

Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 <under J-GAAP>

Company name: **Toyo Suisan Kaisha, Ltd.**
 Listing: First Section of the Tokyo Stock Exchange
 Securities code: 2875
 URL: <https://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 ordinary general meeting of shareholders: June 25, 2020
 Scheduled date of start of dividend payment: June 26, 2020
 Scheduled date of filing of annual securities report: June 25, 2020
 Preparation of results presentation materials: Yes
 Holding of results briefing meeting: Yes (for institutional investors and analysts)

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

1. Consolidated Operating Results (from April 1, 2019 to March 31, 2020)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2020 ended Mar. 31, 2020	416,031	3.7	28,348	19.8	31,350	19.8	23,379	26.8
FY2019 ended Mar. 31, 2019	401,064	3.2	23,661	(11.2)	26,169	(8.4)	18,438	0.0

Note: Comprehensive income FY2020 ended March 31, 2020: 18,581 million yen [(19.7)%]
 FY2019 ended March 31, 2019: 23,124 million yen [50.5%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
FY2020 ended Mar. 31, 2020	228.92	—	7.8	7.9	6.8
FY2019 ended Mar. 31, 2019	180.54	—	6.4	6.9	5.9

Reference: Share of profit (loss) of entities accounted for using equity method
 FY2020 ended March 31, 2020: 150 million yen
 FY2019 ended March 31, 2019: 142 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2020	402,608	317,994	76.2	3,002.58
As of Mar. 31, 2019	390,190	307,729	76.0	2,904.55

Reference: Equity
 As of March 31, 2020: 306,648 million yen
 As of March 31, 2019: 296,638 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2020 ended Mar. 31, 2020	47,692	(18,454)	(8,912)	43,396
FY2019 ended Mar. 31, 2019	31,028	(27,358)	(6,163)	23,286

2. Dividends

	Full Year Dividends					Total dividend payments (Full-year)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Year-end	For the year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2019	–	30.00	–	40.00	70.00	7,152	38.8	2.5
FY2020	–	40.00	–	40.00	80.00	8,174	35.0	2.7
FY2021 (Forecast)	–	40.00	–	40.00	80.00		31.4	

3. Consolidated Results Forecasts for FY2021 (from April 1, 2020 to March 31, 2021)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		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	207,000	4.4	14,000	20.0	15,000	13.4	12,000	25.4	117.50
Full year	426,000	2.4	30,500	7.6	33,000	5.3	26,000	11.2	254.58

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

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

- Changes in accounting policies due to amendments to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: None
- Changes in accounting estimates: None
- Restatement: None

(3) Number of shares issued (common stock)

- Number of shares issued at end of period (including treasury shares)

As of March 31, 2020	110,881,044 shares
As of March 31, 2019	110,881,044 shares

- Number of treasury shares at end of period

As of March 31, 2020	8,752,690 shares
As of March 31, 2019	8,752,148 shares

- Average number of shares outstanding during the period

FY2020 ended March 31, 2020	102,128,546 shares
FY2019 ended March 31, 2019	102,129,034 shares

(Reference) Summary of Non-Consolidated Operating Results

1. Non-Consolidated Operating Results (from April 1, 2019 to March 31, 2020)

(1) Non-Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2020 ended Mar. 31, 2020	264,895	5.0	12,957	29.9	18,326	23.8	14,675	30.6
FY2019 ended Mar. 31, 2019	252,384	(0.2)	9,974	(16.7)	14,798	(14.3)	11,239	(8.1)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2020 ended Mar. 31, 2020	143.63	–
FY2019 ended Mar. 31, 2019	110.00	–

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2020	252,795	171,155	67.7	1,675.08
As of Mar. 31, 2019	243,431	167,012	68.6	1,634.52

Reference: Equity

As of March 31, 2020: 171,155 million yen

As of March 31, 2019: 167,012 million yen

* Financial results reports are not required to be audited by certified public accountants or an audit corporation.

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

(Caution regarding forward-looking statements)

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 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: “1. Overview of Operating Results and Others,

(4) Future outlook” on page 4 of the attachments for the preconditions for the results forecasts and items to exercise caution in the use of these results forecasts.

Index of Attachments

1. Overview of Operating Results and Others	2
(1) Overview of the consolidated operating results for the current fiscal year	2
(2) Overview of the financial position for the current fiscal year	3
(3) Overview of cash flows for the current fiscal year	3
(4) Future outlook	4
2. Basic Rationale for Selection of Accounting Standard.....	5
3. Consolidated Financial Statements	6
(1) Consolidated balance sheets.....	6
(2) Consolidated statements of income and comprehensive income	8
(Consolidated statements of income)	8
(Consolidated statements of comprehensive income).....	10
(3) Consolidated statements of changes in equity.....	11
(4) Consolidated statements of cash flows	13
(Segment information, etc.)	15

1. Overview of Operating Results and Others

(1) Overview of the consolidated operating results for the current fiscal year

During the fiscal year ended March 31, 2020, the Japanese economy recovered gradually, mainly driven by internal demand reflecting improvements in the employment and income environments, despite weak external demand attributable to a slowdown in overseas economies and other factors. Nevertheless, ample vigilance is needed regarding the risk of a downturn in economies in Japan and overseas due to infectious disease, along with monitoring of the impact of fluctuations in the financial and capital markets, among other factors.

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 ¥416,031 million (up 3.7% year on year), operating profit was ¥28,348 million (up 19.8% year on year), ordinary profit was ¥31,350 million (up 19.8% year on year), and profit attributable to owners of parent was ¥23,379 million (up 26.8% year on year) for the current fiscal year.

The foreign exchange rate for the fiscal year was ¥108.81 to the U.S. dollar (¥111.00 to the U.S. dollar for the previous fiscal year).

The operating results by segment are as follows.

[Seafood Segment]

In the Seafood Segment, although the Group focused on selling products at reasonable prices to convenience stores and mass retailers amid the effects of market fluctuations for the core products of salmon, trout, fish eggs, etc. and price rises in the cost of fish due to fewer inshore fish caught in Japan and other countries, competition intensified and sales volumes decreased. As a result, segment sales were ¥29,862 million (down 0.5% year on year) while segment loss was ¥671 million (compared with a segment profit of ¥158 million in the previous fiscal year).

[Overseas Instant Noodles Segment]

In the Overseas Instant Noodles Segment, sales increased in the U.S. because of favorable sales of our signature products, the bag-type noodle product *Ramen* series and the cup-type noodle product *Instant Lunch* series, owing to regular sales campaigns to existing customers and sales to new customers, in addition to the implementation of special sales campaigns at each of our leading customers’ stores. In Mexico, sales increased thanks to robust trends from cup-type noodles, our signature products, and favorable sales of bag-type noodles, for which we reinforced sales. As a result, segment sales were ¥88,992 million (up 6.2% year on year). Segment profit was ¥12,193 million (up 27.2% year on year) mainly due to increased sales volume, the curbing of sales promotion costs, reduced distribution costs, and a decrease in raw material costs due to lower unit cost of main raw materials, despite factors such as an increase in personnel expenses.

[Domestic Instant Noodles Segment]

In the Domestic Instant Noodles Segment, amid production and supply costs increasing, the Group revised prices from June 2019 in order to steadily deliver quality products that satisfy customers. Under these circumstances, sales increased through efforts to stimulate demand including various promotions and new product launches. In cup noodles, efforts centered on our Japanese-style series such as *Akai Kitsune Udon* and *Midori no Tanuki Ten Soba*, the *Menzukuri* series, the *MARUCHAN QTTA* series, and the *Gotsu Mori* series. In bag-type noodles, efforts centered on the *Maruchan Seimen* series. As a result, segment sales were ¥133,302 million (up 4.5% year on year) and segment profit was ¥11,084 million (up 41.0% year on year) due to an increase in sales and the curbing of sales promotion costs, despite factors such as an increase in personnel expenses.

[Frozen and Refrigerated Foods Segment]

In the Frozen and Refrigerated Foods Segment, amid production and supply costs increasing, the Group revised prices from April 2019 in order to steadily deliver quality products that satisfy customers. Under these circumstances, fresh noodles saw favorable performance of three-meal type ramen and *udon* noodle category due to consumer budget-consciousness in the wake of the consumption tax increase, with sales growing mainly in the *Maruchan Yakisoba (Three-Meal Package)* series, for which we took initiatives such as sales of products offered for a limited time only and implementation of consumer campaigns. Furthermore, sales also increased in fresh noodles thanks to the significant increases of the *Tsuruyaka* series, whose preparation simply requires separating the noodles by water and whose sales area has increased throughout Japan this fiscal year, and of the *Pari-Pari Mugen* series, which offers a very tasty way to eat vegetables. Sales of frozen and chilled foods decreased due to lower sales volumes of our signature *shumai* (steamed dumpling) and rice burger products following price revisions. As a result, segment sales were ¥72,293 million (up 4.5% year on year) and segment profit was ¥5,587

million (up 23.0% year on year) due to an increase in sales, despite increases mainly in personnel expenses and distribution costs.

[Processed Foods Segment]

In the Processed Foods Segment, the Group is working to increase production capacity in packaged cooked rice and freeze-dried products in order to capture market expansion. We worked to introduce new products in addition to promoting sales of our signature products such as, in packaged cooked rice, the *Attaka Gohan* series, an aseptically packaged cooked rice product, and the packaged flavored cooked rice series including *Fukkura Sekihan*, and in freeze-dried products, the *Sozai no Chikara* series, a freeze-dried soup product with five packs in one bag. As a result, segment sales were ¥24,184 million (up 6.7% year on year), and the segment reported a segment loss of ¥1,307 million (compared with a segment loss of ¥977 million in the previous fiscal year) owing to the increases mainly in depreciation associated with the start of operations of the new factories, and rise in raw material prices.

[Cold-Storage Segment]

In the Cold-Storage Segment, the Group saw robust sales from trade centered on frozen foods and trade in incidental businesses such as customs clearance and transportation, in addition to an effect of increase in warehouse capacity because of the operation of the Saitama Sugito Distribution Center and the Kobe Distribution Center, which began in January 2019. As a result, segment sales were ¥20,530 million (up 11.2% year on year) while segment profit was ¥1,262 million (down 21.6% year on year) due to increases in depreciation and personnel expenses associated with the operation of new cold storage facilities, etc.

[Other Business Segment]

The Other Business Segment consists of mainly the packed lunch/deli food business. Segment sales were ¥46,866 million (down 5.2% year on year) while segment profit was ¥872 million (down 41.3% year on year).

(2) Overview of the financial position for the current fiscal year

The total assets of the Group increased by ¥12,418 million (3.2%) compared with the end of the previous fiscal year, to ¥402,608 million. The positions of assets, liabilities, net assets at the end of the current fiscal year are as follows.

[Current assets]

Current assets increased by ¥12,333 million (6.1%) compared with the end of the previous fiscal year, to ¥215,632 million. The main contributing factor was an increase in cash and deposits, despite decreases in securities and merchandise and finished goods.

[Non-current assets]

Non-current assets increased by ¥84 million (0.0%) compared with the end of the previous fiscal year, to ¥186,976 million. The main contributing factors were increases in machinery, equipment and vehicles, and construction in progress, despite a decrease in investment securities.

[Current liabilities]

Current liabilities increased by ¥2,785 million (5.2%) compared with the end of the previous fiscal year, to ¥56,656 million. The main contributing factor was an increase in income taxes payable.

[Non-current liabilities]

Non-current liabilities decreased by ¥632 million (2.2%) compared with the end of the previous fiscal year, to ¥27,958 million. The main contributing factor was a decrease in deferred tax liabilities.

[Net assets]

Net assets increased by ¥10,265 million (3.3%) compared with the end of the previous fiscal year, to ¥317,994 million. The main contributing factor was an increase in retained earnings.

(3) Overview of cash flows for the current fiscal year

Cash and cash equivalents (hereafter, referred to as “cash”) as of the end of the current fiscal year increased by ¥20,110 million from the end of the previous fiscal year to ¥43,396 million. The respective cash flow positions are as follows.

[Cash flows from operating activities]

Net cash provided by operating activities increased by ¥16,664 million compared with the previous fiscal year to ¥47,692 million. The main contributing factors were an increase in profit before income taxes and an increase in cash due to a decrease in inventories.

[Cash flows from investing activities]

Net cash used in investing activities decreased by ¥8,903 million compared with the previous fiscal year to ¥18,454 million. The main contributing factor was a decrease in purchase of property, plant and equipment.

[Cash flows from financing activities]

Net cash used in financing activities increased by ¥2,749 million compared with the previous fiscal year to ¥8,912 million. The main contributing factor was an increase in dividends paid.

(Reference) Trends in cash flow indicators

	Fiscal year ended March, 2019	Fiscal year ended March, 2020
Equity ratio (%)	76.0	76.2
Equity ratio based on market value (%)	110.3	132.4
Interest-bearing debt to cash flow ratio (annual)	0.0	0.0
Interest coverage ratio (times)	123.0	193.6

(Notes) 1. The calculating formula of each indicator is as follows.

Equity ratio : Equity capital/Total assets

Equity ratio based on market value : Total market capitalization (Closing stock price at end of period × Number of shares issued and outstanding at end of period)/Total assets

Interest-bearing debt to cash flow ratio : Interest-bearing debt (corporate bonds, short- and long-term borrowings)/Cash flow

Interest coverage ratio : Cash flow/Interest payment (interest expenses)

2. Each indicator is calculated by the financial numerical values on a consolidated basis.

3. Total market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of shares issued and outstanding at the end of the period.

4. Cash flow uses the “Net cash provided by operating activities” of the consolidated statement of cash flows.

5. Interest-bearing debt includes all liabilities as recorded on the consolidated balance sheet on which interest is paid. Moreover, the interest payment uses the “Interest paid” on the consolidated statement of cash flows.

(4) Future outlook

Regarding the prospects for the next fiscal year (fiscal year ending March 31, 2021), ample vigilance is needed regarding the risk of a downturn in the domestic and overseas markets due to infectious disease, along with monitoring of the impact of fluctuations in the financial and capital markets, among other factors.

In the food industry, while consumer consciousness in terms of protecting livelihood and preferences for low-priced products continues, market situations are still tough. Moreover, the demand for social responsibility on the part of companies, such as food safety and assurance, is ever increasing. The Group is further implementing vigorous sales activities that strengthen sales promotions by region and product. In addition, even on the cost side, in order to address more severe competition in sales, the Group will concentrate on thorough cost reductions by restructuring the distribution system and in the manufacturing division.

From the above, therefore, it is expected that the net sales for the full fiscal year will be ¥426,000 million (up 2.4% year on year), the operating profit will be ¥30,500 million (up 7.6% year on year), the ordinary profit will be ¥33,000 million (up 5.3% year on year), and the profit attributable to owners of parent will be ¥26,000 million (up 11.2% year on year). The Japanese yen to U.S. dollar currency exchange rate is forecasted to be ¥108.00.

2. Basic Rationale for Selection of Accounting Standard

The Group currently prepares the consolidated financial statements according to the generally accepted accounting standards in Japan (Japanese GAAP), as it makes it possible to compare the consolidated financial statements against previous fiscal year and against other companies.

The Group is considering applying IFRS in the future in light of the trends of other companies in Japan applying IFRS.

3. Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	As of end FY2019 (March 31, 2019)	As of end FY2020 (March 31, 2020)
Assets		
Current assets		
Cash and deposits	86,280	112,754
Notes and accounts receivable - trade	54,432	57,106
Securities	32,000	23,000
Merchandise and finished goods	19,168	13,598
Work in process	332	347
Raw materials and supplies	6,722	6,062
Other	4,990	3,412
Allowance for doubtful accounts	(628)	(649)
Total current assets	203,298	215,632
Non-current assets		
Property, plant and equipment		
Buildings and structures	155,030	160,070
Accumulated depreciation and impairment loss	(83,257)	(87,363)
Buildings and structures, net	71,773	72,706
Machinery, equipment and vehicles	129,775	136,144
Accumulated depreciation and impairment loss	(94,175)	(98,622)
Machinery, equipment and vehicles, net	35,599	37,521
Land	35,622	34,976
Leased assets	5,327	5,561
Accumulated depreciation and impairment loss	(2,619)	(3,022)
Leased assets, net	2,707	2,538
Construction in progress	5,722	7,233
Other	6,307	6,432
Accumulated depreciation and impairment loss	(4,957)	(5,227)
Other, net	1,350	1,204
Total property, plant and equipment	152,776	156,181
Intangible assets		
Software	1,307	1,044
Other	296	398
Total intangible assets	1,604	1,443
Investments and other assets		
Investment securities	30,409	27,018
Deferred tax assets	1,165	1,377
Retirement benefit asset	75	63
Other	860	891
Total investments and other assets	32,511	29,351
Total non-current assets	186,891	186,976
Total assets	390,190	402,608

(Millions of yen)

	As of end FY2019 (March 31, 2019)	As of end FY2020 (March 31, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,320	25,531
Short-term borrowings	644	324
Lease obligations	254	310
Accrued expenses	21,111	23,246
Income taxes payable	1,909	4,555
Provision for bonuses for directors (and other officers)	74	143
Other	3,555	2,544
Total current liabilities	53,870	56,656
Non-current liabilities		
Lease obligations	3,664	3,734
Deferred tax liabilities	3,476	2,185
Provision for retirement benefits for directors (and other officers)	302	326
Retirement benefit liability	18,899	20,303
Asset retirement obligations	216	212
Other	2,030	1,196
Total non-current liabilities	28,590	27,958
Total liabilities	82,461	84,614
Net assets		
Shareholders' equity		
Share capital	18,969	18,969
Capital surplus	22,942	22,942
Retained earnings	252,891	268,100
Treasury shares	(8,228)	(8,230)
Total shareholders' equity	286,574	301,781
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,853	7,372
Deferred gains or losses on hedges	(1)	11
Foreign currency translation adjustment	2,054	37
Remeasurements of defined benefit plans	(1,843)	(2,555)
Total accumulated other comprehensive income	10,063	4,866
Non-controlling interests	11,090	11,345
Total net assets	307,729	317,994
Total liabilities and net assets	390,190	402,608

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

(Millions of yen)

	FY2019 (from April 1, 2018 to March 31, 2019)	FY2020 (from April 1, 2019 to March 31, 2020)
Net sales	401,064	416,031
Cost of sales	254,754	261,911
Gross profit	146,309	154,120
Selling, general and administrative expenses		
Transportation and storage costs	30,095	28,975
Advertising expenses	3,704	4,159
Promotion expenses	67,427	70,471
Salaries	6,212	6,279
Bonuses	1,917	2,171
Retirement benefit expenses	1,065	1,085
Provision for bonuses for directors (and other officers)	73	136
Provision for retirement benefits for directors (and other officers)	34	32
Depreciation	1,161	1,172
Research and development expenses	1,509	1,532
Other	9,446	9,753
Total selling, general and administrative expenses	122,648	125,771
Operating profit	23,661	28,348
Non-operating income		
Interest income	1,715	1,956
Dividend income	470	502
Share of profit of entities accounted for using equity method	142	150
Miscellaneous income	892	939
Total non-operating income	3,221	3,548
Non-operating expenses		
Interest expenses	252	246
Miscellaneous loss	461	300
Total non-operating expenses	713	546
Ordinary profit	26,169	31,350
Extraordinary income		
Gain on sales of non-current assets	11	801
Subsidy income	811	1,003
Other	314	96
Total extraordinary income	1,137	1,901

(Millions of yen)

	FY2019 (from April 1, 2018 to March 31, 2019)	FY2020 (from April 1, 2019 to March 31, 2020)
Extraordinary losses		
Loss on sales and retirement of non-current assets	311	455
Impairment loss	200	115
Loss on disaster	130	32
Other	756	47
Total extraordinary losses	1,400	651
Profit before income taxes	25,906	32,600
Income taxes - current	6,078	8,852
Income taxes - deferred	875	(127)
Total income taxes	6,954	8,724
Profit	18,952	23,876
Profit attributable to non-controlling interests	513	496
Profit attributable to owners of parent	18,438	23,379

(Consolidated statements of comprehensive income)

(Millions of yen)

	FY2019 (from April 1, 2018 to March 31, 2019)	FY2020 (from April 1, 2019 to March 31, 2020)
Profit	18,952	23,876
Other comprehensive income		
Valuation difference on available-for-sale securities	(81)	(2,640)
Deferred gains or losses on hedges	38	13
Foreign currency translation adjustment	3,996	(2,017)
Remeasurements of defined benefit plans, net of tax	227	(703)
Share of other comprehensive income of entities accounted for using equity method	(6)	52
Total other comprehensive income	4,172	(5,295)
Comprehensive income	23,124	18,581
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	22,860	18,183
Comprehensive income attributable to non- controlling interests	264	398

(3) Consolidated statements of changes in equity
Previous fiscal year (from April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	18,969	22,942	240,580	(8,227)	274,265
Changes during period					
Dividends of surplus			(6,127)		(6,127)
Profit attributable to owners of parent			18,438		18,438
Purchase of treasury shares				(1)	(1)
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	12,311	(1)	12,309
Balance at end of period	18,969	22,942	252,891	(8,228)	286,574

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	9,680	(39)	(1,941)	(2,057)	5,642	10,974	290,881
Changes during period							
Dividends of surplus							(6,127)
Profit attributable to owners of parent							18,438
Purchase of treasury shares							(1)
Change in ownership interest of parent due to transactions with non-controlling interests							(0)
Net changes in items other than shareholders' equity	172	38	3,996	214	4,421	116	4,537
Total changes during period	172	38	3,996	214	4,421	116	16,847
Balance at end of period	9,853	(1)	2,054	(1,843)	10,063	11,090	307,729

Current fiscal year (from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	18,969	22,942	252,891	(8,228)	286,574
Changes during period					
Dividends of surplus			(8,170)		(8,170)
Profit attributable to owners of parent			23,379		23,379
Purchase of treasury shares				(2)	(2)
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	(0)	15,209	(2)	15,206
Balance at end of period	18,969	22,942	268,100	(8,230)	301,781

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	9,853	(1)	2,054	(1,843)	10,063	11,090	307,729
Changes during period							
Dividends of surplus							(8,170)
Profit attributable to owners of parent							23,379
Purchase of treasury shares							(2)
Change in ownership interest of parent due to transactions with non-controlling interests							(0)
Net changes in items other than shareholders' equity	(2,480)	13	(2,017)	(712)	(5,196)	255	(4,941)
Total changes during period	(2,480)	13	(2,017)	(712)	(5,196)	255	10,265
Balance at end of period	7,372	11	37	(2,555)	4,866	11,345	317,994

(4) Consolidated statements of cash flows

(Millions of yen)

	FY2019 (from April 1, 2018 to March 31, 2019)	FY2020 (from April 1, 2019 to March 31, 2020)
Cash flows from operating activities		
Profit before income taxes	25,906	32,600
Depreciation	13,842	14,780
Impairment loss	200	115
Share of loss (profit) of entities accounted for using equity method	(142)	(150)
Loss (gain) on sales of investment securities	(232)	(14)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	22	23
Increase (decrease) in provision for bonuses for directors (and other officers)	8	68
Increase (decrease) in allowance for doubtful accounts	226	20
Increase (decrease) in retirement benefit liability	(57)	444
Interest and dividend income	(2,186)	(2,458)
Interest expenses	252	246
Foreign exchange losses (gains)	12	28
Loss (gain) on sales and retirement of property, plant and equipment	299	(346)
Decrease (increase) in trade receivables	(127)	(2,754)
Decrease (increase) in inventories	(2,253)	6,140
Increase (decrease) in trade payables	181	(733)
Increase (decrease) in accrued expenses	(78)	2,175
Other, net	(475)	2,093
Subtotal	35,397	52,281
Interest and dividends received	1,899	2,592
Interest paid	(252)	(246)
Income taxes paid	(6,016)	(6,935)
Net cash provided by (used in) operating activities	31,028	47,692
Cash flows from investing activities		
Payments into time deposits	(63,694)	(74,482)
Proceeds from withdrawal of time deposits	57,478	62,881
Purchase of securities	(81,000)	(71,000)
Proceeds from sales and redemption of securities	88,000	84,000
Purchase of property, plant and equipment	(27,937)	(20,631)
Proceeds from sales of property, plant and equipment	23	1,623
Purchase of intangible assets	(453)	(497)
Purchase of investment securities	(29)	(250)
Proceeds from sales of investment securities	342	17
Loan advances	(1,324)	(1,638)
Collection of loans receivable	1,268	1,643
Other, net	(32)	(118)
Net cash provided by (used in) investing activities	(27,358)	(18,454)

(Millions of yen)

	FY2019 (from April 1, 2018 to March 31, 2019)	FY2020 (from April 1, 2019 to March 31, 2020)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,180	625
Repayments of short-term borrowings	(821)	(945)
Purchase of treasury shares of subsidiaries	(1)	(2)
Dividends paid	(6,122)	(8,164)
Dividends paid to non-controlling interests	(145)	(139)
Other, net	(253)	(286)
Net cash provided by (used in) financing activities	(6,163)	(8,912)
Effect of exchange rate change on cash and cash equivalents	370	(215)
Net increase (decrease) in cash and cash equivalents	(2,123)	20,110
Cash and cash equivalents at beginning of period	25,409	23,286
Cash and cash equivalents at end of period	23,286	43,396

(Segment information, etc.)

Segment information

1. Summary of reportable segments

Reportable segments are classified as those that are part of the Company for which separate financial data can be obtained and which are subject to regular examination so that the Board of Directors can determine how to allocate business resources and evaluate earnings.

The Group has established business departments based on the type of products and services, with each business department creating a comprehensive strategy and engaging in business activities relating to the products and services it handles. The Overseas Instant Noodles Segment is a management unit established independently by overseas subsidiaries. The business unit creates a comprehensive strategy and engages in business activities relating to the products it handles.

The Group thus consists of segments characterized by product and region based on business departments and overseas subsidiaries. The Group has 6 reportable segments, namely, the Seafood Segment, Overseas Instant Noodles Segment, Domestic Instant Noodles Segment, Frozen and Refrigerated Foods Segment, Processed Foods Segment and Cold-Storage Segment.

The Seafood Segment procures, processes and sells seafood. The Overseas Instant Noodles Segment manufactures and sells instant noodles overseas. The Domestic Instant Noodles Segment manufactures and sells instant noodles in Japan. The Frozen and Refrigerated Foods Segment manufactures and sells frozen and chilled foods. The Processed Foods Segment manufactures and sells processed foods (excluding instant noodles, frozen and chilled foods). The Cold-Storage Segment freezes and stores food in cold warehouses.

2. Information relating to calculation of net sales, profit, assets and other items by each reportable segment

The accounting method used for reported business segments complies with accounting policy that has been adopted in preparing the consolidated financial statements.

Profit of reportable segments is calculated based on operating profit.

Intersegment sales or transfer is calculated based on current market price.

3. Information relating to net sales, profit, assets and other items by each reportable segment
Previous fiscal year (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Reportable segment							Other (Note 1)	Total	Adjust- ments (Note 2)	Amount reported on 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	29,998	83,786	127,570	69,189	22,667	18,463	351,675	49,388	401,064	—	401,064
Intersegment sales or transfers	1,049	—	—	—	—	1,059	2,108	90	2,199	(2,199)	—
Total	31,047	83,786	127,570	69,189	22,667	19,522	353,784	49,478	403,263	(2,199)	401,064
Segment profit (loss)	158	9,582	7,860	4,543	(977)	1,609	22,777	1,484	24,262	(600)	23,661
Segment assets	19,181	106,466	64,644	21,607	20,762	48,286	280,948	18,467	299,415	90,775	390,190
Other items											
Depreciation	210	2,854	3,831	1,129	1,525	2,495	12,047	972	13,020	821	13,842
Increases in property, plant and equipment and intangible assets	308	4,288	1,084	554	6,746	13,166	26,148	735	26,884	3,506	30,390

(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 breakdown of Adjustments is given below:

(1) The negative ¥600 million in segment profit or loss adjustments include companywide expenses of negative ¥1,138 million which have not been allocated to each reportable segment, a ¥22 million adjustment to inventories, and other adjustments of ¥515 million. Companywide expenses refer mainly to general and administrative expenses which do not belong to any reportable segment. Other adjustments are mainly for the offset elimination of knowhow fees from overseas subsidiaries.

(2) The ¥90,775 million in segment assets adjustments include companywide assets of ¥90,693 million which have not been allocated to each reportable segment and other adjustments of ¥82 million. Companywide assets refer mainly to long-term investment funds (investment securities) at the parent company and assets in the administrative department. Other adjustments are calculated mainly by the equity method.

(3) The ¥821 million in depreciation adjustments include companywide expenses of ¥805 million which have not been allocated to each reportable segment, 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 depreciation of idle properties which are accounts for as non-operating expenses.

(4) The ¥3,506 million in adjustments of increases in property, plant and equipment and intangible assets refer to companywide assets which have not been allocated to each reportable segment.

3. Segment profit or loss is adjusted at the operating profit level on the consolidated financial statements.

Current fiscal year (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reportable segment							Other (Note 1)	Total	Adjust- ments (Note 2)	Amount reported on 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	29,862	88,992	133,302	72,293	24,184	20,530	369,165	46,866	416,031	—	416,031
Intersegment sales or transfers	925	—	—	1	—	1,209	2,136	29	2,165	(2,165)	—
Total	30,788	88,992	133,302	72,295	24,184	21,739	371,301	46,895	418,197	(2,165)	416,031
Segment profit (loss)	(671)	12,193	11,084	5,587	(1,307)	1,262	28,149	872	29,021	(672)	28,348
Segment assets	15,412	112,464	64,181	22,378	22,306	50,368	287,112	17,809	304,922	97,686	402,608
Other items											
Depreciation	257	2,918	3,543	962	1,951	3,222	12,857	977	13,834	946	14,780
Increases in property, plant and equipment and intangible assets	1,470	4,859	1,991	724	3,559	5,121	17,727	1,380	19,107	583	19,691

(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 breakdown of Adjustments is given below:

- (1) The negative ¥672 million in segment profit or loss adjustments include companywide expenses of negative ¥1,236 million which have not been allocated to each reportable segment, a ¥56 million adjustment to inventories, and other adjustments of ¥507 million. Companywide expenses refer mainly to general and administrative expenses which do not belong to any reportable segment. Other adjustments are mainly for the offset elimination of knowhow fees from overseas subsidiaries.
- (2) The ¥97,686 million in segment assets adjustments include companywide assets of ¥97,328 million which have not been allocated to each reportable segment and other adjustments of ¥357 million. Companywide assets refer mainly to long-term investment funds (investment securities) at the parent company and assets in the administrative department. Other adjustments are calculated mainly by the equity method.
- (3) The ¥946 million in depreciation adjustments include companywide expenses of ¥913 million which have not been allocated to each reportable segment, and other adjustments of ¥32 million. Companywide expenses refer mainly to general and administrative expenses which do not belong to any reportable segment. Other adjustments are mainly depreciation of idle properties which are accounts for as non-operating expenses.
- (4) The ¥583 million in adjustments of increases in property, plant and equipment and intangible assets refer to companywide assets which have not been allocated to each reportable segment.

3. Segment profit or loss is adjusted at the operating profit level on the consolidated financial statements.

Related information

Previous fiscal year (From April 1, 2018 to March 31, 2019)

1. Information by products and services

Information by products or services is omitted because the details are disclosed on “Segment information.”

2. Information by region

(1) Net sales

(Millions of yen)

Japan	The Americas [Of which, USA]	Other regions	Total
316,434	83,795 [54,984]	833	401,064

(Notes) 1. Net sales are calculated by regions or countries where customers have operations.

2. Main country or region that belongs to each category

The Americas – USA, United Mexican States

Other regions – Kingdom of Thailand, People’s Republic of China, Taiwan, Republic of Korea

(2) Property, plant and equipment

(Millions of yen)

Japan	The Americas [Of which, USA]	Total
124,252	28,523 [28,516]	152,776

3. Information by major customers

(Millions of yen)

Customer’s name	Net sales	Related segments
MITSUI & CO., LTD.	100,570	Domestic Instant Noodles Segment, etc.

Current fiscal year (From April 1, 2019 to March 31, 2020)

1. Information by products and services

Information by products or services is omitted because the details are disclosed on “Segment information.”

2. Information by region

(1) Net sales

(Millions of yen)

Japan	The Americas [Of which, USA]	Other regions	Total
326,136	89,022 [59,415]	873	416,031

(Notes) 1. Net sales are calculated by regions or countries where customers have operations.

2. Main country or region that belongs to each category

The Americas – USA, United Mexican States

Other regions – Kingdom of Thailand, People’s Republic of China, Taiwan, Republic of Korea

(2) Property, plant and equipment

(Millions of yen)

Japan	The Americas [Of which, USA]	Total
126,221	29,959 [29,953]	156,181

3. Information by major customers

(Millions of yen)

Customer’s name	Net sales	Related segments
MITSUI & CO., LTD.	109,068	Domestic Instant Noodles Segment, etc.

Information relating to impairment loss on non-current assets by each reportable segment

Previous fiscal year (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Reportable segment						Other	Elimination or corporate	Total
	Seafood Segment	Overseas Instant Noodles Segment	Domestic Instant Noodles Segment	Frozen and Refrigerated Foods Segment	Processed Foods Segment	Cold- Storage Segment			
Impairment loss	169	—	—	—	20	—	11	—	200

Current fiscal year (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reportable segment						Other	Elimination or corporate	Total
	Seafood Segment	Overseas Instant Noodles Segment	Domestic Instant Noodles Segment	Frozen and Refrigerated Foods Segment	Processed Foods Segment	Cold- Storage Segment			
Impairment loss	—	—	—	3	3	—	108	—	115

Information relating to amortized/unamortized balance of goodwill/negative goodwill by each reportable segment

Previous fiscal year (From April 1, 2018 to March 31, 2019)

Not applicable.

Current fiscal year (From April 1, 2019 to March 31, 2020)

Not applicable.

Information relating to gain on negative goodwill by each reportable segment

Previous fiscal year (From April 1, 2018 to March 31, 2019)

Not applicable.

Current fiscal year (From April 1, 2019 to March 31, 2020)

Not applicable.