

Consolidated Financial Results
for the Nine Months Ended December 31, 2015
<under J-GAAP>

Company name: **Toyo Suisan Kaisha, Ltd.**
 Listing: First Section of the Tokyo Stock Exchange
 Securities code: 2875
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Scheduled date of filing of quarterly securities report: February 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 Nine Months of FY2016
(from April 1, 2015 to December 31, 2015)

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

Nine 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	%
Dec. 31, 2015	296,580	1.3	22,788	14.8	23,791	12.3	15,785	11.2
Dec. 31, 2014	292,644	3.1	19,846	(19.3)	21,190	(18.4)	14,193	(26.6)

Note: Comprehensive income Nine months ended December 31, 2015: 18,727 million yen [(32.7)%]
 Nine months ended December 31, 2014: 27,841 million yen [(0.9)%]

Nine months ended	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Dec. 31, 2015	154.56		–	
Dec. 31, 2014	138.97		–	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2015	355,629	272,910	73.7
As of Mar. 31, 2015	333,933	259,949	74.8

Reference: Equity

As of December 31, 2015: 262,251 million yen

As of March 31, 2015: 249,707 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
FY2015	–	25.00	–	25.00	50.00
FY2016	–	30.00	–	–	–
FY2016 (Forecast)	–	–	–	30.00	60.00

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

3. Consolidated Results Forecasts for FY2016 (from April 1, 2015 to March 31, 2016)

(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
Full year	400,000	4.9	28,000	11.7	29,000	8.9	18,000	6.5	176.25

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 December 31, 2015	110,881,044 shares
As of March 31, 2015	110,881,044 shares

- b. Number of treasury shares at end of period

As of December 31, 2015	8,751,313 shares
As of March 31, 2015	8,750,654 shares

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

Nine months ended December 31, 2015	102,130,007 shares
Nine months ended December 31, 2014	102,133,205 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: “Explanation of forward-looking information, including consolidated results forecasts” 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 Nine Months Ended December 31, 2015

(1) Explanation of the consolidated operating results

During the first nine months of the fiscal year ending March 31, 2016, the Japanese economy gradually recovered on the back of continuing results from various economic measures and improvements in the employment and income environments. However, the slowdown of overseas economies including China and other emerging nations in Asia meant that downside risks still remained.

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 ¥296,580 million (up 1.3% year on year), operating income was ¥22,788 million (up 14.8% year on year), ordinary income was ¥23,791 million (up 12.3% year on year), and profit attributable to owners of parent was ¥15,785 million (up 11.2% year on year) for the period under review.

The foreign exchange rate for the period was ¥120.53 to the U.S. dollar (¥120.56 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, in addition to conducting aggressive sales activities of processed seafood products such as salmon roe, cod roe, salmon, and prawns targeting convenience stores and seafood deli sections of mass retailers, we also revised the types of fish handled and their pricing. Nevertheless, segment sales were ¥25,727 million (down 2.1% year on year) and segment loss was ¥128 million (compared with a segment loss of ¥249 million in the corresponding period of the previous fiscal year).

As for the Overseas Instant Noodles Segment, amid a harsh sales environment in the U.S. domestic market, where the food service industry grew on the back of a recovery in employment and processed food manufacturers competed against one another to secure special sales slots, sales were down, despite efforts to strengthen partnerships with major mass retailers. In Mexico, the local currency progressively depreciated, and the sales volume declined. As a result, segment sales were ¥61,397 million (down 4.6% year on year). Segment profit was ¥9,305 million (up 7.1% year on year), due to higher utilization ratio at the Texas Plant and a drop in the price of raw ingredients, despite additional sales promotion expenses as a result of aggressive sales promotion activities.

In the Domestic Instant Noodles Segment, the impact of price revision led to a year-on-year decrease in cup-type noodle sales for the Japanese style noodle series centered on key branded products *Akai Kitsune Udon* and *Midori no Tanuki Ten Soba*, and for *Menzukuri*. A significant growth in sales was realized, however, for the open-priced products such as *Gotsu Mori*, and we also saw brisk sales of the October-launched *Maruchan Seimen Cup*, which uses new technology that we call the *Namamen Yudete Umaimama* Manufacturing Method. As a result, sales for cup-type noodles increased as a whole. Total sales of bag-type noodles decreased year on year, partly owing to intensified competition. However, we put efforts into aggressive sales promotion activities and demand stimulation, mainly for the *Maruchan Seimen* series, which reached cumulative sales of 1.0 billion units. As a result, segment sales were ¥94,967 million (up 3.4% year on year) and segment profit was ¥8,248 million (up 9.8% year on year).

In the Frozen and Refrigerated Foods Segment, sales of fresh noodles increased as a result of aggressive sales activities such as the holding of consumer campaigns for the signature product *Maruchan Yakisoba (Three-Meal Package)* series and fresh ramen noodle varieties. In frozen foods, sales were firm due to the launch of ramen noodles for commercial use, household product yakisoba noodles and edamame (green soybean) varieties. As a result, segment sales were ¥51,687 million (up 1.7% year on year) and segment profit was ¥2,919 million (up 3.3% year on year).

In the Processed Foods Segment, aggressive sales activities led to increased rice sales for both aseptically packed cooked rice products, a core product, and for retort rice. Sales of freeze-dried products were also strong for the core product five-meal packages of packet soup and for the *Cup Omochi Soup* series. As a result, segment sales were ¥14,919 million (up 8.8% year on year) and segment profit was ¥700 million (up 96.9% year on year), partly due to the increase in sales combined with the stabilization of rice prices.

In the Cold-Storage Segment, we saw steady trading in stored products in all regions, particularly in the Tokyo Metropolitan Area. As a result, segment sales were ¥12,457 million (up 4.3% year on year). Segment profit was ¥1,443 million (up 49.3% year on year) partly due to stability of temporary costs related to the construction of

the Higashi Ogishima automatic warehouse and a reduction in business expenses owing to energy-saving measures, in addition to the increase in sales.

The Other Business Segment consists of mainly the packed lunch/deli food business. Segment sales were ¥35,404 million (up 4.9% year on year), while segment profit was ¥700 million (up 53.4% year on year).

(2) Explanation of the consolidated financial position

At the end of the third quarter of the fiscal year ending March 31, 2016, total assets increased ¥21,695 million from the previous fiscal year-end to ¥355,629 million, and net assets increased ¥12,960 million, to ¥272,910 million. The main factors contributing to these results are as follows:

The main contributing factors for assets were increases in cash and deposits, notes and accounts receivable - trade, land, construction in progress and investment securities and a decrease in securities. The main contributing factors for liabilities were increases in notes and accounts payable - trade and accrued expenses. The main contributing factors for net assets were increases in retained earnings and valuation difference on available-for-sale securities.

As a result of these factors, the equity ratio was 73.7%.

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

We have not changed our consolidated results forecasts for the full term of the fiscal year ending March 31, 2016, as announced on May 15, 2015, because the results for the first nine 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 accounting standard for business combinations)

The Company and its domestic consolidated subsidiaries have applied the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), etc., effective from the first quarter ended June 30, 2015. As a result, the method of recording the amount of difference caused by changes in the Company’s ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to one in which it is recorded as capital surplus, and the method of recording acquisition-related costs was changed to one in which they are recognized as expenses for the fiscal year in which they are incurred. Furthermore, for business combinations carried out on or after April 1, 2015, the accounting method was changed to one in which the reviewed acquisition cost allocation resulting from the finalization of the provisional accounting treatment is reflected in the quarterly consolidated financial statements for the quarterly period to which the date of business combination belongs. Moreover, changes were made to the presentation of net income and other items and the presentation for minority interests was changed to the presentation for non-controlling interests. In order to reflect these changes in presentation, the quarterly consolidated financial statements for the nine months ended December 31, 2014 and the consolidated financial statements for the fiscal year ended March 31, 2015 were reclassified.

Application of the Accounting Standard for Business Combinations, etc. is in line with the transitional measures provided for in paragraph 58-2 (4) of the Accounting Standard for Business Combinations, paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. Application of the said standards commenced as of the beginning of the first quarter of the fiscal year ending March 31, 2016, and will be prospectively continued.

The amount of impact from this application of accounting standards is immaterial.

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of end FY2015 (March 31, 2015)	As of end 3Q FY2016 (December 31, 2015)
Assets		
Current assets		
Cash and deposits	68,331	72,331
Notes and accounts receivable - trade	46,788	63,717
Securities	38,000	31,000
Merchandise and finished goods	17,241	16,810
Work in process	326	405
Raw materials and supplies	5,998	5,878
Deferred tax assets	1,574	1,350
Other	3,467	4,051
Allowance for doubtful accounts	(485)	(496)
Total current assets	181,243	195,047
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	54,256	52,672
Machinery, equipment and vehicles, net	26,628	26,049
Land	32,913	36,104
Leased assets, net	3,538	3,162
Construction in progress	2,177	6,345
Other, net	1,154	1,236
Total property, plant and equipment	120,669	125,570
Intangible assets		
Other	3,232	3,167
Total intangible assets	3,232	3,167
Investments and other assets		
Investment securities	26,745	29,916
Deferred tax assets	1,227	1,073
Net defined benefit asset	94	84
Other	721	770
Total investments and other assets	28,789	31,844
Total non-current assets	152,690	160,581
Total assets	333,933	355,629

(Millions of yen)

	As of end FY2015 (March 31, 2015)	As of end 3Q FY2016 (December 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,770	28,566
Short-term loans payable	227	262
Current portion of long-term loans payable	30	30
Lease obligations	275	223
Accrued expenses	17,645	21,788
Income taxes payable	2,580	2,416
Deferred tax liabilities	2	0
Provision for directors' bonuses	49	126
Other	2,279	2,780
Total current liabilities	47,860	56,194
Non-current liabilities		
Lease obligations	4,179	3,997
Deferred tax liabilities	5,877	6,230
Provision for directors' retirement benefits	223	217
Net defined benefit liability	14,053	14,293
Asset retirement obligations	318	319
Other	1,470	1,466
Total non-current liabilities	26,123	26,525
Total liabilities	73,984	82,719
Net assets		
Shareholders' equity		
Capital stock	18,969	18,969
Capital surplus	22,516	22,517
Retained earnings	200,821	210,989
Treasury shares	(8,220)	(8,224)
Total shareholders' equity	234,087	244,251
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,049	8,993
Deferred gains or losses on hedges	16	(13)
Foreign currency translation adjustment	8,217	8,570
Remeasurements of defined benefit plans	336	450
Total accumulated other comprehensive income	15,620	17,999
Non-controlling interests	10,241	10,658
Total net assets	259,949	272,910
Total liabilities and net assets	333,933	355,629

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

(Millions of yen)

	3Q FY2015 (from April 1, 2014 to December 31, 2014)	3Q FY2016 (from April 1, 2015 to December 31, 2015)
Net sales	292,644	296,580
Cost of sales	186,918	186,340
Gross profit	105,726	110,239
Selling, general and administrative expenses	85,880	87,450
Operating income	19,846	22,788
Non-operating income		
Interest income	254	313
Dividend income	340	357
Share of profit of entities accounted for using equity method	66	103
Rent income	277	266
Foreign exchange gains	273	–
Miscellaneous income	503	606
Total non-operating income	1,713	1,647
Non-operating expenses		
Interest expenses	189	209
Cost of lease revenue	73	63
Foreign exchange losses	–	90
Miscellaneous loss	107	280
Total non-operating expenses	369	644
Ordinary income	21,190	23,791
Extraordinary income		
Gain on sales of non-current assets	61	623
Gain on sales of investment securities	1	146
Subsidy income	363	–
Gain on bargain purchase	194	–
Compensation income	244	–
Other	0	3
Total extraordinary income	866	772
Extraordinary losses		
Loss on sales and retirement of non-current assets	101	172
Loss on valuation of shares of subsidiaries and associates	–	27
Impairment loss	28	224
Other	20	2
Total extraordinary losses	150	427
Income before income taxes and minority interests	21,905	24,137
Income taxes - current	5,962	7,982
Income taxes - deferred	1,382	(181)
Total income taxes	7,344	7,801
Profit	14,561	16,336
Profit attributable to non-controlling interests	367	550
Profit attributable to owners of parent	14,193	15,785

Quarterly consolidated statements of comprehensive income (Cumulative)

(Millions of yen)

	3Q FY2015 (from April 1, 2014 to December 31, 2014)	3Q FY2016 (from April 1, 2015 to December 31, 2015)
Profit	14,561	16,336
Other comprehensive income		
Valuation difference on available-for-sale securities	1,723	1,939
Deferred gains or losses on hedges	70	(30)
Foreign currency translation adjustment	11,286	352
Remeasurements of defined benefit plans, net of tax	171	127
Share of other comprehensive income of entities accounted for using equity method	28	2
Total other comprehensive income	13,280	2,391
Comprehensive income	27,841	18,727
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	27,332	18,164
Comprehensive income attributable to non- controlling interests	508	563

(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. Nine months ended December 31, 2014 (from April 1, 2014 to December 31, 2014)

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	26,267	64,389	91,824	50,801	13,708	11,944	258,935	33,758	292,694	(49)	292,644
Internal net sales or transfer between segments	749	–	17	–	0	701	1,468	370	1,838	(1,838)	–
Total	27,016	64,389	91,842	50,801	13,708	12,645	260,404	34,129	294,533	(1,888)	292,644
Segment profit (loss)	(249)	8,687	7,514	2,825	355	967	20,101	456	20,558	(712)	19,846

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 ¥49 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 ¥712 million in segment profit adjustments include companywide expenses of negative ¥732 million which have not been allocated to each reportable segment, a ¥4 million adjustment to inventories, and other adjustments of ¥15 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 at account closing.

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

Statement omitted due to the immateriality of the amount.

II. Nine months ended December 31, 2015 (from April 1, 2015 to December 31, 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	25,727	61,397	94,967	51,687	14,919	12,457	261,156	35,404	296,560	19	296,580
Internal net sales or transfer between segments	649	–	12	–	0	801	1,464	367	1,831	(1,831)	–
Total	26,376	61,397	94,980	51,687	14,919	13,259	262,620	35,771	298,391	(1,811)	296,580
Segment profit (loss)	(128)	9,305	8,248	2,919	700	1,443	22,489	700	23,189	(400)	22,788

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 ¥19 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 ¥400 million in segment profit adjustments include companywide expenses of negative ¥746 million which have not been allocated to each reportable segment, a negative ¥62 million adjustment to inventories, and other adjustments of ¥407 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 at account closing.

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

Statement omitted due to the immateriality of the amount.