



Summary of Consolidated Financial Results

For the Six Months Ended September 30, 2013 (Based on Japanese GAAP)

October 30, 2013

Company name:	Mitsui Sugar Co., Ltd.	Stock exchange listings:	Tokyo
Stock code:	2109	http://www.mitsui-sugar.co.jp/	
Company Representative:	Masaaki Iida President and Chief Executive Officer		
Contact person in charge:	Tomohiro Kozuka General Manager, Corporate Planning Division		
		TEL. 81-3-3663-3111	
Planned date for submission of quarterly report		November 12, 2013	
Planned date to start dividend payment		December 4, 2013	
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, 2013 (From April 1, 2013 to September 30, 2013)

(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, 2013	47,808	(1.0)	2,384	44.3	4,089	65.0	2,495	67.2
Six Months Ended September 30, 2012	48,303	19.0	1,652	(37.0)	2,478	(26.4)	1,492	150.9

Note: Comprehensive income

Six Months Ended September 30, 2013: 3,122 million yen (106.8%) Six Months Ended September 30, 2012: 1,510 million yen (159.2%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six Months Ended September 30, 2013	18.72		—	
Six Months Ended September 30, 2012	11.20		—	

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2013	88,988	63,070	66.2	441.47
As of March 31, 2013	93,294	60,483	60.4	422.57

(Reference) Equity capital As of September 30, 2013: 58,868 million yen As of March 31, 2013: 56,350 million yen

2. Cash Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year end	Total
	Yen				
Year Ended March 31, 2013	—	3.00	—	4.00	7.00
Year Ending March 31, 2014	—	3.00	—	4.00	7.00
Year Ending March 31, 2014 (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, 2014 (from April 1, 2013 to March 31, 2014)

(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	96,700	0.5	4,800	16.9	8,720	41.1	5,200	16.8	39.00

(Note) Revision of the business forecasts announced most recently: Yes

* Note

(1) Significant changes in subsidiaries during the period

(Changes in specified subsidiaries resulting in changes in scope of consolidation): None

New: — companies (company name): —

Excluded: — companies (company name —)

(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: None

(ii) Changes in accounting policy other than i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of outstanding shares (common shares)

(i) Number of outstanding shares at period end (including treasury stock)

(ii) Number of treasury stock at period end

(iii) Average number of shares during period (from the beginning of fiscal year to period end)

As of September 30, 2013	141,667,400 shares	As of March 31, 2013	141,667,400 shares
As of September 30, 2013	8,321,825 shares	As of March 31, 2013	8,318,092 shares
As of September 30, 2013	133,347,688 shares	As of September 30, 2012	133,351,878 shares

* Implementation of quarterly review procedure

This Summary is not subject to quarterly review procedure under the Financial Instruments and Exchange Act. At the time of this document's release, review of the quarterly financial statements under the Financial Instruments and Exchange Act 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) Description of consolidated business forecasts and other future forecasts" in "1. Qualitative Information Regarding the Results for the First Six Months of Fiscal Year 2013" on page 3 of the Appendix.

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1. Qualitative Information Regarding the Results for the First Six Months of Fiscal Year 2013

(1) Description of consolidated operating results

Taking an overview of the Japanese economy during the first six months of fiscal year 2013, we see that various measures that were aiming for a departure from deflation (Abenomics) caused a correction of exchange rates and recovery trend of the stock market, which first started from expectations for the new administration, to take root. In addition, production activities as well as consumer spending started to move gradually towards recovery. Meanwhile, as the government decided to increase consumption tax from the next fiscal year while the return of such benefits to household income remains uncertain, the sense of uncertainty about the outlook was not yet completely cleared.

Under such circumstances, the Mitsui Sugar Group worked to achieve the objectives set out in the fourth round of its medium-term management plan, "Mitsui Sugar Revolution 2013" (April 2012 to March 2014), towards the goal of posting the record high consolidated ordinary income set out in the beginning of fiscal year 2013. An overview of the results achieved in each business segment during the first six months of fiscal year 2013 is as follows:

Sugar Business

In the Sugar Business, we focused on reducing costs mainly by integrating the production function of the Okayama Plant in the Kobe Plant, which was implemented in October 2012, and reducing the fixed costs of manufacturing. However, as for variable costs of manufacturing, we continued to be affected by increased energy costs due to the weak yen.

Looking at the overseas crude sugar market, there were price increase factors caused by a delay in the harvest of sugar cane as a result of rainfall and an increase in ethanol production in Brazil, the world's largest producer and exporter of sugar. However, this was offset by price decrease factors such as easing of supply concerns in Brazil, a favorable outlook for production in Thailand, which is the largest exporter of sugar in Asia, and depreciation of currencies of sugar producing countries. As a result, prices fluctuated in relatively narrow ranges but started to go up gradually in September.

Net sales fell below the level in the corresponding period of the previous fiscal year. They were down because domestic selling prices fell from a year earlier affected by the sluggish overseas crude sugar market, combined with unstable weather in the first quarter and decreased special sales for households in mass retailers, leading to a slowdown in the sales volume.

Meanwhile, as for consolidated subsidiaries, net sales exceeded the level in the corresponding period of the previous fiscal year due to the increased sales volume.

As a result, net sales of the Sugar Business amounted to 42,342 million yen and operating income was 1,925 million yen.

Sugar market status during period

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

182–183 yen throughout the period

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

Opening price: 17.70 cents, highest price: 18.15 cents, lowest price: 15.93 cents, closing price: 17.55 cents

Food Ingredient Business

In the Food Ingredient Business, Taisho Technos Co., Ltd., our consolidated subsidiary, took over part of the food business from Mitsubishi Tanabe Pharma Corporation in July 2012, which contributed to an increase in revenue. However, there were factors for a profit decline such as a rise in costs of manufacturing palatinose in the existing business. As a result, net sales of the Food Ingredient Business were 4,890 million yen, and operating income was 165 million yen.

Real Estate Business

We continued to work on efficiently utilizing the properties we own. Meanwhile, both net sales and operating income decreased from a year earlier due mainly to the sale of some of the rental properties in the previous fiscal year. As a result, net sales of the Real Estate Business came to 575 million yen, while operating income was 293 million yen.

As a result, net sales for the first six months of fiscal year 2013 amounted to 47,808 million yen (down 1.0% year on year), and operating income was 2,384 million yen (up 44.3% year on year).

As for non-operating income and expenses, we recorded royalty income of 1,735 million yen. Consequently, ordinary income totaled 4,089 million yen, an increase of 65.0% year on year, and net income surged 67.2% year on year to 2,495 million yen.

(2) Description of consolidated financial position

Changes in consolidated financial position

Total assets as of September 30, 2013 decreased by 4,306 million yen compared to the end of the previous fiscal year, and came to 88,988 million yen.

Significant changes by each major item of the consolidated balance sheets are as follows:

(i) Current assets

Current assets declined by 4,671 million yen compared to the end of the previous fiscal year, and amounted to 32,749 million yen. This was mainly due to decreases in merchandise and finished goods of 7,254 million yen, while raw materials and supplies increased by 1,544 million yen and cash and deposits increased by 1,272 million yen.

(ii) Noncurrent assets

Noncurrent assets increased by 364 million yen compared to the end of the previous fiscal year to 56,238 million yen. This was mainly due to an increase in investment securities of 668 million yen and construction in progress of 598 million yen, while machinery, equipment and vehicles declined by 560 million yen and buildings and structures decreased by 250 million yen.

(iii) Liabilities

Liabilities decreased by 6,894 million yen compared to the end of the previous fiscal year, and came to 25,917 million yen. This was mainly due to decreases in short-term loans payable of 6,700 million yen, long-term loans payable of 1,039 million yen and accrued expenses of 246 million yen, while notes and accounts payable-trade increased by 267 million yen, accrued consumption taxes increased by 203 million yen and income taxes payable increased by 193 million yen.

(iv) Net assets

Net assets increased by 2,587 million yen compared to the end of the previous fiscal year to 63,070 million yen. This was mainly due to net income of 2,495 million yen, dividends from surplus of 534 million yen and an increase in foreign currency translation adjustment of 503 million yen.

(3) Description of consolidated business forecasts and other future forecasts

As for the business forecasts for the year ending March 31, 2014, some changes were made to the figures announced the previous time due to a price increase in the overseas crude sugar market and a rise in royalty income. Please see the "Notice Concerning Difference between Business Forecasts and Its Revision" that is disclosed separately today.

In addition, at a board of directors' meeting held on October 30, 2013, a resolution was passed to split the Pigment and Flavor Group and the Agar and Gelatinizing Agent Group of the Food Ingredient Business and transfer them to Taisho Technos Co., Ltd., our consolidated subsidiary. Please see the "Notice Concerning Succession of Food Ingredient Business (Partially) to Our Consolidated Subsidiary Due to Corporate Split (Simple Absorption-Type Split)" that is disclosed separately today.

2. Matters Regarding Summary Information (Notes)

(1) Significant changes in subsidiaries during the first six months of fiscal year 2013

None.

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

None.

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

None.

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Million yen)

	FY2012 (As of March 31, 2013)	Second quarter of FY2013 (As of September 30, 2013)
Assets		
Current assets		
Cash and deposits	7,648	8,921
Notes and accounts receivable-trade	6,380	6,546
Merchandise and finished goods	15,440	8,186
Work in process	1,764	1,412
Raw materials and supplies	4,526	6,070
Deferred tax assets	601	607
Other	1,057	1,003
Total current assets	37,420	32,749
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	32,917	32,817
Accumulated depreciation	(21,703)	(21,853)
Buildings and structures, net	11,213	10,963
Machinery, equipment and vehicles	74,052	73,799
Accumulated depreciation	(60,524)	(60,832)
Machinery, equipment and vehicles, net	13,527	12,966
Tools, furniture and fixtures	2,259	2,278
Accumulated depreciation	(1,874)	(1,912)
Tools, furniture and fixtures, net	384	366
Land	18,045	18,027
Lease assets	35	58
Accumulated depreciation	(6)	(9)
Lease assets, net	29	49
Construction in progress	87	686
Total property, plant and equipment	43,287	43,059
Intangible assets		
Total intangible assets	780	694
Investments and other assets		
Investment securities	9,979	10,648
Long-term loans receivable	54	49
Deferred tax assets	925	881
Other	868	927
Allowance for doubtful accounts	(22)	(22)
Total investments and other assets	11,805	12,484
Total noncurrent assets	55,874	56,238
Total assets	93,294	88,988

(Million yen)

	FY2012 (As of March 31, 2013)	Second quarter of FY2013 (As of September 30, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	5,956	6,223
Short-term loans payable	8,300	1,600
Current portion of long-term loans payable	2,059	1,859
Lease obligations	4	7
Accrued expenses	2,839	2,592
Income taxes payable	1,206	1,399
Accrued consumption taxes	133	337
Provision for directors' bonuses	57	27
Asset retirement obligation	-	1
Other	1,210	1,794
Total current liabilities	21,767	15,844
Noncurrent liabilities		
Long-term loans payable	4,503	3,664
Lease obligations	24	42
Deferred tax liabilities	1,062	1,140
Provision for retirement benefits	3,069	3,038
Provision for directors' retirement benefits	121	137
Asset retirement obligations	294	282
Long-term guarantee deposited	809	759
Other	1,158	1,007
Total noncurrent liabilities	11,043	10,072
Total liabilities	32,811	25,917
Net assets		
Shareholders' equity		
Capital stock	7,083	7,083
Capital surplus	1,255	1,255
Retained earnings	51,205	53,167
Treasury stock	(2,916)	(2,917)
Total shareholders' equity	56,627	58,587
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	282	332
Deferred gains or losses on hedges	(5)	(0)
Foreign currency translation adjustment	(554)	(51)
Total accumulated other comprehensive income	(277)	280
Minority interests	4,133	4,202
Total net assets	60,483	63,070
Total liabilities and net assets	93,294	88,988

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

(Quarterly consolidated statements of income)

(First six months of fiscal year 2012 and 2013)

(Million yen)

	First six months of FY2012 (From April 1, 2012 to September 30, 2012)	First six months of FY2013 (From April 1, 2013 to September 30, 2013)
Net sales	48,303	47,808
Cost of sales	38,906	37,642
Gross profit	9,397	10,165
Selling, general and administrative expenses		
Distribution expenses	2,106	2,159
Provision for directors' bonuses	23	26
Provision for retirement benefits	81	81
Provision for directors' retirement benefits	15	15
Other	5,518	5,498
Total selling, general and administrative expenses	7,744	7,780
Operating income	1,652	2,384
Non-operating income		
Interest income	1	3
Dividends income	56	75
Royalty income	848	1,735
Equity in earnings of affiliates	209	130
Miscellaneous income	164	128
Total non-operating income	1,280	2,073
Non-operating expenses		
Interest expenses	81	68
Loss on retirement of noncurrent assets	109	94
Facilities removal expenses	116	111
Miscellaneous loss	146	94
Total non-operating expenses	454	367
Ordinary income	2,478	4,089
Extraordinary income		
Gain on sales of investment securities	59	-
Gain on disposal of noncurrent assets	45	-
Subsidy income	-	54
Gain on negative goodwill	2,134	-
Total extraordinary income	2,238	54
Extraordinary loss		
Loss on reduction of noncurrent assets	-	41
Impairment loss	40	-
Loss on valuation of investment securities	15	-
Loss on step acquisitions	2,121	-
Compensation expenses	105	-
Other	60	-
Total extraordinary loss	2,342	41
Net income before income taxes	2,374	4,103
Income taxes-current	661	1,450
Income taxes-deferred	201	92
Total income taxes	863	1,543
Income before minority interests	1,511	2,560
Minority interests in income	18	64
Net income	1,492	2,495

(Quarterly consolidated statements of comprehensive income)
 (First six months of fiscal year 2012 and 2013)

(Million yen)

	First six months of FY2012 (From April 1, 2012 to September 30, 2012)	First six months of FY2013 (From April 1, 2013 to September 30, 2013)
Income before minority interests	1,511	2,560
Other comprehensive income		
Valuation difference on available-for-sale securities	(46)	35
Deferred gains or losses on hedges	6	10
Share of other comprehensive income of associates accounted for using equity method	38	516
Total other comprehensive income	(1)	562
Comprehensive income	1,510	3,122
Comprehensive income attributable to:		
Owners of the parent	1,480	3,053
Minority interests	29	69

(3) Notes on quarterly consolidated financial statements

(Note on assumptions of a going concern)

None.

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

None.

(Segment information)

Segment information

I. 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

The Company additionally acquired shares of Hokkaido Sugar Co., Ltd. during the first quarter of the fiscal year and included it in the scope of consolidation. As a result, the amount of assets of each reportable segment in the second quarter of the fiscal year under review increased by 16,533 million yen in the "Sugar Business" segment and by 811 million yen in the "Food Ingredient Business" segment compared to the end of the previous fiscal year.

II. First six months of FY2013 (from April 1, 2013 to September 30, 2013)

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	42,342	4,890	575	47,808	-	47,808
Intersegment net sales and transfer	25	-	27	53	(53)	-
Total	42,368	4,890	602	47,861	(53)	47,808
Segment profit	1,925	165	293	2,384	-	2,384

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