

# CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2013 (J-GAAP)

Name of listed company: Toyo Suisan Kaisha, Ltd.  
 Securities code: 2875 (URL: <http://www.maruchan.co.jp/>)  
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 Holding of 1Q results briefing meeting: None

July 31, 2013  
 Stock exchange listing: Tokyo

(Amounts less than one million yen have been omitted.)

## 1. Consolidated Operating Results for the First Three Months of FY2014 (from April 1, 2013 to June 30, 2013)

	3 months ended June 30, 2012	3 months ended June 30, 2013	Year-on-year
	(Millions of yen)		(Percentage change)
(1) Consolidated Operating Results:			
Net sales	77,901	87,866	12.8%
Operating income	6,782	7,799	15.0%
Ordinary income	7,201	8,253	14.6%
Net income	3,576	6,729	88.1%
Net income per share (Yen)	35.01	65.88	
Fully diluted net income per share (Yen)	—	—	

Note: Total comprehensive income  
 3 months ended June 30, 2013: ¥10,065 million (407.3%)  
 3 months ended June 30, 2012: ¥1,984 million (-26.6%)

	As of March 31, 2013	As of June 30, 2013
	(Millions of yen)	
(2) Consolidated Financial Position:		
Total assets	274,889	284,467
Net assets	209,172	220,293
Shareholders' equity ratio	72.3%	72.7%

Reference: Shareholders' equity  
 As of June 30, 2013: ¥206,891 million  
 As of March 31, 2013: ¥198,684 million

## 2. Dividends

	Full Year Dividends (Yen)				
Record Date	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	For the year
FY2013	—	20.00	—	30.00	50.00
FY2014	—				
FY2014 (Forecast)		25.00	—	25.00	50.00

Note: Amendment of dividend forecast that have been disclosed lastly: None

## 3. Consolidated Results Forecasts for FY2014 (from April 1, 2013 to March 31, 2014)

	Half year	Year-on-year	Full year	Year-on-year
	(Millions of yen)	(Percentage change)	(Millions of yen)	(Percentage change)
Net sales	177,000	11.8%	370,000	7.4%
Operating income	14,000	4.4%	31,000	4.6%
Ordinary income	15,000	6.9%	32,000	0.0%
Net income	9,000	21.3%	20,000	15.7%
Net income per share (Yen)	88.10		195.78	

Note: Amendment of results forecast that have been disclosed lastly: None

\* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes to the scope of consolidation): None
- (2) Application of specific accounting procedures for preparation of the quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement
  - 1) Changes in accounting policies due to revisions of accounting standards, etc.: None
  - 2) Changes in accounting policies other than item 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Retrospective restatement: None

(4) Number of shares issued (common stock)

	(Unit: share)			
1) Number of shares issued at end of period (including treasury stock)	June 30, 2013	110,881,044	March 31, 2013	110,881,044
2) Number of shares of treasury stock at end of period	June 30, 2013	8,730,092	March 31, 2013	8,724,975
3) Average number of shares during the three months	Apr. – Jun. 2013	102,152,701	Apr. – Jun. 2012	102,162,589

\* Presentation of implementation status for quarterly review procedures

The quarterly review procedure based on the Financial Instruments and Exchange Act does not apply to this document, and the quarterly review procedure based on the Financial Instruments and Exchange Act had not been completed as of the release of this document.

\* Explanation related to the appropriate use of these results forecasts and other items warranting special mention

Statements in this document, including the results forecasts, etc., are based on the information available as of the date of the release of this document and the preconditions that Toyo Suisan Kaisha, Ltd. (the “Company”) deemed to be reasonable; they are not meant to be a commitment by the Company, and a variety of factors in the future may cause actual results to differ materially from these forecasts. Please refer to Section: “Explanation of forward-looking information, including consolidated results forecasts” on page 5 of the attachments for the preconditions for the results forecasts and exercise caution in the use of these results forecasts.

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## 1. Qualitative Information on Consolidated Financial Results for the Three Months Ended June 30, 2013

### (1) Explanation of consolidated operating results

During the first three months of the fiscal year ending March 31, 2014, the outlook for the Japanese economy remained uncertain, due to downside risks such as the slowdown of overseas economies. Expectations were high for the Japanese economy to make a moderate recovery due to favorable effects, including demand from restoration activities following the earthquake and various policies such as correction of the strong yen.

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 ¥87,866 million (+12.8% year on year), operating income was ¥7,799 million (+15.0% year on year), ordinary income was ¥8,253 million (+14.6% year on year), and net income was ¥6,729 million (+88.1% year on year) for the period under review.

The foreign exchange rate for the period was ¥98.58 to the U.S. dollar (¥79.28 to the U.S. dollar for the corresponding period of the previous fiscal year).

Operating results by segment are as follows.

In the Seafood Segment, we were aggressively engaged in development and sales of our main products, including salmon/trout, roe and tuna, and sold these products to mass merchandisers, convenience stores, and other retail outlets. This resulted in segment sales of ¥8,149 million (+1.1% year on year). Segment profit was ¥17 million (-78.7% year on year) due to a decrease in the operating rate of plants, owing to a decrease in fish hauls, and cost increases, including a rise in the cost of ingredients as a result of the weak yen.

In the Overseas Instant Noodles Segment, segment sales were ¥16,745 million (+22.3% year on year). This was the result of a continued strengthening of partnerships with major mass merchandisers; robust 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 ¥3,005 million (+6.7% year on year) despite an increase in the cost of ingredients as well as an increase in sales promotion expenses as a result of aggressive sales activities, which were more than offset by the effect of the weaker yen.

In the Domestic Instant Noodles Segment, among cup noodle products, sales of key branded products such as Akai Kitsune Udon and Midori no Tanuki Tempura Soba, remained robust, assisted by the sale of spin-off products. Sales of Menzukurī expanded due to consumer campaigns that were initiated from the end of last fiscal year and the launch of new flavored items. As a result, total sales of cup noodle products remained the same as that of the previous year. Total sales of bag noodles increased significantly owing to the launch of a new production line for Maruchan Seimen at the end of the previous fiscal year in an effort to respond to increasing demand, and also due to the introduction in April of a new item, Maruchan Seimen Hiyashi Chuka. As a result, segment sales were ¥28,270 million (+13.3% year on year) and segment profit was ¥3,042 million (+27.2% year on year).

In the Frozen and Refrigerated Foods Segment, among fresh noodles, sales of the three-meal package of yakisoba noodles, a core product, fared well. Fresh ramen noodles faced difficulties as a result of a price war with competing products. However, total sales of fresh noodles increased over the previous year due to continued strong sales of the three-meal package of Napolitan Spaghetti, a new product for spring and summer, and continued firm sales of chilled products. Among frozen foods, sales of retail products remained weak but sales of commercial frozen noodles stayed robust due to strong sales activities for lunch services at offices and the acquisition of new customers by introducing new products into the food service industry. As a result, segment sales were ¥16,180 million (+2.8% year on year). Segment profit was ¥927 million (+11.0% year on year) due to stabilization in the prices of ingredients and a decrease in depreciation and amortization.

In the Processed Foods Segment, sales of rice products increased on the back of aggressive sales activities. Among freeze-dried products, sales of cup-type and bag-type products were strong. Sales of fish-ham and fish sausages decreased due to a revision of wholesale prices in response to changes in market conditions. Sales of seasonings decreased as the market for instant bouillon and dried bonito flakes shrank. As a result, segment sales were ¥4,156 million (+0.9% year on year). However, segment loss was ¥57 million (a segment loss of ¥6 million in the corresponding period of the previous fiscal year), due to soaring prices of rice and other products.

In the Cold-Storage Segment, sales were ¥3,934 million (+4.2% year on year) as a result of aggressive efforts to source products, although the storage volume of imported products was low due to various effects, including the weaker yen. Segment profit was ¥409 million (+5.4% year on year) as a result of an increase in the storage volume of new products, although power costs caused by a rise in electricity prices increased.

The Other Business Segment consists of mainly the packed lunch/deli food business. Segment sales were ¥10,432 million (+38.1% year on year), while segment profit was ¥505 million (+3.1% year on year).

(2) Explanation of consolidated financial position

At the end of the first three months of the fiscal year ending March 31, 2014, total assets increased ¥9,578 million from the previous fiscal year-end, to ¥284,467 million, and net assets increased ¥11,121 million, to ¥220,293 million. The main factors contributing to these results are as follows:

With regard to assets, increases were seen in cash on hand and at banks, notes and accounts receivable-trade, and construction in progress, while securities decreased. As for liabilities, notes and accounts payable-trade increased, while accrued expenses and income taxes payable decreased. Concerning net assets, retained earnings and adjustment on foreign currency translation increased.

As a result of these factors, the shareholders' equity ratio was 72.7%.

(3) Explanation of forward-looking information, including consolidated results forecasts

We have not changed our consolidated results forecasts for the first six months and the full term of the fiscal year ending March 31, 2014, as announced on May 15, 2013, because the first quarter results were within our expectations. Should any changes occur in the future, the relevant information will be duly disclosed.

2. Summary Information (Notes)

(1) Changes in significant subsidiaries during the period under review

Not applicable

(2) Application of specific accounting procedures for preparation of the quarterly consolidated financial statements

Not applicable

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

Not applicable

### 3. Consolidated Financial Statements

#### (1) Consolidated balance sheets

(Millions of yen)

	FY2013 (As of March 31, 2013)	1Q FY2014 (As of June 30, 2013)
<b>Assets</b>		
Current assets		
Cash on hand and at banks	50,496	53,262
Notes and accounts receivable-trade	45,948	48,749
Securities	27,501	24,001
Merchandise and finished goods	15,355	15,626
Work in process	223	470
Raw materials and supplies	4,596	5,342
Deferred income tax assets	1,737	1,337
Other	4,010	3,138
Less: Allowance for doubtful accounts	(507)	(522)
Total current assets	149,361	151,406
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	43,724	43,820
Machinery, equipment and vehicles, net	24,489	24,768
Land	28,995	30,191
Construction in progress	3,633	8,240
Other, net	1,419	1,647
Total property, plant and equipment	102,262	108,668
Intangible assets		
Other	2,349	2,484
Total intangible assets	2,349	2,484
Investments and other assets		
Investments in securities	18,385	19,154
Deferred income tax assets	1,818	1,954
Other	711	799
Total investments and other assets	20,915	21,908
Total fixed assets	125,527	133,061
Total assets	274,889	284,467

(Millions of yen)

	FY2013 (As of March 31, 2013)	1Q FY2014 (As of June 30, 2013)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	21,711	23,417
Short-term loans	212	201
Current portion of long-term debt	—	132
Accrued expenses	17,705	16,533
Income taxes payable	4,108	2,019
Accrued business office taxes	62	13
Accrued consumption taxes	554	655
Deferred income tax liabilities	3	3
Allowance for bonus to officers	198	62
Allowance for fixed assets removal costs	171	112
Other	2,437	1,874
Total current liabilities	47,167	45,026
Long-term liabilities		
Long-term debt	—	90
Deferred income tax liabilities	1,177	1,255
Reserve for retirement benefits for employees	16,232	16,383
Reserve for officer retirement benefits for officers	140	237
Negative goodwill	225	187
Asset retirement obligations	309	315
Other	465	679
Total long-term liabilities	18,550	19,147
Total liabilities	65,717	64,174
<b>Net assets</b>		
Shareholders' equity		
Common stock	18,969	18,969
Capital surplus	22,516	22,516
Retained earnings	171,246	176,264
Treasury stock at cost	(8,145)	(8,162)
Total shareholders' equity	204,586	209,588
Accumulated other comprehensive income		
Net unrealized gain (loss) on investments in securities, net of taxes	2,185	2,632
Net unrealized gains (losses) on hedging derivatives, net of taxes	32	31
Adjustment on foreign currency translation	(8,120)	(5,361)
Total accumulated other comprehensive income	(5,902)	(2,696)
Minority interests in consolidated subsidiaries	10,487	13,402
Total net assets	209,172	220,293
Total liabilities and net assets	274,889	284,467

(2) Consolidated statements of income and comprehensive income  
Consolidated statements of income  
First three months of the fiscal year ending March 31, 2014

(Millions of yen)

	1Q FY2013 (from April 1, 2012 to June 30, 2012)	1Q FY2014 (from April 1, 2013 to June 30, 2013)
Net sales	77,901	87,866
Cost of sales	48,923	54,189
Gross profit	28,978	33,677
Selling, general and administrative expenses	22,196	25,878
Operating income	6,782	7,799
Non-operating income		
Interest income	64	69
Dividends income	153	176
Equity in gain under the equity method	—	7
Rent income	102	112
Miscellaneous income	206	150
Total non-operating income	527	516
Non-operating expenses		
Interest expenses	0	1
Cost of rent income	19	25
Exchange loss	27	6
Equity in loss under the equity method	1	—
Miscellaneous loss	59	29
Total non-operating expenses	108	62
Ordinary income	7,201	8,253
Extraordinary income		
Gain on sales of fixed assets	1	1
Gain on negative goodwill	—	641
Subsidy received	—	1,192
Compensation income	21	—
Other	2	25
Total extraordinary income	25	1,860
Extraordinary loss		
Loss on sale or disposal of fixed assets, net	40	18
Write-down of investment in securities	368	8
Other	12	0
Total extraordinary losses	422	26
Income before income taxes and minority interests	6,804	10,087
Income taxes-current	2,776	2,634
Income taxes-deferred	333	590
Total income taxes	3,110	3,224
Income before minority interests	3,694	6,862
Minority interests in subsidiaries	117	133
Net income	3,576	6,729



Consolidated statements of comprehensive income  
First three months of the fiscal year ending March 31, 2014

	(Millions of yen)	
	1Q FY2013 (from April 1, 2012 to June 30, 2012)	1Q FY2014 (from April 1, 2013 to June 30, 2013)
Income before minority interests	3,694	6,862
Other comprehensive income		
Net unrealized gain (loss) on investments in securities, net of taxes	(67)	426
Net unrealized gains (losses) on hedging derivatives, net of taxes	(141)	(0)
Adjustment on foreign currency translation	(1,498)	2,759
Share of other comprehensive income of associates accounted for using equity method	(3)	18
Total other comprehensive income	(1,710)	3,202
Comprehensive income	1,984	10,065
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,884	9,934
Comprehensive income attributable to minority interests	99	130

(3) Notes to consolidated financial statements  
 (Notes on going concern assumptions)  
 Not applicable

(Notes in the event of substantial changes in shareholders' equity)  
 Not applicable

(Segment information, etc.)

Segment information

I. Three months ended June 30, 2012 (from April 1 to June 30, 2012)

1. Information relating to net sales and profit/loss for each reporting segment

(Millions of yen)

	Reporting segment							Other (Note 1)	Total	Adjust- ments (Note 2)	Amount reported on consoli- dated financial statements (Note 3)
	Seafood Segment	Overseas Instant Noodles Segment	Domestic Instant Noodles Segment	Frozen and Refrigerated Foods Segment	Processed Foods Segment	Cold- Storage Segment	Total				
Net sales											
Net sales to outside customers	8,062	13,689	24,958	15,735	4,119	3,774	70,340	7,551	77,891	10	77,901
Internal net sales or transfer between segments	179	—	0	—	0	243	423	138	561	(561)	—
Total	8,241	13,689	24,958	15,735	4,119	4,018	70,763	7,689	78,453	(551)	77,901
Segment profit (loss)	81	2,816	2,392	834	(6)	388	6,507	489	6,997	(215)	6,782

(Notes) 1. The Other Business Segment is one which is not among the reporting segments and refers to a business which is mainly involved in the packed lunch/deli food business and the real estate leasing business.

2. The adjustment of ¥10 million in net sales to outside customers was reported due to differing elimination methods used by the reporting segments and the consolidated financial statements. The ¥215 million in segment profit (loss) adjustments include companywide expenses of ¥306 million which have not been allocated to each reporting segment, a ¥3 million adjustment to inventories, and other adjustments of ¥87 million. Companywide expenses refer mainly to general administrative expenses which do not belong to any reporting segment. Other adjustments are mainly currency translation adjustments which occur upon calculating eliminations with overseas subsidiaries when reporting earnings.

3. Segment profit (loss) is adjusted at the operating income level on the consolidated financial statements.

2. Information relating to impairment loss on fixed assets or goodwill for each reporting segment

Not applicable

II. Three months ended June 30, 2013 (from April 1 to June 30, 2013)

1. Information relating to net sales and profit/loss for each reporting segment

(Millions of yen)

	Reporting segment							Other (Note 1)	Total	Adjust- ments (Note 2)	Amount reported on consoli- dated financial statements (Note 3)
	Seafood Segment	Overseas Instant Noodles Segment	Domestic Instant Noodles Segment	Frozen and Refrigerated Foods Segment	Processed Foods Segment	Cold- Storage Segment	Total				
Net sales											
Net sales to outside customers	8,149	16,745	28,270	16,180	4,156	3,934	77,437	10,432	87,869	(3)	87,866
Internal net sales or transfer between segments	174	—	0	—	0	231	406	127	534	(534)	—
Total	8,324	16,745	28,270	16,180	4,156	4,166	77,843	10,560	88,404	(537)	87,866
Segment profit (loss)	17	3,005	3,042	927	(57)	409	7,345	505	7,850	(51)	7,799

(Notes) 1. The Other Business Segment is one which is not among the reporting segments and refers to a business which is mainly involved in the packed lunch/deli food business.

2. The adjustment of -¥3 million in net sales to outside customers was reported due to differing elimination methods used by the reporting segments and the consolidated financial statements. The -¥51 million in segment profit (loss) adjustments include companywide expenses of -¥131 million which have not been allocated to each reporting segment, a ¥57 million adjustment to inventories, and other adjustments of ¥22 million. Companywide expenses refer mainly to general administrative expenses which do not belong to any reporting segment. Other adjustments are mainly currency translation adjustments which occur upon calculating eliminations with overseas subsidiaries when reporting earnings.

3. Segment profit (loss) is adjusted at the operating income level on the consolidated financial statements.

2. Information relating to impairment loss on fixed assets or goodwill for each reporting segment

Not applicable