

# CONSOLIDATED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2012 (J-GAAP)

January 31, 2013

Stock exchange listing: Tokyo

Name of listed company: Toyo Suisan Kaisha, Ltd.

Securities code: 2875 (URL: <http://www.maruchan.co.jp/>)

Representative: Kazuo Obata, Representative Director and President

Contact: Ryuichi Niii, General Manager of Accounting Department

Scheduled date of the filing of quarterly report: February 13, 2013

Scheduled date of start of dividend payments: —

Preparation of 3Q results presentation materials: None

Holding of 3Q results briefing meeting: None

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

## 1. Consolidated Operating Results for the First Nine Months of FY2013 (from April 1, 2012 to December 31, 2012)

	9 months ended Dec. 31, 2011	9 months ended Dec. 31, 2012	Year-on-year
	(Millions of yen)		(Percentage change)
(1) Consolidated Operating Results:			
Net sales	239,764	257,894	7.6 %
Operating income	19,526	23,117	18.4 %
Ordinary income	20,422	24,699	20.9 %
Net income	11,031	14,489	31.4 %
Net income per share (Yen)	107.97	141.83	
Fully diluted net income per share (Yen)	—	—	

Note: Total comprehensive income

9 months ended Dec. 31, 2012: ¥17,623 million (96.2%)    9 months ended Dec. 31, 2011: ¥8,980 million (21.6%)

	As of Mar. 31, 2012	As of Dec. 31, 2012
	(Millions of yen)	
(2) Consolidated Financial Position:		
Total assets	251,414	267,691
Net assets	186,665	199,985
Shareholders' equity ratio	70.2%	70.9%

Reference: Shareholders' equity

As of Dec. 31, 2012: ¥189,671 million    As of Mar. 31, 2012: ¥176,513 million

## 2. Dividends

	Full Year Dividends (Yen)				
Record Date	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	For the year
FY2012	—	20.00	—	20.00	40.00
FY2013	—	20.00	—		
FY2013 (Forecast)				30.00	50.00

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

## 3. Consolidated Results Forecasts for FY2013 (From April 1, 2012 to March 31, 2013)

	Full year	Year-on-year
	(Millions of yen)	(Percentage change)
Net sales	330,000	2.8%
Operating income	27,000	5.8%
Ordinary income	28,000	3.7%
Net income	17,000	5.5%
Net income per share (Yen)	166.40	

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

\* Notes

- (1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries during the fiscal year that accompanied changes in the scope of consolidation): None
- (2) Application of accounting principles peculiar to quarterly consolidated financial statement preparation: None
- (3) Changes in accounting policies or estimates and retrospective restatement
- 1) Changes in accounting policies due to revisions of accounting standards, etc.: Yes
- 2) Changes in accounting policies other than item 1) above: None
- 3) Changes in accounting estimates: Yes
- 4) Retrospective restatement: None
- (Note) Article 10-5 of the “Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements” is applied. For details, please refer to “2. Summary Information (Notes) (3) Changes in accounting policies and estimates, and retrospective restatements” on page 5 of the attachments.
- (4) Number of shares issued (common stock)

	(Unit: share)			
1) Number of shares issued at end of period (including treasury stock)	Dec. 31, 2012	110,881,044	Mar. 31, 2012	110,881,044
2) Number of shares of treasury stock at end of period	Dec. 31, 2012	8,721,386	Mar. 31, 2012	8,717,927
3) Average number of shares during the nine months	Apr. - Dec. 2012	102,161,600	Apr. - Dec. 2011	102,168,671

\* Presentation of implementation status for quarterly review procedures

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

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

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

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## 1. Qualitative Information on Consolidated Financial Results for the Nine Months Ended December 31, 2012

### (1) Qualitative information on consolidated operating results

During the consolidated nine-month period of the fiscal year ending March 2013, the outlook for the Japanese economy remained uncertain, owing to issues such as the slowdown of the world economy caused by the European sovereign debt crisis and the like, despite signs of a gradual economic recovery on the back of demand from restoration activities following the Great East Japan Earthquake.

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

As a result, net sales were ¥257,894 million (+7.6% year on year), operating income was ¥23,117 million (+18.4% year on year), ordinary income was ¥24,699 million (+20.9% year on year), and net income was ¥14,489 million (+31.4% year on year) for the period under review.

The foreign exchange rate for the period was ¥86.56 to the U.S. dollar (¥77.74 to the U.S. dollar for the corresponding period of the previous fiscal year).

Operating results by segment are as follows.

In the Seafood Segment, business conditions continued to be severe due to the slowdown of the world economy caused by the European sovereign debt crisis, and the like, while in Japan, increasing competition caused by such factors as the strong yen and deflation were seen to combine with poor consumer appetite for seafood. Under these circumstances, we were aggressively engaged in development and sales, especially of roe, tuna, and general frozen fish, etc. This resulted in segment sales of ¥25,186 million (+1.8% year on year). Segment profit was ¥209 million (-74.6% year on year), because profit was pushed down by the deterioration of market conditions for cultured salmon/trout, mainly those of Chilean coho salmon, and the increase in expenses, such as depreciation and amortization for renovation of some processing factories as well as renovations for restoration after the earthquake, among other factors.

In the Overseas Instant Noodles Segment, segment sales were ¥48,363 million (+21.1% year on year) reflecting robust sales in terms of volume, especially in Central and South America, owing to the effect of raising prices implemented from the latter part of the second quarter to the third quarter of the previous fiscal year and continued aggressive sales activities that followed, as well as the impact of exchange rate movements. Segment profit was ¥9,193 million (+80.4% year on year) because of the stabilized prices of some ingredients, the effect of raised prices and sales expansion and the impact of exchange rate movements, while the cost of main ingredients, freight costs, etc., increased due to the impact of a rise in global commodity prices, which started the year before last.

In the Domestic Instant Noodles Segment, among cup noodle products, sales of key branded products such as Akai Kitsune Udon and Midori no Tanuki Tempura Soba increased in and after October despite a reactionary fall in the first half from demand generated after the Great East Japan Earthquake last year. As a result, sales of the products achieved the same level of the previous year. Among bag noodles, sales increased substantially due to robust sales of Maruchan Seimen, which continued from the first half. As a result, segment sales were ¥88,476 million (+10.7% year on year). Segment profit was ¥9,586 million (+14.2% year on year).

In the Frozen and Refrigerated Foods Segment, among fresh noodles, sales of core products such as yakisoba noodles decreased despite the launch of sales campaigns and new products. Ramen noodles fell short of last year's levels and sales dropped mainly due to the effect of a price war with competing products. Among frozen foods, the sale of frozen noodles increased due to the acquisition of new users in the food service industry and to lunch services at offices, while sales of retail products dropped. As a result, segment sales were ¥47,460 million (-2.1% year on year), and segment profit was ¥2,831 million (-4.0% year on year).

In the Processed Foods Segment, the sale of rice products, having been affected by the Great East Japan Earthquake in the previous year, increased because of the restoration of production lines. Among soups, those of the cup-type “Nanashu no Yasai o Taberu Soup” series and similar that responded to trends for convenience and genuine-quality food saw steady sales growth. As a result, segment sales were ¥13,436 million (+5.5% year on year), while segment profit was ¥56 million (-89.1% year on year) due to factors that included the soaring prices of ingredients such as rice.

In the Cold-Storage Segment, due to aggressive addressing of customers' high storage needs, storage remained at a high level. Furthermore, both shipment and warehousing maintained the same volume as last year. As a result, net sales were ¥11,491 million (+0.5% year on year). Segment profit was ¥1,002 million (-4.8% year on year) due to a review of operations and expenses and cost reductions despite increases in power costs caused by a rise in electricity bills and an increase in the cost of upgrading the computer system.

The Other Business Segment consists mainly of the packed lunch/deli food business and the real estate leasing business. Segment sales were ¥23,500 million (+4.4% year on year) and segment profit was ¥1,328 million (-0.8% year on year).

## **(2) Qualitative information on consolidated financial position**

At the end of the third quarter of the fiscal year ending March 31, 2013, total assets increased ¥16,276 million from the previous fiscal year-end, to ¥267,691 million, and net assets increased ¥13,319 million, to ¥199,985 million. The main factors contributing to these results are as follows:

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

As a result of these factors, the shareholders' equity ratio was 70.9%.

## **(3) Qualitative information on consolidated results forecasts**

We have not changed our consolidated results forecasts for the full term of the fiscal year ending March 31, 2013, as announced on May 11, 2012, because the third quarter results were within our expectations. Should any changes occur in the future, the relevant information will be duly disclosed.

## **2. Summary Information (Notes)**

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

Not applicable

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

Not applicable

### **(3) Changes in accounting policies and estimates, and retrospective restatements**

Following the revision of the Corporation Tax Act, the Company and its consolidated subsidiaries in Japan changed their depreciation method to one based on the revised Corporation Tax Act for property, plant and equipment acquired on and after April 1, 2012, starting in the first quarter of the fiscal year ending March 31, 2013.

As a result of the above change, operating income, ordinary income, and income before income taxes and minority interests in the third quarter of the fiscal year ending March 31, 2013 increased ¥216 million each, compared to the corresponding figures under the previous method.

### 3. Consolidated Financial Statements

#### (1) Consolidated balance sheets

(Millions of yen)

	As of end FY2012 (March 31, 2012)	As of end-3Q FY2013 (December 31, 2012)
<b>Assets</b>		
Current assets		
Cash on hand and at banks	43,207	50,909
Notes and accounts receivable-trade	48,746	55,858
Securities	17,001	11,500
Merchandise and finished goods	16,502	16,766
Work in process	211	199
Raw materials and supplies	4,124	4,846
Deferred income tax assets	1,542	1,416
Other	3,370	4,718
Less: Allowance for doubtful accounts	(511)	(504)
Total current assets	134,196	145,710
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	44,187	43,849
Machinery, equipment and vehicles, net	21,389	25,026
Land	28,595	28,744
Construction in progress	2,176	2,329
Other, net	1,232	1,437
Total property, plant and equipment	97,581	101,387
Intangible assets		
Other	2,051	2,162
Total intangible assets	2,051	2,162
Investments and other assets		
Investments in securities	14,947	15,890
Deferred income tax assets	1,742	1,740
Other	895	801
Total investments and other assets	17,585	18,431
Total fixed assets	117,218	121,981
Total assets	251,414	267,691

	(Millions of yen)	
	As of end FY2012 (March 31, 2012)	As of end-3Q FY2013 (December 31, 2012)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	21,997	25,507
Short-term loans	325	213
Current portion of long-term debt	12	—
Accrued expenses	17,208	19,250
Income taxes payable	4,541	2,260
Accrued business office taxes	69	41
Accrued consumption taxes	322	675
Deferred income tax liabilities	3	3
Allowance for bonus to officers	156	143
Other	2,228	1,337
Total current liabilities	46,865	49,433
Long-term liabilities		
Deferred income tax liabilities	885	1,067
Reserve for retirement benefits for employees	15,626	16,029
Reserve for officer retirement benefits for officers	129	128
Negative goodwill	375	262
Asset retirement obligations	310	308
Other	556	477
Total long-term liabilities	17,883	18,273
Total liabilities	64,749	67,706
<b>Net assets</b>		
Shareholders' equity		
Common stock	18,969	18,969
Capital surplus	22,516	22,516
Retained earnings	158,052	168,455
Treasury stock at cost	(8,129)	(8,136)
Total shareholders' equity	191,408	201,805
Accumulated other comprehensive income		
Net unrealized gain (loss) on investments in securities, net of taxes	322	604
Net unrealized gains (losses) on hedging derivatives, net of taxes	259	414
Adjustment on foreign currency translation	(15,478)	(13,152)
Total accumulated other comprehensive income	(14,895)	(12,133)
Minority interests in consolidated subsidiaries	10,152	10,313
Total net assets	186,665	199,985
Total liabilities and net assets	251,414	267,691

## (2) Consolidated statements of income and comprehensive income

## Consolidated statements of income

(Millions of yen)

	3Q FY2012 (from April 1, 2011 to December 31, 2011)	3Q FY2013 (from April 1, 2012 to December 31, 2012)
Net sales	239,764	257,894
Cost of sales	150,803	160,079
Gross profit	88,961	97,815
Selling, general and administrative expenses	69,434	74,698
Operating income	19,526	23,117
Non-operating income		
Interest income	107	200
Dividends income	245	348
Equity in gain under the equity method	5	6
Rent income	311	308
Exchange gain	—	367
Miscellaneous income	478	589
Total non-operating income	1,149	1,821
Non-operating expenses		
Interest expenses	7	4
Cost of rent income	73	70
Exchange loss	72	—
Miscellaneous loss	99	164
Total non-operating expenses	253	239
Ordinary income	20,422	24,699
Extraordinary income		
Gain on sales of fixed assets	7	14
Subsidy received	—	51
Compensation income	—	42
Other	6	4
Total extraordinary income	13	113
Extraordinary loss		
Loss on sale or disposal of fixed assets, net	199	515
Write-down of investment in securities	813	340
Loss on disaster	111	—
Impairment losses on fixed assets	8	1
Other	9	27
Total extraordinary losses	1,143	885
Income before income taxes and minority interests	19,293	23,927
Income taxes-current	7,136	9,175
Income taxes-deferred	712	(105)
Total income taxes	7,848	9,069
Income before minority interests	11,444	14,857
Minority interests in subsidiaries	413	367
Net income	11,031	14,489



Consolidated statements of comprehensive income

(Millions of yen)

	3Q FY2012 (from April 1, 2011 to December 31, 2011)	3Q FY2013 (from April 1, 2012 to December 31, 2012)
Income before minority interests	11,444	14,857
Other comprehensive income		
Net unrealized gain (loss) on investments in securities, net of taxes	400	281
Net unrealized gain (loss) on hedging derivatives, net of taxes	(148)	155
Adjustment on foreign currency translation	(2,722)	2,325
Share of other comprehensive income of associates accounted for using equity method	5	4
Total other comprehensive income	(2,464)	2,766
Comprehensive income	8,980	17,623
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	8,588	17,252
Comprehensive income attributable to minority interests	391	371

**(3) Notes on going concern assumptions**

Nine months ended December 31, 2012 (from April 1 to December 31, 2012)

Not applicable

**(4) Notes in the event of substantial changes in shareholders' equity**

Nine months ended December 31, 2012 (from April 1 to December 31, 2012)

Not applicable

**(5) Segment information**

[Segment information]

I. Nine months ended December 31, 2011 (from April 1 to December 31, 2011)

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

(Millions of yen)

	Reporting segment							Other (Note 1)	Total	Adjust- ments (Note 2)	Amount reported on consolidated financial statements (Note 3)
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold- Storage	Total				
Net sales											
Net sales to outside customers	24,739	39,947	79,918	48,476	12,739	11,436	217,257	22,500	239,758	6	239,764
Internal net sales or transfer between segments	547	—	9	—	0	697	1,255	405	1,661	(1,661)	—
Total	25,286	39,947	79,927	48,476	12,740	12,134	218,512	22,906	241,419	(1,655)	239,764
Segment profit	823	5,095	8,394	2,948	515	1,052	18,831	1,339	20,171	(644)	19,526

(Notes) 1. "Other" is a business segment not included in the reporting segments, and mainly includes the packed lunch/deli food business and the real estate leasing business.

2. Adjustment of sales to outside customers (¥6 million) is the difference arising from the fact that different methods of eliminating the amount of transactions are used for the reporting segments and the quarterly consolidated financial statements. The segment profit adjustments (-¥644 million) include corporate expenses not allocated to reporting segments (-¥941 million), adjustments to inventories (-¥29 million) and other adjustments (¥325 million). The corporate expenses refer mainly to general administrative expenses that do not belong to reporting segments. Other adjustments are the difference arising mainly from foreign currency translation performed for eliminating of transactions with overseas subsidiaries when reporting earnings.

3. Segment profit is adjusted with operating income indicated on the consolidated financial statements.

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

Not applicable

II. Nine months ended December 31, 2012 (from April 1 to December 31, 2012)

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

(Millions of yen)

	Reporting segment							Other (Note 1)	Total	Adjust- ments (Note 2)	Amount reported on consolidated financial statements (Note 3)
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold- Storage	Total				
Net sales											
Net sales to outside customers	25,186	48,363	88,476	47,460	13,436	11,491	234,415	23,500	257,915	(21)	257,894
Internal net sales or transfer between segments	596	—	19	—	0	703	1,318	423	1,742	(1,742)	—
Total	25,782	48,363	88,495	47,460	13,436	12,195	235,734	23,924	259,658	(1,763)	257,894
Segment profit	209	9,193	9,586	2,831	56	1,002	22,879	1,328	24,208	(1,090)	23,117

- (Notes) 1. “Other” is a business segments not included in the reporting segments, and mainly includes the packed lunch/deli food business and the real estate leasing business.
2. Adjustment of sales to outside customers (-¥21 million) is the difference arising from the fact that different methods of eliminating the amount of transactions are used for the reporting segments and quarterly consolidated financial statements. The segment profit adjustments (-¥1,090 million) include corporate expenses not allocated to reporting segments (-¥942 million), adjustments to inventories (-¥31 million) and other adjustments (-¥116 million). The corporate expenses refer mainly to general administrative expenses that do not belong to reporting segments. Other adjustments are the difference arising mainly from foreign currency translation performed for eliminating of transactions with overseas subsidiaries when reporting earnings.
3. Segment profit is adjusted with operating income indicated on the consolidated financial statements.
2. Information relating to impairment loss on fixed assets or goodwill for each reporting segment  
Not applicable