

January 31, 2017

Consolidated Financial Results
for the Nine Months Ended December 31, 2016
<under J-GAAP>

Company name: **Toyo Suisan Kaisha, Ltd.**
 Listing: First Section of the Tokyo Stock Exchange
 Securities code: 2875
 URL: <http://www.maruchan.co.jp/>
 Representative: Masanari Imamura, Representative Director and President
 Contact: Chiyoko Matsumoto, General Manager of Accounting Department
 TEL: +81-3-3458-5246 (from overseas)

Scheduled date of filing of quarterly securities report: February 13, 2017
 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 FY2017
(from April 1, 2016 to December 31, 2016)

(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, 2016	294,510	(0.7)	24,243	6.4	25,816	8.5	17,253	9.3
Dec. 31, 2015	296,580	1.3	22,788	14.8	23,791	12.3	15,785	11.2

Note: Comprehensive income Nine months ended December 31, 2016: 21,155 million yen [13.0%]
 Nine months ended December 31, 2015: 18,727 million yen [(32.7)%]

Nine months ended	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Dec. 31, 2016	168.94		–	
Dec. 31, 2015	154.56		–	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2016	364,885	281,078	74.0
As of Mar. 31, 2016	345,396	266,200	74.0

Reference: Equity
 As of December 31, 2016: 269,950 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	–	30.00	–	–	–
FY2017 (Forecast)	–	–	–	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
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 December 31, 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 December 31, 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)

Nine months ended December 31, 2016	102,129,583 shares
Nine months ended December 31, 2015	102,130,007 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 Nine Months Ended December 31, 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 Nine Months Ended December 31, 2016

(1) Explanation of the consolidated operating results

During the first nine months of the fiscal year ending March 31, 2017, the Japanese economy gradually recovered on the back of continuing results from various economic measures and improvements in the employment and income environments, but lack of clarity regarding the economic future still persisted owing to developments such as the slowdown in economic growth centered on emerging nations in Asia and the issue of Britain's departure from the EU, which led to increasing uncertainty with regard to overseas economies.

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 sales activities in its efforts to face an increasingly competitive sales environment.

As a result, net sales were ¥294,510 million (down 0.7% year on year), operating income was ¥24,243 million (up 6.4% year on year), ordinary income was ¥25,816 million (up 8.5% year on year), and profit attributable to owners of parent was ¥17,253 million (up 9.3% year on year) for the period under review.

The foreign exchange rate for the period was ¥116.49 to the U.S. dollar (¥120.53 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 the negative impact of the decrease in the haul of fish and harsher sales competition in the domestic market including sales to convenience stores, segment sales were ¥24,186 million (down 6.0% year on year). Segment profit was ¥256 million (compared with a segment loss of ¥128 million in the corresponding period of the previous fiscal year), due to further improvements in the cost of some types of fish such as fish eggs and shrimp used as ingredients.

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, the instant noodle category continues to contract due to a continued harsh sales environment. In Mexico, while the harsh sales environment continued due to the continued depreciation of the local currency, sales increased due to aggressive sales promotion activities mainly in mass retailers. As a result of the aforementioned, segment sales were ¥56,699 million (down 7.7% year on year). Segment profit was ¥9,343 million (up 0.4% year on year), due to the decreases mainly in raw ingredients costs and distribution costs, despite additional sales promotion and personnel expenses.

In the Domestic Instant Noodles Segment, cup-type noodle sales remained strong for the Japanese style noodle series, which is centered on key branded products *Akai Kitsune Udon* and *Midori no Tanuki Ten Soba*, and for *Maruchan Seimen Cup*. Meanwhile, sales of our signature product *Menzukuri* and open-priced product *Gotsu Mori* also continued to be firm. Total sales of bag-type noodles decreased, amidst a challenging overall market environment, despite efforts such as stimulating new demand through a campaign to celebrate the fifth anniversary of the *Maruchan Seimen* series and the introduction of new flavors. As a result, segment sales were ¥96,573 million (up 1.7% year on year). Segment profit was ¥8,493 million (up 3.0% year on year), due to the increase in sales combined with decreases mainly in raw ingredients costs and distribution costs, which outweighed increases in depreciation following the start of operations at the Kansai Plant, which was completed in August 2016, and in sales promotion expenses.

In the Frozen and Refrigerated Foods Segment, while sales of our signature fresh noodle product *Maruchan Yakisoba (Three-Meal Package)* series and the microwavable food product *Renji de men jyoju* series remained strong. Among frozen and chilled foods, sales of our signature *shumai* (steamed dumpling) and wontons products increased, but sales from frozen foods decreased amid fiercer sales competition. As a result, segment sales were ¥51,379 million (down 0.6% year on year). Segment profit was ¥3,807 million (up 30.4% year on year), due to higher profits resulting from sales growth for our signature products and the decrease in raw ingredients costs, combined with efforts to enhance profits through reassessment of unprofitable products and other means.

In the Processed Foods Segment, sales of core rice products and freeze-dried products remained strong. Sales of rice increased as a result of the implementation of aggressive sales promotion activities against a backdrop of increased meal opportunities due to increased demand for emergency supplies and lifestyle changes in addition to greater awareness of quality. In sales of freeze-dried products, sales were strong for the five-meal packages of packet soup, a core product, at mass retailers, and products, centered on new products, were introduced at convenience stores. As a result, segment sales were ¥16,189 million (up 8.5% year on year) and segment profit

was ¥654 million (down 6.6% year on year) due to higher prices for raw rice.

In the Cold-Storage Segment, segment sales were ¥12,977 million (up 4.2% year on year) as a result of the beneficial effect of the start of operations at the Fukuoka Island-City Distribution Center in March 2016, and trading for goods on consignment remaining strong thanks to aggressive sales activities. Segment profit was ¥1,419 million (down 1.7% year on year) due to recording expenses related to the Fukuoka Island-City Distribution Center and increased business expenses such as personnel expenses and transportation expenses.

The Other Business Segment consists of mainly the packed lunch/deli food business. Segment sales were ¥36,505 million (up 3.1% year on year), while segment profit was ¥1,165 million (up 66.4% year on year).

(2) Explanation of the consolidated financial position

At the end of the third quarter of the fiscal year ending March 31, 2017, total assets increased by ¥19,488 million from the previous fiscal year-end to ¥364,885 million, and net assets increased by ¥14,878 million to ¥281,078 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, and buildings and structures and a decrease in securities. The main contributing factors for liabilities were increases in notes and accounts payable - trade and accrued expenses and a decrease in income taxes payable. The main contributing factors for net assets were increases in retained earnings and foreign currency translation adjustment.

As a result of these factors, the equity ratio was 74.0%.

(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, 2017, as announced on May 13, 2016, 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 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 3Q FY2017 (December 31, 2016)
Assets		
Current assets		
Cash and deposits	73,564	77,813
Notes and accounts receivable - trade	48,899	65,738
Securities	39,000	32,000
Merchandise and finished goods	15,424	16,049
Work in process	472	394
Raw materials and supplies	4,827	5,703
Deferred tax assets	1,679	1,314
Other	3,711	3,162
Allowance for doubtful accounts	(490)	(497)
Total current assets	187,088	201,679
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	54,245	60,709
Machinery, equipment and vehicles, net	25,130	27,149
Land	35,584	35,450
Leased assets, net	3,069	3,054
Construction in progress	5,716	1,663
Other, net	1,195	1,268
Total property, plant and equipment	124,940	129,295
Intangible assets		
Other	3,054	2,616
Total intangible assets	3,054	2,616
Investments and other assets		
Investment securities	28,105	29,092
Deferred tax assets	1,273	1,352
Net defined benefit asset	65	66
Other	868	932
Allowance for doubtful accounts	–	(150)
Total investments and other assets	30,312	31,293
Total non-current assets	158,308	163,206
Total assets	345,396	364,885

(Millions of yen)

	As of end FY2016 (March 31, 2016)	As of end 3Q FY2017 (December 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,975	28,128
Short-term loans payable	274	268
Current portion of long-term loans payable	30	–
Lease obligations	216	247
Accrued expenses	19,506	22,445
Income taxes payable	3,515	1,892
Deferred tax liabilities	2	4
Provision for directors' bonuses	168	141
Other	2,800	1,687
Total current liabilities	50,489	54,815
Non-current liabilities		
Lease obligations	3,958	4,008
Deferred tax liabilities	4,211	4,221
Provision for directors' retirement benefits	227	205
Net defined benefit liability	18,551	18,744
Asset retirement obligations	315	311
Other	1,443	1,499
Total non-current liabilities	28,707	28,991
Total liabilities	79,196	83,806
Net assets		
Shareholders' equity		
Capital stock	18,969	18,969
Capital surplus	22,517	22,517
Retained earnings	213,567	224,693
Treasury shares	(8,225)	(8,225)
Total shareholders' equity	246,830	257,955
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,806	8,368
Deferred gains or losses on hedges	(47)	31
Foreign currency translation adjustment	3,218	5,750
Remeasurements of defined benefit plans	(2,377)	(2,156)
Total accumulated other comprehensive income	8,599	11,995
Non-controlling interests	10,770	11,128
Total net assets	266,200	281,078
Total liabilities and net assets	345,396	364,885

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

(Millions of yen)

	3Q FY2016 (from April 1, 2015 to December 31, 2015)	3Q FY2017 (from April 1, 2016 to December 31, 2016)
Net sales	296,580	294,510
Cost of sales	186,340	182,255
Gross profit	110,239	112,254
Selling, general and administrative expenses	87,450	88,011
Operating income	22,788	24,243
Non-operating income		
Interest income	313	622
Dividend income	357	403
Share of profit of entities accounted for using equity method	103	88
Rent income	266	254
Foreign exchange gains	–	289
Miscellaneous income	606	505
Total non-operating income	1,647	2,163
Non-operating expenses		
Interest expenses	209	200
Cost of lease revenue	63	50
Foreign exchange losses	90	–
Provision of allowance for doubtful accounts	–	150
Miscellaneous loss	280	189
Total non-operating expenses	644	590
Ordinary income	23,791	25,816
Extraordinary income		
Gain on sales of non-current assets	623	19
Gain on sales of investment securities	146	–
Subsidy income	–	1,119
Other	3	55
Total extraordinary income	772	1,194
Extraordinary losses		
Loss on sales and retirement of non-current assets	172	391
Loss on valuation of investment securities	–	5
Loss on valuation of shares of subsidiaries and associates	27	429
Impairment loss	224	765
Other	2	9
Total extraordinary losses	427	1,601
Profit before income taxes	24,137	25,408
Income taxes - current	7,982	7,925
Income taxes - deferred	(181)	(134)
Total income taxes	7,801	7,791
Profit	16,336	17,617
Profit attributable to non-controlling interests	550	364
Profit attributable to owners of parent	15,785	17,253

Quarterly consolidated statements of comprehensive income (Cumulative)

(Millions of yen)

	3Q FY2016 (from April 1, 2015 to December 31, 2015)	3Q FY2017 (from April 1, 2016 to December 31, 2016)
Profit	16,336	17,617
Other comprehensive income		
Valuation difference on available-for-sale securities	1,939	663
Deferred gains or losses on hedges	(30)	79
Foreign currency translation adjustment	352	2,532
Remeasurements of defined benefit plans, net of tax	127	242
Share of other comprehensive income of entities accounted for using equity method	2	20
Total other comprehensive income	2,391	3,538
Comprehensive income	18,727	21,155
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,164	20,648
Comprehensive income attributable to non- controlling interests	563	506

- (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, 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 or loss adjustments includes 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 the end of the fiscal year.

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, 2016 (from April 1, 2016 to December 31, 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	24,186	56,699	96,573	51,379	16,189	12,977	258,004	36,505	294,510	–	294,510
Internal net sales or transfer between segments	765	–	–	–	–	643	1,409	332	1,742	(1,742)	–
Total	24,952	56,699	96,573	51,379	16,189	13,620	259,414	36,837	296,252	(1,742)	294,510
Segment profit	256	9,343	8,493	3,807	654	1,419	23,974	1,165	25,139	(896)	24,243

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 ¥896 million in segment profit adjustments includes companywide expenses of negative ¥930 million which have not been allocated to each reportable segment, a ¥12 million adjustment to inventories, and other adjustments of ¥21 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 the end of the fiscal year.

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
Statement omitted due to the immateriality of the amount.