

May 11, 2018

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 <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 ordinary general meeting of shareholders: June 28, 2018  
 Scheduled date of start of dividend payment: June 29, 2018  
 Scheduled date of filing of annual securities report: June 28, 2018  
 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, 2017 to March 31, 2018)

### (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	%
FY2018 ended Mar. 31, 2018	388,797	1.6	26,652	(9.6)	28,571	(8.3)	18,431	(11.5)
FY2017 ended Mar. 31, 2017	382,678	(0.2)	29,486	4.1	31,147	5.6	20,837	13.5

Note: Comprehensive income FY2018 ended March 31, 2018: 15,361 million yen [(30.4)%]  
 FY2017 ended March 31, 2017: 22,072 million yen [83.7%]

	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	%	%	%
FY2018 ended Mar. 31, 2018	180.47	—	6.7	7.8	6.9
FY2017 ended Mar. 31, 2017	204.03	—	7.9	8.8	7.7

Reference: Share of profit (loss) of entities accounted for using equity method  
 FY2018 ended March 31, 2018: 136 million yen  
 FY2017 ended March 31, 2017: 116 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, 2018	373,483	290,881	74.9	2,740.72
As of Mar. 31, 2017	361,074	281,795	75.1	2,655.44

Reference: Equity  
 As of March 31, 2018: 279,907 million yen  
 As of March 31, 2017: 271,198 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
FY2018 ended Mar. 31, 2018	29,370	(20,384)	(6,482)	25,409
FY2017 ended Mar. 31, 2017	33,644	(30,843)	(6,770)	23,228

**2. Dividends**

	Full Year Dividends					Total dividend payments (Full-year)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1 <sup>st</sup> quarter-end	2 <sup>nd</sup> quarter-end	3 <sup>rd</sup> quarter-end	Year-end	For the year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2017	—	30.00	—	30.00	60.00	6,130	29.4	2.3
FY2018	—	30.00	—	30.00	60.00	6,130	33.3	2.2
FY2019 (Forecast)	—	—	—	—	—		0.0	

**3. Consolidated Results Forecasts for FY2019 (from April 1, 2018 to March 31, 2019)**

(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	196,000	3.2	12,000	(6.2)	13,000	(6.5)	9,000	2.4	88.12
Full year	405,000	4.2	25,500	(4.3)	27,500	(3.8)	19,100	3.6	187.02

**\* 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: None
- Changes in accounting policies due to other reasons: None
- Changes in accounting estimates: None
- Restatement: None

(3) Number of shares issued (common stock)

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

As of March 31, 2018	110,881,044 shares
As of March 31, 2017	110,881,044 shares

- b. Number of treasury shares at end of period

As of March 31, 2018	8,751,898 shares
As of March 31, 2017	8,751,549 shares

- c. Average number of shares outstanding during the period

FY2018 ended March 31, 2018	102,129,278 shares
FY2017 ended March 31, 2017	102,129,567 shares

## (Reference) Summary of Non-Consolidated Operating Results

### 1. Non-Consolidated Operating Results (from April 1, 2017 to March 31, 2018)

#### (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	%
FY2018 ended Mar. 31, 2018	252,992	1.5	11,970	(1.7)	17,269	0.7	12,233	(10.4)
FY2017 ended Mar. 31, 2017	249,201	1.2	12,176	17.2	17,154	16.7	13,659	21.9

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2018 ended Mar. 31, 2018	119.73	—
FY2017 ended Mar. 31, 2017	133.69	—

#### (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, 2018	244,082	161,395	66.1	1,579.55
As of Mar. 31, 2017	242,226	154,566	63.8	1,512.71

Reference: Equity

As of March 31, 2018: 161,395 million yen

As of March 31, 2017: 154,566 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 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: “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.

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## 1. Overview of Operating Results and Others

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

#### (Operating results for the current fiscal year)

During the fiscal year ended March 31, 2018, although the Japanese economy continued to recover at a gradual pace, a 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, 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 ¥388,797 million (up 1.6% year on year), operating profit was ¥26,652 million (down 9.6% year on year), ordinary profit was ¥28,571 million (down 8.3% year on year), and profit attributable to owners of parent was ¥18,431 million (down 11.5% year on year) for the current fiscal year.

The foreign exchange rate for the fiscal year was ¥106.25 to the U.S. dollar (¥112.19 to the U.S. dollar for the previous fiscal year).

The operating results by segment are as follows.

#### [Seafood Segment]

In the Seafood Segment, while there was increasing severity in business conditions due to a decrease in the haul of fish and harsher sales competition in the domestic market, the Company carried out initiatives to strengthen efforts in sales to various retailers and reassess procurement strategies. Furthermore, segment sales increased centered on mainstay products such as fish eggs, and salmon and trout. As a result, segment sales were ¥32,021 million (up 1.9% year on year). Segment profit was ¥288 million (up 51.4% year on year), boosted by efforts to sell at appropriate pricing amid the soaring price of raw materials.

#### [Overseas Instant Noodles Segment]

In the Overseas Instant Noodles Segment, in the U.S., as strengthening initiatives with various trading partners, we aggressively implemented such strategies as in-store display promotions on a mass scale and coupon campaigns, which provided increased sales. In Mexico, sales increased due to the favorable level of orders from wholesaler distribution routes and the special sales campaigns carried out at major mass retailers. As a result, segment sales were ¥73,048 million (up 0.0% year on year) despite the impact of the stronger yen. Segment profit was ¥9,976 million (down 15.5% year on year), due to the increases mainly in personnel expenses and transportation costs.

#### [Domestic Instant Noodles Segment]

In the Domestic Instant Noodles Segment, in cup-type noodles, our signature products *Akai Kitsune Udon*, *Midori no Tanuki Ten Soba*, *Gotsu Mori*, and *Menzukuri*, whose recipe has been renewed to mark its launch of 25th anniversary, sold well. In addition, sales of *MARUCHAN QTTA*, which was launched in March 2017, was also steady, resulting increase in sales. In bag-type noodles, despite efforts such as stimulating new demand by launching new flavors and holding consumer campaigns in the *Maruchan Seimen* series, total sales decreased amidst a challenging overall market environment. As a result, segment sales were ¥129,008 million (up 2.3% year on year). Segment profit was ¥8,311 million (down 17.3% year on year), mainly due to the increases in advertising costs and depreciation.

#### [Frozen and Refrigerated Foods Segment]

In the Frozen and Refrigerated Foods Segment, sales of fresh noodle products increased owing to the steady sales of the two-meal package *Maruchan Yakisoba Kiwami Futomen* series launched in February 2017, and the ongoing introduction of the new two-meal package fresh ramen noodle product *Koku no Itteki* series, despite the sales of our signature product *Maruchan Yakisoba (Three-Meal Package)* series being at the same level year on year. In chilled foods, *Maruchan Yakisoba Shumai*, *Maruchan Soup Wonton*, and newly launched *Maruchan Yakisoba Gyoza* sold well. In frozen foods, *Rice Burger*, which introduced new products, and *Chinchintei Abura Soba* sold well, resulting in increase in sales. As a result, segment sales were ¥68,626 million (up 1.6% year on year). Segment profit was ¥5,271 million (up 6.6% year on year).

#### [Processed Foods Segment]

In the Processed Foods Segment, sales of packaged cooked rice decreased due to the impact of temporary adjustments to sales to ensure the stable supply in the period until completion of production capacity upgrades at a plant despite robust sales of brown rice, etc. of the retort packaged cooked rice products. In the freeze-dried products, sales increased due to the expansion of stores newly adopting products and the launch of new products. As a result, segment sales were ¥21,329 million (down 0.8% year on year) and segment profit was ¥133 million (down 81.6% year on year), due to an increase in depreciation, etc. accompanying preparations to start operations at a new plant.

#### [Cold-Storage Segment]

In the Cold-Storage Segment, sales increased, owing to the efforts to actively capture new customers while strengthening initiatives with existing customers as well as the efforts to further enhance the transportation and customs clearance services. As a result, segment sales were ¥17,656 million (up 4.6% year on year). Although transportation and storage costs increased, segment profit was ¥2,034 million (up 20.6% year on year) owing to contribution from reduced expenses achieved through making operations more efficient.

#### [Other Business Segment]

The Other Business Segment consists of mainly the packed lunch/deli food business. Segment sales were ¥47,106 million (up 1.8% year on year), while segment profit was ¥1,173 million (up 10.8% year on year).

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

#### (Analysis of assets, liabilities, net assets, and cash flows)

##### Assets, liabilities, and net assets

The total assets of the Group increased by ¥12,409 million (up 3.4% year on year) compared with the end of the previous fiscal year, to ¥373,483 million. The positions of assets, liabilities, net assets in the current fiscal year are as follows.

##### [Current assets]

Current assets increased by ¥5,100 million (up 2.6% year on year) compared with the end of the previous fiscal year, to ¥202,414 million. The main contributing factors were increases in notes and accounts receivable - trade, and merchandise and finished goods despite a decrease in cash and deposits.

##### [Non-current assets]

Non-current assets increased by ¥7,309 million (up 4.5% year on year) compared with the end of the previous fiscal year, to ¥171,069 million. The main contributing factors were increases in construction in progress and investment securities.

##### [Current liabilities]

Current liabilities increased by ¥2,860 million (up 5.7% year on year) compared with the end of the previous fiscal year, to ¥53,079 million. The main contributing factors were increases in notes and accounts payable - trade and accrued expenses.

##### [Non-current liabilities]

Non-current liabilities increased by ¥462 million (up 1.6% year on year) compared with the end of the previous fiscal year, to ¥29,522 million. The main contributing factor was an increase in net defined benefit liability.

##### [Net assets]

Net assets increased by ¥9,086 million (up 3.2% year on year) compared with the end of the previous fiscal year, to ¥290,881 million. The main contributing factors was an increase in retained earnings despite a decrease in foreign currency translation adjustment.

### (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 ¥2,181 million from the end of the previous fiscal year to ¥25,409 million. The respective cash flow positions are as follows.

[Cash flows from operating activities]

Net cash provided by operating activities decreased by ¥4,274 million compared with the previous fiscal year to ¥29,370 million. The main contributing factor was an increase in notes and accounts receivable - trade and a decrease in profit before income taxes.

[Cash flows from investing activities]

Net cash used in investing activities decreased by ¥10,459 million compared with the previous fiscal year to ¥20,384 million. The main contributing factor was a decrease in purchase of securities, despite an increase in purchase of property, plant and equipment.

[Cash flows from financing activities]

Net cash used in financing activities decreased by ¥287 million compared with the previous fiscal year to ¥6,482 million. The main contributing factor was an increase in short-term loans payable.

(Reference) Variation of cash flow indicators

	Fiscal year ended March, 2017	Fiscal year ended March, 2018
Equity ratio (%)	75.1	74.9
Equity ratio based on market value (%)	117.2	112.8
Interest-bearing debt to cash flow ratio (annual)	0.0	0.0
Interest coverage ratio (times)	126.3	113.2

(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 loans payable)/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 expenses paid” on the consolidated statement of cash flows.

(4) Future outlook

Regarding the prospects for the next fiscal year (fiscal year ending March 31, 2019), amid continued improvements in the employment and income environments, as well as results from various economic measures, we anticipate further gradual recovery. However, it is necessary to be mindful of the effects of uncertainty with regard to overseas economies as well as fluctuations in the financial and capital markets.

In the food industry, although signs of pick-ups in personal consumption are visible, while consumer consciousness in terms of protecting livelihood and preferences for low-priced products continue, and 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 ¥405,000 million (up 4.2% year on year), the operating profit will be ¥25,500 million (down 4.3% year on year), the ordinary profit will be ¥27,500 million (down 3.8% year on year), and the profit attributable to owners of parent will be ¥19,100 million (up 3.6% year on year). The Japanese yen to U.S. dollar currency exchange rate is forecasted to be ¥106.00.

## **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 FY2017 (March 31, 2017)	As of end FY2018 (March 31, 2018)
<b>Assets</b>		
Current assets		
Cash and deposits	78,209	75,770
Notes and accounts receivable - trade	50,315	54,161
Securities	43,000	43,000
Merchandise and finished goods	15,678	18,281
Work in process	409	329
Raw materials and supplies	5,307	5,214
Deferred tax assets	1,825	1,650
Other	3,062	4,409
Allowance for doubtful accounts	(493)	(402)
Total current assets	197,314	202,414
Non-current assets		
Property, plant and equipment		
Buildings and structures	141,417	136,573
Accumulated depreciation and impairment loss	(81,860)	(78,795)
Buildings and structures, net	59,557	57,777
Machinery, equipment and vehicles	113,214	117,868
Accumulated depreciation and impairment loss	(84,866)	(87,352)
Machinery, equipment and vehicles, net	28,347	30,516
Land	35,336	35,345
Leased assets	4,715	5,160
Accumulated depreciation and impairment loss	(1,744)	(2,185)
Leased assets, net	2,970	2,974
Construction in progress	1,786	8,305
Other	5,998	6,005
Accumulated depreciation and impairment loss	(4,642)	(4,826)
Other, net	1,356	1,179
Total property, plant and equipment	129,355	136,098
Intangible assets		
Software	2,113	1,358
Other	315	380
Total intangible assets	2,428	1,738
Investments and other assets		
Investment securities	29,689	31,316
Deferred tax assets	1,469	984
Net defined benefit asset	73	70
Other	1,074	1,192
Allowance for doubtful accounts	(331)	(331)
Total investments and other assets	31,976	33,232
Total non-current assets	163,760	171,069
Total assets	361,074	373,483

(Millions of yen)

	As of end FY2017 (March 31, 2017)	As of end FY2018 (March 31, 2018)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	24,339	26,036
Short-term loans payable	267	285
Lease obligations	243	229
Accrued expenses	19,713	21,082
Income taxes payable	3,068	2,614
Deferred tax liabilities	2	3
Provision for directors' bonuses	196	66
Provision for removal cost of property, plant and equipment	179	16
Other	2,208	2,744
Total current liabilities	50,219	53,079
Non-current liabilities		
Lease obligations	3,955	3,766
Deferred tax liabilities	4,021	4,069
Provision for directors' retirement benefits	213	279
Net defined benefit liability	18,846	19,231
Asset retirement obligations	229	215
Other	1,794	1,960
Total non-current liabilities	29,060	29,522
Total liabilities	79,279	82,602
<b>Net assets</b>		
Shareholders' equity		
Capital stock	18,969	18,969
Capital surplus	22,942	22,942
Retained earnings	228,277	240,580
Treasury shares	(8,225)	(8,227)
Total shareholders' equity	261,963	274,265
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,738	9,680
Deferred gains or losses on hedges	(5)	(39)
Foreign currency translation adjustment	2,627	(1,941)
Remeasurements of defined benefit plans	(2,124)	(2,057)
Total accumulated other comprehensive income	9,235	5,642
Non-controlling interests	10,596	10,974
Total net assets	281,795	290,881
Total liabilities and net assets	361,074	373,483

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

(Millions of yen)

	FY2017 (from April 1, 2016 to March 31, 2017)	FY2018 (from April 1, 2017 to March 31, 2018)
Net sales	382,678	388,797
Cost of sales	237,692	241,990
Gross profit	144,985	146,806
Selling, general and administrative expenses		
Transportation and warehousing expenses	26,139	28,039
Advertising expenses	4,406	4,749
Promotion expenses	63,302	66,288
Salaries	6,259	6,243
Bonuses	2,360	1,889
Retirement benefit expenses	1,052	1,080
Provision for directors' bonuses	187	65
Provision for directors' retirement benefits	33	35
Depreciation	1,260	1,267
Research and development expenses	1,253	1,154
Other	9,244	9,341
Total selling, general and administrative expenses	115,499	120,154
Operating profit	29,486	26,652
Non-operating income		
Interest income	846	1,080
Dividend income	433	448
Share of profit of entities accounted for using equity method	116	136
Foreign exchange gains	192	—
Rent income	341	337
Miscellaneous income	630	747
Total non-operating income	2,561	2,751
Non-operating expenses		
Interest expenses	266	259
Cost of lease revenue	71	59
Compensation expenses	27	89
Foreign exchange losses	—	238
Provision of allowance for doubtful accounts	334	55
Miscellaneous loss	201	129
Total non-operating expenses	900	832
Ordinary profit	31,147	28,571
Extraordinary income		
Gain on sales of non-current assets	35	47
Gain on sales of investment securities	7	67
Subsidy income	1,380	605
Other	55	3
Total extraordinary income	1,479	723

(Millions of yen)

	FY2017 (from April 1, 2016 to March 31, 2017)	FY2018 (from April 1, 2017 to March 31, 2018)
Extraordinary losses		
Loss on sales and retirement of non-current assets	742	1,696
Impairment loss	783	21
Loss on valuation of shares of subsidiaries and associates	429	145
Provision for removal cost of property, plant and equipment	179	—
Other	29	143
Total extraordinary losses	2,163	2,008
Profit before income taxes	30,463	27,287
Income taxes - current	10,308	8,261
Income taxes - deferred	(1,069)	214
Total income taxes	9,238	8,475
Profit	21,224	18,811
Profit attributable to non-controlling interests	387	380
Profit attributable to owners of parent	20,837	18,431

## (Consolidated statements of comprehensive income)

(Millions of yen)

	FY2017 (from April 1, 2016 to March 31, 2017)	FY2018 (from April 1, 2017 to March 31, 2018)
Profit	21,224	18,811
Other comprehensive income		
Valuation difference on available-for-sale securities	1,077	1,089
Deferred gains or losses on hedges	41	(34)
Foreign currency translation adjustment	(591)	(4,568)
Remeasurements of defined benefit plans, net of tax	300	58
Share of other comprehensive income of entities accounted for using equity method	19	4
Total other comprehensive income	848	(3,449)
Comprehensive income	22,072	15,361
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,472	14,837
Comprehensive income attributable to non- controlling interests	600	523

(3) Consolidated statements of changes in equity  
Previous fiscal year (from April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	18,969	22,517	213,567	(8,225)	246,830
Changes of items during period					
Dividends of surplus			(6,127)		(6,127)
Profit attributable to owners of parent			20,837		20,837
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		424			424
Net changes of items other than shareholders' equity					
Total changes of items during period	—	424	14,709	(0)	15,133
Balance at end of current period	18,969	22,942	228,277	(8,225)	261,963

	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 current period	7,806	(47)	3,218	(2,377)	8,599	10,770	266,200
Changes of items during period							
Dividends of surplus							(6,127)
Profit attributable to owners of parent							20,837
Purchase of treasury shares							(0)
Change in ownership interest of parent due to transactions with non-controlling interests						(624)	(200)
Net changes of items other than shareholders' equity	931	41	(591)	253	635	450	1,086
Total changes of items during period	931	41	(591)	253	635	(173)	15,595
Balance at end of current period	8,738	(5)	2,627	(2,124)	9,235	10,596	281,795

Current fiscal year (from April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	18,969	22,942	228,277	(8,225)	261,963
Changes of items during period					
Dividends of surplus			(6,127)		(6,127)
Profit attributable to owners of parent			18,431		18,431
Purchase of treasury shares				(1)	(1)
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(0)	12,303	(1)	12,301
Balance at end of current period	18,969	22,942	240,580	(8,227)	274,265

	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 current period	8,738	(5)	2,627	(2,124)	9,235	10,596	281,795
Changes of items during period							
Dividends of surplus							(6,127)
Profit attributable to owners of parent							18,431
Purchase of treasury shares							(1)
Change in ownership interest of parent due to transactions with non-controlling interests							(0)
Net changes of items other than shareholders' equity	942	(34)	(4,568)	66	(3,593)	378	(3,215)
Total changes of items during period	942	(34)	(4,568)	66	(3,593)	378	9,086
Balance at end of current period	9,680	(39)	(1,941)	(2,057)	5,642	10,974	290,881

## (4) Consolidated statements of cash flows

(Millions of yen)

	FY2017 (from April 1, 2016 to March 31, 2017)	FY2018 (from April 1, 2017 to March 31, 2018)
<b>Cash flows from operating activities</b>		
Profit before income taxes	30,463	27,287
Depreciation	11,946	12,301
Impairment loss	783	21
Loss on valuation of shares of subsidiaries and associates	429	145
Share of loss (profit) of entities accounted for using equity method	(116)	(136)
Increase (decrease) in provision for directors' retirement benefits	(14)	66
Increase (decrease) in provision for directors' bonuses	27	(129)
Increase (decrease) in allowance for doubtful accounts	334	52
Increase (decrease) in net defined benefit liability	699	477
Interest and dividend income	(1,280)	(1,529)
Interest expenses	266	259
Foreign exchange losses (gains)	(192)	238
Loss (gain) on sales and retirement of property, plant and equipment	706	1,645
Decrease (increase) in notes and accounts receivable - trade	(1,426)	(3,993)
Decrease (increase) in inventories	(683)	(2,603)
Increase (decrease) in notes and accounts payable - trade	369	1,773
Increase (decrease) in accrued expenses	264	1,268
Other, net	461	211
Subtotal	43,039	37,357
Interest and dividend income received	1,038	1,421
Interest expenses paid	(266)	(259)
Income taxes paid	(10,166)	(9,149)
Net cash provided by (used in) operating activities	33,644	29,370
<b>Cash flows from investing activities</b>		
Payments into time deposits	(56,295)	(55,488)
Proceeds from withdrawal of time deposits	47,194	53,212
Purchase of securities	(97,000)	(81,000)
Proceeds from sales and redemption of securities	93,000	85,000
Purchase of property, plant and equipment	(17,097)	(21,394)
Proceeds from sales of property, plant and equipment	135	167
Purchase of intangible assets	(47)	(337)
Purchase of investment securities	(435)	(174)
Proceeds from sales of investment securities	31	83
Payments of loans receivable	(2,450)	(1,835)
Collection of loans receivable	2,144	1,583
Other, net	(22)	(201)
Net cash provided by (used in) investing activities	(30,843)	(20,384)



(Millions of yen)

	FY2017 (from April 1, 2016 to March 31, 2017)	FY2018 (from April 1, 2017 to March 31, 2018)
Cash flows from financing activities		
Increase in short-term loans payable	712	1,050
Decrease in short-term loans payable	(719)	(1,032)
Repayments of long-term loans payable	(30)	–
Purchase of treasury shares of subsidiaries	(0)	(1)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(200)	(0)
Cash dividends paid	(6,126)	(6,122)
Dividends paid to non-controlling interests	(149)	(140)
Other, net	(255)	(235)
Net cash provided by (used in) financing activities	(6,770)	(6,482)
Effect of exchange rate change on cash and cash equivalents	(312)	(321)
Net increase (decrease) in cash and cash equivalents	(4,281)	2,181
Cash and cash equivalents at beginning of period	27,510	23,228
Cash and cash equivalents at end of period	23,228	25,409

**(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, 2016 to March 31, 2017)

(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	31,413	73,035	126,069	67,525	21,498	16,874	336,416	46,261	382,678	—	382,678
Intersegment sales or transfers	1,010	—	—	—	—	852	1,863	424	2,287	(2,287)	—
Total	32,423	73,035	126,069	67,525	21,498	17,727	338,279	46,686	384,966	(2,287)	382,678
Segment profit	190	11,810	10,048	4,943	728	1,687	29,409	1,058	30,468	(981)	29,486
Segment assets	16,617	93,710	67,827	21,641	7,704	34,076	241,578	21,518	263,097	97,976	361,074
Other items											
Depreciation	189	2,362	3,762	1,343	335	2,196	10,189	1,214	11,404	542	11,946
Increases in property, plant and equipment and intangible assets	126	1,626	12,137	503	326	3,820	18,540	542	19,083	715	19,799

(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 ¥981 million in segment profit adjustments include companywide expenses of negative ¥1,224 million which have not been allocated to each reportable segment, a negative ¥0 million adjustment to inventories, and other adjustments of ¥242 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 ¥97,976 million in segment assets adjustments include companywide assets of ¥97,932 million which have not been allocated to each reportable segment and other adjustments of ¥44 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 ¥542 million in depreciation adjustments include companywide expenses of ¥514 million which have not been allocated to each reportable segment, and other adjustments of ¥27 million. Companywide expenses refer mainly to general and administrative expenses which do not belong to any reportable segment. Other adjustments are mainly depreciation of rent properties.
- (4) The ¥715 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 is adjusted at the operating profit level on the consolidated financial statements.

Current fiscal year (From April 1, 2017 to March 31, 2018)

(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	32,021	73,048	129,008	68,626	21,329	17,656	341,690	47,106	388,797	—	388,797
Intersegment sales or transfers	1,005	—	—	—	—	1,014	2,020	223	2,243	(2,243)	—
Total	33,026	73,048	129,008	68,626	21,329	18,670	343,710	47,330	391,041	(2,243)	388,797
Segment profit	288	9,976	8,311	5,271	133	2,034	26,017	1,173	27,190	(538)	26,652
Segment assets	18,767	95,691	67,116	21,918	15,211	38,011	256,717	18,908	275,626	97,857	373,483
Other items											
Depreciation	179	2,304	4,251	1,243	459	2,260	10,699	1,055	11,755	546	12,301
Increases in property, plant and equipment and intangible assets	581	5,138	1,698	379	7,364	5,612	20,775	986	21,761	1,231	22,993

(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 ¥538 million in segment profit adjustments include companywide expenses of negative ¥1,118 million which have not been allocated to each reportable segment, a negative ¥47 million adjustment to inventories, and other adjustments of ¥628 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 ¥97,857 million in segment assets adjustments include companywide assets of ¥97,847 million which have not been allocated to each reportable segment and other adjustments of ¥10 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 ¥546 million in depreciation adjustments include companywide expenses of ¥540 million which have not been allocated to each reportable segment, and other adjustments of ¥5 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 ¥1,231 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 is adjusted at the operating profit level on the consolidated financial statements.

## Related information

Previous fiscal year (From April 1, 2016 to March 31, 2017)

### 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	Other regions	Total
309,186	73,065	426	382,678

(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 - People's Republic of China, Taiwan, Republic of Korea

#### (2) Property, plant and equipment

(Millions of yen)

Japan	The Americas	Total
104,812	24,543	129,355

### 3. Information by major customers

(Millions of yen)

Customer's name	Net sales	Related segments
MITSUI & CO., LTD.	96,619	Domestic Instant Noodles Segment, etc.

Current fiscal year (From April 1, 2017 to March 31, 2018)

### 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	Other regions	Total
315,260	73,050	486	388,797

(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 - People's Republic of China, Taiwan, Republic of Korea

#### (2) Property, plant and equipment

(Millions of yen)

Japan	The Americas	Total
109,934	26,163	136,098

### 3. Information by major customers

(Millions of yen)

Customer's name	Net sales	Related segments
MITSUI & CO., LTD.	99,288	Domestic Instant Noodles Segment, etc.

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

Previous fiscal year (From April 1, 2016 to March 31, 2017)

(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	—	—	144	616	10	—	11	—	783

Current fiscal year (From April 1, 2017 to March 31, 2018)

(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	—	—	—	18	—	21

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

Previous fiscal year (From April 1, 2016 to March 31, 2017)

Not applicable.

Current fiscal year (From April 1, 2017 to March 31, 2018)

Not applicable.

# **Information relating to gain on negative goodwill by each reportable segment**

Previous fiscal year (From April 1, 2016 to March 31, 2017)

Not applicable.

Current fiscal year (From April 1, 2017 to March 31, 2018)

Not applicable.