



Summary of Consolidated Financial Results

For the Nine Months Ended December 31, 2013 (Based on Japanese GAAP)

January 31, 2014

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		February 13, 2014	
Planned date to start dividend payment		-	
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 Nine Months Ended December 31, 2013 (From April 1, 2013 to December 31, 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	%
Nine Months Ended December 31, 2013	73,325	(1.1)	4,294	29.0	7,207	47.1	4,439	20.4
Nine Months Ended December 31, 2012	74,105	19.6	3,330	(22.3)	4,900	(11.9)	3,688	76.1

Note: Comprehensive income

Nine Months Ended December 31, 2013: 5,156 million yen (35.7%) Nine Months Ended December 31, 2012: 3,798 million yen (93.7%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine Months Ended December 31, 2013	33.29	—
Nine Months Ended December 31, 2012	27.66	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2013	99,994	64,668	60.4	453.18
As of March 31, 2013	93,294	60,483	60.4	422.57

(Reference) Equity capital

As of December 31, 2013: 60,428 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	Yen	Yen	Yen	Yen
Year Ended March 31, 2013	—	3.00	—	4.00	7.00
Year Ending March 31, 2014	—	3.00	—	—	—
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: None

* 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 December 31, 2013	141,667,400 shares	As of March 31, 2013	141,667,400 shares
As of December 31, 2013	8,324,526 shares	As of March 31, 2013	8,318,092 shares
As of December 31, 2013	133,346,639 shares	As of December 31, 2012	133,351,585 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 Nine Months of Fiscal Year 2013" on page 3 of the Appendix.

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

(1) Description of consolidated operating results

Taking an overview of the Japanese economy during the first nine months of fiscal 2013, various measures aiming to combat deflation (Abenomics) caused a correction of exchange rates and a recovery trend in the stock market to take root. In addition, positive ripple effects across corporate production activities and consumer spending supported the economy, allowing it to move on a moderate recovery path. Meanwhile, we have yet to see a full recovery in the level of personal income, and the consumer sentiment to cut back on spending still continues.

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 nine months of fiscal year 2013 is as follows:

Sugar Business

In the Sugar Business, we worked to reduce costs mainly by integrating the production function of the Okayama Plant into the Kobe Plant, which was implemented in October of the previous fiscal year, and succeeded in reducing the fixed costs of manufacturing and direct sales costs. However, as for variable manufacturing costs, we continued to be affected by increasing energy costs mainly due to the weak yen.

Looking at the overseas crude sugar market conditions, prices fluctuated in relatively narrow ranges in the first half of the period under review. In mid-October, there was a phase when prices surged above 20 cents due to supply concerns caused by heavy rainfall and a fire at a raw sugar warehouse in a shipment port in Brazil, the world's largest producer and exporter of sugar. Subsequently, however, a successful harvest in Brazil led to a decrease in market volatility.

Net sales fell below the level in the corresponding period of the previous fiscal year. They were down because domestic selling prices declined from a year earlier, combined with unstable weather in the first quarter and decreased special sales for households by mass retailers, leading to a slowdown in the sales volume, although shipment prices were raised in November to reflect the hike in prices of raw materials from overseas and higher energy costs.

Meanwhile, net sales of consolidated subsidiaries were favorable on the back of the increased sales volume.

As a result, net sales of the Sugar Business amounted to 65,109 million yen and operating income was 3,497 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)

Opening price: 182-183 yen; highest price: 185-186 yen; lowest price: 182-183 yen; closing price: 185-186 yen

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

Opening price: 17.70 cents, highest price: 20.16 cents, lowest price: 15.86 cents, closing price: 16.47 cents

Food Ingredient Business

In the Food Ingredient Business, the food coloring category experienced favorable conditions mainly in regard to Gardenia blue and cacao color. In addition, Taisho Technos Co., Ltd., a consolidated subsidiary, took over part of the food business from Mitsubishi Tanabe Pharma Corporation in July of the previous fiscal year and Hokkaido Sugar Co., Ltd., also a consolidated subsidiary, received increased orders in its bio business, both of which contributed to boosting performance in the business segment. On the other hand, there were factors causing a profit decline such as a rise in costs of manufacturing palatinose business. As a result, net sales of the Food Ingredient Business were 7,372 million yen, and operating income was 354 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 843 million yen, while operating income was 442 million yen.

As a result, net sales for the first nine months of fiscal year 2013 amounted to 73,325 million yen (down 1.1% year on year), and operating income was 4,294 million yen (up 29.0% year on year).

As for non-operating income and expenses, we recorded royalty income of 2,873 million yen. Consequently, ordinary income totaled 7,207 million yen, an increase of 47.1% year on year, and net income surged 20.4% year on year to 4,439 million yen.

(2) Description of consolidated financial position

Changes in consolidated financial position

Total assets as of December 31, 2013 increased by 6,699 million yen compared to the end of the previous fiscal year, and came to 99,994 million yen.

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

(i) Current assets

Current assets increased by 5,024 million yen compared to the end of the previous fiscal year, and amounted to 42,445 million yen. This was mainly due to decreases in merchandise and finished goods of 1,618 million yen, while raw materials and supplies increased by 3,298 million yen and cash and deposits increased by 2,746 million yen.

(ii) Noncurrent assets

Noncurrent assets increased by 1,674 million yen compared to the end of the previous fiscal year to 57,548 million yen. This was mainly due to an increase in construction in progress of 1,853 million yen and investment securities of 892 million yen, while machinery, equipment and vehicles declined by 630 million yen and buildings and structures decreased by 326 million yen.

(iii) Liabilities

Liabilities increased by 2,514 million yen compared to the end of the previous fiscal year, and came to 35,326 million yen. This was mainly due to decreases in long-term loans payable of 1,539 million yen, while notes and accounts payable-trade increased by 3,105 million yen and short-term loans payable increased by 600 million yen.

(iv) Net assets

Net assets increased by 4,184 million yen compared to the end of the previous fiscal year to 64,668 million yen. This was mainly due to net income of 4,439 million yen, dividends from surplus of 934 million yen and an increase in foreign currency translation adjustment of 429 million yen.

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

Business has been proceeding as planned and there is no change to the business forecasts for the year ending March 31, 2014 that were announced on October 30, 2013.

2. Matters Regarding Summary Information (Notes)

(1) Significant changes in subsidiaries during the first nine 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)	Third quarter of FY2013 (As of December 31, 2013)
Assets		
Current assets		
Cash and deposits	7,648	10,395
Notes and accounts receivable-trade	6,380	7,225
Merchandise and finished goods	15,440	13,822
Work in process	1,764	1,618
Raw materials and supplies	4,526	7,824
Deferred tax assets	601	402
Other	1,057	1,157
Total current assets	37,420	42,445
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	32,917	32,435
Accumulated depreciation	(21,703)	(21,548)
Buildings and structures, net	11,213	10,887
Machinery, equipment and vehicles	74,052	71,155
Accumulated depreciation	(60,524)	(58,257)
Machinery, equipment and vehicles, net	13,527	12,897
Tools, furniture and fixtures	2,259	2,253
Accumulated depreciation	(1,874)	(1,897)
Tools, furniture and fixtures, net	384	356
Land	18,045	18,027
Lease assets	35	74
Accumulated depreciation	(6)	(11)
Lease assets, net	29	62
Construction in progress	87	1,941
Total property, plant and equipment	43,287	44,471
Intangible assets		
Total intangible assets	780	724
Investments and other assets		
Investment securities	9,979	10,871
Long-term loans receivable	54	47
Deferred tax assets	925	834
Other	868	920
Allowance for doubtful accounts	(22)	(22)
Total investments and other assets	11,805	12,652
Total noncurrent assets	55,874	57,548
Total assets	93,294	99,994

(Million yen)

	FY2012 (As of March 31, 2013)	Third quarter of FY2013 (As of December 31, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	5,956	9,061
Short-term loans payable	8,300	8,900
Current portion of long-term loans payable	2,059	1,799
Lease obligations	4	9
Accrued expenses	2,839	2,114
Income taxes payable	1,206	1,325
Accrued consumption taxes	133	422
Provision for directors' bonuses	57	40
Asset retirement obligation	-	1
Other	1,210	1,930
Total current liabilities	21,767	25,605
Noncurrent liabilities		
Long-term loans payable	4,503	3,224
Lease obligations	24	54
Deferred tax liabilities	1,062	1,268
Provision for retirement benefits	3,069	2,994
Provision for directors' retirement benefits	121	138
Asset retirement obligations	294	283
Long-term guarantee deposited	809	733
Other	1,158	1,021
Total noncurrent liabilities	11,043	9,720
Total liabilities	32,811	35,326
Net assets		
Shareholders' equity		
Capital stock	7,083	7,083
Capital surplus	1,255	1,255
Retained earnings	51,205	54,710
Treasury stock	(2,916)	(2,918)
Total shareholders' equity	56,627	60,130
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	282	413
Deferred gains or losses on hedges	(5)	10
Foreign currency translation adjustment	(554)	(125)
Total accumulated other comprehensive income	(277)	298
Minority interests	4,133	4,239
Total net assets	60,483	64,668
Total liabilities and net assets	93,294	99,994

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

(Quarterly consolidated statements of income)

(First nine months of fiscal year 2012 and 2013)

(Million yen)

	First nine months of FY2012 (From April 1, 2012 to December 31, 2012)	First nine months of FY2013 (From April 1, 2013 to December 31, 2013)
Net sales	74,105	73,325
Cost of sales	59,046	57,235
Gross profit	15,058	16,090
Selling, general and administrative expenses		
Distribution expenses	3,251	3,273
Provision for directors' bonuses	34	39
Provision for retirement benefits	107	81
Provision for directors' retirement benefits	23	23
Other	8,311	8,376
Total selling, general and administrative expenses	11,728	11,795
Operating income	3,330	4,294
Non-operating income		
Interest income	1	4
Dividends income	64	82
Royalty income	1,366	2,873
Equity in earnings of affiliates	536	294
Miscellaneous income	190	164
Total non-operating income	2,159	3,419
Non-operating expenses		
Interest expenses	117	97
Loss on retirement of noncurrent assets	117	122
Facilities removal expenses	126	128
Miscellaneous loss	229	160
Total non-operating expenses	589	507
Ordinary income	4,900	7,207
Extraordinary income		
Gain on sales of investment securities	112	-
Gain on sales of stocks of subsidiaries and affiliates	-	41
Gain on disposal of noncurrent assets	1,197	-
Subsidy income	-	266
Gain on negative goodwill	2,134	-
Total extraordinary income	3,444	308
Extraordinary loss		
Loss on valuation of investment securities	18	-
Loss on reduction of noncurrent assets	-	253
Impairment loss	267	-
Loss on step acquisitions	2,121	-
Compensation expenses	105	-
Other	60	-
Total extraordinary loss	2,571	253
Net income before income taxes	5,772	7,262
Income taxes-current	1,429	2,278
Income taxes-deferred	610	421
Total income taxes	2,040	2,699
Income before minority interests	3,731	4,562
Minority interests in income	43	122
Net income	3,688	4,439

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

(Million yen)

	First nine months of FY2012 (From April 1, 2012 to December 31, 2012)	First nine months of FY2013 (From April 1, 2013 to December 31, 2013)
Income before minority interests	3,731	4,562
Other comprehensive income		
Valuation difference on available-for-sale securities	(26)	113
Deferred gains or losses on hedges	9	25
Share of other comprehensive income of associates accounted for using equity method	83	453
Total other comprehensive income	66	593
Comprehensive income	3,798	5,156
Comprehensive income attributable to:		
Owners of the parent	3,745	5,015
Minority interests	53	140

(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 nine months of FY2012 (From April 1, 2012 to December 31, 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	66,196	6,965	943	74,105	-	74,105
Intersegment net sales and transfer	46	-	41	88	(88)	-
Total	66,243	6,965	985	74,193	(88)	74,105
Segment profit	2,474	325	530	3,330	-	3,330

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

II. First nine months of FY2013 (from April 1, 2013 to December 31, 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	65,109	7,372	843	73,325	-	73,325
Intersegment net sales and transfer	29	-	40	69	(69)	-
Total	65,138	7,372	883	73,395	(69)	73,325
Segment profit	3,497	354	442	4,294	-	4,294

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