

CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 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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 Preparation of 2Q results presentation materials: Yes
 Holding of 2Q results briefing meeting: Yes (For institutional investors and analysts)

October 31, 2013
 Stock exchange listing: Tokyo

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

1. Consolidated Operating Results for the First Six Months of FY2014 (from April 1, 2013 to September 30, 2013)

	6 months ended September 30, 2012	6 months ended September 30, 2013	Year-on-year
	(Millions of yen)		(Percentage change)
(1) Consolidated Operating Results:			
Net sales	158,291	176,310	11.4%
Operating income	13,404	13,891	3.6%
Ordinary income	14,034	14,537	3.6%
Net income	7,420	11,810	59.2%
Net income per share (Yen)	72.63	115.62	
Fully diluted net income per share (Yen)	—	—	

Note: Total comprehensive income
 6 months ended September 30, 2013: ¥15,218 million (183.3%)
 6 months ended September 30, 2012: ¥5,372 million (48.8%)

	As of March 31, 2013	As of September 30, 2013
	(Millions of yen)	
(2) Consolidated Financial Position:		
Total assets	274,889	291,566
Net assets	209,172	225,422
Shareholders' equity ratio	72.3%	72.7%

Reference: Shareholders' equity
 As of September 30, 2013: ¥211,931 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	—	25.00	—	—	—
FY2014 (Forecast)	—	—	—	25.00	50.00

Note: Amendment to dividend forecast that has been disclosed lately: None

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

	Full year	Year-on-year
	(Millions of yen)	(Percentage change)
Net sales	370,000	7.4%
Operating income	31,000	4.6%
Ordinary income	32,000	0.0%
Net income	20,000	15.7%
Net income per share (Yen)	195.78	

Note: Amendment to results forecasts that have been disclosed lately: 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)	September 30, 2013	110,881,044	March 31, 2013	110,881,044
2) Number of shares of treasury stock at end of period	September 30, 2013	8,737,737	March 31, 2013	8,724,975
3) Average number of shares during the six months	Apr. – Sep. 2013	102,148,657	Apr. – Sep. 2012	102,162,174

* 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 Six Months Ended September 30, 2013

(1) Explanation of consolidated operating results

During the first six months of the fiscal year ending March 31, 2014, economic conditions in Japan seem to have recovered somewhat as a result of economic and financial policies which have led to a weaker yen, higher stock prices and improvements in corporate earnings. However, the outlook for the Japanese economy remains uncertain, due to downside risks to the economy including financial problems in Europe and the U.S.

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 ¥176,310 million (+11.4% year on year), operating income was ¥13,891 million (+3.6% year on year), ordinary income was ¥14,537 million (+3.6% year on year), and net income was ¥11,810 million (+59.2% year on year) for the period under review.

The foreign exchange rate for the period was ¥97.69 to the U.S. dollar (¥77.57 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 sales of our main products, including salmon/trout, roe and tuna to mass merchandisers, convenience stores, and other retailers. However, due to poor domestic fish hauls, particularly of squid, mackerel and saury, there was downward pressure on earnings from foreshore operations. Moreover, the cost of ingredients increased as a result of the weak yen and poor hauls of shrimp and salmon/trout overseas. We were unable to reflect these increasing costs in selling prices, resulting in segment sales of ¥16,203 million (+1.5% year on year), and a segment loss of ¥8 million (segment profit in the corresponding period of the previous fiscal year was ¥161 million).

In the Overseas Instant Noodles Segment, segment sales were ¥35,257 million (+23.7% year on year). This was the result of a 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 ¥6,206 million (+7.8% year on year) despite an increase in sales promotion expenses as a result of entering new categories and aggressive sales activities, which were more than offset by the effect of the weaker yen.

In the Domestic Instant Noodles Segment, among bag noodles, sales of Maruchan Seimen Hiyashi Chuka, launched in April, exceeded 30 million units making it a huge success. Along with the positive impact of an improved version of Maruchan Seimen Miso Aji, launched in August, shipments to date of Maruchan Seimen were just shy of 500 million meals (achieved on October 4th) contributing to higher sales and profits. Total sales of cup noodle products remained robust as sales of core products such as Akai Kitsune Udon and Midori no Tanuki Tempura Soba were firm, moving into peak demand season, as well as from a large increase in sales of Menzokuri non-fried cup noodles in part due to the introduction of new flavors. As a result, segment sales were ¥53,748 million (+9.1% year on year) and segment profit was ¥4,465 million (+11.0% 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 due in part to sales of seasonal items. Fresh ramen noodles faced difficulties as a result of a price war with competing products. However, strong sales of the three-meal package of Napolitan Spaghetti, a new product for spring and summer, and increased sales of Japanese style noodles for the microwave contributed to the total increase in sales of fresh noodles. Among frozen foods, sales of retail products remained weak but commercial sales, particularly of frozen noodles, remained strong due to renewed sales activities for deli food and introducing new products into the food service industry. As a result, segment sales were ¥33,034 million (+1.7% year on year) and segment profit was ¥1,764 million (-15.2% year on year).

In the Processed Foods Segment, sales of rice products, core products of the segment, increased on the back of aggressive sales activities, particularly for aseptically packed cooked rice products. Among freeze-dried products, sales of cup-type and bag-type products were strong. Sales of Japanese fish loaf and sausage decreased due to a reduction of wholesale prices. Sales of seasonings decreased as the market for instant bouillon and dried bonito flakes shrank. As a result, segment sales were ¥8,585 million (+3.0% year on year). However, segment loss was ¥103 million (segment loss of ¥26 million in the corresponding period of the previous fiscal year), due to soaring prices of rice, dried bonito and other products.

In the Cold-Storage Segment, sales were ¥7,935 million (+4.2% year on year) due to steady storage volume of the seasonal item, ice cream, thanks to a hot summer and nearly the same volume of imported products despite the impact of the weaker yen. Despite higher power costs caused by a rise in electricity prices, segment profit was ¥762 million (+5.0% year on year) due to our energy-saving measures.

The Other Business Segment consists of mainly the packed lunch/deli food business. Segment sales were ¥21,569 million (+34.0% year on year), while segment profit was ¥955 million (-9.2% year on year).

(2) Explanation of consolidated financial position

At the end of the first six months of the fiscal year ending March 31, 2014, total assets increased ¥16,677 million from the previous fiscal year-end, to ¥291,566 million, and net assets increased ¥16,250 million, to ¥225,422 million. The main factors contributing to these results are as follows:

With regard to assets, increases were seen in securities, merchandise and finished goods, and construction in progress, while cash on hand and at banks decreased. As for liabilities, notes and accounts payable-trade increased, while other items 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%.

(The situation of cash flows)

The balance of cash and cash equivalents (hereafter, referred to as the Capital) is ¥25,998 million, a decrease of ¥25,342 million (49.4%) compared with the end of the previous fiscal year.

The situations of each cash flow in the period under review are as follows:

The Capital provided by operating activities is ¥14,881 million, an increase of ¥72 million (0.5%) compared with the corresponding period of the previous fiscal year. The main contributing factors are increases in income before income taxes and minority interests and inventories, and a decrease in notes and accounts receivable-trade.

The Capital used in investing activities is ¥37,533 million, an increase of ¥26,030 million (226.3%) compared with the corresponding period of the previous fiscal year. The main contributing factor is an increase in payment for purchase of securities.

The Capital used in financing activities is ¥3,408 million, an increase of ¥1,269 million (59.3%) compared with the corresponding period in the previous fiscal year. The main contributing factor is an increase in cash dividends paid.

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

We have not changed our consolidated results forecasts for the full term of the fiscal year ending March 31, 2014, as announced on May 15, 2013, because the first half 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)	2Q FY2014 (As of September 30, 2013)
Assets		
Current assets		
Cash on hand and at banks	50,496	47,984
Notes and accounts receivable-trade	45,948	44,710
Securities	27,501	35,501
Merchandise and finished goods	15,355	18,149
Work in process	223	332
Raw materials and supplies	4,596	5,442
Deferred income tax assets	1,737	1,943
Other	4,010	3,343
Less: Allowance for doubtful accounts	(507)	(513)
Total current assets	149,361	156,895
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	43,724	42,950
Machinery, equipment and vehicles, net	24,489	23,860
Land	28,995	29,623
Construction in progress	3,633	11,771
Other, net	1,419	1,581
Total property, plant and equipment	102,262	109,786
Intangible assets		
Other	2,349	2,449
Total intangible assets	2,349	2,449
Investments and other assets		
Investments in securities	18,385	19,748
Deferred income tax assets	1,818	1,921
Other	711	765
Total investments and other assets	20,915	22,434
Total fixed assets	125,527	134,671
Total assets	274,889	291,566

(Millions of yen)

	FY2013 (As of March 31, 2013)	2Q FY2014 (As of September 30, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	21,711	23,005
Short-term loans	212	191
Current portion of long-term debt	—	122
Accrued expenses	17,705	17,459
Income taxes payable	4,108	4,053
Accrued business office taxes	62	28
Accrued consumption taxes	554	480
Deferred income tax liabilities	3	3
Allowance for bonus to officers	198	101
Allowance for fixed assets removal costs	171	15
Other	2,437	1,498
Total current liabilities	47,167	46,959
Long-term liabilities		
Long-term debt	—	65
Deferred income tax liabilities	1,177	1,260
Reserve for retirement benefits for employees	16,232	16,509
Reserve for retirement benefits for officers	140	243
Negative goodwill	225	150
Asset retirement obligations	309	315
Other	465	641
Total long-term liabilities	18,550	19,185
Total liabilities	65,717	66,144
Net assets		
Shareholders' equity		
Common stock	18,969	18,969
Capital surplus	22,516	22,516
Retained earnings	171,246	181,346
Treasury stock at cost	(8,145)	(8,186)
Total shareholders' equity	204,586	214,645
Accumulated other comprehensive income		
Net unrealized gain (loss) on investments in securities, net of taxes	2,185	3,086
Net unrealized gains (losses) on hedging derivatives, net of taxes	32	(2)
Adjustment on foreign currency translation	(8,120)	(5,798)
Total accumulated other comprehensive income	(5,902)	(2,714)
Minority interests in consolidated subsidiaries	10,487	13,490
Total net assets	209,172	225,422
Total liabilities and net assets	274,889	291,566

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

	(Millions of yen)	
	2Q FY2013 (from April 1, 2012 to September 30, 2012)	2Q FY2014 (from April 1, 2013 to September 30, 2013)
Net sales	158,291	176,310
Cost of sales	99,205	109,950
Gross profit	59,085	66,360
Selling, general and administrative expenses	45,680	52,468
Operating income	13,404	13,891
Non-operating income		
Interest income	126	133
Dividends income	168	195
Equity in gain under the equity method	-	7
Rent income	203	220
Miscellaneous income	373	313
Total non-operating income	872	869
Non-operating expenses		
Interest expenses	2	3
Cost of rent income	46	49
Exchange loss	75	76
Equity in loss under the equity method	12	-
Compensation expenses	2	47
Miscellaneous loss	101	46
Total non-operating expenses	242	223
Ordinary income	14,034	14,537
Extraordinary income		
Gain on sales of fixed assets	2	1,826
Compensation income	42	-
Subsidy received	-	1,192
Gain on negative goodwill	-	641
Other	3	86
Total extraordinary income	48	3,747
Extraordinary loss		
Loss on sale or disposal of fixed assets, net	309	52
Write-down of investments in securities	823	8
Impairment losses on fixed assets	1	9
Other	14	8
Total extraordinary losses	1,148	78
Income before income taxes and minority interests	12,934	18,206
Income taxes-current	5,416	6,237
Income taxes-deferred	(118)	(45)
Total income taxes	5,297	6,191
Income before minority interests	7,636	12,014
Minority interests in subsidiaries	216	204
Net income	7,420	11,810

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

	(Millions of yen)	
	2Q FY2013 (from April 1, 2012 to September 30, 2012)	2Q FY2014 (from April 1, 2013 to September 30, 2013)
Income before minority interests	7,636	12,014
Other comprehensive income		
Net unrealized gain (loss) on investments in securities, net of taxes	290	912
Net unrealized gains (losses) on hedging derivatives, net of taxes	(307)	(34)
Adjustment on foreign currency translation	(2,239)	2,321
Share of other comprehensive income of associates accounted for using equity method	(8)	3
Total other comprehensive income	(2,264)	3,203
Comprehensive income	5,372	15,218
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	5,176	14,998
Comprehensive income attributable to minority interests	195	219

(3) Consolidated statements of cash flows

(Millions of yen)

	2Q FY2013 (from April 1, 2012 to September 30, 2012)	2Q FY2014 (from April 1, 2013 to September 30, 2013)
Cash flows from operating activities		
Income before income taxes and minority interests	12,934	18,206
Depreciation and amortization	5,106	5,173
Impairment losses on fixed assets	1	9
Gain on negative goodwill	-	(641)
Equity in loss (gain) under the equity method	12	(7)
Write-down (up) of investments in securities	823	8
Increase (Decrease) in reserve for retirement benefits for employees	248	263
Increase (Decrease) in reserve for retirement benefits for officers	(11)	9
Increase (Decrease) in allowance for bonus to officers	(107)	(97)
Increase (Decrease) in allowance for doubtful accounts	(8)	(10)
Interest and dividends income	(295)	(328)
Interest expenses	2	3
Currency exchange loss (gain)	75	76
Loss (Gain) on sales or disposal of property, plant and equipment, net	306	(1,773)
Decrease (Increase) in notes and accounts receivable-trade	4,450	3,568
Decrease (Increase) in inventories	(464)	(2,773)
Increase (Decrease) in notes and accounts payable-trade	(609)	7
Increase (Decrease) in accrued expenses	(1,095)	(1,199)
Other, net	(36)	195
Sub total	21,331	20,690
Interest and dividends income received	265	294
Interest expenses paid	(2)	(3)
Payments for loss on disaster	(111)	-
Income taxes paid	(6,672)	(6,098)
Net cash provided by operating activities	14,809	14,881
Cash flows from investing activities		
Payment for time deposits	(1,767)	(918)
Proceeds from maturities of time deposits	136	4,228
Purchase of securities	-	(45,000)
Proceeds from redemption of securities	-	12,000
Payment for purchase of property, plant and equipment	(9,817)	(10,821)
Proceeds from sales of property, plant and equipment	5	2,458
Payment for purchase of intangible assets	(298)	(436)
Purchase of investments in securities	(9)	(13)
Proceeds from sales of investments in securities	6	34
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	810
Payment for loans receivable	(1,055)	(946)
Collection of loans receivable	1,169	1,077
Other, net	126	(4)
Net cash used in investing activities	(11,502)	(37,533)

	(Millions of yen)	
	2Q FY2013 (from April 1, 2012 to September 30, 2012)	2Q FY2014 (from April 1, 2013 to September 30, 2013)
Cash flows from financing activities		
Proceeds from short-term loans	915	609
Repayment of short-term loans	(830)	(630)
Repayment of long-term debt	(12)	(77)
Cash dividends paid	(2,043)	(3,064)
Cash dividends paid to minority shareholders	(104)	(116)
Other, net	(65)	(129)
Net cash used in financing activities	(2,139)	(3,408)
Effect of exchange rate changes on cash and cash equivalents	(741)	717
Net increase (decrease) in cash and cash equivalents	425	(25,342)
Cash and cash equivalents at beginning of year	39,402	51,341
Cash and cash equivalents at end period	39,828	25,998

(4) 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.)

I. Six months ended September 30, 2012 (from April 1 to September 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	15,971	28,512	49,273	32,488	8,334	7,614	142,196	16,098	158,294	(3)	158,291
Internal net sales or transfer between segments	348	—	1	—	0	470	819	277	1,097	(1,097)	—
Total	16,320	28,512	49,274	32,488	8,334	8,084	143,016	16,376	159,392	(1,100)	158,291
Segment profit (loss)	161	5,759	4,021	2,080	(26)	726	12,723	1,051	13,775	(370)	13,404

(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 -¥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 -¥370 million in segment profit (loss) adjustments include companywide expenses of -¥610 million which have not been allocated to each reporting segment, a -¥5 million adjustment to inventories, and other adjustments of ¥245 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. Six months ended September 30, 2013 (from April 1 to September 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	16,203	35,257	53,748	33,034	8,585	7,935	154,765	21,569	176,334	(24)	176,310
Internal net sales or transfer between segments	358	—	1	—	0	468	828	257	1,086	(1,086)	—
Total	16,562	35,257	53,749	33,034	8,585	8,403	155,593	21,827	177,421	(1,110)	176,310
Segment profit (loss)	(8)	6,206	4,465	1,764	(103)	762	13,087	955	14,042	(151)	13,891

(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 -¥24 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 -¥151 million in segment profit (loss) adjustments include companywide expenses of -¥399 million which have not been allocated to each reporting segment, a ¥12 million adjustment to inventories, and other adjustments of ¥236 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