

Consolidated Financial Results
for the Three Months Ended June 30, 2016
<under J-GAAP>

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 Listing: First Section of the Tokyo Stock Exchange
 Securities code: 2875
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Scheduled date of filing of quarterly securities report: August 12, 2016
 Scheduled date of start of dividend payment: –
 Preparation of quarterly results presentation materials: Yes
 Holding of quarterly results briefing meeting: None

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

1. Consolidated Operating Results for the First Three Months of FY2017
(from April 1, 2016 to June 30, 2016)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

Three months ended	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Jun. 30, 2016	91,073	(1.2)	7,212	17.4	7,688	17.5	5,398	29.3
Jun. 30, 2015	92,136	7.1	6,144	28.8	6,542	25.8	4,175	27.1

Note: Comprehensive income Three months ended June 30, 2016: (2,101) million yen [–%]
 Three months ended June 30, 2015: 6,896 million yen [161.7%]

Three months ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Jun. 30, 2016	52.86	–
Jun. 30, 2015	40.89	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Jun. 30, 2016	334,492	260,953	74.8
As of Mar. 31, 2016	345,396	266,200	74.0

Reference: Equity
 As of June 30, 2016: 250,185 million yen
 As of March 31, 2016: 255,429 million yen

2. Dividends

	Full Year Dividends				
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Year-end	For the year
	Yen	Yen	Yen	Yen	Yen
FY2016	–	30.00	–	30.00	60.00
FY2017	–	–	–	–	–
FY2017 (Forecast)	–	30.00	–	30.00	60.00

Note: Revisions to the dividends forecasts most recently announced: None

3. Consolidated Results Forecasts for FY2017 (from April 1, 2016 to March 31, 2017)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half year	191,500	1.8	12,800	2.3	13,300	1.9	9,700	17.0	94.98
Full year	395,000	3.1	29,000	2.4	30,000	1.7	20,500	11.6	200.73

Note: Revisions to the results forecasts most recently announced: None

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of specific accounting procedures for preparation of the quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - a. Changes in accounting policies due to amendments to accounting standards and other regulations: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement: None

Note: For details, please refer to “(3) Changes in accounting policies, changes in accounting estimates, and restatement” of “2. Summary Information (Notes)” on page 3 of the attachments.

- (4) Number of shares issued (common stock)
 - a. Number of shares issued at end of period (including treasury shares)

As of June 30, 2016	110,881,044 shares
As of March 31, 2016	110,881,044 shares

- b. Number of treasury shares at end of period

As of June 30, 2016	8,751,481 shares
As of March 31, 2016	8,751,393 shares

- c. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2016	102,129,622 shares
Three months ended June 30, 2015	102,130,299 shares

* Presentation of implementation status for quarterly review procedures

The quarterly review procedures pursuant to the Financial Instruments and Exchange Act do not apply to this document, and the quarterly review procedures pursuant to the Financial Instruments and Exchange Act have not been completed as of the release of this document.

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

Forward-looking statements in this document, including the results forecasts, etc., are based on the information available as of the date of the release of this document and the preconditions that Toyo Suisan Kaisha, Ltd. (the “Company”) deemed to be reasonable; they are not meant to be a commitment by the Company, and a variety of factors in the future may cause actual results to differ materially from these forecasts. Please refer to Section: “(3) Explanation of forward-looking information, including consolidated results forecasts” of “1. Qualitative Information on Quarterly Consolidated Financial Results for the Three Months Ended June 30, 2016” on page 3 of the attachments for the preconditions for the results forecasts and items to exercise caution in the use of these results forecasts.

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1. Qualitative Information on Quarterly Consolidated Financial Results for the Three Months Ended June 30, 2016

(1) Explanation of the consolidated operating results

During the three months ended June 30, 2016, the Japanese economy continued its gradual recovery on the back of improvement in the employment and income environments and results from various economic measures, but there is increasing uncertainty over the future owing to the sharp yen appreciation mainly caused by the impact of the issue of Britain's departure from the EU, which has led to a downturn in corporate results and economic sentiment.

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." The Group continued to implement further cost reductions and promoted aggressive marketing activities in its efforts to face an increasingly competitive sales environment.

As a result, net sales were ¥91,073 million (down 1.2% year on year), operating income was ¥7,212 million (up 17.4% year on year), ordinary income was ¥7,688 million (up 17.5% year on year), and profit attributable to owners of parent was ¥5,398 million (up 29.3% year on year) for the period under review.

The foreign exchange rate for the period was ¥102.96 to the U.S. dollar (¥122.44 to the U.S. dollar for the corresponding period of the previous fiscal year).

The operating results by segment are as follows.

In the Seafood Segment, due to a decline in sales to convenience stores from harsher sales competition and the prioritization of sales focused on profitability, segment sales were ¥7,884 million (down 5.9% year on year). Segment profit was ¥87 million (compared with a segment loss of ¥23 million in the corresponding period of the previous fiscal year), due to the stabilization of the cost of ingredients, mainly signature ingredients such as salmon, trout and fish eggs.

As for the Overseas Instant Noodles Segment, in the U.S. although aggressive sales promotion activities including special sales in mass retailers and the launch of new products were carried out amid a harsh sales environment, the instant noodle category continues to contract, not receiving any boost from the improved consumer sentiment arising from the positive employment environment and increasing wages. In Mexico, while the harsh sales environment continued due to the continued depreciation of the local currency, sales volume increased due mainly to expanded sales of bag-type noodles. As a result of the aforementioned as well as a strong yen, segment sales were ¥15,905 million (down 18.1% year on year). Segment profit was ¥2,592 million (up 3.0% year on year) due to the falling cost of ingredients and reduced distribution costs, despite increased advertising costs from aggressive advertising activities in the form of social media advertising and the participation in marketing events.

In the Domestic Instant Noodles Segment, the effect of changes in the market environment caused by the price revision implemented in January 2015 ran its course, and cup-type noodle sales remained strong, mainly for the Japanese style noodle series, which is centered on key branded products *Akai Kitsune Udon* and *Midori no Tanuki Ten Soba*, and for *Menzukuri*. Furthermore, *Maruchan Seimen Cup* sales remained strong, and the continued firm sales of open-priced products centered on *Gotsu Mori* led overall sales of cup-type noodles to exceed the previous year. Total sales of bag-type noodles decreased, amidst a challenging overall market environment, despite efforts such as stimulating new demand through the introduction of new flavors in the *Maruchan Seimen* series. As a result, segment sales were ¥28,646 million (up 7.5% year on year). Segment profit was ¥2,467 million (up 19.3% year on year), due to an increase in sales combined with decreases mainly in motive utility and distribution costs.

In the Frozen and Refrigerated Foods Segment, while sales of our signature fresh noodle product *Maruchan Yakisoba (Three-Meal Package)* series remained strong, sales of our seasonal cold-served ramen noodle varieties decreased, leading to overall sales of fresh noodles being at the same level year on year. Among frozen and chilled foods, sales of our signature products, shumai (steamed dumpling) and edamame (green soybean) varieties, were firm. As a result, segment sales were ¥17,553 million (down 1.0% year on year). Segment profit was ¥1,163 million (up 5.1% year on year), due to curtailed sales promotion expenses and a decrease in motive utility costs.

In the Processed Foods Segment, sales of rice increased due to an increase in the launch of aseptically packaged cooked rice products, a core product, as well as retort rice, as a result of aggressive sales promotion activities. Sales of freeze-dried products were also strong, mainly at mass retailers, centered on the five-meal packages of packet soup, a core product. As a result, segment sales were ¥4,904 million (up 10.7% year on year) and segment

profit was ¥188 million (up 26.0% year on year).

In the Cold-Storage Segment, the start of operations at the Fukuoka Island-City Distribution Center began in March 2016, and trading for goods on consignment remained strong. As a result, segment sales were ¥4,231 million (up 5.1% year on year). Despite an increase in depreciation following the start of operations at the Fukuoka Island-City Distribution Center, segment profit was ¥497 million (up 15.9% year on year) due to an increase in sales and the contribution of reduced business expenses including motive utility costs.

The Other Business Segment consists of mainly the packed lunch/deli food business. Segment sales were ¥11,947 million (up 3.7% year on year), while segment profit was ¥393 million (up 403.4% year on year).

(2) Explanation of the consolidated financial position

At the end of the first quarter of the fiscal year ending March 31, 2017, total assets decreased ¥10,904 million from the previous fiscal year-end to ¥334,492 million, and net assets decreased ¥5,246 million, to ¥260,953 million. The main factors contributing to these results are as follows:

The main contributing factors for assets were an increase in construction in progress and decreases in cash and deposits, notes and accounts receivable - trade, securities, buildings and structures, and machinery, equipment and vehicles. The main contributing factors for liabilities were decreases in accrued expenses and income taxes payable. The main contributing factors for net assets were an increase in retained earnings and a decrease in foreign currency translation adjustment.

As a result of these factors, the equity ratio was 74.8%.

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

We have not changed our consolidated results forecasts the first six months and the full term of the fiscal year ending March 31, 2017, as announced on May 13, 2016, because the results for the first three months 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

Not applicable

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

Not applicable

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

Changes in accounting policies

(Application of practical solution on a change in depreciation method due to tax reform 2016)

Following the revision to the Corporation Tax Act, the Company and its domestic consolidated subsidiaries have applied the “Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016” (ASBJ PITF No. 32, June 17, 2016), effective from the first quarter of the fiscal year ending March 31, 2017, and changed the depreciation method for facilities attached to buildings and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method.

The amount of impact on quarterly consolidated financial statements is immaterial.

(4) Additional information

(Application of ASBJ guidance on recoverability of deferred tax assets)

The Company and its domestic consolidated subsidiaries have applied the “Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26, March 28, 2016), effective from the first quarter of the fiscal year ending March 31, 2017.

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of end FY2016 (March 31, 2016)	As of end 1Q FY2017 (June 30, 2016)
Assets		
Current assets		
Cash and deposits	73,564	68,311
Notes and accounts receivable - trade	48,899	47,598
Securities	39,000	36,500
Merchandise and finished goods	15,424	15,230
Work in process	472	478
Raw materials and supplies	4,827	4,845
Deferred tax assets	1,679	1,224
Other	3,711	3,026
Allowance for doubtful accounts	(490)	(494)
Total current assets	187,088	176,720
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	54,245	52,307
Machinery, equipment and vehicles, net	25,130	23,855
Land	35,584	35,297
Leased assets, net	3,069	3,002
Construction in progress	5,716	9,084
Other, net	1,195	1,166
Total property, plant and equipment	124,940	124,713
Intangible assets		
Other	3,054	2,881
Total intangible assets	3,054	2,881
Investments and other assets		
Investment securities	28,105	27,875
Deferred tax assets	1,273	1,395
Net defined benefit asset	65	67
Other	868	838
Total investments and other assets	30,312	30,176
Total non-current assets	158,308	157,771
Total assets	345,396	334,492

(Millions of yen)

	As of end FY2016 (March 31, 2016)	As of end 1Q FY2017 (June 30, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,975	24,363
Short-term loans payable	274	257
Current portion of long-term loans payable	30	–
Lease obligations	216	218
Accrued expenses	19,506	16,660
Income taxes payable	3,515	1,013
Deferred tax liabilities	2	2
Provision for directors' bonuses	168	56
Other	2,800	2,688
Total current liabilities	50,489	45,259
Non-current liabilities		
Lease obligations	3,958	3,928
Deferred tax liabilities	4,211	3,882
Provision for directors' retirement benefits	227	231
Net defined benefit liability	18,551	18,572
Asset retirement obligations	315	315
Other	1,443	1,348
Total non-current liabilities	28,707	28,278
Total liabilities	79,196	73,538
Net assets		
Shareholders' equity		
Capital stock	18,969	18,969
Capital surplus	22,517	22,517
Retained earnings	213,567	215,902
Treasury shares	(8,225)	(8,225)
Total shareholders' equity	246,830	249,164
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,806	7,468
Deferred gains or losses on hedges	(47)	(91)
Foreign currency translation adjustment	3,218	(4,050)
Remeasurements of defined benefit plans	(2,377)	(2,304)
Total accumulated other comprehensive income	8,599	1,021
Non-controlling interests	10,770	10,767
Total net assets	266,200	260,953
Total liabilities and net assets	345,396	334,492

(2) Quarterly consolidated statements of income and comprehensive income
Quarterly consolidated statements of income (Cumulative)

(Millions of yen)

	1Q FY2016 (from April 1, 2015 to June 30, 2015)	1Q FY2017 (from April 1, 2016 to June 30, 2016)
Net sales	92,136	91,073
Cost of sales	59,433	56,652
Gross profit	32,702	34,421
Selling, general and administrative expenses	26,558	27,208
Operating income	6,144	7,212
Non-operating income		
Interest income	93	159
Dividend income	197	215
Share of profit of entities accounted for using equity method	26	16
Rent income	90	84
Miscellaneous income	164	165
Total non-operating income	573	642
Non-operating expenses		
Interest expenses	69	67
Cost of lease revenue	21	15
Foreign exchange losses	19	22
Miscellaneous loss	66	61
Total non-operating expenses	176	166
Ordinary income	6,542	7,688
Extraordinary income		
Gain on sales of non-current assets	0	7
Other	0	–
Total extraordinary income	1	7
Extraordinary losses		
Loss on sales and retirement of non-current assets	36	17
Loss on valuation of investment securities	–	1
Loss on valuation of shares of subsidiaries and associates	22	–
Other	0	–
Total extraordinary losses	59	18
Profit before income taxes	6,483	7,676
Income taxes - current	1,850	1,874
Income taxes - deferred	323	291
Total income taxes	2,173	2,165
Profit	4,310	5,511
Profit attributable to non-controlling interests	134	112
Profit attributable to owners of parent	4,175	5,398

Quarterly consolidated statements of comprehensive income (Cumulative)

(Millions of yen)

	1Q FY2016 (from April 1, 2015 to June 30, 2015)	1Q FY2017 (from April 1, 2016 to June 30, 2016)
Profit	4,310	5,511
Other comprehensive income		
Valuation difference on available-for-sale securities	901	(381)
Deferred gains or losses on hedges	(11)	(44)
Foreign currency translation adjustment	1,641	(7,268)
Remeasurements of defined benefit plans, net of tax	43	79
Share of other comprehensive income of entities accounted for using equity method	11	2
Total other comprehensive income	2,586	(7,612)
Comprehensive income	6,896	(2,101)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,679	(2,179)
Comprehensive income attributable to non- controlling interests	216	78

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

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

(Segment information, etc.)

Segment information

I. Three months ended June 30, 2015 (from April 1, 2015 to June 30, 2015)

1. Information relating to net sales, profit and loss by each reportable segment

(Millions of yen)

	Reportable segment							Other (Note 1)	Total	Adjust- ments (Note 2)	Amount reported on quarterly consoli- dated financial statements (Note 3)
	Seafood Segment	Overseas Instant Noodles Segment	Domestic Instant Noodles Segment	Frozen and Refrigerated Foods Segment	Processed Foods Segment	Cold- Storage Segment	Total				
Net sales											
Net sales to outside customers	8,378	19,426	26,645	17,727	4,429	4,025	80,633	11,518	92,151	(14)	92,136
Internal net sales or transfer between segments	135	–	0	–	0	264	400	120	520	(520)	–
Total	8,513	19,426	26,645	17,727	4,429	4,290	81,033	11,638	92,671	(534)	92,136
Segment profit (loss)	(23)	2,518	2,067	1,107	149	429	6,249	78	6,327	(182)	6,144

- Notes:
1. The Other Business Segment is one which is not among the reportable segments and refers to a business which is mainly involved in the packed lunch/deli food business.
 2. The adjustment of negative ¥14 million in net sales to outside customers was reported due to differing elimination methods used by the reportable segments and the quarterly consolidated financial statements. The negative ¥182 million in segment profit or loss adjustments includes companywide expenses of negative ¥235 million which have not been allocated to each reportable segment, a negative ¥27 million adjustment to inventories, and other adjustments of ¥80 million. Companywide expenses refer mainly to general and administrative expenses which do not belong to any reportable segment. Other adjustments are mainly for offset and elimination of knowhow fees from overseas subsidiaries.
 3. Segment profit or loss is adjusted at the operating income level on the quarterly consolidated financial statements.

2. Information relating to impairment loss on non-current assets or goodwill for each reportable segment
 Not applicable

II. Three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

1. Information relating to net sales, profit and loss by each reportable segment

(Millions of yen)

	Reportable segment							Other (Note 1)	Total	Adjust- ments (Note 2)	Amount reported on quarterly consoli- dated financial statements (Note 3)
	Seafood Segment	Overseas Instant Noodles Segment	Domestic Instant Noodles Segment	Frozen and Refrigerated Foods Segment	Processed Foods Segment	Cold- Storage Segment	Total				
Net sales											
Net sales to outside customers	7,884	15,905	28,646	17,553	4,904	4,231	79,126	11,947	91,073	–	91,073
Internal net sales or transfer between segments	231	–	–	–	–	231	462	114	576	(576)	–
Total	8,115	15,905	28,646	17,553	4,904	4,462	79,588	12,061	91,650	(576)	91,073
Segment profit	87	2,592	2,467	1,163	188	497	6,997	393	7,390	(178)	7,212

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

2. The negative ¥178 million in segment profit adjustments includes companywide expenses of negative ¥319 million which have not been allocated to each reportable segment, a ¥40 million adjustment to inventories, and other adjustments of ¥101 million. Companywide expenses refer mainly to general and administrative expenses which do not belong to any reportable segment. Other adjustments are mainly for offset and elimination of knowhow fees from overseas subsidiaries.

3. Segment profit is adjusted at the operating income level on the quarterly consolidated financial statements.

2. Information relating to impairment loss on non-current assets or goodwill for each reportable segment
Not applicable