Summary of Consolidated Financial Results
For the Six Months Ended September 30, 2012 (Based on Japanese GAAP)

October 31, 2012

Company name: Mitsui Sugar Co., Ltd. Stock exchange listings: Tokyo and Osaka
Stock code: 2109 http://www.mitsui-sugar.co.jp/
Company Representative: Masaaki Iida President and Chief Executive Officer
Contact person in charge: Takuya Tsuda General Manager, Corporate Planning Division, Business Management Group
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Planned date for submission of quarterly report: November 12, 2012
Planned date to start dividend payment: December 4, 2012
Preparation of supplementary material for quarterly financial statements: None
Briefing session for quarterly financial statements: None

(Amounts are rounded down to the nearest 1 million yen)

1. Consolidated Financial Results for the Six Months Ended September 30, 2012 (From April 1, 2012 to September 30, 2012)

(1) Consolidated Results of Operations (Percentages are year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six Months Ended September 30, 2012	48,303	19.0	1,652	(37.0)	2,478	(26.4)	1,492	150.9
Six Months Ended September 30, 2011	40,600	1.5	2,622	(41.5)	3,367	(31.9)	594	(80.1)

Note: Comprehensive income
Six Months Ended September 30, 2012: 1,510 million yen (159.2%) Six Months Ended September 30, 2011: 582 million yen ((81.2)%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six Months Ended September 30, 2012	11.20	—
Six Months Ended September 30, 2011	4.44	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2012	86,069	57,383	61.9	399.62
As of March 31, 2012	72,815	53,197	71.9	392.53

(Reference) Equity capital As of September 30, 2012: 53,289 million yen As of March 31, 2012: 52,344 million yen

2. Cash Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Year Ended March 31, 2012	—	3.00	—	4.00	7.00
Year Ended March 31, 2013	—	3.00			
Year Ending March 31, 2013 (forecast)			—	4.00	7.00

(Note) Revision of the dividend forecast announced most recently: None

3. Consolidated Business Forecasts for the Year Ending March 31, 2013 (from April 1, 2012 to March 31, 2013)

(Percentages are year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	100,900	26.0	4,590	1.9	6,030	(2.9)	3,780	48.3	28.35

(Note) Revision of the business forecasts announced most recently: None

* Note

(1) Significant changes in subsidiaries during the six months of fiscal year 2012

(Changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New: one company (company name): Hokkaido Sugar Co., Ltd.

Excluded: — companies (company name —)

(Note) For details, please refer to "(1) Significant changes in subsidiaries during the first six months of fiscal year 2012" in "2. Matters Regarding Summary Information (Notes)" on page 3 of the Appendix.

(2) Application of accounting method unique to preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policy and accounting estimates and restatement

(i) Changes in accounting policy due to any revision of accounting standards: Yes

(ii) Changes in accounting policy other than i) above: Yes

(iii) Changes in accounting estimates: Yes

(iv) Restatement: None

(Note) This applies to the provisions of Article 10-3 and Article 10-5 of the Ordinance on Terminology, Forms and Preparation Methods of Quarterly Financial Statements, etc. For details, please refer to "(3) Changes in accounting policies and accounting estimates and restatement" in "2.Matters Regarding Summary Information (Notes)" on page 3 of the Appendix.

(4) Number of outstanding shares (common shares)

(i) Number of outstanding shares at period end (including treasury stock)	As of September 30, 2012	141,667,400 shares	As of March 31, 2012	141,667,400 shares
(ii) Number of treasury stock at period end	As of September 30, 2012	8,316,356 shares	As of March 31, 2012	8,314,930 shares
(iii) Average number of shares during period (from the beginning of fiscal year to period end)	As of September 30, 2012	133,351,878 shares	As of September 30, 2011	134,036,343 shares

* Implementation of quarterly review procedure

This Summary is not subject to quarterly review procedure under the Financial Instruments and Exchange Law. At the time of this document's release, review of the quarterly financial statements under the Financial Instruments and Exchange Law had not been completed.

* Explanation on appropriate use of business forecasts, and other special notes

Business forecasts and other forward-looking statements contained in this report and supplementary materials are based on information currently available to the Company and on certain assumptions deemed as rational, and are not intended to guarantee the achievements by the Company. Actual results may differ significantly from such forecasts due to various factors. For preconditions used for business forecasts and notes in using such forecasts, please refer to "(3) Qualitative information regarding consolidated business forecasts" in "1. Qualitative Information Regarding the Results for the First Six Months of Fiscal Year 2012" on page 3 of the Appendix.

○ Appendix

1. Qualitative Information Regarding the Results for the First Six Months of Fiscal Year 2012

(1) Qualitative information regarding consolidated operating results

The Japanese economy was on a moderate recovery track for the first six months of fiscal year 2012 backed by the restoration demand in areas affected by the Great East Japan Earthquake and various government measures. However, in the latter half of the period, the recovery stagnated because of sluggish export conditions caused by economic slowdowns overseas, the lingering appreciation of the yen and other factors, and the stagnancy continued as we reached the end of the six-month period.

Under such circumstances, the Mitsui Sugar Group has been working to achieve the objectives set out in the fourth round of its medium-term management plan, "Mitsui Sugar Revolution 2013" by promoting operating efficiency through consolidating production of refined sugar at the Kobe Plant and using the new core system. In addition, the Group has been implementing measures to expand its business fields by making concerted efforts at all organizations of the Group, including the affiliates, in creating synergistic effects and by exploring business opportunities through its Shanghai Representative Office.

Operating results for the first six months of fiscal year 2012 along with an overview of each segment are as follows:

<u>Sugar Business</u>

The overseas crude sugar market continued to decline in the first half of the period based on the forecast for a global oversupply, but subsequently turned around, backed primarily by the delay in milling caused by the rainfall in Brazil, the world's largest manufacturer and exporting country of sugar. However, the market weakened again mainly as concerns about the level of supply in Brazil faded before the first six months of the fiscal year came to an end.

The sales volume fell year on year, due primarily to production adjustments by users and the sluggish sales of small packaged sugar for home use in the second quarter of the fiscal year, although shipments for beverage users were favorable. In addition, overall sales costs increased from the year before because of the effects of the irregular production at the Kobe Plant in preparation for the consolidation of production. This caused us to incur warehousing expenses to temporarily store finished goods inventory and transient product forwarding expenses to shift products between plants.

In our production, we worked on saving electricity and energy in the midst of power restrictions in western Japan during the summer months. However, the higher depreciation expenses and repair expenses associated with the reinforced facilities in preparation for production consolidation at the Kobe Plant caused manufacturing costs to rise.

In terms of the overall Mitsui Sugar Group, as we turned Hokkaido Sugar Co., Ltd. into a consolidated subsidiary from an equity method affiliate by additionally acquiring its shares, net sales and operating income from the subsidiary's business in beet sugar and farming machinery & equipment were incorporated in the Group's results. However, cane sugar affiliates reported lower earnings, due to the worst harvest on record. As a result, net sales of the Sugar Business amounted to 43,240 million yen and operating income was 1,109 million yen.

Sugar market status during period

Domestic market price (listed in *Nippon Keizai Shimbun*, per kilogram of large bag of superfine sugar, Tokyo)

Opening price: 185–186 yen, highest price: 185–186 yen, lowest price 182–183 yen, closing price 182–183 yen

Overseas crude sugar price (NY sugar current delivery, per pound)

Opening price: 24.68 cents, highest price: 24.86 cents, lowest price: 18.81 cents, closing price: 19.54 cents

<u>Food Ingredient Business</u>

Factors contributing to earnings growth included the partial transfer of the food business to Taisho Technos Co., Ltd., a consolidated subsidiary, from Mitsubishi Tanabe Pharma Corporation and the incorporation of net sales and operating income of the bio business of Hokkaido Sugar Co., Ltd. after it became a consolidated subsidiary. However, temporary expenses were incurred in connection with making Taisho Technos Co., Ltd. a wholly owned subsidiary and other business areas generally faced difficulties amid difficult economic conditions, including the agar business that was affected by the sluggish market. As a result, net sales of the Food Ingredient Business were 4,432 million yen while operating income was 180 million yen.

<u>Real Estate Business</u>

Operating conditions remained tough with factors such as declining rent income although we continued to work on efficiently utilizing the properties we own. As a result, net sales of the Real Estate Business came to 629 million yen and operating income was 362 million yen.

As a result, net sales of the first six months of fiscal year 2012 amounted to 48,303 million yen (up 19.0% year on year) and operating income was close to the plan at 1,652 million yen (down 37.0% year on year.)

As for non-operating income and expenses, we recorded royalty income of 848 million yen while the steady performance of our affiliate in Thailand contributed to equity in earnings of affiliates. However, our domestic cane sugar affiliates in Okinawa and Kagoshima were affected by the worst harvest on record. Consequently, ordinary income totaled 2,478 million yen, down 26.4% from the same period in the previous fiscal year.

In extraordinary income/loss, we recognized a gain on negative goodwill of 2,132 million yen and posted a loss on stepped acquisition of 2,121 million yen in conjunction with turning Hokkaido Sugar Co., Ltd. into our consolidated subsidiary. As a result, net income for the period was 1,492 million yen, up 150.9% year on year.

(2) Qualitative information regarding consolidated financial position

Changes in consolidated financial position

Total assets as of September 30, 2012 increased by 13,254 million yen compared to the end of the previous fiscal year to 86,069 million yen. Significant changes by each major item of the consolidated balance sheets are as follows:

(i) Current assets

Current assets increased by 7,303 million yen compared to the end of the previous fiscal year to 29,947 million yen. This was mainly due to an increase in notes and accounts receivable-trade of 1,906 million yen, an increase in merchandise and finished goods of 5,419 million yen primarily in conjunction with making Hokkaido Sugar Co., Ltd. a consolidated subsidiary.

(ii) Noncurrent assets

Noncurrent assets increased by 5,950 million yen compared to the end of the previous fiscal year to 56,122 million yen. This was mainly due to an increase in machinery, equipment and vehicles of 6,253 million yen and an increase in buildings and structures of 3,347 million yen, primarily in conjunction with making Hokkaido Sugar Co., Ltd. a consolidated subsidiary, while investment securities declined by 3,527 million yen.

(iii) Liabilities

Liabilities increased by 9,068 million yen compared to the end of the previous fiscal year to 28,685 million yen. This was mainly due to a net increase in commercial paper of 1,500 million yen, an increase in accrued expenses of 253 million yen, an increase in short-term loans payable of 1,700 million yen, an increase in long-term loans payable of 3,236 million yen, and an increase in provision for retirement benefits of 1,578 million yen primarily in conjunction with making Hokkaido Sugar Co., Ltd. a consolidated subsidiary.

(iv) Net assets

Net assets increased by 4,186 million yen compared to the end of the previous fiscal year to 57,383 million yen. This was mainly due to net income of 1,492 million yen, dividends from surplus of 534 million yen, and an increase in minority interests of 3,241 million yen primarily in conjunction with making Hokkaido Sugar Co., Ltd. a consolidated subsidiary.

(3) Qualitative information regarding consolidated business forecasts

Business has been largely proceeding as planned and there is no change to the business forecasts for the year ending March 31, 2013 that were announced on May 15, 2012.

2. Matters Regarding Summary Information (Notes)

(1) Significant changes in subsidiaries during the first six months of fiscal year 2012

During the first six months of the fiscal year, we made Hokkaido Sugar Co., Ltd., one of the equity method affiliates, our consolidated subsidiary by additionally acquiring 19.3% of the total number of shares issued.

(2) Application of accounting method unique to preparation of quarterly consolidated financial statements

None.

(3) Changes in accounting policy and accounting estimates and restatement

(Change in accounting policy)

In performing valuation of merchandise and finished goods and work in process, the Company, conventionally had adopted the first-in-first-out method. Given that the overseas crude sugar market, which used to be relatively stable, has been extremely volatile in the recent years, the Company decided to adopt the weighted average method effective the first quarter of the fiscal year 2012. This is because the Company determined that under such a management environment, by adopting the weighted average method it can measure in a timely way the effects of price fluctuations and more appropriately value inventory assets and periodically account for profit and loss. It is also a result of the Company's review of the sales and inventory management methods in consideration of renewing the sales and inventory management system on a company-wide basis.

The impact of this change to the accounting policy, though applied retrospectively, is minimal.

(Change in accounting policy, which is difficult to distinguish with changes in accounting estimates)

In conjunction with the revision to the Corporation Tax Act, the Company and its consolidated subsidiaries began adopting the depreciation method based on the revised Corporation Tax Act for property, plant and equipment acquired on or after April 1, 2012 from the first quarter of the fiscal year 2012.

The impact of this change on profit and loss is minimal.

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Million yen)

	FY2011 (As of March 31, 2012)	Second quarter of FY2012 (As of September 30, 2012)
Assets		
Current assets		
Cash and deposits	4,846	4,646
Notes and accounts receivable-trade	4,770	6,677
Merchandise and finished goods	5,538	10,958
Work in process	1,776	1,193
Raw materials and supplies	4,621	4,844
Deferred tax assets	534	545
Other	566	1,080
Allowance for doubtful accounts	(11)	-
Total current assets	22,643	29,947
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	23,316	33,338
Accumulated depreciation	(15,430)	(22,105)
Buildings and structures, net	7,885	11,232
Machinery, equipment and vehicles	38,887	72,005
Accumulated depreciation	(32,770)	(59,635)
Machinery, equipment and vehicles, net	6,117	12,370
Tools, furniture and fixtures	1,594	2,248
Accumulated depreciation	(1,331)	(1,846)
Tools, furniture and fixtures, net	263	401
Land	18,906	18,694
Lease assets	55	35
Accumulated depreciation	(25)	(3)
Lease assets, net	29	31
Construction in progress	2,644	1,427
Total property, plant and equipment	35,846	44,158
Intangible assets		
Total intangible assets	467	805
Investments and other assets		
Investment securities	12,766	9,239
Long-term loans receivable	53	53
Deferred tax assets	129	949
Other	929	938
Allowance for doubtful accounts	(20)	(22)
Total investments and other assets	13,858	11,158
Total noncurrent assets	50,171	56,122
Total assets	72,815	86,069

(Million yen)

	FY2011 (As of March 31, 2012)	Second quarter of FY2012 (As of September 30, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	5,236	5,289
Short-term loans payable	1,000	2,700
Current portion of long-term loans payable	820	2,058
Commercial papers	500	2,000
Lease obligations	10	4
Accrued expenses	2,552	2,812
Income taxes payable	1,058	652
Accrued consumption taxes	104	84
Provision for directors' bonuses	49	25
Asset retirement obligation	24	-
Other	1,278	2,003
Total current liabilities	12,634	17,630
Noncurrent liabilities		
Long-term loans payable	2,765	4,763
Lease obligations	20	26
Deferred tax liabilities	592	692
Provision for retirement benefits	1,546	3,124
Provision for directors' retirement benefits	-	106
Asset retirement obligations	32	293
Long-term guarantee deposited	888	857
Other	1,137	1,190
Total noncurrent liabilities	6,982	11,055
Total liabilities	19,617	28,685
Net assets		
Shareholders' equity		
Capital stock	7,083	7,083
Capital surplus	1,255	1,255
Retained earnings	47,688	48,647
Treasury stock	(2,915)	(2,915)
Total shareholders' equity	53,111	54,069
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	228	176
Deferred gains or losses on hedges	2	3
Foreign currency translation adjustment	(998)	(961)
Total accumulated other comprehensive income	(766)	(780)
Minority interests	853	4,094
Total net assets	53,197	57,383
Total liabilities and net assets	72,815	86,069

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

(Quarterly consolidated statements of income)

(First six months of fiscal year 2011 and 2012)

(Million yen)

	First six months of FY2011 (From April 1, 2011 to September 30, 2011)	First six months of FY2012 (From April 1, 2012 to September 30, 2012)
Net sales	40,600	48,303
Cost of sales	32,769	38,906
Gross profit	7,831	9,397
Selling, general and administrative expenses		
Distribution expenses	1,235	2,106
Provision for directors' bonuses	23	23
Provision for retirement benefits	75	81
Provision for directors' retirement benefits	-	15
Other	3,873	5,518
Total selling, general and administrative expenses	5,208	7,744
Operating income	2,622	1,652
Non-operating income		
Interest income	1	1
Dividends income	54	56
Royalty income	224	848
Equity in earnings of affiliates	383	209
Miscellaneous income	186	164
Total non-operating income	850	1,280
Non-operating expenses		
Interest expenses	12	81
Loss on retirement of noncurrent assets	31	109
Facilities removal expenses	19	116
Miscellaneous loss	42	146
Total non-operating expenses	106	454
Ordinary income	3,367	2,478
Extraordinary income		
Gain on sales of investment securities	-	59
Gain on disposal of noncurrent assets	-	45
Subsidy income for streamlining project	61	-
Gain on negative goodwill	-	2,134
Total extraordinary income	61	2,238
Extraordinary loss		
Loss on reduction of noncurrent assets	61	-
Impairment loss	2,009	40
Loss on valuation of investment securities	-	15
Loss on disaster	25	-
Loss on step acquisitions	-	2,121
Compensation expenses	-	105
Other	-	60
Total extraordinary loss	2,096	2,342
Net income before income taxes	1,332	2,374
Income taxes-current	1,139	661
Income taxes-deferred	(439)	201
Total income taxes	699	863
Income before minority interests	632	1,511
Minority interests in income	37	18
Net income	594	1,492

(Quarterly consolidated statements of comprehensive income)
(First six months of fiscal year 2011 and 2012)

(Million yen)

	First six months of FY2011 (From April 1, 2011 to September 30, 2011)	First six months of FY2012 (From April 1, 2012 to September 30, 2012)
Income before minority interests	632	1,511
Other comprehensive income		
Valuation difference on available-for-sale securities	(21)	(46)
Deferred gains or losses on hedges	(3)	6
Share of other comprehensive income of associates accounted for using equity method	(25)	38
Total other comprehensive income	(49)	(1)
Comprehensive income	582	1,510
Comprehensive income attributable to:		
Owners of the parent	545	1,480
Minority interests	37	29

(3) Note on assumptions of a going concern

None.

(4) Notes when the amount of the shareholders' equity significantly fluctuates

None.

(5) Segment information

(Segment information)

I. First six months of FY2011 (From April 1, 2011 to September 30, 2011)

1. Information on net sales and income/loss by each reportable segment

(Million yen)

	Reportable segment				Adjustments	Amount recorded in quarterly consolidated statements of income
	Sugar Business	Food Ingredient Business	Real Estate Business	Total		
Net sales						
Net sales to third-party customers	36,398	3,525	676	40,600	-	40,600
Intersegment net sales and transfer	25	-	29	55	(55)	-
Total	36,424	3,525	706	40,656	(55)	40,600
Segment profit	2,010	227	385	2,622	-	2,622

(Note) Some adjustments were made between segment profit and operating income recorded in the quarterly consolidated statements of income.

2. Information on impairment loss on noncurrent assets by reportable segment

(Significant impairment loss on noncurrent assets)

The Company recorded an impairment loss of 2,009 million yen in the Sugar Business with regard to the refined sugar production facility at the Okayama Plant located in Minami-ku, Okayama City, because it expected to see changes that would considerably lower the collectible amount of the asset group.

II. First six months of FY2012 (from April 1, 2012 to September 30, 2012)

1. Information on net sales and income/loss by each reportable segment

(Million yen)

	Reportable segment				Adjustments	Amount recorded in quarterly consolidated statements of income
	Sugar Business	Food Ingredient Business	Real Estate Business	Total		
Net sales						
Net sales to third party customers	43,240	4,432	629	48,303	-	48,303
Intersegment net sales and transfer	24	-	38	62	(62)	-
Total	43,264	4,432	668	48,365	(62)	48,303
Segment profit	1,109	180	362	1,652	-	1,652

(Note) Some adjustments were made between segment profit and operating income recorded in the quarterly consolidated statements of income.

2. Information on assets by reportable segment

During the first quarter of the fiscal year 2012, the Company additionally acquired shares of Hokkaido Sugar Co., Ltd. to newly include it in the scope of consolidation. As a result, there were increases in assets of the following reportable segments compared to the results as of the end of the previous fiscal year: an increase of 16,533 million yen in the Sugar Business and an increase of 811 million yen in the Food Ingredient Business.

3. Information on changes, etc. in reportable segments

(Change in the inventory valuation method)

In performing valuation of merchandise and finished goods and work in process, the Company, conventionally had adopted the first-in-first-out method. However, the Company began adopting the moving average method from the first quarter of the fiscal year 2012.

The impact of this change in the accounting policy on segment income, though applied retrospectively, is minimal.

(Change in the depreciation method for property, plant and equipment)

In conjunction with the revision to the Corporation Tax Act, the Company and its consolidated subsidiaries began adopting the depreciation method based on the revised Corporation Tax Act for property, plant and equipment acquired on or after April 1, 2012 from the first quarter of the fiscal year 2012.

The impact of this change on segment income is minimal.