ANNUAL REPORT 2015
YEAR ENDED MARCH 31, 2015

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.

About the Maruchan logo

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.

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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 2015, ended March 31, 2015.

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 2015

During the fiscal year ended March 31, 2015, despite fuel for concern, such as a slump in personal consumption caused by the rise of the consumption tax rate and ongoing yen depreciation, the Japanese economy gradually recovered on the back of continuing results from various economic measures and improvements in the employment and income environments.

Under these circumstances, the Toyo Suisan Group (hereafter, the "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. Everything for a smile." 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 ¥381,259 million (up 2.4% year on year), operating income was ¥25,076 million (down 18.0% year on year), ordinary income was ¥26,630 million (down 17.4% year on year), and net income was ¥16,902 million (down 25.6% year on year) for the current fiscal year.

June 2015

Masanari Imamura

Masanari Imamura
Representative Director and President

CONSOLIDATED FINANCIAL HIGHLIGHTS

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES
YEARS ENDED MARCH 31, 2014 AND 2015

		Millions of yen		Thousands of U.S. dollars (Note 1)
		2014	2015	2015
For the year:	Net sales	¥372,232	¥381,259	$3,173,192
	Operating income	30,596	25,076	208,706
	Net income	22,723	16,902	140,674
At year-end:	Total assets	¥308,787	¥333,934	$2,779,309
	Total net assets	236,936	259,950	2,163,545
Per share of common stock:	Net income	¥222.4	¥165.5	$1.38
(in yen and U.S. dollars)	Cash dividends	50.0	50.0	0.42

Dollar amounts represent translations at the rate of ¥120.15 = US$1, the rate prevailing on March 31, 2015.

REVIEW OF OPERATIONS

Seafood Segment

Sales
34,515
million yen

In the Seafood Segment, we pushed ahead vigorously with new product development and sales of processed seafood products to mass retailers, convenience stores and others. This resulted in segment sales of ¥34,515 million (up 3.2% year on year). At the same time, however, further yen depreciation and harsher sales competition of our signature products prevented us from shifting the increased cost of ingredients—caused by soaring fish prices in Japan and overseas—onto sales prices. This resulted in segment loss of ¥770 million (compared with a segment loss of ¥160 million in the previous fiscal year).

Overseas Instant Noodles Segment

Sales
86,045
million yen

As for Overseas Instant Noodles Segment, in the U.S. domestic market, in addition to a scramble among the large manufacturers for special sales space, we observed a propensity among low- and middle-income earners—our core customers—for low-high price polarization and diversification, and the pace of recovery in sales volume was sluggish. In Mexico, the sales volume increased due to efforts to grow sales not only for our signature cup-type noodles but also our bag-type noodles. As a result, although sales were down based on local currencies, the weaker yen resulted in segment sales of ¥86,045 million (up 14.1% year on year). Segment profit was ¥12,162 million (down 7.4% year on year), due to decrease in factory operations reflecting sales decline, and an increase in depreciation expenses arising from new factory operations at Maruchan Texas, Inc.

Domestic Instant Noodles Segment

Sales
117,397
million yen

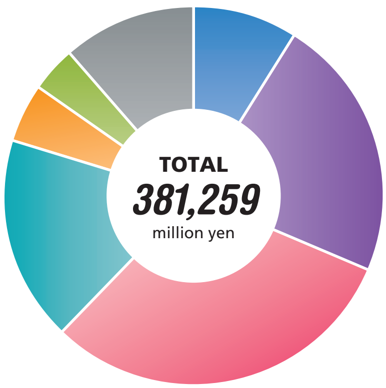
In the Domestic Instant Noodles Segment, despite aggressive sales promotion activities centered on key branded products *Akai Kitsune Udon*, *Midori no Tanuki Ten Soba*, *Menzukuri*, and *Maruchan Seimen*, we were impacted by changes in the market environment such as a decline in consumer purchasing desire due to the rise of the consumption tax rate from April and the implementation of price revision from January. Operating in such an environment, for cup-type noodles, we aimed to create a recovery in demand by developing collaboration products with topical themes and creating a broad product lineup including mini-size and extra-large-size servings. Specifically, a new Japanese-style series such as *Osobaya-san no Kamo-dashi Soba* and *Gotsu Mori*, a product with an extra-large serving, were strong performers and sales increased. In bag-type noodles, despite efforts to increase sales through the newly launched products *Nikonde Taberu Maruchan Seimen*, and *Maruchan Seimen Kamo-dashi Soba*, an overall trend of decline in bag-type noodle market and intensified competition led to a decline in sales. As a result, segment sales were ¥117,397 million (down 5.9% year on year) and segment profit was ¥9,209 million (down 24.2% year on year), which, in addition to the decline in the sales of bag-type noodles, was due to the impacts of soaring raw material prices and increases in distribution and other costs.

Frozen and Refrigerated Foods Segment

Sales
66,876
million yen

In the Frozen and Refrigerated Foods Segment, overall sales of fresh noodles grew over the previous year due to the renewal and enhanced promotion of the three-meal package of *Maruchan Yakisoba*, a core product, as well strategies to attract new customers such as consumer campaigns targeting fresh ramen noodle customers with *Maruchan Nama Ramen* series and the launch of new products such as the *Nippon no umai! Ramen* series. Sales were strong for rice burgers and edamame (green soybeans) in frozen foods and for the recently launched frozen noodles, such as *Omori Yakisoba* for commercial use, in frozen noodles. As a result, segment sales were ¥66,876 million (up 4.6% year on year) and segment profit was ¥3,535 million (up 5.7% year on year).

Net Sales by Segment



1	Seafood Segment	9.05%	34,515 million yen
2	Overseas Instant Noodles Segment	22.57%	86,045 million yen
3	Domestic Instant Noodles Segment	30.79%	117,397 million yen
4	Frozen and Refrigerated Foods Segment	17.54%	66,876 million yen
5	Processed Foods Segment	4.80%	18,307 million yen
6	Cold-Storage Segment	4.08%	15,576 million yen
7	Other Business Segment	11.17%	42,609 million yen

Processed Foods Segment

Sales
18,307
million yen

In the Processed Foods Segment, sales of rice increased owing robust sales not only of aseptically packed cooked rice products, a core product, but also of health-food and Western-style series. Sales increased for freeze-dried products due to robust sales of five-meal packages of packet soup, a core product. However, sales decreased for Japanese fish loaf and sausage and seasonings despite efforts to sell at reasonable prices amid the soaring cost of raw materials. As a result, segment sales were ¥18,307 million (down 0.8% year on year) and segment profit was ¥489 million (up 136.8% year on year) due to the stabilization of rice prices, which had soared in the previous fiscal year, and a price revision for instant bouillon.

Cold-Storage Segment

Sales
15,576
million yen

In the Cold-Storage Segment, despite a decrease in the storage volume of imported ingredients as a result of a sharp rise in purchase prices due to the weaker yen, sales increased due to strong demand for storage volume of frozen foods in mainly the Tokyo metropolitan area and increased warehouse capacity resulting from the start of operations at the Higashi Ogishima new automatic warehouse. As a result, segment sales were ¥15,576 million (up 2.1% year on year). Segment profit was ¥1,212 million (down 1.0% year on year) as a result of an increase in depreciation and other expenses of the Higashi Ogishima new automatic warehouse.

Other Business Segment

Sales
42,609
million yen

The Other Business Segment consists of mainly the packed lunch/deli food business. Segment sales were ¥42,609 million (up 4.1% year on year), while segment profit was ¥53 million (down 95.9% year on year) as a result of an increase in depreciation and other expenses of Fresh Diner Corporation, Yamagata factory.

Environmental data

Domestic business operations (in total)

	Energy	Electric power	Natural gas (town gas)	Class A heavy oil
Input	4,383 TJ	247,746 thousand kWh	28,074 thousand m³	3,961 kl

	CO_2 discharged into atmosphere
Output	215 thousand t

Overseas business operations (in total)

(Manufacturing bases and offices in North/Central America and China)

	Energy	Electric power	Natural gas	Diesel
Input	2,009 TJ	66,634 thousand kWh	30,635 thousand m³	257 kl

	CO_2 discharged into atmosphere
Output	101 thousand t

Overview of Social Contribution Activities

1 Maruchan Cup Youth Judo Championships

The Company held Maruchan Cup Youth Judo Championships in each of seven regions around Japan, as well as a national Maruchan Cup Youth Judo Championship.

2 Judo and kendo classes

At our head office *dojo* (martial arts center), we held Maruchan Summer Youth Kendo & Judo Classes for elementary school students living near our head office.

3 Support for food bank

We supply cup-type noodles and bag-type noodles to Second Harvest Japan (food bank) on a regular basis.

4 Release of scorpion fish fry

For the 16th time, personnel from our Tago Factory (Nishiizu-cho, Kamo-gun, Shizuoka Prefecture) released 16,000 scorpion fish fry into the ocean near Tago Port.

5 Factory tour for elementary school students

We provided a factory tour for 109 third-grade students from Hibita Elementary School in Isehara City, Kanagawa Prefecture, nearby our Sagami Factory, as part of their social studies class. Afterwards, we received feedback saying that the tour was “exciting” and “very informative.”

CORPORATE GOVERNANCE

■ Toyo Suisan's Basic Approach to Corporate Governance

Toyo Suisan Kaisha, Ltd. recognizes that accurate and rapid decision making will affect the future growth of the company. We also recognize how important strengthening and enhancing corporate governance is to management, and think it important to reinforce compliance and make the responsibilities of directors and the structure of responsibilities for the individual business segments explicit. We will continue to ensure management's transparency and swift decision making and to strengthen and enhance corporate governance in the future as well.

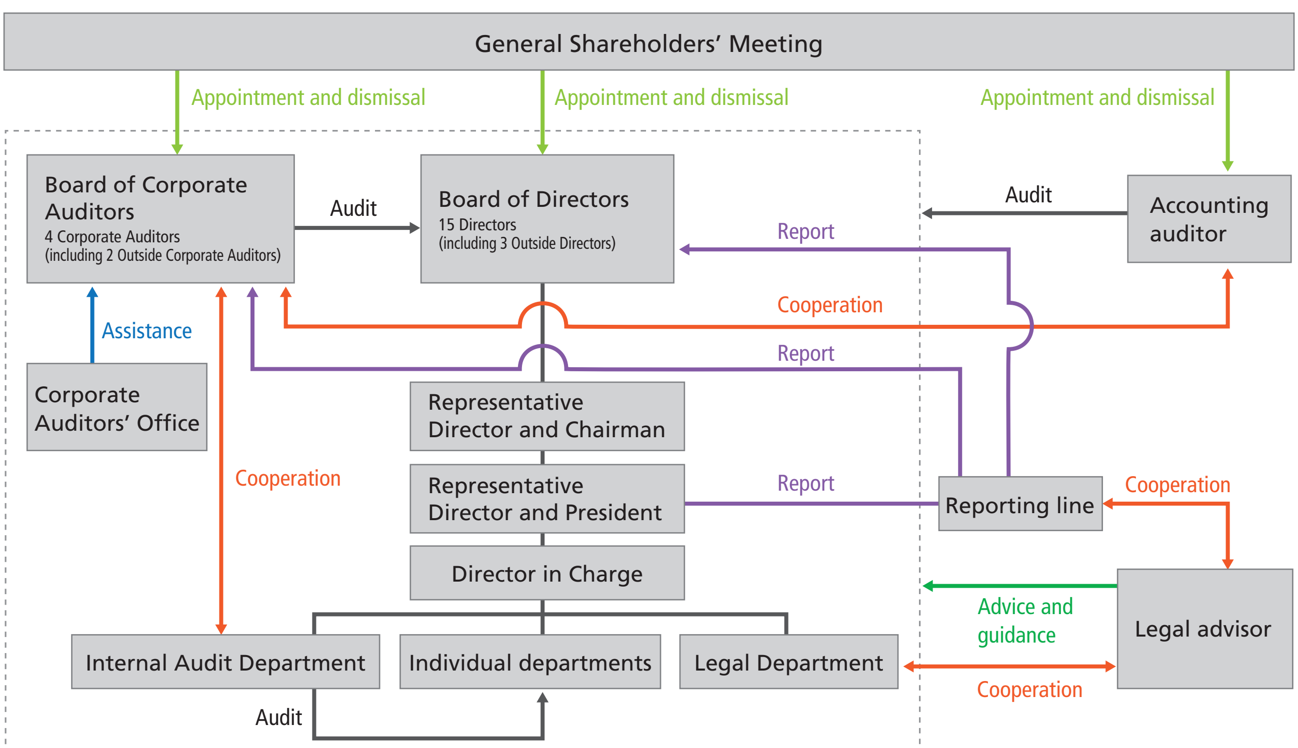
■ Board of Directors

The Board of Directors comprises fifteen directors, including three outside directors. The Board of Directors generally convenes once a month, and also as needed. It thoroughly debates issues from the perspective of the group as a whole. The Board of Directors receives reports on the execution of duties, monitors the execution of duties, and decides on matters, including those stipulated in the Companies Act. The term of directors has been set at one year to ensure a management structure that can respond flexibly to changes in the business environment.

■ Board of Corporate Auditors

The Board of Corporate Auditors consists of four auditors, two of whom are outside auditors. Each corporate auditor attends Board of Directors' meetings and other important meetings and monitors the execution of duties by directors through such means as investigating the status of operations and assets, based on the audit policies, audit plans, and division of duties decided at Board of Corporate Auditors' meetings.

CORPORATE GOVERNANCE STRUCTURE



CONSOLIDATED BALANCE SHEETS

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES
AS OF MARCH 31, 2014 AND 2015

ASSETS

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Current assets:			
Cash on hand and at banks (Notes 3 and 4)	¥ 54,082	¥ 68,332	$ 568,722
Notes and accounts receivable-			
Trade (Note 4)	48,946	46,782	389,363
Unconsolidated subsidiaries and affiliates	300	258	2,147
Other	767	859	7,150
Less: Allowance for doubtful accounts	(501)	(485)	(4,037)
	49,512	47,414	394,623
Securities (Notes 3, 4 and 5)	34,200	38,000	316,271
Inventories	23,087	23,567	196,146
Deferred tax assets (Note 12)	1,823	1,574	13,100
Other current assets	2,201	2,356	19,610
Total current assets	164,905	181,243	1,508,472
Property, plant and equipment (Notes 7, 8, 11, 16 and 19):			
Buildings and structures	126,841	133,123	1,107,973
Machinery and equipment	106,008	113,305	943,030
Leased assets	4,641	4,670	38,868
	237,490	251,098	2,089,871
Less: Accumulated depreciation	(153,390)	(165,520)	(1,377,611)
	84,100	85,578	712,260
Land	32,090	32,914	273,941
Construction in progress	2,990	2,177	18,120
Total property, plant and equipment	119,180	120,669	1,004,321
Intangible assets	2,408	3,232	26,900
Investments and other assets:			
Investments in unconsolidated subsidiaries and affiliates (Note 4)	3,569	4,672	38,885
Investments in securities (Notes 4 and 5)	16,546	22,074	183,720
Deferred tax assets (Note 12)	1,352	1,228	10,221
Asset for retirement benefit (Note 9)	82	94	782
Other	745	722	6,008
Total investments and other assets	22,294	28,790	239,616
Total assets	¥308,787	¥333,934	$2,779,309

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

LIABILITIES AND NET ASSETS

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Current liabilities:			
Short-term loans (Notes 4 and 8)	¥ 202	¥ 228	$ 1,898
Current portion of long-term debt (Notes 4 and 8)	85	30	250
Lease obligations (Notes 4 and 8)	237	275	2,289
Notes and accounts payable-			
Trade (Note 4)	23,517	24,094	200,533
Unconsolidated subsidiaries and affiliates	814	677	5,635
Other	2,617	953	7,932
	26,948	25,724	214,100
Deferred tax liabilities (Note 12)	5	2	17
Income taxes payable	2,875	2,581	21,481
Accrued expenses	19,378	17,645	146,858
Other current liabilities	940	1,376	11,451
Total current liabilities	50,670	47,861	398,344
Long-term liabilities:			
Long-term debt (Notes 4 and 8)	30	—	—
Lease obligations (Notes 4 and 8)	3,916	4,179	34,782
Deferred tax liabilities (Note 12)	3,653	5,878	48,922
Reserve for retirement benefits for officers	271	223	1,856
Liability for retirement benefit (Note 9)	12,650	14,054	116,970
Negative goodwill	75	—	—
Asset retirement obligations	316	319	2,655
Other	270	1,470	12,235
Total Long-term liabilities	21,181	26,123	217,420
Total liabilities	71,851	73,984	615,764
Contingent liabilities (Note 17)			
Net assets (Notes 13 and 14):			
Shareholders' equity:			
Common stock-			
Authorized: 427,000,000 shares in 2014 and 2015			
Issued: 110,881,044 shares in 2014 and 2015	18,969	18,969	157,878
Capital surplus	22,517	22,517	187,407
Retained earnings	189,405	200,821	1,671,419
Treasury stock at cost			
Held by the Company:			
8,697,803 shares in 2014, 8,701,636 shares in 2015			
Owned by consolidated subsidiaries and affiliates:			
46,886 shares in 2014, 49,018 shares in 2015	(8,208)	(8,220)	(68,414)
Total shareholders' equity	222,683	234,087	1,948,290
Accumulated other comprehensive income:			
Net unrealized gain on investment in securities, net of taxes (Note 5)	3,281	7,050	58,677
Net unrealized gain on hedging derivatives, net of taxes (Note 6)	11	16	132
Adjustment on foreign currency translation	(2,800)	8,218	68,398
Accumulated adjustments for retirement benefit (Note 9)	390	337	2,805
Total accumulated other comprehensive income	882	15,621	130,012
Minority interests in consolidated subsidiaries	13,371	10,242	85,243
Total net assets	236,936	259,950	2,163,545
Total liabilities and net assets	¥308,787	¥333,934	$2,779,309

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

CONSOLIDATED STATEMENTS OF INCOME

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES
FOR THE YEARS ENDED MARCH 31, 2014 AND 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Net sales (Note 19)	¥372,232	¥381,259	$3,173,192
Cost of sales (Note 10)	230,221	244,924	2,038,485
Gross profit	142,011	136,335	1,134,707
Selling, general and administrative expenses (Note 10)	111,415	111,259	926,001
Operating income (Note 19)	30,596	25,076	208,706
Non-operating income (expenses):			
Interest and dividends income	601	702	5,843
Interest expenses	(4)	(261)	(2,172)
Currency exchange gain, net	132	296	2,464
Gain on donation of fixed assets	—	161	1,340
Gain (Loss) on sales or disposal of property, plant and equipment, net	1,795	(85)	(707)
Write-down of investments in securities	(11)	—	—
Impairment losses on fixed assets (Notes 11 and 19)	(177)	(37)	(308)
Subsidy received	1,699	363	3,021
Gain on bargain purchase	641	194	1,615
Compensation income	—	248	2,064
Other, net	1,032	985	8,196
Income before income taxes and minority interests	36,304	27,642	230,062
Income taxes (Note 12):			
Current	10,782	9,414	78,352
Deferred	2,242	843	7,016
	13,024	10,257	85,368
Income before minority interests	23,280	17,385	144,694
Minority interests in subsidiaries	557	483	4,020
Net income	¥ 22,723	¥ 16,902	$ 140,674

	Yen		U.S. dollars (Note 1)
	2014	2015	2015
Amounts per share of common stock (Note 15):			
Net income	¥222.4	¥165.5	$1.38
Cash dividends applicable to the year	50.0	50.0	0.42

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES
FOR THE YEARS ENDED MARCH 31, 2014 AND 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Income before minority interests	¥23,280	**¥17,385**	**$144,694**
Other comprehensive income (Note 18):			
Net unrealized gain on investment in securities, net of taxes	1,117	**3,891**	**32,385**
Net unrealized gain (loss) on hedging derivatives, net of taxes	(22)	**5**	**42**
Adjustment on foreign currency translation	5,320	**11,018**	**91,702**
Adjustments for retirement benefit	—	**(52)**	**(433)**
Share of other comprehensive income of the affiliate accounted for using equity method	31	**57**	**474**
Total other comprehensive income	6,446	**14,919**	**124,170**
Comprehensive income	¥29,726	**¥32,304**	**$268,864**
Total comprehensive income attributable to:			
Owners of parent	¥29,117	**¥31,641**	**$263,346**
Minority shareholders	609	**663**	**5,518**

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

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES
FOR THE YEARS ENDED MARCH 31, 2014 AND 2015

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, 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 consolidation	—	—	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
Cumulative effects of changes in accounting policy	—	—	(379)	—	(379)	—	—	—	—	—	(25)	(404)
Restated balance at March 31, 2014	¥18,969	¥22,517	¥189,026	¥(8,208)	¥222,304	¥3,281	¥11	¥(2,800)	¥390	¥882	¥13,346	¥236,532
Net income	—	—	16,902	—	16,902	—	—	—	—	—	—	16,902
Cash dividends paid	—	—	(5,107)	—	(5,107)	—	—	—	—	—	—	(5,107)
Acquisition of treasury stock	—	—	—	(12)	(12)	—	—	—	—	—	—	(12)
Net changes in items except shareholders' equity	—	—	—	—	—	3,769	5	11,018	(53)	14,739	(3,104)	11,635
Balance at March 31, 2015	¥18,969	¥22,517	¥200,821	¥(8,220)	¥234,087	¥7,050	¥16	¥ 8,218	¥337	¥15,621	¥10,242	¥259,950

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, 2014	$157,878	$187,407	$1,576,404	$(68,314)	$1,853,375	$27,308	$90	$(23,304)	$3,246	$7,340	$111,286	$1,972,001
Cumulative effects of changes in accounting policy	—	—	(3,154)	—	(3,154)	—	—	—	—	—	(208)	(3,362)
Restated balance at March 31, 2014	$157,878	$187,407	$1,573,250	$(68,314)	$1,850,221	$27,308	$90	$(23,304)	$3,246	$7,340	$111,078	$1,968,639
Net income	—	—	140,674	—	140,674	—	—	—	—	—	—	140,674
Cash dividends paid	—	—	(42,505)	—	(42,505)	—	—	—	—	—	—	(42,505)
Acquisition of treasury stock	—	—	—	(100)	(100)	—	—	—	—	—	—	(100)
Net changes in items except shareholders' equity	—	—	—	—	—	31,369	42	91,702	(441)	122,672	(25,835)	96,837
Balance at March 31, 2015	$157,878	$187,407	$1,671,419	$(68,414)	$1,948,290	$58,677	$132	$68,398	$2,805	$130,012	$85,243	$2,163,545

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES
FOR THE YEARS ENDED MARCH 31, 2014 AND 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Cash flows from operating activities:			
Income before income taxes and minority interests	¥36,304	¥27,642	$230,062
Depreciation and amortization	10,616	11,609	96,621
Impairment losses on fixed assets	177	37	308
Gain on bargain purchase	(641)	(194)	(1,615)
Equity in gain under the equity method	(34)	(84)	(699)
Write-down of investments in securities	11	—	—
Increase (Decrease) in reserve for retirement benefits	38	(48)	(400)
Decrease in allowance for bonus to officers	(23)	(126)	(1,049)
Decrease in allowance for doubtful accounts	(23)	(16)	(133)
Increase (Decrease) in liability for retirement benefit	(3,106)	752	6,259
Interest and dividends income	(601)	(702)	(5,843)
Interest expenses	4	261	2,172
Currency exchange gain, net	(132)	(296)	(2,464)
Loss (Gain) on sales or disposal of property, plant and equipment, net	(1,795)	85	707
Decrease (Increase) in notes and accounts receivable, trade	(556)	2,629	21,881
Decrease (Increase) in inventories	(1,749)	124	1,032
Increase in notes and accounts payable, trade	1,225	39	325
Increase (Decrease) in accrued expenses	599	(2,006)	(16,695)
Other, net	763	1,298	10,804
Sub total	41,077	41,004	341,273
Interest and dividends income received	584	680	5,660
Interest expenses paid	(4)	(260)	(2,164)
Income taxes paid	(12,279)	(8,783)	(73,100)
Net cash provided by operating activities	29,378	32,641	271,669
Cash flows from investing activities:			
Payment for time deposits	(24,515)	(37,750)	(314,191)
Proceeds from maturities of time deposits	29,698	28,745	239,243
Purchase of securities	(69,199)	(105,500)	(878,069)
Proceeds from sales and redemption of securities	52,500	86,700	721,598
Payment for purchase of property, plant and equipment	(19,891)	(9,778)	(81,382)
Proceeds from sales of property, plant and equipment	2,649	99	824
Payment for purchase of intangible assets	(676)	(1,827)	(15,206)
Purchase of investments in securities	(29)	(1,026)	(8,539)
Proceeds from sales of investments in securities	35	317	2,638
Proceeds from purchase of shares of a subsidiary resulting in change in scope of consolidation	810	—	—
Payment for loans receivable	(2,081)	(2,581)	(21,481)
Collection of loans receivable	2,188	2,656	22,106
Other, net	(11)	(32)	(267)
Net cash used in investing activities	(28,522)	(39,977)	(332,726)
Cash flows from financing activities:			
Proceeds from short-term loans	930	929	7,732
Repayment of short-term loans	(941)	(903)	(7,516)
Repayment of long-term debt	(149)	(85)	(707)
Purchase of treasury stock of subsidiaries	—	(3,403)	(28,323)
Cash dividends paid	(5,615)	(5,096)	(42,414)
Other, net	(463)	(430)	(3,578)
Net cash used in financing activities	(6,238)	(8,988)	(74,806)
Effect of exchange rate changes on cash and cash equivalents	1,462	2,583	21,497
Net decrease in cash and cash equivalents	(3,920)	(13,741)	(114,366)
Cash and cash equivalents at beginning of year	51,341	47,421	394,682
Cash and cash equivalents at end of year (Note 3)	¥47,421	¥33,680	$280,316

The accompanying notes are an integral part of these 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, 2015, which was ¥120.15 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 27 and 29 subsidiaries as of March 31, 2014 and 2015, respectively. The accompanying consolidated financial statements include the accounts of the Company and its 22 subsidiaries as of March 31, 2014 and 2015. The subsidiaries that are significant and substantially controlled by the Company are consolidated.

Consolidated subsidiaries as of March 31, 2014 and 2015 are listed as follows:

Equity ownership percentage

Name of subsidiary	2014	2015
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	**50.8**
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. (*1)	100.0	**100.0**
Maruchan Virginia, Inc. (*1)	100.0	**100.0**
Maruchan Texas, Inc. (*1)	100.0	**100.0**
Maruchan de Mexico, S.A. de C.V. (*2)	100.0	**100.0**
Sanmaru de Mexico, S.A.de C.V. (*2)	100.0	**100.0**
Pac-Maru, Inc. (*1)	100.0	**100.0**
Shimaya Co.,Ltd.	51.0	**51.0**

(*1) Incorporated in the U.S.A.
(*2) Incorporated in United Mexican States

The remaining 5 and 7 unconsolidated subsidiaries as of March 31, 2014 and 2015, respectively, 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, 2014 and 2015 are listed as follows:

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

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

The Company has 4 and 3 affiliates as of March 31, 2014 and 2015, respectively.

The affiliate to which the equity method has been applied for the fiscal years ended March 31, 2014 and 2015 is listed as follows:

Equity ownership percentage

Name of affiliate	2014	2015
Semba Tohka Industries Co., Ltd.	26.4%	**26.4%**

The investments in the 5 and 7 unconsolidated subsidiaries as of March 31, 2014 and 2015, respectively, and 3 affiliates (Shimodatousui Corp., Irago Institute Co., Ltd., and Higashimaru International Corporation) and 2 affiliates (Shimodatousui Corp., and Higashimaru International Corporation) as of March 31, 2014 and 2015, 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 based on the market prices as of the balance sheet date with any unrealized gains or losses, net of applicable taxes, reported as a component of accumulated other comprehensive income. The cost of securities sold is stated using the moving average cost. 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) 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.

(9) Inventories —

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

(10) Property, plant and equipment (excluding leased assets) —

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.

(11) Intangible assets (excluding leased 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.

(12) 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.

(13) Reserve for retirement benefits and pension plan —

(a) Retirement benefits for employees

The benefit formula 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 actuarial gains and losses 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 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.

(14) 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.

(15) Accounting for consumption tax —

Consumption tax is levied at the flat rate of 8% 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.

(16) Change in accounting policies —

(Adoption of Accounting Standard for Retirement Benefits)

Effective from the fiscal year ended March 31, 2015, the Company and its domestic consolidated subsidiaries have applied the article 35 of the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012 (hereinafter, the "Statement No. 26")) and the article 67 of the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015 (hereinafter, the "Guidance No. 25")). Accordingly, the method for calculating retirement benefit obligations and current service costs has been revised and the method of attributing expected benefits has been changed from a straight-line method to a benefit formula method. Also, the method of determining discount rate has been changed from a single discount rate based on the period which approximates the average remaining service period of the employees to a single weighted average discount rate based on the estimated period and amount of retirement benefit payment.

In accordance with the article 37 of the Statement No. 26, the effect of the change in method for calculating retirement benefit obligations and current service costs has been recognized in retained earnings as of April 1, 2014.

As a result, as of April 1, 2014, asset for retirement benefit and liability for retirement benefit increased by ¥35 million ($291 thousand) and ¥572 million ($4,761 thousand), respectively, and retained earnings decreased by ¥379 million ($3,154 thousand).

Also, for the fiscal year ended March 31, 2015, operating income and income before income taxes and minority interests decreased by ¥137 million ($1,140 thousand) respectively.

The effect of this change on segment income/loss and per share information is immaterial.

3 Cash flow information:

Cash and cash equivalents as of March 31, 2014 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Cash on hand and at banks	¥54,082	¥68,332	$568,722
Securities with an original maturity of 3 months or less	17,500	2,500	20,807
Time deposits with deposit term of over 3 months	(24,161)	(37,152)	(309,213)
Cash and cash equivalents	¥47,421	¥33,680	$280,316

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 32.7% and 31.9% as of March 31, 2014 and 2015, 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, 2014 and 2015 are as follows

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

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	¥ —

2015

Millions of yen

	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash on hand and at banks	¥ 68,332	¥ 68,332	¥ —
(2) Notes and accounts receivable – trade	46,782	46,782	—
(3) Securities	38,000	38,000	—
(4) Investments in unconsolidated subsidiaries and affiliates	2,226	1,226	(1,000)
(5) Investments in securities Available-for-sale securities	21,515	21,515	—
Assets total	¥176,855	¥175,855	¥(1,000)
(1) Notes and accounts payable – trade	¥ 24,094	¥ 24,094	¥ —
(2) Short-term loans	228	228	—
(3) Long-term debt (*3)	30	30	0
(4) Lease obligations (*1)	4,454	4,410	(44)
Liabilities total	¥ 28,806	¥ 28,762	¥(44)
Derivative transactions (*2)	¥ 25	¥ 25	¥ —

2015

	Thousands of U.S. dollars		
	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash on hand and at banks	$ 568,722	$ 568,722	$ —
(2) Notes and accounts receivable – trade	389,363	389,363	—
(3) Securities	316,271	316,271	—
(4) Investments in unconsolidated subsidiaries and affiliates	18,527	10,204	(8,323)
(5) Investments in securities Available-for-sale securities	179,068	179,068	—
Assets total	$1,471,951	$1,463,628	$ (8,323)
(1) Notes and accounts payable – trade	$ 200,533	$ 200,533	$ —
(2) Short-term loans	1,898	1,898	—
(3) Long-term debt (*3)	250	250	0
(4) Lease obligations (*1)	37,071	36,704	(367)
Liabilities total	$ 239,752	$ 239,385	$ (367)
Derivative transactions (*2)	$ 208	$ 208	$ —

(*1) Current portion of lease obligations is included in (4) Lease obligations.
(*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
	2014	2015	2015
Unlisted equity securities	¥ 558	¥ 559	$ 4,652
Investments in unconsolidated subsidiaries and affiliates	1,448	2,446	20,358

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, 2014 and 2015

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	¥—	¥—	¥—

2015 — Millions of yen

	Within one year	One to five years	Over five to ten years	Over ten years
Cash on hand and at banks	**¥ 68,332**	**¥—**	**¥—**	**¥—**
Notes and accounts receivable - trade	**46,782**	**—**	**—**	**—**
Securities Certificates of deposits	**38,000**	**—**	**—**	**—**
Total	**¥153,114**	**¥—**	**¥—**	**¥—**

2015 — 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	**$ 568,722**	**$—**	**$—**	**$—**
Notes and accounts receivable - trade	**389,363**	**—**	**—**	**—**
Securities Certificates of deposits	**316,271**	**—**	**—**	**—**
Total	**$1,274,356**	**$—**	**$—**	**$—**

(d) The redemption schedule for lease obligations with maturity dates subsequent to March 31, 2015

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

5 Securities:

(1) There was no held-to-maturity security as of March 31, 2014 and 2015.

(2) Available-for-sale securities with fair market value as of March 31, 2014 and 2015 are as follows:

2014 — Millions of yen

	Carrying amount	Acquisition cost	Difference
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

2015

	Carrying amount	Acquisition cost	Difference
			Millions of yen
Securities with carrying amount (fair value) exceeding acquisition costs: Equity securities	¥21,179	¥10,448	¥10,731
Securities with carrying amount (fair value) not exceeding acquisition costs: Equity securities	336	356	(20)
Other	38,000	38,000	—
	¥59,515	¥48,804	¥10,711

2015

	Carrying amount	Acquisition cost	Difference
			Thousands of U.S. dollars
Securities with carrying amount (fair value) exceeding acquisition costs: Equity securities	$176,271	$ 86,958	$89,313
Securities with carrying amount (fair value) not exceeding acquisition costs: Equity securities	2,797	2,963	(166)
Other	316,271	316,271	—
	$495,339	$406,192	$89,147

(3) Details of available-for-sale securities sold during the fiscal years ended March 31, 2014 and 2015 are as follows:

2014

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

2015

	Sales proceeds	Total gain on sale	Total loss on sale
			Millions of yen
Equity securities	¥317	¥100	¥—

2015

	Sales proceeds	Total gain on sale	Total loss on sale
			Thousands of U.S. dollars
Equity securities	$2,638	$832	$—

6 Derivative financial instruments:

The contract amounts, fair values of derivative transactions as of March 31, 2014 and 2015 are as follows:

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

2015

	Contract amount	Contract amount due over one year	Fair value (a)
			Millions of yen
Foreign exchange forward contracts: Buying U.S. dollar	¥1,504	¥—	¥25
Foreign exchange forward contracts: Buying U.S. dollar (b)	330	—	—
Total	¥1,834	¥—	¥25

2015

	Thousands of U.S. dollars		
	Contract amount	Contract amount due over one year	Fair value (a)
Foreign exchange forward contracts: Buying U.S. dollar	$12,518	$—	$208
Foreign exchange forward contracts: Buying U.S. dollar (b)	2,747	—	—
Total	$15,265	$—	$208

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".

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, 2014 and 2015 were ¥151 million and ¥140 million ($1,165 thousand), respectively.

In addition, the book value, net changes during the fiscal year and the fair values of such properties as of March 31, 2014 and 2015 are as follows:

			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

			Millions of yen
		Book value	Fair Value
Balance at March 31, 2014	Increase / (Decrease)	Balance at March 31, 2015	Balance at March 31, 2015
¥1,529	¥206	¥1,735	¥5,387

			Thousands of U.S. dollars
		Book value	Fair Value
Balance at March 31, 2014	Increase / (Decrease)	Balance at March 31, 2015	Balance at March 31, 2015
$12,726	$1,715	$14,441	$44,836

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 0.546% and 0.536% as of March 31, 2014 and 2015, respectively.

Long-term debt and lease obligations as of March 31, 2014 and 2015 consists of the following:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
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	¥ 30	$ 250
Lease obligations at the average interest rate of 7.283%	4,153	4,454	37,071
Less current portion	(322)	(305)	(2,539)
Long-term debt and lease obligations	¥3,946	¥4,179	$34,781

The assets pledged as collateral and collective mortgages for long-term debt including current portion as of March 31, 2014 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Property, plant and equipment, net of accumulated depreciation: Buildings and structures	¥ 195	¥ 191	$1,590
Land	263	263	2,189
Total	¥458	¥454	$3,779
Maximum amount of a revolving mortgage	¥1,200	¥1,200	$9,988

The aggregate annual maturities of long-term debt as of March 31, 2015 are as follows:

	Millions of yen	Thousands of U.S. dollars
2016	¥30	$250
2017	—	—
2018	—	—
2019	—	—
2020 and thereafter	—	—
Total	¥30	$250

The aggregate annual maturities of lease obligations as of March 31, 2015 are as follows:

	Millions of yen	Thousands of U.S. dollars
2016	¥ 275	$ 2,289
2017	208	1,731
2018	182	1,515
2019	159	1,323
2020 and thereafter	3,630	30,213
Total	¥4,454	$37,071

9 Reserve for retirement benefits and pension plan:

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.

Movements in retirement benefit obligations for the fiscal years ended March 31, 2014 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Balance at beginning of the fiscal year	¥31,643	¥29,877	$248,664
Cumulative effects of changes in accounting policy	—	537	4,469
Restated balance at beginning of the fiscal year	¥31,643	¥30,414	$253,133
Service cost	1,428	1,615	13,442
Interest cost	427	289	2,405
Actuarial loss (gain)	(23)	352	2,930
Benefits paid	(1,429)	(1,093)	(9,097)
Past service costs	(3,497)	—	—
Increase due to business combination	1,328	—	—
Balance at end of the fiscal year	¥29,877	¥31,577	$262,813

Movements in plan assets for the fiscal years ended March 31, 2014 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Balance at beginning of the fiscal year	¥ 12,022	¥ 17,309	$ 144,061
Expected return on plan assets	2	2	17
Actuarial loss (gain)	(103)	(131)	(1,090)
Contributions paid by the employer	5,084	1,260	10,487
Benefits paid	(1,049)	(823)	(6,850)
Increase due to business combination	1,353	—	—
Balance at end of the fiscal year	¥ 17,309	¥ 17,617	$ 146,625

Reconciliations from retirement benefit obligations and plan assets to liability (asset) for retirement benefits as of March 31, 2014 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Funded retirement benefit obligations	¥23,130	¥25,144	$209,272
Plan assets	(17,309)	(17,617)	(146,625)
	5,821	7,527	62,647
Unfunded retirement benefit obligations	6,747	6,433	53,541
Total net liability (asset) for retirement benefits on the consolidated balance sheets	¥12,568	¥13,960	$116,188
Liability for retirement benefit	¥12,650	¥14,054	$116,970
Asset for retirement benefit	(82)	(94)	(782)
Total net liability (asset) for retirement benefits on the consolidated balance sheets	¥12,568	¥13,960	$116,188

Retirement benefit costs for the fiscal years ended March 31, 2014 and 2015 are as follows.

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Service cost	¥1,428	¥1,615	$13,442
Interest cost	427	289	2,405
Expected return on plan assets	(2)	(2)	(17)
Net actuarial loss amortization	721	692	5,759
Past service costs amortization	(183)	(344)	(2,863)
Total retirement benefit costs for the fiscal years ended March 31, 2014 and 2015	¥2,391	¥2,250	$18,726

The components of adjustments for retirement benefit (before applicable income tax effects) for the fiscal years ended March 31, 2014 and 2015 are as follows.

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Past service costs	¥—	¥344	$2,863
Actuarial gains and losses	—	(209)	(1,739)
Total	¥—	¥135	$1,124

The components of accumulated adjustments for retirement benefit (before applicable income tax effects) for the fiscal years ended March 31, 2014 and 2015 are as follows.

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Past service costs that are yet to be recognized	¥(3,431)	¥(3,087)	$(25,693)
Actuarial gains and losses that are yet to be recognized	2,908	2,699	22,464
Total	¥ (523)	¥ (388)	$ (3,229)

The components of plan assets for the fiscal years ended March 31, 2014 and 2015 are as follows.

	2014	2015
Cash on hand and at banks	86%	86%
Life insurance general accounts	14	14
Other	0	0
Total	100%	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 years ended March 31, 2014 and 2015 are as follows:

	2014	2015
Discount rate	1.5%	1.1%
Long-term expected rate of return	0-1.0%	0-1.0%

10 Research and development expenses:

Research and development expenses for the fiscal years ended March 31, 2014 and 2015 were ¥1,496 million and ¥1,428 ($11,885 thousand), respectively.

11 Impairment losses on fixed assets:

For the fiscal years ended March 31, 2014 and 2015, 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**	2014	2015	2015
Business property	Buildings, machinery and equipment	¥172	¥23	$191
Idle property	Buildings, machinery and equipment, land	5	14	117
		¥177	¥37	$308

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 8% in 2014 and 9% in 2015, 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 % and 35.6% for the fiscal years ended March 31, 2014 and 2015, respectively.

The main components of deferred tax assets and liabilities as of March 31, 2014 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Deferred tax assets:			
Liability for retirement benefit	¥4,459	**¥4,515**	**$37,578**
Impairment losses on fixed assets	2,070	**1,729**	**14,390**
Tax loss carryforwards	1,160	**1,189**	**9,896**
Accrued bonuses	852	**700**	**5,826**
Write-down of investments in securities	502	**455**	**3,787**
Write-down of investments in unconsolidated subsidiaries and affiliates	484	**439**	**3,654**
Other	1,669	**2,247**	**18,702**
Gross deferred tax assets	11,196	**11,274**	**93,833**
Less: valuation allowance	(4,316)	**(4,140)**	**(34,458)**
Total deferred tax assets	6,880	**7,134**	**59,375**
Deferred tax liabilities:			
Special reserves for deferred gains on fixed assets	3,782	**3,372**	**28,065**
Net unrealized gain on investment in securities	1,453	**3,283**	**27,324**
Depreciation at overseas consolidated subsidiaries	906	**2,348**	**19,542**
Reserve for special depreciation	961	**749**	**6,234**
Valuation differences of subsidiaries' assets in consolidation	125	**118**	**982**
Other	136	**342**	**2,846**
Total deferred tax liabilities	7,363	**10,212**	**84,993**
Net deferred tax liabilities	¥ (483)	**¥(3,078)**	**$(25,618)**

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 main differences between the statutory tax rate and the effective tax rate for the fiscal year ended March 31, 2015 are not disclosed because the total difference is less than 5% of the statutory tax rate.

The "Act on Partial Revision of the Income Tax Act" (Act No. 9 of 2015) and the "Act on Partial Revision of the Local Income Tax Act" (Act No. 2 of 2015) were promulgated on March 31, 2015 and the income tax rates will be reduced from fiscal years beginning on or after April 1, 2015. Accordingly, the statutory tax rate used to calculate deferred tax assets and deferred tax liabilities is reduced from 35.6% to 33.1% in connection with temporary differences in assets or liabilities which are expected to be released in the fiscal year beginning on or after April 1, 2015, and to 32.3% for the fiscal years beginning on or after April 1, 2016.

As a result, deferred tax liabilities, net of deferred tax assets, decreased by ¥159 million ($1,323 thousand) while income taxes - deferred, net unrealized gain on investment in securities, net of taxes, net unrealized gain on hedging derivatives, net of taxes and accumulated adjustments for retirement benefit increased by ¥196 million ($1,631 thousand), ¥332 million ($2,763 thousand), ¥6 million ($50 thousand) and ¥16 million ($133 thousand), respectively.

Moreover, the tax loss carry forward rules have been revised. The limit of deduction from taxable income applicable to losses carried forward is amount equivalent to 65% of the taxable income before loss carried forward effective from the fiscal year beginning on and after April 1, 2015, and to 50% effective from the fiscal year beginning on or after April 1, 2017.

The effect of this change is immaterial.

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 26, 2015, the shareholders approved cash dividends amounting to ¥2,554 million ($21,257 thousand). Such appropriations have not been accrued in the consolidated financial statements as of March 31, 2015. 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, 2014 and 2015

Thousands of shares

Common stock outstanding	2014	2015
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	2014	2015
Balance at beginning of the fiscal year	8,725	**8,745**
Increase due to purchase of odd stock	20	**4**
Increase due to change in equity in the affiliate accounted for using equity method	—	**2**
Balance at end of the fiscal year	8,745	**8,751**

(2) Dividends

(a) 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
b. Funds for dividends .... Retained earnings
c. Dividends per share ¥25.0
d. Record date .... March 31, 2014
e. Effective date.................................... June 30, 2014

(b) Dividends whose record date is attributable to the fiscal year ended March 31, 2015 but to be effective after the fiscal year

The Company resolved approval at the general meeting of shareholders held on June 26, 2015 as follows:

Dividends on Common stock

a. Total amount of dividends .... ¥2,554 million
.... ($21,257 thousand)
b. Funds for dividends .... Retained earnings
c. Dividends per share ¥25.0
.... ($0.21)
d. Record date .... March 31, 2015
e. Effective date.................................... June 29, 2015

15 Per share information:

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

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Net income	¥ 22,723	¥ 16,902	$140,674
Net income attributable to common stock	22,723	16,902	140,674
Weighted-average amount of common stock (unit: thousands of shares)	102,144	102,133	

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, 2014 and 2015 are as follows:

2014	Millions of yen		
	Acquisition cost	Accumulated depreciation	Book value
Machinery and equipment	¥33	¥22	¥11
Other	7	6	1
	¥40	¥28	¥12

2015	Millions of yen			Thousands of U.S. dollars		
	Acquisition cost	Accumulated depreciation	Book value	Acquisition cost	Accumulated depreciation	Book value
Machinery and equipment	¥33	¥26	¥7	$275	$216	$59
Other	7	6	1	58	50	8
	¥40	¥32	¥8	$333	$266	$67

The future minimum payments as of March 31, 2014 and 2015 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Due within one year	¥ 4	¥4	$34
Due after one year	8	4	33
	¥12	¥8	$67

Lease expenses and assumed amounts of depreciation on such finance lease contracts without ownership-transfer for the fiscal years ended March 31, 2014 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Lease expenses	¥4	¥4	$33

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Assumed amounts of depreciation	¥4	¥4	$33

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, 2014 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Due within one year	¥ 75	¥ 82	$ 682
Due after one year	429	381	3,172
	¥504	¥463	$3,854

17 Contingent liabilities:

Contingent liabilities as of March 31, 2014 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Guarantees of indebtedness for employees	¥67	¥55	$458

18 Comprehensive income:

(1) Reclassification adjustments on other comprehensive income for the fiscal years ended March 31, 2014 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Net unrealized gain (loss) on investment in securities:			
Gains (losses) arising during the year	¥1,509	¥ 5,818	$ 48,423
Reclassification adjustments	(9)	(100)	(832)
	1,500	5,718	47,591
Net unrealized gain (loss) on hedging derivatives:			
Gains (losses) arising during the year	(35)	7	58
	(35)	7	58
Adjustment on foreign currency translation:			
Adjustments arising during the year	5,320	11,018	91,702
	5,320	11,018	91,702
Adjustments for retirement benefit:			
Adjustments arising during the year	—	(483)	(4,020)
Reclassification adjustments	—	348	2,896
	—	(135)	(1,124)
Share of other comprehensive income of the affiliate accounted for using equity method:			
Gains (losses) arising during the year	31	57	474
	31	57	474
Amount before income tax effects	6,816	16,665	138,701
Income tax effects	(370)	(1,746)	(14,531)
Total other comprehensive income, net of taxes	¥6,446	¥14,919	$124,170

(2) Income tax effects on other comprehensive income for the fiscal years ended March 31, 2014 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Net unrealized gain on investment in securities: Amount before income tax effects	¥1,500	¥ 5,718	$ 47,591
Income tax effects	(383)	(1,827)	(15,206)
Amount, net of taxes	1,117	3,891	32,385
Net unrealized gain (loss) on hedging derivatives: Amount before income tax effects	(35)	7	58
Income tax effects	13	(2)	(16)
Amount, net of taxes	(22)	5	42
Adjustment on foreign currency translation: Amount before income tax effects	5,320	11,018	91,702
Income tax effects	—	—	—
Amount, net of taxes	5,320	11,018	91,702
Adjustments for retirement benefit: Amount before income tax effects	—	(135)	(1,124)
Income tax effects	—	83	691
Amount, net of taxes	—	(52)	(433)
Share of other comprehensive income of the affiliate accounted for using equity method: Amount before income tax effects	31	57	474
Income tax effects	—	—	—
Amount, net of taxes	31	57	474
Total other comprehensive income Amount before income tax effects	6,816	16,665	138,701
Income tax effects	(370)	(1,746)	(14,531)
Amount, net of taxes	¥6,446	¥14,919	$124,170

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

2014

Millions of yen

	Reportable segment										
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage	Total	Other	Total	Adjustments	Consolidated
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

2015

Millions of yen

	Reportable segment										
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage	Total	Other	Total	Adjustments	Consolidated
Net sales: Outside customer	¥34,515	¥86,045	¥117,397	¥66,876	¥18,307	¥15,576	¥338,716	¥42,609	¥381,325	¥ (66)	¥381,259
Intersegment	937	—	28	—	0	940	1,905	495	2,400	(2.400)	—
Total	¥35,452	¥86,045	¥117,425	¥66,876	¥18,307	¥16,516	¥340,621	¥43,104	¥383,725	¥ (2,466)	¥381,259
Segment income (loss)	¥ (770)	¥12,162	¥ 9,209	¥ 3,535	¥ 489	¥ 1,212	¥ 25,837	¥ 53	¥ 25,890	¥ (814)	¥ 25,076
Segment assets	¥20,050	¥90,135	¥ 48,829	¥23,771	¥10,111	¥30,574	¥223,470	¥22,974	¥246,444	¥ 87,490	¥333,934
Other items: Depreciation and amortization	¥ 341	¥ 2,327	¥ 3,465	¥ 1,455	¥ 274	¥ 2,175	¥ 10,037	¥ 1,233	¥ 11,270	¥ 339	¥ 11,609
Increase in property, plant and equipment and intangible assets	220	1,603	1,442	1,238	296	1,295	6,094	2,942	9,036	1,132	10,168

2015

Thousands of U.S. dollars

	Reportable segment										
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage	Total	Other	Total	Adjustments	Consolidated
Net sales: Outside customer	$287,266	$716,146	$977,087	$556,604	$152,368	$129,638	$2,819,109	$354,632	$3,173,741	$ (549)	$3,173,192
Intersegment	7,799	—	233	—	0	7,823	15,855	4,120	19,975	(19,975)	—
Total	$295,065	$716,146	$977,320	$556,604	$152,368	$137,461	$2,834,964	$358,752	$3,193,716	$(20,524)	$3,173,192
Segment income (loss)	$ (6,408)	$101,223	$ 76,646	$ 29,422	$ 4,070	$ 10,087	$ 215,040	$ 441	$ 215,481	$ (6,775)	$ 208,706
Segment assets	$166,875	$750,187	$406,400	$197,845	$ 84,153	$254,465	$1,859,925	$191,211	$2,051,136	$728,173	$2,779,309
Other items: Depreciation and amortization	$ 2,838	$ 19,367	$ 28,839	$ 12,110	$ 2,281	$ 18,102	$ 83,537	$ 10,263	$ 93,800	$ 2,821	$ 96,621
Increase in property, plant and equipment and intangible assets	1,831	13,342	12,002	10,304	2,463	10,778	50,720	24,486	75,206	9,422	84,628

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 ¥(28) million and ¥(66) million ($(549) thousand) in net sales for the fiscal years ended March 31, 2014 and 2015, respectively, were due to differences in elimination methods used by the reportable segments and the financial statements.
2) The amounts of ¥(591) million and ¥(814) million ($(6,775) thousand) in segment income for the fiscal years ended March 31, 2014 and 2015 include companywide expenses of ¥(840) million and ¥(927) million ($(7,715) 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 elimination of know-how payments from overseas subsidiaries for the fiscal years ended March 31, 2014 and 2015.
3) The amount of ¥75,037 million and ¥87,490 million ($728,173 thousand) in segment assets as of March 31, 2014 and 2015 include corporate assets of ¥74,344 million and ¥86,663 million ($721,290 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 ¥386 million and ¥339 million ($2,821 thousand) in depreciation and amortization for the fiscal years ended March 31, 2014 and 2015 include companywide expenses of ¥320 million and ¥216 million ($1,798 thousand), respectively.
5) The amounts of ¥285 million and ¥1,132 million ($9,422 thousand) in increase in property, plant, and equipment and intangible assets for the fiscal years ended March 31, 2014 and 2015, 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

2014 — Millions of yen

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

2015 — Millions of yen

	Japan	Americas	Other	Consolidated
Net sales	**¥294,741**	**¥86,061**	**¥457**	**¥381,259**

2015 — Thousands of U.S. dollars

	Japan	Americas	Other	Consolidated
Net sales	**$2,453,109**	**$716,280**	**$3,803**	**$3,173,192**

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

2014 — Millions of yen

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

2015 — Millions of yen

	Japan	Americas	Consolidated
Property, plant and equipment	**¥91,985**	**¥28,684**	**¥120,669**

2015

	Japan	Americas	Consolidated
			Thousands of U.S. dollars
Property, plant and equipment	$765,586	$238,735	$1,004,321

(5) Information about major customers

2014

Name of major customers	Sales (Millions of yen)	Related reportable segment
MITSUI & CO., LTD.	¥95,632	Domestic Instant Noodles Segment

2015

Name of major customers	Sales (Millions of yen)	Sales (Thousands of U.S. dollars)	Related reportable segment
MITSUI & CO., LTD.	¥94,876	$789,646	Domestic Instant Noodles Segment

(6) Information about impairment

2014

Millions of yen

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

2015

Millions of yen

	Reportable segment								
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage	Other	Adjustments	Consolidated
Impairment loss	¥—	¥—	¥—	¥9	¥17	¥—	¥—	¥11	¥37

2015

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
Impairment loss	$—	$—	$—	$75	$141	$—	$—	$92	$308

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

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

2015

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	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥75	¥75
Unamortized balance	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥—

2015

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	$—	$—	$—	$—	$—	$—	$—	$624	$624
Unamortized balance	$—	$—	$—	$—	$—	$—	$—	$ —	$ —

20 Subsequent events:

The Company's shareholders approved appropriation of retained earnings at the general meeting of shareholders held on June 26, 2015 as follows:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥25.0 per share)	¥2,554	$21,257

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, 2015 and 2014, 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, 2015 and 2014, 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, 2015 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 26, 2015
Tokyo, Japan

CORPORATE DATA

AS OF MARCH 31, 2015

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	14
Number of Subsidiaries and Affiliates	32
Number of Employees (Consolidated)	4,687
Consolidated Net Sales	¥381,259 million
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	7,009
Stock Exchange Listing	Tokyo (#2875)
Stock Transfer Agent	Sumitomo Mitsui Trust Bank, Limited, in Tokyo
General Shareholders' Meeting	The General Shareholders' Meeting is usually held before the end of June in Tokyo.

CORPORATE PROFILE

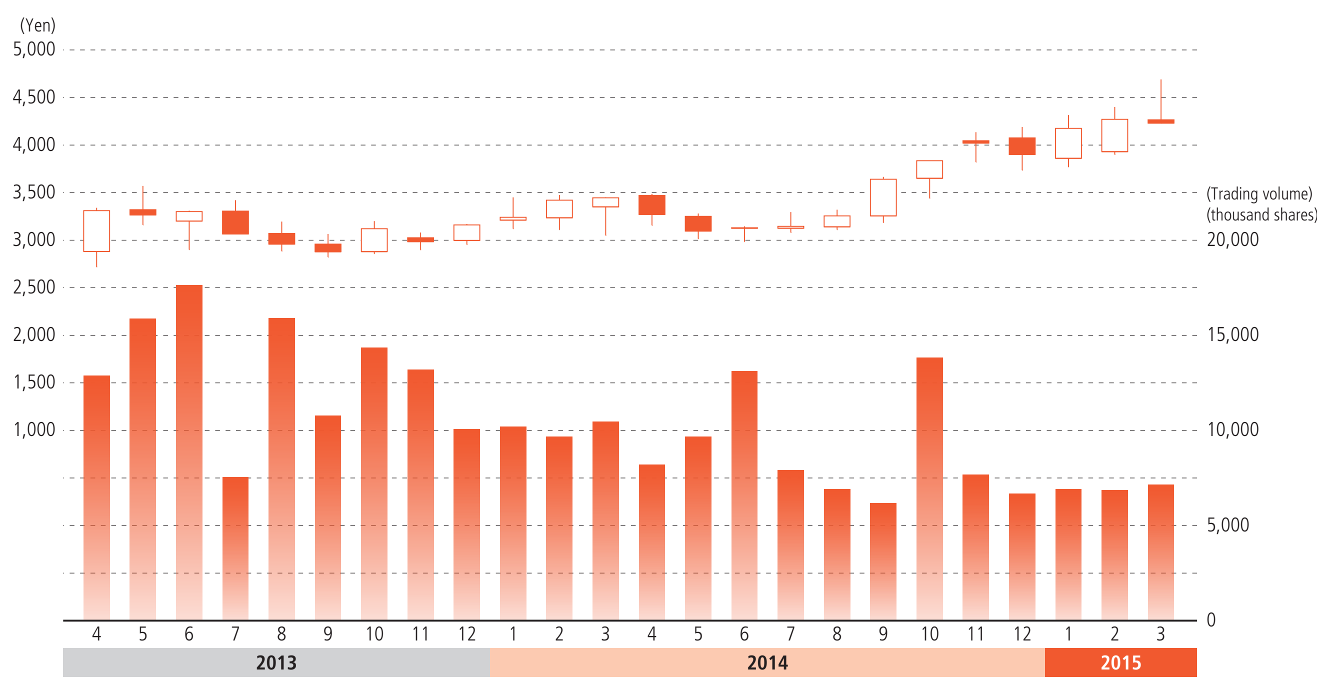
Since its beginnings at Tokyo's Tsukiji Market in 1953, where Toyo Suisan began its business of exporting frozen tuna, the company has grown into a diversified food products manufacturer, currently engaged not only in the business of seafood products, but in cold-storage and food processing businesses as well. We have always striven to generate new value.

We have created many long-selling products such as *Maruchan Yakisoba* chilled noodles, launched in 1975; *Akai Kitsune Udon*, launched in 1978; and *Midori no Tanuki Ten Soba*, launched in 1980. *Maruchan Seimen*, which was launched in 2011, has received high acclaim for creating new value in bag-type noodles.

In 1972, we established Maruchan, Inc. in Los Angeles, U.S.A. as our local subsidiary and today have four plants in the U.S. that produce instant noodles and a structure to supply North America.

We formulated the slogan "Smiles for All. Everything for a smile." in 2009, in the course of our development. The Toyo Suisan Group remains united in wanting to put a smile on the face of each of our shareholders and stakeholders through providing safe and delicious products and impeccable service.

Common Stock Price Range and Trading Volume



TOYO SUISAN