thousand yen
Deferred gains or losses on hedges		
Gain in the current period	(169) Thousand yen	920 Thousand yen
Reclassification adjustment	4,143 Thousand yen	1,149 Thousand yen
Before tax effect adjustment	3,973 Thousand yen	2,069 Thousand yen
Tax effect	(1,673) Thousand yen	(786) Thousand yen
Deferred gains or losses on hedges	2,300 Thousand yen	1,283 Thousand yen
Foreign currency translation adjustment		
Gain in the current period	—	143,620 Thousand yen
Foreign currency translation adjustment	—	143,620 Thousand yen
Share of other comprehensive income of associates accounted for using equity method		
Gain in the current period	—	1,808 Thousand yen
Share of other comprehensive income of associates accounted for using equity method	—	1,808 Thousand yen
Total other comprehensive income	201,067 Thousand yen	520,329 Thousand yen

## (Consolidated statements of change in net assets)

Fiscal 2012 (from April 1, 2011 to March 31, 2012)

## 1 Matters concerning type and total number of outstanding shares as well as treasury stock

	Number of shares at the beginning of Fiscal 2012 (in share)	Number of increased shares during Fiscal 2012 (in share)	Number of decreased shares during Fiscal 2012 (in share)	Number of shares at the end of Fiscal 2012 (in share)
Outstanding shares				
Common shares	29,748,200	—	—	29,748,200
Total	29,748,200	—	—	29,748,200
Treasury stock				
Common shares	2,978,937	27,548	900	3,005,585
Total	2,978,937	27,548	900	3,005,585

Note:

- 1 27,548 shares of increase in common shares of treasury stock are as a result of acquisition of treasury stock based on a resolution of the Board of Directors (+24,000 shares) and acquisition of fractional shares (+3,548 shares).
- 2 900 shares of decrease in common shares of treasury stock are as a result of sales of fractional shares

## 2 Matters concerning cash dividends

## (1) Dividends paid

(Resolution)	Type of shares	Total dividends paid (in thousand yen)	Dividend per share (in yen)	Base date	Effective date
Board of Directors' meeting held on May 20, 2011	Common shares	321,231	12.00	March 31, 2011	June 3, 2011

Notes: Common dividend 10.00 yen Commemorative dividend 2.00 yen

## (2) Dividends whose record is in the fiscal year under review but whose effective dates fall in the next fiscal year

(Resolution)	Type of shares	Dividend resource	Total dividends paid (in thousand yen)	Dividend per share (in yen)	Base date	Effective date
Board of Directors' meeting held on May 18, 2012	Common shares	Retained earnings	267,426	10.00	March 31, 2012	June 1, 2012

Fiscal 2013 (from April 1, 2012 to March 31, 2013)

## 1 Matters concerning type and total number of outstanding shares and treasury stock

	Number of shares at the beginning of Fiscal 2013 (in share)	Number of increased shares during Fiscal 2013 (in share)	Number of decreased shares during Fiscal 2013 (in share)	Number of shares at the end of Fiscal 2013 (in share)
Outstanding shares				
Common shares	29,748,200	—	—	29,748,200
Total	29,748,200	—	—	29,748,200
Treasury stock				
Common shares	3,005,585	2,862	145,000	2,863,447
Total	3,005,585	2,862	145,000	2,863,447

Note:

- 1 2,862 shares of increase in common shares of treasury stock are as a result of acquisition of fractional shares.
- 2 145,000 shares of decrease in common shares of treasury stock are as a result of disposal of treasury stock by third-party allocation of shares.

## 2 Matters concerning cash dividends

### (1) Dividends paid

(Resolution)	Type of shares	Total dividends paid (in thousand yen)	Dividend per share (in yen)	Base date	Effective date
Board of Directors' meeting held on May 18, 2012	Common shares	267,426	10.00	March 31, 2012	June 1, 2012

### (2) Dividends whose record is in the fiscal year under review but whose effective dates fall in the next fiscal year

The following will be proposed.

(Resolution)	Type of shares	Dividend resource	Total dividends paid (in thousand yen)	Dividend per share (in yen)	Base date	Effective date
Board of Directors' meeting held on May 17, 2013	Common shares	Retained earnings	268,847	10.00	March 31, 2013	June 5, 2013

### (Consolidated statements of cash flows)

#### ※1 Relationship between ending balance of cash and cash equivalents and its amount in the consolidated balance sheets

	Fiscal 2012 (From April 1, 2011 to March 31, 2012)	Fiscal 2013 (From April 1, 2012 to March 31, 2013)
Cash and deposits	1,858,033 Thousand yen	2,291,486 Thousand yen
Short-term investment securities	322,069 Thousand yen	322,085 Thousand yen
Total	2,180,102 Thousand yen	2,613,571 Thousand yen
Time deposit with maturity of more than three months	(302,000) Thousand yen	(2,000) Thousand yen
Cash and cash equivalents	1,878,102 Thousand yen	2,611,571 Thousand yen

(Segment 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, 2012 (from April 1, 2011 to March 31, 2012)

(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	13,068,479	5,592,867	611,254	19,272,602	—	19,272,602
Intersegment net sales and transfer	13,462	803	1,110	15,376	(15,376)	—
Total	13,081,942	5,593,671	612,364	19,287,978	(15,376)	19,272,602
Segment profit (loss)	1,192,905	(2,847)	527,494	1,717,551	(692,885)	1,024,665
Segment assets	8,293,769	4,194,333	1,514,072	14,002,175	4,598,965	18,601,140
Depreciation and amortization	71,283	51,918	24,218	147,419	—	147,419
Impairment loss	—	9,125	—	9,125	—	9,125
Amortization of goodwill	—	107,989	—	107,989	—	107,989
Increase of property, plant and equipment and intangible assets	116,770	158,932	8,350	284,053	—	284,053

Notes: 1 Adjustments are as follows:

(1) Adjustment for segment income of (692,885) 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 4,598,965 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, 2013 (from April 1, 2012 to March 31, 2013)

	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	13,021,827	6,134,595	604,175	19,760,597	—	19,760,597
Intersegment net sales and transfer	13,267	4,307	1,110	18,685	(18,685)	—
Total	13,035,095	6,138,903	605,285	19,779,283	(18,685)	19,760,597
Segment profit	1,125,994	58,544	521,370	1,705,909	(710,844)	995,065
Segment assets	9,099,315	5,230,394	1,503,901	15,833,611	4,190,106	20,023,717
Depreciation and amortization	75,930	64,142	26,148	166,221	—	166,221
Amortization of goodwill	—	107,989	—	107,989	—	107,989
Increase of property, plant and equipment and intangible assets	31,269	663,243	38,816	733,329	—	733,329

Notes: 1 Adjustments are as follows:

(1) Adjustment for segment income of (710,844) 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 4,190,106 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.

(Related information)

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

1 Information by products and services

This information is omitted because it is the same as is recorded for segment information.

2 Information by countries and regions

(1) Net sales

Description is omitted since none of net sales to overseas customer.

(2) Property, plant and equipment

Not applicable since there is no plant, property and equipment located outside Japan.

3 Information by major customer

(Thousand yen)

Name of customer	Net sales	Relevant segment
Sojitz Corporation	10,602,793	Refined Sugar Business and Functional Materials Business

Fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

1 Information by products and services

This information is omitted because it is the same as is recorded for segment information.

2 Information by countries and regions

(1) Net sales

Description is omitted since none of net sales to overseas customer.

(2) Property, plant and equipment

(Thousand yen)

Japan	Thai	Total
2,982,093	630,385	3,612,479

3 Information by major customer

(Thousand yen)

Name of customer	Net sales	Relevant segment
Sojitz Corporation	10,119,955	Sugar Business and Functional Materials Business

【Information on impairment loss on noncurrent assets by reporting segments】

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

This information is omitted because it is the same as is recorded for segment information.

Fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

This information is omitted because it is the same as is recorded for segment information.

【Information on amortization of goodwill and unamortized amounts by reporting segments】

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(Thousand yen)

	Reportable Segment				Adjustments	Amount recorded in consolidated financial statements
	Sugar Business	Functional Materials Business	Real Estates Business	Total		
Balance at the end of current period	—	901,776	—	901,776	—	901,776

Note: Information on the amortization of goodwill is omitted because it is the same as is recorded for segment information.

Fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

(Thousand yen)

	Reportable Segment				Adjustments	Amount recorded in consolidated financial statements
	Sugar Business	Functional Materials Business	Real Estates Business	Total		
Balance at the end of current period	—	793,787	—	793,787	—	793,787

Note: Information on the amortization of goodwill is omitted because it is the same as is recorded for segment information.

【Information on gain on negative goodwill by reporting segment】

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

None

Fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

None

## (Per share information)

	Fiscal 2012 (From April 1, 2011 to March 31, 2012)	Fiscal 2013 (From April 1, 2012 to March 31, 2013)
Net assets per share	483.65 yen	516.28 yen
Net income per share	23.80 yen	26.71 yen

Note: Diluted net income per share is not disclosed because the Company does not issue dilutive shares.

## (1) The basis of calculation of net assets per share is as follows

	Fiscal 2012 (As of March 31, 2012)	Fiscal 2013 (As of March 31, 2013)
Total of net assets section (thousand yen)	12,934,117	14,308,686
Amount deducted from total of net assets section (thousand yen)	—	428,739
(Of the above, minority interests (thousand yen))	(—)	(428,739)
Net assets attributable to common shares at period end (thousand yen)	12,934,117	13,879,947
Number of common shares at period end used in calculation net assets per share (thousand shares)	26,742	26,884

## (1) The basis of calculation of net income per share is as follows

	Fiscal 2012 (From April 1, 2011 to March 31, 2012)	Fiscal 2013 (From April 1, 2012 to March 31, 2013)
Net income (thousand yen)	636,536	716,825
Amount not attributable to common shareholders (thousand yen)	—	—
Net income attributable to common shares (thousand yen)	636,536	716,825
Average number of shares outstanding (thousand shares)	26,746	26,841

## (Important subsequent events)

None



## 5. Other

### (1) Transfer of directors

Regarding Transfer of directors, announced on 27 March, 2013.