ANNUAL REPORT 2014

YEAR ENDED MARCH 31, 2014

Toyo Suisan Kaisha, Ltd.

Smiles for All.

"Food that brings smiles to faces"—
is the message of the Maruchan logo and what the Toyo Suisan Group is all about: delivering the finest quality, best-tasting food to dining tables everywhere.
Delicious food that brings smiles to faces, and with the same assurance of quality every time.
"Smiles for All." — in everything we do. That's the Toyo Suisan way.

"Since its debut in 1962, the Maruchan logo has become widely recognized and loved as the symbol for Toyo Suisan's processed foods among every Japanese age group ranging from small children to the elderly. In 1972, Toyo Suisan established a local subsidiary in the United States and began manufacturing and selling products for North America. Accordingly, products featuring the Maruchan label are highly acclaimed for their flavor both domestically and overseas."

About the Maruchan logo

CONTENTS

Forward-looking Statements

In this annual report, statements other than historical facts are forward-looking statements that reflect our plans and expectations. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results and achievements to differ materially from those anticipated in these statements.

TO OUR SHAREHOLDERS

I would like to begin by expressing my sincere appreciation for our shareholders' continued support. We are pleased to report the business results for Toyo Suisan Kaisha, Ltd., for fiscal 2014, ended March 31, 2014.

In a severe operating environment, the Toyo Suisan Group seeks to enhance its competitiveness for continued development and to carry out swift reforms. We will also strive to maintain the support and trust of our customers, improve corporate value, and boost shareholder value.

Operating results for the year ended March 2014

During the consolidated fiscal year ended March 31, 2014, economic conditions in Japan have gradually recovered as a result of the correction of the strong yen and the effects of various policies. However, there still remained downside risks, such as the slowdown of overseas economies and a slump in demand following the last-minute demand ahead of the rise of the consumption tax rate.

Under these circumstances, the Toyo Suisan Group has remained committed to its mission "to contribute to society through foods" and "to provide safe and secure foods and services to customers" under the corporate slogan of "Smiles for All." The Group continued to implement cost reductions and promoted aggressive sales activities in its efforts to face an increasingly competitive sales environment.

As a result, net sales were ¥372,232 million (+8.0% year on year), operating income was ¥30,596 million (+3.3% year on year), ordinary income was ¥32,243 million (+0.8% year on year), and net income was ¥22,723 million (+31.5% year on year) for the term under review.

June 2014

Masanari Imamura
President

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES

Consolidated Financial Highlights

YEARS ENDED MARCH 31, 2013 AND 2014

		Millions of yen		Thousands of U.S. dollars (Note 1)
		2013	2014	2014
For the year:	Net sales	¥344,528	**¥372,232**	**$3,618,118**
	Operating income	29,624	**30,596**	**297,395**
	Net income	17,280	**22,723**	**220,869**
At year-end:	Total assets	¥274,890	**¥308,787**	**$3,001,429**
	Total net assets	209,173	**236,936**	**2,303,033**
Per share of common stock:	Net income	¥169.1	**¥222.4**	**$2.16**
(in yen and U.S. dollars)	Cash dividends	50.0	**50.0**	**0.49**

Dollar amounts represent translations at the rate of ¥102.88 = US$1, the rate prevailing on March 31, 2014.

REVIEW OF OPERATIONS

Seafood Segment

Sales
33,456
million yen

In the Seafood Segment, sales conditions continued to be severe due to the rise in the cost of ingredients owing to the weak yen and poor fish hauls of major marine products, as well as poor hauls of low-priced fish such as salmon/trout, squid, mackerel, and saury, despite relatively robust performances of high-priced fish such as tuna and lobster. Under such conditions, we focused on new development and aggressive sales to mass merchandisers and convenience stores, among others, of value-added products mainly using our signature products such as salmon/trout, roe, and tuna. This resulted in segment sales of ¥33,456 million (+3.4% year on year). However, the segment loss was ¥160 million (a segment profit of ¥50 million in the previous fiscal year), due to the failure to pass on the increased cost of ingredients such as salmon/trout, shrimp, and southern hemisphere fish in to product prices, as well the failure to cover the rise in depreciation following sluggish performances in foreshore operations.

Overseas Instant Noodles Segment

Sales
75,423
million yen

In the Overseas Instant Noodles Segment, segment sales were ¥75,423 million (+6.8% year on year). This was the result of continued strengthening of partnerships with major mass merchandisers; firmer sales in terms of volume, especially in Central and South America through aggressive sales activities for major products and the new product categories of yakisoba noodles and bowl noodles, and the impact of the weaker yen compared with the previous fiscal year. Segment profit was ¥13,128 million (-0.3% year on year) due to an increase in sales promotion expenses as a result of factors such as entering new categories, despite the effect of the weaker yen. Maruchan Texas, Inc. commenced operations in March.

Domestic Instant Noodles Segment

Sales
124,781
million yen

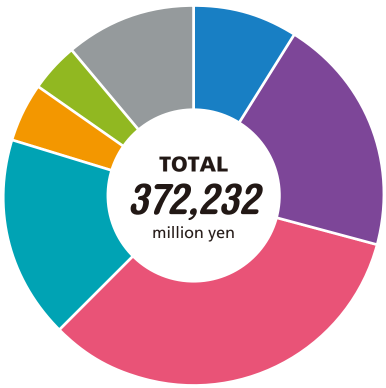
In the Domestic Instant Noodles Segment, sales of cup noodles were robust as a result of aggressive sales activities for the Japanese style noodle series such as *Akai Kitsune Udon* and *Midori no Tanuki Tempura Soba*, our core products. Sales of *Menzukuri* non-fried cup noodles showed strong growth due to a renewal of the product and campaigns aimed at consumers. Total sales of cup noodle products remained strong owing to an aggressive launch of new products such as yakisoba noodles and wontons, as well as the stimulation of new demand through *Otona no Kodawari* and *Hanauta*, among others, which target the elderly and women. Total sales of bag noodles continued to be robust due to the launch of *Maruchan Seimen Udon* and *Maruchan Seimen Curry Udon*, as well as the carrying out of promotional activities, among others. As a result, segment sales were ¥124,781 million (+6.7% year on year) and segment profit was ¥12,142 million (+1.0% year on year).

Frozen and Refrigerated Foods Segment

Sales
63,950
million yen

In the Frozen and Refrigerated Foods Segment, among fresh noodles, we made efforts to expand sales of the three-meal package of *Maruchan Yakisoba*, a core product, by reviewing the manufacturing process, changing the package design and reinforcing campaigns. In addition, the launch of seasonal items incorporating seasonal flavors such as the three-meal packages of *Ebi Shioaji Yakisoba* and *Fuyu no Cream Spaghetti* contributed to robust sales of fresh noodles. Furthermore, total sales of fresh noodles exceeded last year's level due to continued growth of the *Renji demo Oishii* series, a Japanese style noodle product for microwave cookers. Among frozen foods, sales of commercial frozen noodles, a core product, were robust due to the expanding numbers of new customers in lunch services at offices, and food service industries and deli channels. As a result, segment sales were ¥63,950 million (+3.0% year on year). Segment profit was ¥3,344 million (-6.2% year on year) due to exchange rate fluctuations and the impact of the sharp rise in cost of ingredients.

Net Sales by Segment



1	Seafood Segment	8.98%	33,456 million yen
2	Overseas Instant Noodles Segment	20.26%	75,423 million yen
3	Domestic Instant Noodles Segment	33.52%	124,781 million yen
4	Frozen and Refrigerated Foods Segment	17.18%	63,950 million yen
5	Processed Foods Segment	4.96%	18,456 million yen
6	Cold-Storage Segment	4.10%	15,259 million yen
7	Other Business Segments	11.00%	40,935 million yen

Processed Foods Segment

Sales
18,456
million yen

In the Processed Foods Segment, sales of rice products increased on the back of expanded sales of existing items. Sales of freeze-dried products were strong mainly in the five-meal packages of core products. Sales volumes of Japanese fish loaf and sausage increased but sales dropped due to a reduction in wholesale prices. Sales of seasonings and dried bonito flakes dropped owing in part to a sluggish market. As a result, segment sales were ¥18,456 million (+4.0% year on year) and segment profit was ¥206 million (a segment loss of ¥86 million in the previous fiscal year).

Cold-Storage Segment

Sales
15,259
million yen

In the Cold-Storage Segment, sales were ¥15,259 million (+2.3% year on year) as a result of robust volumes of frozen foods in particular, although the storage volume of imported ingredients was low due to various effects, including the weaker yen. Despite the burden of higher power costs caused by a rise in electricity prices, segment profit was ¥1,224 million (+6.8% year on year) as we carried out a review of storage fees as well as energy-saving efforts.

Other Business Segments

Sales
40,935
million yen

The Other Business Segment consists of mainly the packed lunch/deli food business. Segment sales were ¥40,935 million (+37.7% year on year), while segment profit was ¥1,303 million (-4.6% year on year).

Maruchan Yakisoba rediscovered!

Maruchan Yakisoba was born in 1975 and marks its 39th anniversary this year. Thanks to all of our stakeholders, including customers, *Maruchan Yakisoba* has grown to become the top-selling product[1] in the chilled noodles market. The number of items shipped has surpassed 12 billion noodle dishes[2], and it has become a familiar food item on the tables of Japanese households. To express our thanks for the last 39 years and fulfill our wish to have everyone enjoy *Maruchan Yakisoba* even more, we are implementing a number of initiatives under the theme of "*Maruchan Yakisoba* rediscovered!"

[1] According to a survey of the period between December 2012 to November 2013 based on price, conducted by KSP-SP Co., Ltd. Published in the January 15, 2014 issue of *Chain Store Age*.

[2] Total number of items shipped of *Sauce-aji* since its launch in November 1975 until March 2013

Rediscovered! Born in 1975, *Maruchan* marks its 39th anniversary!

Maruchan Yakisoba was developed to transform yakisoba, which had previously been a dish that could be enjoyed only at food stalls and restaurants, into something that can easily be made at home by anyone. It was launched as three meals in one pack 39 years ago, when the average number of persons per household was 3.27. Three meals were also just the right amount to fit onto an average frying pan used at home (diameter of 26 cm to 28 cm).

Original packaging

Rediscovered! More than 12.6 billion noodle dishes shipped! Top selling item!

Since each package contains three meals, the 12.6 billion noodle dishes that have been shipped so far can be recalculated to total 4.2 billion packs. The length of one package is about 30 cm, so the total combined length would be about 1.26 million km, which is roughly 30 times the circumference of the Earth.

Rediscovered! Easier to pull apart and tastier too!

The noodles come apart more easily now. Compared to earlier products, cooking the noodles is easier because they can be loosened with less effort and are less prone to breaking apart, allowing them to be more readily mixed together with the powdered sauce. The noodles also do not stick together as much as before when picked up with chopsticks, making them even more delightful to eat.

Rediscovered! August 8 is *Maruchan Yakisoba* Day

We established August 8 as *Maruchan Yakisoba* Day with the hope that more people will enjoy our yakisoba.

Reasons for making August 8 the *Maruchan Yakisoba* Day

- Because there are a greater number of occasions to eat yakisoba in summer.
- Because the number 8 contains two ◯ (a circle is *maru* in Japanese), thus alluding to the name Maruchan.
- Because the syllable "ya" in yakisoba is also connected to the number 8 (which is sometimes pronounced "ya" in Japanese).

Rediscovered! A flavor for every mood!

Ever since *Shio Yakisoba* was launched in 2002, we have increased the ways to enjoy yakisoba by adding new flavors to our lineup, including *Tarako-aji* and *Okonomi Sauce-aji*. *Curry Yakisoba* is also being offered, and is available only during the summer season.

CORPORATE GOVERNANCE

Toyo Suisan's Basic Stance Concerning Corporate Governance

Toyo Suisan is highly cognizant of the impact that accurate and rapid decision-making will have on the future growth potential of the Company. Subsequently, management believes that there is a need for clarifying the responsibilities of directors as well as the lines of accountability within each business. In the future, Toyo Suisan plans to develop a more transparent and fluid form of corporate governance to address this need.

Gains in Implementing Corporate Governance

Toyo Suisan employs the auditor system. The managerial decision-making body is the Board of Directors, which comprises 15 members, including one outside director. There are also four Corporate Auditors, two of whom are selected from outside the Company, who provide advice and counsel to the Board of Directors.

BOARD OF DIRECTORS AND CORPORATE AUDITORS

As of June 27, 2014

Chairman	Tadasu Tsutsumi
President	Masanari Imamura
Senior Managing Director	Hiroji Yoshino
Executive Directors	Kazuo Yamamoto Hiroyuki Minami Noritaka Sumimoto
Directors	Masaharu Oikawa Tadashi Fujiya Hitoshi Oki Tsutomu Toyoda Rieko Makiya Kiyoshi Takahashi Katsuhiko Ishiguro Tadashi Sumi
Outside Director	Tomoko Hamada
Corporate Auditors	Toru Yamashita Moriyuki Minami Akira Takara Isamu Mori

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

AS OF MARCH 31, 2013 AND 2014

ASSETS

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2014	2014
Current assets:			
Cash on hand and at banks (Notes 3 and 4)	¥ 50,497	**¥ 54,082**	**$ 525,680**
Notes and accounts receivable-			
Trade (Note 4)	45,897	**48,946**	**475,758**
Unconsolidated subsidiaries and affiliates	240	**300**	**2,916**
Other	1,275	**767**	**7,456**
Less: Allowance for doubtful accounts	(507)	**(501)**	**(4,870)**
	46,905	**49,512**	**481,260**
Securities (Notes 3, 4 and 5)	27,501	**34,200**	**332,426**
Inventories	20,175	**23,087**	**224,407**
Deferred tax assets (Note 12)	1,737	**1,823**	**17,720**
Other current assets	2,547	**2,201**	**21,394**
Total current assets	149,362	**164,905**	**1,602,887**
Property, plant and equipment (Notes 7, 8, 11 ,16 and 19):			
Buildings and structures	112,565	**126,841**	**1,232,902**
Machinery and equipment	95,026	**106,008**	**1,030,404**
Leased assets	654	**4,641**	**45,111**
	208,245	**237,490**	**2,308,417**
Less: Accumulated depreciation	(138,612)	**(153,390)**	**(1,490,960)**
	69,633	**84,100**	**817,457**
Land	28,996	**32,090**	**311,917**
Construction in progress	3,634	**2,990**	**29,063**
Total property, plant and equipment	102,263	**119,180**	**1,158,437**
Intangible assets	2,350	**2,408**	**23,406**
Investments and other assets:			
Investments in unconsolidated subsidiaries and affiliates (Note 4)	4,202	**3,569**	**34,691**
Investments in securities (Notes 4 and 5)	14,184	**16,546**	**160,828**
Deferred tax assets (Note 12)	1,818	**1,352**	**13,142**
Asset for retirement benefit (Note 9)	—	**82**	**797**
Other	711	**745**	**7,241**
Total investments and other assets	20,915	**22,294**	**216,699**
Total assets	¥274,890	**¥308,787**	**$3,001,429**

The accompanying notes are an integral part of these consolidated financial statements.

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

LIABILITIES AND NET ASSETS

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2014	2014
Current liabilities:			
Short-term loans (Notes 4 and 8)	¥ 213	¥ 202	$ 1,963
Current portion of long-term debt (Notes 4 and 8)	—	85	826
Lease obligations (Notes 4 and 8)	119	237	2,304
Notes and accounts payable-			
Trade (Note 4)	20,994	23,517	228,587
Unconsolidated subsidiaries and affiliates	717	814	7,912
Other	2,072	2,617	25,437
	23,783	26,948	261,936
Deferred tax liabilities (Note 12)	4	5	49
Income taxes payable	4,109	2,875	27,945
Accrued expenses	17,706	19,378	188,355
Provision for removal cost of property, plant and equipment	172	—	—
Other current liabilities	1,061	940	9,137
Total current liabilities	47,167	50,670	492,515
Long-term liabilities:			
Long-term debt (Notes 4 and 8)	—	30	292
Lease obligations (Notes 4 and 8)	208	3,916	38,064
Deferred tax liabilities (Note 12)	1,177	3,653	35,507
Reserve for retirement benefits			
— for employees (Note 9)	16,232	—	—
— for officers	141	271	2,634
Liability for retirement benefit (Note 9)	—	12,650	122,959
Negative goodwill	225	75	729
Asset retirement obligations	309	316	3,072
Other	258	270	2,624
Total Long-term liabilities	18,550	21,181	205,881
Total liabilities	65,717	71,851	698,396
Contingent liabilities (Note 17)			
Net assets (Notes 13 and 14):			
Shareholders' equity:			
Common stock-			
Authorized: 427,000,000 shares in 2013 and 2014			
Issued: 110,881,044 shares in 2013 and 2014	18,969	18,969	184,380
Capital surplus	22,517	22,517	218,867
Retained earnings	171,246	189,405	1,841,028
Treasury stock at cost			
Held by the Company: 8,678,089 shares in 2013, 8,697,803 shares in 2014			
Owned by consolidated subsidiaries and affiliates: 46,886 shares in 2013 and 2014	(8,146)	(8,208)	(79,782)
Total shareholders' equity	204,586	222,683	2,164,493
Accumulated other comprehensive income:			
Net unrealized gain on investment in securities, net of taxes (Note 5)	2,186	3,281	31,891
Net unrealized gain on hedging derivatives, net of taxes (Note 6)	33	11	107
Adjustment on foreign currency translation	(8,120)	(2,800)	(27,216)
Accumulated adjustments for retirement benefit (Note 9)	—	390	3,791
Total accumulated other comprehensive income	(5,901)	882	8,573
Minority interests in consolidated subsidiaries	10,488	13,371	129,967
Total net assets	209,173	236,936	2,303,033
Total liabilities and net assets	¥274,890	¥308,787	$3,001,429

The accompanying notes are an integral part of these consolidated financial statements.

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED MARCH 31, 2013 AND 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2014	2014
Net sales (Note 19)	¥344,528	¥372,232	$3,618,118
Cost of sales (Note 10)	214,909	230,221	2,237,762
Gross profit	129,619	142,011	1,380,356
Selling, general and administrative expenses (Note 10)	99,995	111,415	1,082,961
Operating income (Note 19)	29,624	30,596	297,395
Non-operating income (expenses):			
Interest and dividends income	653	601	5,842
Interest expenses	(5)	(4)	(39)
Currency exchange gain, net	772	132	1,283
Compensation expenses	(14)	(87)	(846)
Gain (Loss) on sales or disposal of property, plant and equipment, net	(743)	1,795	17,448
Write-down of investments in securities	(514)	(11)	(107)
Impairment losses on fixed assets (Notes 11 and 19)	(1,706)	(177)	(1,720)
Subsidy received	70	1,699	16,514
Gain on bargain purchase	—	641	6,231
Compensation income	43	—	—
Provision for removal cost of property, plant and equipment	(172)	—	—
Other, net	929	1,119	10,876
Income before income taxes and minority interests	28,937	36,304	352,877
Income taxes (Note 12):			
Current	12,204	10,782	104,802
Deferred	(1,033)	2,242	21,792
	11,171	13,024	126,594
Income before minority interests	17,766	23,280	226,283
Minority interests in subsidiaries	486	557	5,414
Net income	¥ 17,280	¥ 22,723	$ 220,869

	Yen		U.S. dollars (Note 1)
	2013	2014	2014
Amounts per share of common stock (Note 15):			
Net income	¥169.1	¥222.4	$2.16
Cash dividends applicable to the year	50.0	50.0	0.49

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED MARCH 31, 2013 AND 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2014	2014
Income before minority interests	¥17,766	¥23,280	$226,283
Other comprehensive income (Note 18):			
Net unrealized gain on investment in securities, net of taxes	1,886	1,117	10,857
Net unrealized loss on hedging derivatives, net of taxes	(226)	(22)	(214)
Adjustment on foreign currency translation	7,358	5,320	51,711
Share of other comprehensive income of the affiliate accounted for using equity method	36	31	302
Total other comprehensive income	9,054	6,446	62,656
Comprehensive income	¥26,820	¥29,726	$288,939
Total comprehensive income attributable to:			
Owners of parent	¥26,274	¥29,117	$283,019
Minority shareholders	546	609	5,920

The accompanying notes are an integral part of these consolidated financial statements.

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

FOR THE YEARS ENDED MARCH 31, 2013 AND 2014

Millions of yen

	Shareholders' equity					Accumulated other comprehensive income						
	Common stock	Capital surplus	Retained earnings	Treasury stock at cost	Total shareholders' equity	Net unrealized gain on investment in securities, net of taxes	Net unrealized gain (loss) on hedging derivatives, net of taxes	Adjustment on foreign currency translation	Accumulated adjustments for retirement benefit	Total accumulated other comprehensive income	Minority interests in consolidated subsidiaries	Total net assets
Balance at March 31, 2012	¥18,969	¥22,517	¥158,052	¥(8,129)	¥191,409	¥ 323	¥259	¥(15,478)	¥ —	¥(14,896)	¥10,153	¥186,666
Net income	—	—	17,280	—	17,280	—	—	—	—	—	—	17,280
Cash dividends paid	—	—	(4,086)	—	(4,086)	—	—	—	—	—	—	(4,086)
Acquisition of treasury stock	—	—	—	(17)	(17)	—	—	—	—	—	—	(17)
Net changes in items except shareholders' equity	—	—	—	—	—	1,863	(226)	7,358	—	8,995	335	9,330
Balance at March 31, 2013	¥18,969	¥22,517	¥171,246	¥(8,146)	¥204,586	¥2,186	¥ 33	¥ (8,120)	¥ —	¥ (5,901)	¥10,488	¥209,173
Net income	—	—	22,723	—	22,723	—	—	—	—	—	—	22,723
Cash dividends paid	—	—	(5,618)	—	(5,618)	—	—	—	—	—	—	(5,618)
Acquisition of treasury stock	—	—	—	(62)	(62)	—	—	—	—	—	—	(62)
Change in scope of consolidaiton	—	—	1,054	—	1,054	—	—	—	—	—	—	1,054
Net changes in items except shareholders' equity	—	—	—	—	—	1,095	(22)	5,320	390	6,783	2,883	9,666
Balance at March 31, 2014	¥18,969	¥22,517	¥189,405	¥(8,208)	¥222,683	¥3,281	¥ 11	¥ (2,800)	¥390	¥ 882	¥13,371	¥236,936

Thousands of U.S. dollars (Note 1)

	Shareholders' equity					Accumulated other comprehensive income						
	Common stock	Capital surplus	Retained earnings	Treasury stock at cost	Total shareholders' equity	Net unrealized gain on investment in securities, net of taxes	Net unrealized gain (loss) on hedging derivatives, net of taxes	Adjustment on foreign currency translation	Accumulated adjustments for retirement benefit	Total accumulated other comprehensive income	Minority interests in consolidated subsidiaries	Total net assets
Balance at March 31, 2013	$184,380	$218,867	$1,664,522	$(79,180)	$1,988,589	$21,248	$321	$(78,927)	$ —	$(57,358)	$101,944	$2,033,175
Net income	—	—	220,869	—	220,869	—	—	—	—	—	—	220,869
Cash dividends paid	—	—	(54,607)	—	(54,607)	—	—	—	—	—	—	(54,607)
Acquisition of treasury stock	—	—	—	(602)	(602)	—	—	—	—	—	—	(602)
Change in scope of consolidaiton	—	—	10,244	—	10,244	—	—	—	—	—	—	10,244
Net changes in items except shareholders' equity	—	—	—	—	—	10,643	(214)	51,711	3,791	65,931	28,023	93,954
Balance at March 31, 2014	$184,380	$218,867	$1,841,028	$(79,782)	$2,164,493	$31,891	$107	$(27,216)	$3,791	$ 8,573	$129,967	$2,303,033

The accompanying notes are an integral part of these consolidated financial statements.

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED MARCH 31, 2013 AND 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2014	2014
Cash flows from operating activities:			
Income before income taxes and minority interests	¥28,937	¥36,304	$352,877
Depreciation and amortization	10,945	10,616	103,188
Impairment losses on fixed assets	1,706	177	1,720
Amortization of negative goodwill	(150)	(150)	(1,458)
Gain on bargain purchase	—	(641)	(6,231)
Equity in gain under the equity method	(17)	(34)	(330)
Write-down of investments in securities	514	11	107
Increase in reserve for retirement benefits	617	38	369
Increase (Decrease) in allowance for bonus to officers	42	(23)	(224)
Decrease in allowance for doubtful accounts	(5)	(23)	(224)
Decrease in liability for retirement benefit	—	(3,106)	(30,190)
Interest and dividends income	(653)	(601)	(5,842)
Interest expenses	5	4	39
Currency exchange gain, net	(772)	(132)	(1,283)
Loss (Gain) on sales or disposal of property, plant and equipment, net	743	(1,795)	(17,448)
Provision for removal cost of property, plant and equipment	172	—	—
Decrease (Increase) in notes and accounts receivable, trade	3,108	(556)	(5,404)
Decrease (Increase) in inventories	1,085	(1,749)	(17,000)
Increase (Decrease) in notes and accounts payable, trade	(544)	1,225	11,907
Increase in accrued expenses	384	599	5,823
Other, net	(388)	913	8,875
Sub total	45,729	41,077	399,271
Interest and dividends income received	661	584	5,677
Interest expenses paid	(5)	(4)	(39)
Income taxes paid	(13,017)	(12,279)	(119,353)
Net cash provided by operating activities	33,368	29,378	285,556
Cash flows from investing activities:			
Payment for time deposits	(22,536)	(24,515)	(238,287)
Proceeds from maturities of time deposits	19,656	29,698	288,666
Purchase of securities	—	(69,199)	(672,619)
Proceeds from sales and redemption of securities	—	52,500	510,303
Payment for purchase of property, plant and equipment	(15,503)	(19,891)	(193,342)
Proceeds from sales of property, plant and equipment	66	2,649	25,748
Payment for purchase of intangible assets	(866)	(676)	(6,571)
Purchase of investments in securities	(1,179)	(29)	(282)
Proceeds from sales of investments in securities	37	35	340
Proceeds from purchase of shares of a subsidiary resulting in change in scope of consolidation	—	810	7,873
Payment for loans receivable	(2,063)	(2,081)	(20,227)
Collection of loans receivable	2,276	2,188	21,268
Other, net	153	(11)	(106)
Net cash used in investing activities	(19,959)	(28,522)	(277,236)
Cash flows from financing activities:			
Proceeds from short-term loans	1,311	930	9,040
Repayment of short-term loans	(1,431)	(941)	(9,147)
Repayment of long-term debt	(12)	(149)	(1,448)
Cash dividends paid	(4,086)	(5,615)	(54,578)
Other, net	(347)	(463)	(4,501)
Net cash used in financing activities	(4,565)	(6,238)	(60,634)
Effect of exchange rate changes on cash and cash equivalents	3,094	1,462	14,211
Net increase (decrease) in cash and cash equivalents	11,938	(3,920)	(38,103)
Cash and cash equivalents at beginning of year	39,403	51,341	499,038
Cash and cash equivalents at end of year (Note 3)	¥51,341	¥47,421	$460,935

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 *Basis of presenting the consolidated financial statements:*

The accompanying consolidated financial statements of Toyo Suisan Kaisha, Ltd. ("the Company") and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Japanese Financial Instruments and Exchange Act. Certain supplementary information included in the statutory Japanese language consolidated financial statements is not presented in the accompanying consolidated financial statements.

In preparing the consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued in Japan in order to present them in a form that is more familiar to readers outside Japan. Certain financial statement items of prior fiscal period were reclassified to conform to the presentation for current fiscal year.

The translation of the Japanese yen amounts into U.S. dollar is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2014, which was ¥102.88 to U.S. $1. The convenience translation should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollar at this or any other rate of exchange.

2 *Summary of significant accounting policies:*

(1) Scope of consolidation —

The Company has 26 and 27 subsidiaries as of March 31, 2013 and 2014, respectively. The accompanying consolidated financial statements include the accounts of the Company and its 21 and 22 subsidiaries as of March 31, 2013 and 2014, respectively. The subsidiaries that are significant and substantially controlled by the Company are consolidated.

Consolidated subsidiaries as of March 31, 2013 and 2014 are listed as follows:

Equity ownership percentage

Name of subsidiary	2013	2014
Hachinohe Toyo Co., Ltd.	100.0%	**100.0%**
Kofu Toyo Co., Ltd.	100.0	**100.0**
Fukushima Foods Co., Ltd.	100.0	**100.0**
Miyagi Toyo Kaisha, Ltd.	100.0	**100.0**
Shuetsu Co., Ltd.	100.0	**100.0**
Shinto Corporation	100.0	**100.0**
Imari Toyo Co., Ltd.	100.0	**100.0**
Fresh Diner Corporation	100.0	**100.0**
Tokyo Commercial Co., Ltd	100.0	**100.0**
Choshi Toyo Kaisha, Ltd.	100.0	**100.0**
Yutaka Foods Corporation	40.3	**40.3**
Mitsuwa Daily Co., Ltd	100.0	**100.0**
Saihoku Toyo Kaisha, Ltd.	100.0	**100.0**
Shonan Toyo Kaisha, Ltd.	100.0	**100.0**
Suruga Toyo Kaisha, Ltd.	100.0	**100.0**
Maruchan, Inc. (*2)	100.0	**100.0**
Maruchan Virginia, Inc. (*2)	100.0	**100.0**
Maruchan Texas, Inc. (*2)	100.0	**100.0**
Maruchan de Mexico, S.A. de C.V. (*3)	100.0	**100.0**
Sanmaru de Mexico, S.A.de C.V. (*3)	100.0	**100.0**
Pac-Maru, Inc. (*2)	100.0	**100.0**
Shimaya Co.,Ltd. (*1)	—	**51.0**

(*1) Shimaya Co.,Ltd. which was an affiliate of the Company, was newly included in the scope of consolidation from the fiscal year ended March 31, 2014 since the Company acquired additional equity in the company.
(*2) Incorporated in the U.S.A.
(*3) Incorporated in United Mexican States

The remaining 5 unconsolidated subsidiaries as of March 31, 2013 and 2014 whose combined assets, net sales, net income and retained earnings in the aggregate are not significant compared to those of the consolidated financial statements of the Company and its consolidated subsidiaries, therefore, have not been consolidated with the Company.

Main unconsolidated subsidiaries as of March 31, 2013 and 2014 are listed as follows:

Yaizu Shinto Co., Ltd.
Towa Estate Co., Ltd.

(2) Accounting for investments in unconsolidated subsidiaries and affiliates —

The Company has 5 and 4 affiliates as of March 31, 2013 and 2014, respectivley.

The affiliate to which the equity method has been applied for the fiscal years ended March 31, 2013 and 2014 is listed as follows:

Equity ownership percentage

Name of affiliate	2013	2014
Semba Tohka Industries Co., Ltd.	26.4%	**26.4%**

The investments in the 5 unconsolidated subsidiaries as of March 31, 2013 and 2014, and 4 affiliates (Shimodatousui Corp., Irago Institute Co., Ltd., Higashimaru International Corporation and Shimaya Co., Ltd.) and 3 affiliates (Shimodatousui Corp., Irago Institute Co., Ltd., and Higashimaru International Corporation) as of March 31, 2013 and 2014, respectively, are carried at cost since applying the equity method of accounting to these companies would not have had any material effect on net income and retained earnings of the consolidated financial statements of the Company and its consolidated subsidiaries.

(3) Consolidation principles —

The closing dates of all consolidated subsidiaries and the affiliate to which the equity method has been applied are March 31, which is in agreement with the fiscal year end of the Company.

All significant intercompany transactions and account balances are eliminated in consolidation.

Unrealized intercompany profits are entirely eliminated, and the portion thereof attributable to minority interests is charged to minority interests.

Any differences excluding negative goodwill arising after the adoption of the "Accounting standard for Business Combinations" (Accounting Standard Board of Japan ("ASBJ") Statement No. 21, issued on December 26, 2008), which may arise on the acquisition date in elimination of cost of an investment in a subsidiary, and in the application of the equity method, are deferred and amortized on a straight-line basis over a period of five years from the date of acquisition.

(4) Foreign currency translation —

Foreign currency monetary assets and liabilities are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Resulting gains and losses are included in net profit or loss for the period.

In addition, the assets and liabilities of foreign subsidiaries are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. The shareholders' equity except for net income of the current year is translated into Japanese yen at the historical rates. Profit and loss accounts for the year are translated into Japanese yen using the exchange rates prevailing at the balance sheet date. Differences in yen amounts arising from the use of different rates are presented as adjustment on foreign currency translation in the net assets.

(5) Cash and cash equivalents —

Cash and cash equivalents in consolidated statements of cash flows consist of cash on hand and at banks able to be withdrawn on demand and short-term investments with an original maturity of three months or less and, which hold a minor risk of fluctuations in value.

(6) Securities —

Available-for-sale securities with fair market value are stated at fair market value. Available-for-sale securities without fair market value are mainly stated at moving-average cost.

(7) Derivative financial instruments —

Gains or losses arising from changes in the fair value of those derivatives designated as 'hedging instruments' are deferred in the net assets section, and charged to income when the gains and losses on the hedged items or transactions are recognized.

The Company and its consolidated subsidiaries hold derivative financial instruments in the forms of foreign exchange forward contracts to hedge against fluctuations in foreign currency exchange rates. The Company and its consolidated subsidiaries do not hold derivatives for trading purposes and it is the Company's policy to use derivatives only for the purpose of mitigating market risk and financing costs in accordance with internal criteria.

The Company and its consolidated subsidiaries do not anticipate any losses resulting from default by the counter-parties, as these are limited to major domestic financial institutions with sound operational foundations.

In line with internal risk management policies, for receivables and payables denominated in foreign currencies, the Company and its consolidated subsidiaries enter into forward exchange contracts denominated in the same currency, in the same amount and executed on the same execution day. The hedging relationships between the derivative financial instruments and the hedged items are highly effective in offsetting changes in currency exchange rates.

(8) Accrued officers' bonuses —

The Company and its domestic consolidated subsidiaries recognize officers' bonuses as expenses when incurred.

(9) Allowance for doubtful accounts —

The allowance for doubtful accounts is mainly calculated based on the aggregate amount of estimated credit losses on doubtful receivables, plus an amount for receivables other than doubtful receivables calculated using a historical write-off ratio during certain prior periods.

(10) Inventories —

Inventories are stated at the lower of principally the monthly moving-average cost or the net realizable value.

(11) Property, plant and equipment —

Depreciation of property, plant and equipment is computed mainly by the declining-balance method at rates based on the estimated useful lives of assets. Buildings excluding leasehold improvement and auxiliary facilities attached to buildings acquired on and after April 1, 1998 owned by the Company and its domestic consolidated subsidiaries are depreciated using the straight-line method.

The ranges of useful lives are summarized as follows:

Buildings and structures	15-50 years
Machinery and equipment	4-12 years

The costs of property, plant and equipment retired or otherwise disposed of and accumulated depreciation in respect thereof are eliminated from the related accounts, and the resulting gain or loss is reflected in income.

Normal repairs and maintenance, including minor renewals and improvements, are charged to income as incurred.

(12) Intangible assets —

Amortization of intangible assets is mainly computed by the straight-line method based on the estimated useful lives of the assets. Software for internal use owned by the Company and its domestic consolidated subsidiaries is amortized over its expected useful life (5 years) by the straight-line method.

(13) Accounting for leases —

Leased property under finance lease arrangements which transfer ownership of the leased property to the lessee is depreciated in the same method as the one applied to property, plant and equipment owned by the Company.

Leased property under finance lease arrangements which do not transfer ownership of the leased property to the lessee is capitalized to recognize leased assets and lease obligations in the balance sheets and depreciated over the lease term of the respective assets.

Finance leases which commenced prior to April 1, 2008 and do not transfer ownership of the leased property are accounted for as operating leases, with disclosure of certain "as if capitalized" information as permitted under the accounting standard.

(14) Reserve for retirement benefits and pension plan —

(a) Retirement benefits for employees

The straight-line method is used as a method of attributing retirement benefit obligations to the period through the end of the fiscal year. The past service costs that are yet to be recognized are amortized mainly over ten years, which is within the average remaining service period, using the straight-line method from the time when the difference was generated. The actual gains and losses that are yet to be recognized are amortized using the straight-line method mainly over ten years from the next year of the year in which they arise. Certain domestic consolidated subsidiaries apply the simplified method in calculating retirement benefit obligations.

(b) Retirement benefits for officers

The Company's certain domestic consolidated subsidiaries accrue the liabilities for retirement benefits to officers based on an amount equivalent to 100% of such benefits the subsidiaries would be required to pay if all eligible officers retired at the year-end date. The payments of retirement benefits to officers are subject to approval of shareholders' meetings.

(15) Net income and cash dividends per share of common stock —

Net income per share of common stock is based on the weighted average number of shares of common stock outstanding during each year. Cash dividends per share represent dividends declared as applicable to the respective period.

(16) Accounting for consumption tax —

Consumption tax is levied at the flat rate of 5% on all domestic consumption of goods and services (with certain exemptions). The consumption tax withheld or paid by the Company and its domestic consolidated subsidiaries on its sales and purchases is not included in the amounts of the respective accounts in the consolidated statements of income, but is recorded as an asset or a liability as the case may be, and the net balance is included in other current liabilities on the consolidated balance sheets.

(17) Change in accounting policies —

(Adoption of Accounting Standard for Retirement Benefits)

Effective from the fiscal year ended March 31, 2014, the Company and its domestic consolidated subsidiaries have applied the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012 (hereinafter, the "Statement No.26")) and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, May 17, 2012 (hereinafter, the "Guidance No.25")) (except the article 35 of the Statement No.26 and the article 67 of the Guidance No.25 and actuarial gains and losses and past service costs that are yet to be recognized have been recognized) and the difference between retirement benefit obligations and plan assets has been recognized as liability for retirement benefit.

In accordance with the article 37 of the Statement No.26, the effect of the change in accounting policies arising from initial application has been recognized in accumulated adjustments for retirement benefit in accumulated other comprehensive income.

As a result, as of March 31, 2014, ¥82 million ($797 thousand) and ¥12,650 million ($122,959 thousand) are recorded as asset for retirement benefit and liability for retirement benefit, respectively.

Also, for the fiscal year ended March 31, 2014, deferred tax assets and minority interests in consolidated subsidiaries decreased by ¥238 million ($2,313 thousand) and ¥116 million ($1,128 thousand), respectively, and deferred tax liabilities and accumulated other comprehensive income increased by ¥13 million ($126 thousand) and ¥390 million ($3,791 thousand), respectively.

(18) Accounting standard issued but not yet adopted —

Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012), and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012)

(a) Summary

This accounting standard was revised mainly focusing on the treatment of actuarial gains and losses and past service costs that are yet to be recognized, the calculation method of retirement benefit obligations and current service costs, and enhancement of disclosures.

(b) Effective dates

Amendments relating to determination of retirement benefit obligations and current service costs are effective from the beginning of fiscal year ending March 31, 2015. The adjustments are not made retroactively to the prior periods based on transitional measures.

(c) Effect of application of this standard

Due to the amendments, operating income and income before income taxes and minority interests are expected to decrease by ¥137 million ($1,332 thousand), for the fiscal year ending March 31, 2015.

(19) Changes in presentation method

(Consolidated balance sheets)

(a) Leased assets

"Lease assets" was included in "Machinery and equipment" account of "Property, plant and equipment" for the fiscal year ended March 31, 2013, but because its amount exceeded 1% of total assets for the fiscal year ended March 31, 2014, it was changed to be presented as a separate account. In order to reflect this change in presentation method, the consolidated financial statement of the fiscal year ended March 31, 2013 has been reclassified.

As a result, in the consolidated balance sheet as of March 31, 2013, ¥95,680 million in "Machinery and equipment" has been reclassified as ¥654 million in "Lease assets" and ¥95,026 million in "Machinery and equipment".

(b) Lease obligations

"Lease obligations" were included in "Other current liabilities" account of "Current liabilities" and "Other" account of "Long-term liabilities" for the fiscal year ended March 31, 2013, but because their amounts exceeded 1% of total liabilities and net assets for the fiscal year ended March 31, 2014, they were changed to be presented as separate accounts. In order to reflect this change in presentation method, the consolidated financial statement of the fiscal year ended March 31, 2013 has been reclassified.

As a result, in the consolidated balance sheet as of March 31, 2013, ¥1,180 million in "Other current liabilities" account of "Current liabilities" and ¥466 million in "Other" account of "Long-term liabilities" for the fiscal year ended March 31, 2013 have been reclassified as ¥119 million in "Lease obligations" and ¥1,061 million in "Other current liabilities" and ¥208 million in "Lease obligations" and ¥258 million in "Other", respectively.

(Consolidated statements of income)

"Compensation expenses" was included in "Other, net" account of "Non-operating income (expenses)" for the fiscal year ended March 31, 2013, but because its amount exceeded 10% of total non-operating income (expenses) for the fiscal year ended March 31, 2014, it was changed to be presented as a separate account. In order to reflect this change in presentation method, the consolidated financial statements of the fiscal year ended March 31, 2013 have been reclassified.

As a result, in the consolidated statement of income for the fiscal year ended March 31, 2013, ¥915 million in "Other, net" account of "Non-operating income (expenses)" for the fiscal year ended March 31, 2013 has been reclassified as (¥14) million in "Compensation expenses" and ¥929 million in "Other, net".

3 *Cash flow information:*

Cash and cash equivalents as of March 31, 2013 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2014	2014
Cash on hand and at banks	¥50,497	¥54,082	$525,680
Securities with an original maturity of 3 months or less	27,500	17,500	170,101
Time deposits with deposit term of over 3 months	(26,656)	(24,161)	(234,846)
Cash and cash equivalents	¥51,341	¥47,421	$460,935

4 *Financial instruments:*

(1) Outline of financial instruments

(a) Policy for financial instruments

The Company and its consolidated subsidiaries limit its financial investment only to short-term deposits and short-term loans receivable among group companies (cash management system), or similar items. In addition, it has a policy to manage cashflow primarily through short-term borrowings from group companies (cash management system). Derivatives transactions are used for the purpose of hedging against the risks of future fluctuations in foreign exchange rates associated with monetary claims and obligations denominated in foreign currencies. The Company and its consolidated subsidiaries do not hold derivatives for speculative purposes.

(b) Details of financial instruments and related risk

Receivables such as trade notes and trade accounts are exposed to customer credit risk. The securities comprise domestic certificates of deposits with short-term maturities. Investment securities are exposed to the market price fluctuation risk.

Payment terms of notes and accounts payable are mostly less than one year. All the short-term loans are short-term loans between Group companies (cash management system). Long-term debt and leased obligations on finance lease are mainly for the purpose of financing for capital investments.

Derivatives transactions are foreign exchange forward contracts for the purpose of hedging against the foreign currency exchange fluctuation risk associated with trade payables denominated in foreign currencies. Information concerning hedge accounting is in "(7) Derivative financial instruments" under "2.Summary of significant accounting policies".

(c) Risk management system for financial instruments

a. Credit Risk Management (customers' default risk)

The Company aims to identify and mitigate the default risk of customers due to deterioration of their financial conditions or other factors in the early stage, through bi-annually monitoring principal customers' financial conditions and managing the payment dates and outstanding balances of each customer's trade receivables in accordance with internal regulations. The Company's consolidated subsidiaries follow the same procedures in conformity with the Company's internal regulations.

The Company and its consolidated subsidiaries enter into derivative contracts only with high credit rated financial institutions, in order to reduce the risk of counterparty default on these contracts.

b. Market Risk Management (foreign currency exchange and market price fluctuation risks)

The Company and part of its consolidated subsidiaries enter into foreign exchange forward contracts for the purpose of hedging against the foreign currency exchange fluctuation risk of their trade payables denominated in foreign currencies. With respect to investment securities, the Company is periodically monitoring fair values and financial positions of the related issuers.

In accordance with the Company's internal regulations, each derivatives transaction is conducted by the business unit which needs the relevant transaction: the business unit reviews information regarding transactions such as contractual coverage and balances, and reports it to the general manager of accounting department. Part of the Company's consolidated subsidiaries conduct the same procedures in accordance with the Company's internal regulations.

c. Liquidity Risk Management on Fund Raising

The Company manages its liquidity risk mainly through accounting department's timely short and long-term cash flow projections based on the reports submitted by each business unit, and maintaining sufficient liquidity in hand and others. Its consolidated subsidiaries have implemented the cash management system to facilitate efficient fund administration. This system assists them in controlling the liquidity risk.

(d) Supplementary explanation concerning fair values of financial instruments

The fair values of financial instruments include market prices or reasonably estimated values in case there are no market prices. Because estimation of fair values incorporates variable factors, adopting different assumptions could result in the different values. The contract amounts and other information described in the note of "6.Derivative financial instruments" do not indicate the market risk amounts of derivative transactions.

(e) Concentration of credit risk

The trade receivables from the Company's particularly major customer accounted for 31.1% and 32.7% as of March 31, 2013 and 2014, respectively.

(2) Fair values of financial instruments

Carrying amount of the financial instruments included in the consolidated balance sheets and their fair values as of March 31, 2013 and 2014 are as follows

Certain financial instruments are excluded from the following table as the fair values are not available.

2013

Millions of yen

	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash on hand and at banks	¥ 50,497	¥ 50,497	¥ —
(2) Notes and accounts receivable - trade	45,897	45,897	—
(3) Securities	27,501	27,501	—
(4) Investments in unconsolidated subsidiaries and affiliates	2,075	986	(1,089)
(5) Investments in securities			
Available-for-sale securities	13,681	13,681	—
Assets total	¥139,651	¥138,562	¥(1,089)
(1) Notes and accounts payable - trade	¥ 20,994	¥ 20,994	¥—
(2) Short-term loans	213	213	—
(3) Lease obligations (*1)	327	323	(4)
Liabilities total	¥ 21,534	¥ 21,530	¥ (4)
Derivative transactions (*2)	¥ 53	¥ 6	¥ (47)

2014

Millions of yen

	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash on hand and at banks	**¥ 54,082**	**¥ 54,082**	**¥ —**
(2) Notes and accounts receivable – trade	**48,946**	**48,946**	**—**
(3) Securities	**34,200**	**34,200**	**—**
(4) Investments in unconsolidated subsidiaries and affiliates	**2,121**	**914**	**(1,207)**
(5) Investments in securities			
Available-for-sale securities	**15,988**	**15,988**	**—**
Assets total	**¥155,337**	**¥154,130**	**¥(1,207)**
(1) Notes and accounts payable – trade	**¥ 23,517**	**¥ 23,517**	**¥ —**
(2) Short-term loans	**202**	**202**	**—**
(3) Long-term debt (*3)	**115**	**116**	**1**
(4) Lease obligations (*1)	**4,153**	**4,148**	**(5)**
Liabilities total	**¥ 27,987**	**¥ 27,983**	**¥ (4)**
Derivative transactions (*2)	**¥ 18**	**¥ 18**	**¥ —**

2014

	Thousands of U.S. dollars		
	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash on hand and at banks	$ 525,680	$ 525,680	$ —
(2) Notes and accounts receivable – trade	475,758	475,758	—
(3) Securities	332,426	332,426	—
(4) Investments in unconsolidated subsidiaries and affiliates	20,616	8,884	(11,732)
(5) Investments in securities			
Available-for-sale securities	155,404	155,404	—
Assets total	$1,509,884	$1,498,152	$(11,732)
(1) Notes and accounts payable – trade	$ 228,587	$ 228,587	$ —
(2) Short-term loans	1,963	1,963	—
(3) Long-term debt (*3)	1,118	1,128	10
(4) Lease obligations (*1)	40,368	40,319	(49)
Liabilities total	$ 272,036	$ 271,997	$ (39)
Derivative transactions (*2)	$ 175	$ 175	$ —

(*1) Current portion of lease obligations is included in (3) Lease obligations in 2013 and (4) Lease obligations in 2014.
(*2) Receivables/payables arising from derivative transactions are disclosed as the net amount, and the net payable is shown in parenthesis.
(*3) Current portion of long-term debt is included in (3) Long-term debt.

Notes:

(a) Calculation method of fair values of financial instruments and securities, derivative transactions

Assets:

(1) Cash on hand and at banks, (2) Notes and accounts receivable – trade and (3) Securities

The carrying amounts approximate the fair values because of short-term maturities of these instruments. The securities mainly comprise domestic certificates of deposits with short-term maturities.

(4) Investments in unconsolidated subsidiaries and affiliates and (5) Investments in securities

The fair value of marketable equity securities is measured at the quoted market price of stock exchange.

Liabilities:

(1) Notes and accounts payable – trade and (2) Short-term loans

The carrying amounts approximate the fair values because of short-term maturities of these instruments.

(3) Long-term debt and (4) Lease obligations

The fair values of long-term debt and lease obligations are determined by discounting the aggregated values of the principal and interest using an assumed interest rate of similar type of new borrowings and lease transactions.

Derivative financial instruments:

See the note on “6. Derivative financial instruments”.

(b) Financial instruments with no available fair values

	Millions of yen		Thousands of U.S. dollars
	2013	2014	2014
Unlisted equity securities	¥ 503	¥ 558	$ 5,424
Investments in unconsolidated subsidiaries and affiliates	2,127	1,448	14,075

These items are not included in “(4) Investments in unconsolidated subsidiaries and affiliates and (5) Investments in securities – Available–for–sale securities”, because there is no market price and it is very difficult to measure the fair values of these instruments.

(c) The redemption schedule for financial assets with maturity dates subsequent to March 31, 2013 and 2014

2013

Millions of yen

	Within one year	One to five years	Over five to ten years	Over ten years
Cash on hand and at banks	¥ 50,497	¥—	¥—	¥—
Notes and accounts receivable - trade	45,897	—	—	—
Securities				
Certificates of deposits	27,500	—	—	—
Available-for-sale securities with contractual maturities (bonds)	1	—	—	—
Total	¥123,895	¥—	¥—	¥—

2014

Millions of yen

	Within one year	One to five years	Over five to ten years	Over ten years
Cash on hand and at banks	**¥ 54,082**	**¥—**	**¥—**	**¥—**
Notes and accounts receivable - trade	**48,946**	**—**	**—**	**—**
Securities				
Certificates of deposits	**34,200**	**—**	**—**	**—**
Total	**¥137,228**	**¥—**	**¥—**	**¥—**

2014

Thousands of U.S. dollars

	Within one year	One to five years	Over five to ten years	Over ten years
Cash on hand and at banks	**$ 525,680**	**$—**	**$—**	**$—**
Notes and accounts receivable - trade	**475,758**	**—**	**—**	**—**
Securities				
Certificates of deposits	**332,426**	**—**	**—**	**—**
Total	**$1,333,864**	**$—**	**$—**	**$—**

(d) The redemption schedule for lease obligations with maturity dates subsequent to March 31, 2014

See the note on "8.Short-term loans, long-term debt and lease obligations".

5 *Securities:*

(1) Held-to-maturity securities as of March 31, 2013 and 2014 are as follows:

There was no held-to-maturity security as of March 31, 2014.

2013

Millions of yen

	Carrying amount	Fair value	Difference
Securities with fair value exceeding carrying amount: Bonds	¥—	¥—	¥—
Securities with fair value not exceeding carrying amount: Bonds	1	1	—
	¥1	¥1	¥—

(2) Available-for-sale securities with fair market value as of March 31, 2013 and 2014 are as follows:

2013

Millions of yen

	Carrying amount	Acquisition cost	Difference
Securities with carrying amount (fair value) exceeding acquisition costs: Equity securities	¥12,558	¥ 9,246	¥3,312
Securities with carrying amount (fair value) not exceeding acquisition costs: Equity securities	1,123	1,263	(140)
Other	27,500	27,500	—
	¥41,181	¥38,009	¥3,172

2014

	Carrying amount	Acquisition cost	Difference
			Millions of yen
Securities with carrying amount (fair value) exceeding acquisition costs: Equity securities	¥14,523	¥ 9,430	¥5,093
Securities with carrying amount (fair value) not exceeding acquisition costs: Equity securities	1,465	1,564	(99)
Other	34,200	34,200	—
	¥50,188	¥45,194	¥4,994

2014

	Carrying amount	Acquisition cost	Difference
			Thousands of U.S. dollars
Securities with carrying amount (fair value) exceeding acquisition costs: Equity securities	$141,164	$ 91,660	$49,504
Securities with carrying amount (fair value) not exceeding acquisition costs: Equity securities	14,240	15,202	(962)
Other	332,426	332,426	—
	$487,830	$439,288	$48,542

(3) Details of available-for-sale securities sold during the fiscal years ended March 31, 2013 and 2014 are as follows:

2013

	Sales proceeds	Total gain on sale	Total loss on sale
			Millions of yen
Equity securities	¥37	¥3	¥0

2014

	Sales proceeds	Total gain on sale	Total loss on sale
			Millions of yen
Equity securities	¥35	¥19	¥0

2014

	Sales proceeds	Total gain on sale	Total loss on sale
			Thousands of U.S. dollars
Equity securities	$340	$185	$0

6 *Derivative financial instruments:*

The contract amounts, fair values of derivative transactions as of March 31, 2013 and 2014 are as follows:

2013

	Contract amount	Contract amount due over one year	Fair value (a)
			Millions of yen
Foreign exchange forward contracts: Buying U.S. dollar	¥1,347	¥—	¥53
Foreign exchange forward contracts: Buying U.S. dollar (b)	219	—	—
Commodity futures contracts (c)	6,959	—	(47)
Total	¥8,525	¥—	¥ 6

2014

	Contract amount	Contract amount due over one year	Fair value (a)
			Millions of yen
Foreign exchange forward contracts: Buying U.S. dollar	¥1,812	¥—	¥18
Foreign exchange forward contracts: Buying U.S. dollar (b)	284	—	—
Total	¥2,096	¥—	¥18

2014

	Thousands of U.S. dollars		
	Contract amount	Contract amount due over one year	Fair value (a)
Foreign exchange forward contracts: Buying U.S. dollar	$17,613	$—	$175
Foreign exchange forward contracts: Buying U.S. dollar (b)	2,760	—	—
Total	$20,373	$—	$175

Notes:

(a) The fair values of derivative transactions are prices provided by applicable financial institutions.

(b) When forward foreign exchange contracts meet certain conditions, their corresponding hedged items are stated at the forward exchange contract rates. Such items are accounts receivable or payable and their fair values are included in those of their hedged items on the notes of "4. Financial Instruments".

(c) The U.S. consolidated subsidiaries account for commodity futures contracts in accordance with the Financial Accounting Standards Board Accounting Standards Codification 815.

7 Investments and rental property:

The Company and certain subsidiaries hold some rental properties and idle properties in Tokyo and other areas. Profit from those properties for the fiscal years ended March 31, 2013 and 2014 were ¥212 million and ¥151 million ($1,468 thousand), respectively. Impairment losses for the fiscal year ended March 31, 2013 were ¥31 million.

In addition, the book value, net changes during the fiscal year and the fair values of such properties as of March 31, 2013 and 2014 are as follows:

Millions of yen			
Book value			Fair Value
Balance at March 31, 2012	Increase / (Decrease)	Balance at March 31, 2013	Balance at March 31, 2013
¥1,296	¥718	¥2,014	¥4,999

Millions of yen			
Book value			Fair Value
Balance at March 31, 2013	Increase / (Decrease)	Balance at March 31, 2014	Balance at March 31, 2014
¥2,014	(¥485)	¥1,529	¥4,445

Thousands of U.S. dollars			
Book value			Fair Value
Balance at March 31, 2013	Increase / (Decrease)	Balance at March 31, 2014	Balance at March 31, 2014
$19,576	($4,714)	$14,862	$43,206

Notes:

(a) Book value is acquisition cost less accumulated depreciation and accumulated impairment losses, if any.

(b) The fair values of properties are mainly calculated internally based on the main-street land prices on a tax basis.

8 *Short-term loans, long-term debt and lease obligations:*

The average annual interest rate on short-term loans is 0.579% and 0.546% as of March 31, 2013 and 2014, respectively.

There was no long-term debt as of March 31, 2013.

Long-term debt as of March 31, 2014 consists of the following:

2014	Millions of yen	Thousands of U.S. dollars
Loans from banks and other financial institutions due from 2014 to 2015 with mortgages and collateral, at interest rates ranging from 1.186% to 1.284%	¥115	$1,118
Less current portion	(85)	(826)
Long-term debt	¥ 30	$ 292

There were no assets pledged as collateral and collective mortgages for long-term debt including current portion as of March 31, 2013.

The assets pledged as collateral and collective mortgages for long-term debt including current portion as of March 31, 2014 are as follows:

2014	Millions of yen	Thousands of U.S. dollars
Property, plant and equipment, net of accumulated depreciation: Buildings and structures	¥ 195	$ 1,895
Land	263	2,556
Total	¥458	$ 4,451
Maximum amount of a revolving mortgage	¥1,200	$11,664

The aggregate annual maturities of long-term debt as of March 31, 2014 are as follows:

	Millions of yen	Thousands of U.S. dollars
2015	¥ 85	$ 826
2016	30	292
2017	—	—
2018	—	—
2019 and thereafter	—	—
Total	¥115	$1,118

The aggregate annual maturities of lease obligations as of March 31, 2014 are as follows:

	Millions of yen	Thousands of U.S. dollars
2015	¥ 237	$ 2,304
2016	239	2,323
2017	164	1,594
2018	137	1,332
2019 and thereafter	3,376	32,815
Total	¥4,153	$40,368

9 *Reserve for retirement benefits and pension plan:*

For the fiscal year ended March 31, 2013

The Company and some of its domestic consolidated subsidiaries had defined benefit pension plans and lump-sum severance payment plans as defined benefit retirement plans covering substantially all employees. Moreover, the premium retirement payments are sometime paid for the employees who retire under certain circumstances.

The retirement benefit obligations as of March 31, 2013 were as follows:

2013	Millions of yen
Retirement benefit obligations	¥31,643
Plan assets	(12,022)
	19,621
Actuarial gains and losses that are yet to be recognized	(3,556)
Past service costs that are yet to be recognized	117
Prepaid pension costs	50
Reserve for retirement benefits	¥16,232

Net costs related to the retirement benefit plans for the fiscal year ended March 31, 2013 were as follows:

2013	Millions of yen
Service cost	¥1,506
Interest cost	430
Expected return on plan assets	(2)
Net actuarial loss amortization	869
Past service costs amortization	(154)
Net pension costs	¥2,649

The assumptions used in accounting for the above plans for the fiscal year ended March 31, 2013 were as follows:

	2013
Discount rate	1.5%
Expected rate of return	0.0%—1.0%
Amortization of actuarial gains and losses that are yet to be recognized	10 years
Amortization of past service costs that are yet to be recognized	10 years

The estimated amount of all retirement benefits to be paid at the future retirement dates is allocated equally to each service year using the estimated number of total service years.

For the fiscal year ended March 31, 2014

The Company and its consolidated subsidiaries have funded and unfunded defined benefit plans as defined benefit retirement plans covering substantially all employees.

Defined benefit pension plans (all funded) are lump-sum or pension payment based on salary and service period of employees. Lump-sum severance payment plans (all unfunded) are lump-sum payment based on a point-based plan. Certain consolidated subsidiaries apply the simplified method in computing liability for retirement benefit and retirement benefit costs for their defined benefit pension plans and lump-sum severance payment plans. The tables below include plans to which the simplified method is applied.

Movement in retirement benefit obligations at beginning of the fiscal year and at end of the fiscal year is as follows:

2014	Millions of yen	Thousands of U.S. dollars
Balance at beginning of the fiscal year	¥31,643	$307,572
Service cost	1,428	13,880
Interest cost	427	4,150
Actuarial loss (gain)	(23)	(224)
Benefits paid	(1,429)	(13,890)
Past service costs	(3,497)	(33,991)
Increase due to business combination	1,328	12,909
Balance at end of the fiscal year	¥29,877	$290,406

Movement in plan assets at beginning of the fiscal year and at end of the fiscal year is as follows:

2014	Millions of yen	Thousands of U.S. dollars
Balance at beginning of the fiscal year	¥12,022	$116,854
Expected return on plan assets	2	19
Actuarial loss (gain)	(103)	(1,001)
Contributions paid by the employer	5,084	49,417
Benefits paid	(1,049)	(10,196)
Increase due to business combination	1,353	13,151
Balance at end of the fiscal year	¥17,309	$168,244

Reconciliation from retirement benefit obligations and plan assets to liability (asset) for retirement benefits is as follows:

2014	Millions of yen	Thousands of U.S. dollars
Funded retirement benefit obligations	¥23,130	$224,825
Plan assets	(17,309)	(168,244)
	5,821	56,581
Unfunded retirement benefit obligations	6,747	65,581
Total net liability (asset) for retirement benefits on the consolidated balance sheets	¥12,568	$122,162
Liability for retirement benefit	¥12,650	$122,959
Asset for retirement benefit	(82)	(797)
Total net liability (asset) for retirement benefits on the consolidated balance sheets	¥12,568	$122,162

Retirement benefit costs for the fiscal year ended March 31, 2014 are as follows.

2014	Millions of yen	Thousands of U.S. dollars
Service cost	¥1,428	$13,880
Interest cost	427	4,150
Expected return on plan assets	(2)	(19)
Net actuarial loss amortization	721	7,009
Past service costs amortization	(183)	(1,779)
Total retirement benefit costs for the fiscal year ended March 31, 2014	¥2,391	$23,241

The components of accumulated adjustments for retirement benefit (before applicable income tax effects) for the fiscal year ended March 31, 2014 are as follows.

2014	Millions of yen	Thousands of U.S. dollars
Actuarial gains and losses that are yet to be recognized	¥(3,431)	$(33,350)
Past service costs that are yet to be recognized	2,908	28,266
Total	¥ (523)	$ (5,084)

The components of plan assets for the fiscal year ended March 31, 2014 are as follows.

	2014
Cash on hand and at banks	86%
Life insurance general accounts	14
Other	0
Total	100%

Method for determining long-term expected rate of return

The long-term expected rate of return on plan asset is determined considering current and expected distribution of plan assets and long-term rate of return derived from various components of the plan assets.

Assumptions used in determining the retirement benefit obligations for the fiscal year ended March 31, 2014 are as follows:

	2014
Discount rate	1.5%
Long-term expected rate of return	0—1.0%

10 *Research and development expenses:*

Research and development expenses for the fiscal years ended March 31, 2013 and 2014 were ¥1,426 million and ¥1,496 ($14,541 thousand), respectively.

11 *Impairment losses on fixed assets:*

For the fiscal years ended March 31, 2013 and 2014, the Company and its consolidated subsidiaries recognized impairment losses on fixed assets on the following groups of assets.

		Millions of yen		Thousands of U.S. dollars
Use	**Type of Assets**	2013	2014	2014
Business property	Buildings, machinery and equipment	¥1,648	¥172	$1,672
Idle property	Buildings, machinery and equipment	58	5	48
		¥1,706	¥177	$1,720

The Company and its consolidated subsidiaries classify their fixed assets into groups by the type of respective operations based on the business segment. Their idle properties are individually considered.

The book values of impaired business properties were reduced to recoverable amounts due to lowered profitability. The recoverable value was measured as the higher of (1) their net realizable value based on amounts mainly determined by valuation made in accordance with real estate appraisal standards or the value assessed for property tax purpose or (2) the present value of the expected cash flows from the ongoing utilization and subsequent disposition of the assets discounted at 5% in 2013 and 8% in 2014, respectively.

The book values of idle properties were reduced to recoverable amounts which were based on net selling prices.

12 *Income taxes:*

The income taxes applicable to the Company and its domestic consolidated subsidiaries include (1) corporation taxes, (2) enterprise taxes (excluding the part attributed to added value and capital) and (3) inhabitants' taxes which, in the aggregate, result in the statutory tax rate equal to approximately 38.0 % for the fiscal years ended March 31, 2013 and 2014.

The main components of deferred tax assets and liabilities as of March 31, 2013 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2014	2014
Deferred tax assets:			
Reserve for retirement benefits	¥ 5,706	¥ —	$ —
Liability for retirement benefit	—	4,459	43,342
Impairment losses on fixed assets	2,218	2,070	20,121
Tax loss carryforwards	1,197	1,160	11,275
Accrued bonuses	756	852	8,281
Write-down of investments in securities	490	502	4,879
Write-down of investments in unconsolidated subsidiaries and affiliates	484	484	4,705
Other	2,018	1,669	16,223
Gross deferred tax assets	12,869	11,196	108,826
Less: valuation allowance	(4,320)	(4,316)	(41,952)
Total deferred tax assets	8,549	6,880	66,874
Deferred tax liabilities:			
Special reserves for deferred gains on fixed assets	3,505	3,782	36,761
Net unrealized gain on investment in securities	964	1,453	14,123
Reserve for special depreciation	474	961	9,341
Depreciation at overseas consolidated subsidiaries	1,059	906	8,806
Valuation differences of subsidiaries' assets in consolidation	125	125	1,215
Other	48	136	1,323
Total deferred tax liabilities	6,175	7,363	71,569
Net deferred tax assets (liabilities)	¥ 2,374	¥ (483)	$ (4,695)

The main differences between the statutory tax rate and the effective tax rate for the fiscal year ended March 31, 2013 are not disclosed because the total difference is less than 5% of the statutory tax rate.

The following table summarizes the main differences between the statutory tax rate and the effective tax rate for the fiscal year ended March 31, 2014.

	2014
Statutory tax rate	38.0%
Permanently nondeductible expenses, including entertainment expenses	0.4
Permanently nontaxable income, including dividends income	(0.2)
Gain on bargain purchase	(0.7)
Difference in income tax rates applied to overseas consolidated subsidiaries	(2.0)
Decrease of deferred tax assets due to income tax rates change	0.3
Other – net	0.1
Effective tax rate	35.9%

The "Act on Partial Revision of the Income Tax Act" (Act No. 10 of 2014) was promulgated on March 31, 2014 and the special reconstruction surtax will no longer be imposed from fiscal years beginning on or after April 1, 2014. Accordingly, the statutory tax rate used to calculate deferred tax assets and deferred tax liabilities is reduced from 38.0% to 35.6% in connection with temporary differences in assets or liabilities which are expected to be released in the fiscal years beginning on or after April 1, 2014.

As a result, deferred tax assets, net of deferred tax liabilities, decreased by ¥100 million ($972 thousand) and income taxes - deferred and net unrealized gain on hedging derivatives, net of taxes, increased by ¥101 million ($982 thousand) and ¥0 million ($0 thousand), respectively.

13 *Net assets:*

Under Japanese Corporate law ("the law"), the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

The law requires that an amount equal to 10% of dividends must be appropriate as a legal earnings reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon payment of such dividends, until the aggregate amount of the legal earnings reserve and additional paid-in capital equals 25% of common stock.

All additional paid-in-capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends upon resolution of the shareholders.

The maximum amount that the company can distribute as dividends is calculated based on the non-consolidated financial statements of the company in accordance with Japanese laws and regulations.

At the annual shareholders' meeting held on June 27, 2014, the shareholders approved cash dividends amounting to ¥2,555 million ($24,835 thousand). Such appropriations have not been accrued in the consolidated financial statements as of March 31, 2014. Such appropriations are recognized in the period in which they are approved by the shareholders.

14 *Notes to the consolidated statement of changes in net assets:*

(1) Type and number of shares issued and outstanding for the fiscal years ended March 31, 2013 and 2014

Thousands of shares

Common stock outstanding	2013	2014
Balance at beginning of the fiscal year	110,881	**110,881**
Balance at end of the fiscal year	110,881	**110,881**

Thousands of shares

Treasury stock outstanding	2013	2014
Balance at beginning of the fiscal year	8,718	**8,725**
Increase due to purchase of odd stock	7	**20**
Balance at end of the fiscal year	8,725	**8,745**

(2) Dividends

(a) Dividends whose record date is attributable to the fiscal year ended March 31, 2013 but to be effective after the fiscal year

The Company resolved approval at the general meeting of shareholders held on June 27, 2013 as follows:

Dividends on Common stock

a. Total amount of dividends .... ¥3,066 million
b. Funds for dividends .... Retained earnings
c. Dividends per share ¥30.0
d. Record date .... March 31, 2013
e. Effective date.................................... June 28, 2013

(b) Dividends whose record date is attributable to the fiscal year ended March 31, 2014 but to be effective after the fiscal year

The Company resolved approval at the general meeting of shareholders held on June 27, 2014 as follows:

Dividends on Common stock

a. Total amount of dividends .... ¥2,555 million
.... ($24,835 thousand)
b. Funds for dividends .... Retained earnings
c. Dividends per share ¥25.0
.... ($0.24)
d. Record date .... March 31, 2014
e. Effective date.................................... June 30, 2014

15 *Per share information:*

The basis of the calculation of per share data is as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2014	2014
Net income	¥ 17,280	**¥ 22,723**	**$220,869**
Net income attributable to common stock	17,280	**22,723**	**220,869**
Weighted-average amount of common stock (unit: thousands of shares)	102,161	**102,144**	

16 *Leases:*

(1) Finance leases

(a) Finance leases which transfer ownership of leased assets to lessees

Leased assets are property, plant and equipment, which consists of warehouse facilities (buildings, machinery and equipment) for cold storage.

(b) Finance leases which do not transfer ownership of leased assets to lessees

Leased assets are property, plant and equipment, which mainly consists of communication devices and office equipment.

As discussed in Note 2 (13), finance leases commenced prior to April 1, 2008 which do not transfer ownership of leased assets to lessees are accounted for as operating leases.

Assumed amounts of acquisition cost, accumulated depreciation and book value as of March 31, 2013 and 2014 are as follows:

2013

	Millions of yen		
	Acquisition cost	Accumulated depreciation	Book value
Machinery and equipment	¥64	¥49	¥15
Other	20	18	2
	¥84	¥67	¥17

2014

	Millions of yen			Thousands of U.S. dollars		
	Acquisition cost	Accumulated depreciation	Book value	Acquisition cost	Accumulated depreciation	Book value
Machinery and equipment	¥33	¥22	¥11	$321	$214	$107
Other	7	6	1	68	58	10
	¥40	¥28	¥12	$389	$272	$117

The future minimum payments as of March 31, 2013 and 2014 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2014	2014
Due within one year	¥ 5	**¥ 4**	**$ 39**
Due after one year	12	**8**	**78**
	¥17	**¥12**	**$117**

Lease expenses and assumed amounts of depreciation on such finance lease contracts without ownership-transfer for the fiscal years ended March 31, 2013 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2014	2014
Lease expenses	¥11	¥4	$39

	Millions of yen		Thousands of U.S. dollars
	2013	2014	2014
Assumed amounts of depreciation	¥11	¥4	$39

Assumed amounts of depreciation are calculated using the straight-line method over the lease terms of the leased assets, assuming no residual value except in cases where the residual value is guaranteed in the lease contract.

(2) Operating leases

The minimum commitments under noncancelable operating leases as of March 31, 2013 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2014	2014
Due within one year	¥ 47	¥ 75	$ 729
Due after one year	60	429	4,170
	¥107	¥504	$4,899

17 *Contingent liabilities:*

Contingent liabilities as of March 31, 2013 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2014	2014
Guarantees of indebtedness for employees	¥80	¥67	$651

18 *Comprehensive income:*

(1) Reclassification adjustments on other comprehensive income for the fiscal years ended March 31, 2013 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2014	2014
Net unrealized gain (loss) on investment in securities:			
Gains (losses) arising during the year	¥2,268	¥1,509	$14,667
Reclassification adjustments	511	(9)	(87)
	2,779	1,500	14,580
Net unrealized gain (loss) on hedging derivatives:			
Gains (losses) arising during the year	(365)	(35)	(340)
	(365)	(35)	(340)
Adjustment on foreign currency translation:			
Adjustments arising during the year	7,358	5,320	51,711
	7,358	5,320	51,711
Share of other comprehensive income of the affiliate accounted for using equity method:			
Gains (losses) arising during the year	36	31	302
	36	31	302
Amount before income tax effects	9,808	6,816	66,253
Income tax effects	(754)	(370)	(3,597)
Total other comprehensive income, net of taxes	¥9,054	¥6,446	$62,656

(2) Income tax effects on other comprehensive income for the fiscal years ended March 31, 2013 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2014	2014
Net unrealized gain on investment in securities:			
Amount before income tax effects	¥2,779	**¥1,500**	**$14,580**
Income tax effects	(893)	**(383)**	**(3,723)**
Amount, net of taxes	1,886	**1,117**	**10,857**
Net unrealized gain (loss) on hedging derivatives:			
Amount before income tax effects	(365)	**(35)**	**(340)**
Income tax effects	139	**13**	**126**
Amount, net of taxes	(226)	**(22)**	**(214)**
Adjustment on foreign currency translation:			
Amount before income tax effects	7,358	**5,320**	**51,711**
Income tax effects	—	**—**	**—**
Amount, net of taxes	7,358	**5,320**	**51,711**
Share of other comprehensive income of the affiliate accounted for using equity method:			
Amount before income tax effects	36	**31**	**302**
Income tax effects	—	**—**	**—**
Amount, net of taxes	36	**31**	**302**
Total other comprehensive income			
Amount before incometax effects	9,808	**6,816**	**66,253**
Income tax effects	(754)	**(370)**	**(3,597)**
Amount, net of taxes	¥9,054	**¥6,446**	**$62,656**

19 *Segment information:*

(1) General information about reportable segments

Reportable segments of the Company are the business units for which separate financial information is available. They are reviewed regularly at the Board of Directors' meeting in order to determine distribution of management resources and evaluate business performance results.

The Company and its consolidated subsidiaries have business headquarters based on the type of products and services, and each business headquarters plans a comprehensive strategy and engages in business activities relating to the products and services it trades. "Overseas Instant Noodles" business headquarters is composed of overseas subsidiaries that plan a comprehensive strategy and engage in business activities relating to the products and services it handles.

Accordingly, the Company and its consolidated subsidiaries consist of segments classified by product and region based on business headquarters and overseas subsidiaries. The Company has six reportable segments; "Seafood", "Overseas Instant Noodles", "Domestic Instant Noodles", "Frozen and Refrigerated Foods", "Processed Foods", and "Cold-Storage".

"Seafood" processes and sells seafood. "Overseas Instant Noodles" manufactures and sells instant noodles overseas. "Domestic Instant Noodles" manufactures and sells instant noodles in Japan. "Frozen and Refrigerated Foods" manufactures and sells frozen and chilled foods. "Processed Foods" manufactures and sells processed foods (excluding instant noodles, frozen and chilled foods). "Cold-Storage" freezes and stores food in cold warehouses.

(2) Basis of measurement about reported net sales, segment income and other material items

Accounting policies of the reportable segments are almost the same as those described in the notes of "2. Summary of significant accounting policies". Income by the reportable segment is based on operating income.

(3) Information about reported net sales, segment income and other material items

2013

Millions of yen

	Reportable segment							Other	Total	Adjustments	Consolidated
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage	Total				
Net sales:											
Outside customer	¥32,362	¥70,650	¥116,975	¥62,070	¥17,747	¥14,918	¥314,722	¥29,726	¥344,448	¥ 80	¥344,528
Intersegment	737	—	20	—	0	923	1,680	563	2,243	(2.243)	—
Total	¥33,099	¥70,650	¥116,995	¥62,070	¥17,747	¥15,841	¥316,402	¥30,289	¥346,691	¥(2,163)	¥344,528
Segment income (loss)	¥ 50	¥13,163	¥ 12,022	¥ 3,567	¥ (86)	¥ 1,147	¥ 29,863	¥ 1,366	¥ 31,229	¥(1,605)	¥ 29,624
Segment assets	¥19,428	¥60,815	¥ 55,196	¥23,757	¥10,422	¥27,351	¥196,969	¥12,395	¥209,364	¥65,526	¥274,890
Other items:											
Depreciation and amortization	¥ 249	¥ 921	¥ 4,252	¥ 1,826	¥ 585	¥ 1,859	¥ 9,692	¥ 853	¥ 10,545	¥ 400	¥ 10,945
Increase in property, plant and equipment and intangible assets	2,392	4,643	5,677	1,183	760	1,710	16,365	828	17,193	350	17,543

2014

Millions of yen

	Reportable segment							Other	Total	Adjustments	Consolidated
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage	Total				
Net sales:											
Outside customer	¥33,456	¥75,423	¥124,781	¥63,950	¥18,456	¥15,259	¥331,325	¥40,935	¥372,260	¥ (28)	¥372,232
Intersegment	775	—	19	—	0	896	1,690	516	2,206	(2.206)	—
Total	¥34,231	¥75,423	¥124,800	¥63,950	¥18,456	¥16,155	¥333,015	¥41,451	¥374,466	¥(2,234)	¥372,232
Segment income (loss)	¥ (160)	¥13,128	¥ 12,142	¥ 3,344	¥ 206	¥ 1,224	¥ 29,884	¥ 1,303	¥ 31,187	¥ (591)	¥ 30,596
Segment assets	¥21,090	¥73,228	¥ 54,385	¥22,495	¥10,473	¥31,446	¥213,117	¥20,633	¥233,750	¥75,037	¥308,787
Other items:											
Depreciation and amortization	¥ 458	¥ 1,032	¥ 4,042	¥ 1,605	¥ 305	¥ 1,857	¥ 9,299	¥ 931	¥ 10,230	¥ 386	¥ 10,616
Increase in property, plant and equipment and intangible assets	591	12,703	1,153	917	489	6,263	22,116	2,221	24,337	285	24,622

2014

Thousands of U.S. dollars

	Reportable segment							Other	Total	Adjustments	Consolidated
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage	Total				
Net sales:											
Outside customer	$325,194	$733,116	$1,212,879	$621,598	$179,393	$148,319	$3,220,499	$397,891	$3,618,390	$ (272)	$3,618,118
Intersegment	7,533	—	185	—	0	8,709	16,427	5,015	21,442	(21,442)	—
Total	$332,727	$733,116	$1,213,064	$621,598	$179,393	$157,028	$3,236,926	$402,906	$3,639,832	$(21,714)	$3,618,118
Segment income (loss)	$ (1,555)	$127,605	$ 118,021	$ 32,504	$ 2,002	$ 11,897	$ 290,474	$ 12,665	$ 303,139	$ (5,744)	$ 297,395
Segment assets	$204,996	$711,781	$ 528,626	$218,653	$101,798	$305,657	$2,071,511	$200,554	$2,272,065	$729,364	$3,001,429
Other items:											
Depreciation and amortization	$ 4,452	$ 10,031	$ 39,288	$ 15,601	$ 2,965	$ 18,050	$ 90,387	$ 9,049	$ 99,436	$ 3,752	$ 103,188
Increase in property, plant and equipment and intangible assets	5,745	123,474	11,207	8,913	4,753	60,877	214,969	21,588	236,557	2,770	239,327

Notes:

(a) "Other" incorporates operations not included in reportable segments, mainly including packed lunches/deli foods.

(b) The details of "Adjustments" are as follows:

1) The amounts of ¥80 million and ¥(28) million ($(272) thousand) in net sales for the fiscal years ended March 31, 2013 and 2014, respectively, were due to differences in elimination methods used by the reportable segments and the financial statements.
2) The amounts of ¥(1,605) million and ¥(591) million ($(5,744) thousand) in segment income for the fiscal years ended March 31, 2013 and 2014 include companywide expenses of ¥(940) million and ¥(840) million ($(8,165) thousand), respectively, which cannot be allocated to each reportable segment. The companywide expenses are mainly general and administrative expenses which are not attributable to any reportable segment. Other adjustments are mainly foreign currency translation adjustments resulting from eliminations with overseas subsidiaries in consolidation procedures for the fiscal year ended March 31, 2013 and elimination of know-how payments from overseas subsidiaries for the fiscal year ended March 31, 2014.
3) The amount of ¥65,526 million and ¥75,037 million ($729,364 thousand) in segment assets as of March 31, 2013 and 2014 include corporate assets of ¥64,766 million and ¥74,344 million ($722,628 thousand) respectively which cannot be allocated to each reportable segment. Corporate assets are mainly long-term investments (investments in securities) of the Company and assets for administrative departments. Other adjustments are mainly due to application of the equity method.
4) The amounts of ¥400 million and ¥386 million ($3,752 thousand) in depreciation and amortization for the fiscal years ended March 31, 2013 and 2014 include companywide expenses of ¥263 million and ¥320 million ($3,110 thousand), respectively.
5) The amounts of ¥350 million and ¥285 million ($2,770 thousand) in increase in property, plant, and equipment and intangible assets for the fiscal years ended March 31, 2013 and 2014, respectively, are corporate assets which cannot be allocated to each reportable segment.

(c) Segment income is reconciled with operating income on the consolidated statements of income.

(4) Information about geographic areas

(a) Net sales

2013 — Millions of yen

	Japan	Americas	Other	Consolidated
Net sales	¥273,720	¥70,651	¥157	¥344,528

2014 — Millions of yen

	Japan	Americas	Other	Consolidated
Net sales	**¥296,336**	**¥75,425**	**¥471**	**¥372,232**

2014 — Thousands of U.S. dollars

	Japan	Americas	Other	Consolidated
Net sales	**$2,880,404**	**$733,136**	**$4,578**	**$3,618,118**

Note:

1) Net sales are classified by countries or regions based on location of customers.
2) The major countries or regions in each classification are as follows:

Americas..................... U.S.A., United Mexican States

Others........................ People's Republic of China, Taiwan, Republic of Korea

(b) Property, plant and equipment

2013 — Millions of yen

	Japan	Americas	Consolidated
Property, plant and equipment	¥89,195	¥13,068	¥102,263

2014 — Millions of yen

	Japan	Americas	Consolidated
Property, plant and equipment	**¥93,670**	**¥25,510**	**¥119,180**

2014

	Japan	Americas	Consolidated
			Thousands of U.S. dollars
Property, plant and equipment	$910,478	$247,959	$1,158,437

(5) Information about major customers

2013

Name of major customers	Sales (Millions of yen)	Related reportable segment
MITSUI & CO., LTD.	¥89,494	Domestic Instant Noodles Segment

2014

Name of major customers	Sales (Millions of yen)	Sales (Thousands of U.S. dollars)	Related reportable segment
MITSUI & CO., LTD.	¥95,632	$929,549	Domestic Instant Noodles Segment

(6) Information about impairment

2013

Millions of yen

	Reportable segment						Other	Adjustments	Consolidated
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage			
Impairment loss	¥—	¥—	¥—	¥70	¥1,262	¥374	¥—	¥—	¥1,706

2014

Millions of yen

	Reportable segment						Other	Adjustments	Consolidated
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage			
Impairment loss	¥—	¥—	¥—	¥39	¥138	¥0	¥—	¥—	¥177

2014

Thousands of U.S. dollars

	Reportable segment						Other	Adjustments	Consolidated
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage			
Impairment loss	$—	$—	$—	$379	$1,341	$0	$—	$—	$1,720

(7) Information about amortization and unamortized balance of goodwill and negative goodwill by reportable segment

2013

Millions of yen

	Reportable segment						Other	Adjustments	Consolidated
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage			
Negative goodwill:									
Amortization	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥150	¥150
Unamortized balance	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥225	¥225

2014

Millions of yen	Reportable segment								
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage	Other	Adjustments	Consolidated
Negative goodwill:									
Amortization	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥150	¥150
Unamortized balance	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥ 75	¥ 75

2014

Thousands of U.S. dollars	Reportable segment								
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage	Other	Adjustments	Consolidated
Negative goodwill:									
Amortization	$—	$—	$—	$—	$—	$—	$—	$1,458	$1,458
Unamortized balance	$—	$—	$—	$—	$—	$—	$—	$ 729	$ 729

20 *Subsequent events:*

The Company's shareholders approved appropriation of retained earnings at the general meeting of shareholders held on June 27, 2014 as follows:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥25.0 per share)	¥2,555	$24,835

INDEPENDENT AUDITOR'S REPORT

KPMG

Independent Auditor's Report

To the Board of Directors of Toyo Suisan Kaisha, Ltd.:

We have audited the accompanying consolidated financial statements of Toyo Suisan Kaisha, Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheets as of March 31, 2014 and 2013, and the consolidated statements of income, statements of comprehensive income, statements of changes in net assets and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Toyo Suisan Kaisha, Ltd. and its consolidated subsidiaries as of March 31, 2014 and 2013, and their financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2014 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA LLC

June 27, 2014
Tokyo, Japan

CORPORATE DATA

As of March 31, 2014

Head Office	13-40, Konan 2-chome, Minato-ku, Tokyo 108-8501, Japan Tel.: +81-3-3458-5111
Date of Establishment	March 25, 1953
Number of Plants	8
Number of Sales Offices	28
Number of Refrigerated Warehouses	15
Number of Subsidiaries and Affiliates	31
Number of Employees	2,137
Common Stock	Total Number of Shares Issuable: 427,000,000 shares Total Number of Shares Issued and Outstanding: 110,881,044 shares Paid-in Capital: ¥18,969 million
Number of Shareholders	5,249
Stock Exchange Listing	Tokyo (#2875)
Stock Transfer Agent	Sumitomo Mitsui Trust Bank, Limited, in Tokyo
Annual Meeting	The annual meeting of shareholders is usually held before the end of June in Tokyo.

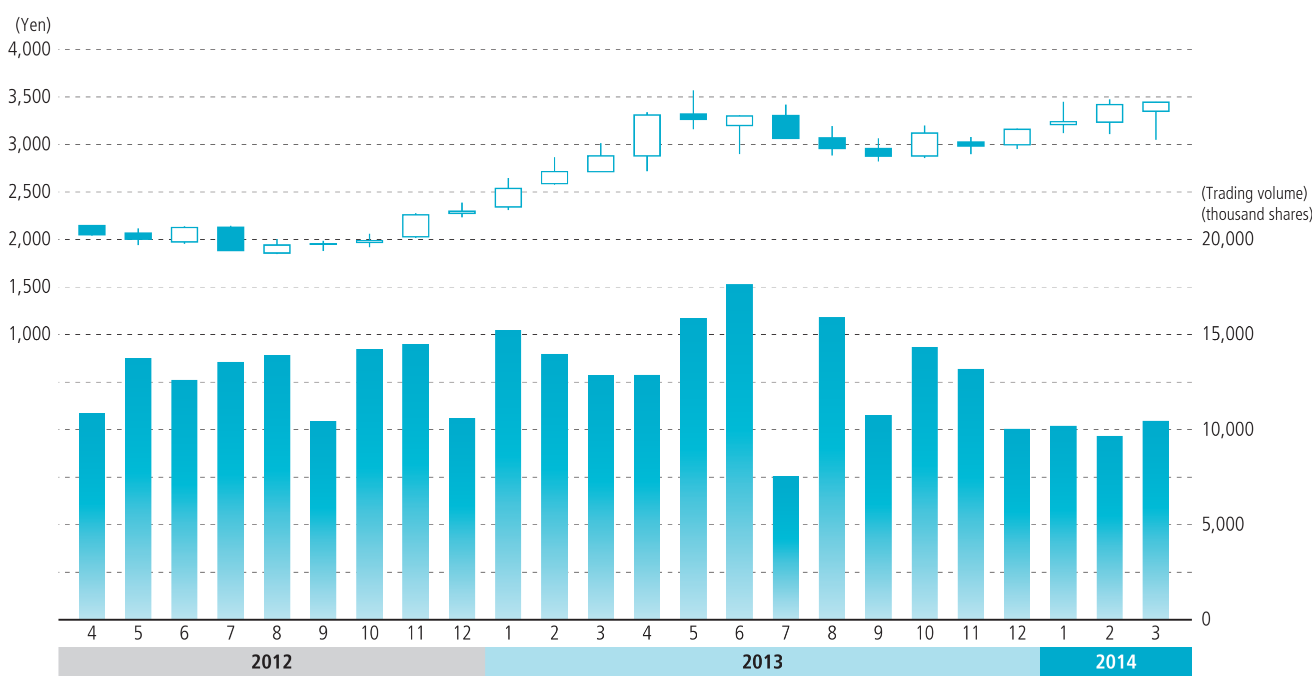
CORPORATE PROFILE

Toyo Suisan Kaisha, Ltd. ("the Company"), was established in 1953 as a seafood exporter, domestic buyer and distributor. The Company entered the cold-storage business in 1955 and began producing and selling such processed seafood products as fish sausage in 1956.

Toyo Suisan and its consolidated subsidiaries ("the Group") subsequently expanded operations into such other business fields as instant noodles, fresh noodles and frozen foods. At present, besides consumer foods for home use, we also provide a diverse range of delicious, easy preparation food products for the commercial food service industry, including restaurants, specialty stores and industrial food services.

Based on Toyo Suisan's corporate stance of "striving to deliver the most wholesome bounty of the earth to the dining table," the Company undertakes to ensure careful selection of only the choicest foods and to create products that preserve the flavor of the ingredients. We are also striving to build an optimally functional logistics system, achieve consistent quality and sanitation controls and undertake R&D efforts to develop new flavors in response to next-generation needs.

Common Stock Price Range and Trading Volume



TOYO SUISAN