



Summary of Consolidated Financial Results

For the Three Months of the Year Ending March 31, 2016 (Based on Japanese GAAP)

July 31, 2015

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: Hideaki Batori, General Manager, Corporate Planning Division
 Planned date for submission of quarterly report: August 6, 2015
 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 Three Months of the Year Ending March 31, 2016 (from April 1, 2015 to June 30, 2015)

(Percentages are year-over-year changes.)

(1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First three months of FY2015	24,778	8.0	1,295	50.5	3,099	50.2	1,912	50.6
First three months of FY2014	22,950	(4.5)	860	(28.4)	2,063	4.7	1,269	6.1

(Note) Comprehensive income: Three months ended June 30, 2015: 2,252 million yen (67.6%)
 Three months ended June 30, 2014: 1,344 million yen (-25.6%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
First three months of FY2015	14.32		—	
First three months of FY2014	9.52		—	

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2015	107,078	73,033	62.5	501.42
As of March 31, 2015	113,940	71,584	57.6	491.85

(Reference) Equity capital: As of June 30, 2015: 66,955 million yen As of March 31, 2015: 65,679 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, 2015	—	4.00	—	6.00	10.00
Year ending March 31, 2016	—	—	—	—	—
Year ending March 31, 2016 (forecast)	—	6.00	—	6.00	12.00

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

3. Consolidated Business Forecasts for the Year Ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Percentages are year-over-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First six months	49,200	6.9	2,000	12.8	5,000	17.8	3,100	19.5	23.21
Full year	100,000	4.0	4,500	16.6	10,500	10.3	6,400	12.1	47.93

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

* Notes

(1) Significant changes in subsidiaries during the period

(Changes in specified subsidiaries resulting in changes of 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: Yes

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For more details, please refer to “2. Matters Regarding Summary Information (Notes), (3) Changes in accounting policy and accounting estimates and restatement” on page 3 of the Appendix.

(4) Number of outstanding shares (common shares)

(i) Number of outstanding shares at period end (including treasury shares)	As of June 30, 2015	141,667,400 shares	As of March 31, 2015	141,667,400 shares
(ii) Number of treasury shares at period end	As of June 30, 2015	8,134,956 shares	As of March 31, 2015	8,130,929 shares
(iii) Average number of shares during period (from the beginning of fiscal year to period end)	Three months ended June 30, 2015	133,534,640 shares	Three months ended June 30, 2014	133,340,124 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 information about future forecasts” in “1. Qualitative Information Regarding the Results for the First Three Months of the Year Ending March 31, 2016” on page 3 of the Appendix.

○ Appendix

1.	Qualitative Information Regarding the Results for the First Three Months of the Year Ending March 31, 2016.....	2
	(1) Description of consolidated operating results	2
	(2) Description of consolidated financial position.....	3
	(3) Description of consolidated business forecasts and other information about future forecasts	3
2.	Matters Regarding Summary Information (Notes).....	3
	(1) Significant changes in subsidiaries during the period.....	3
	(2) Application of accounting method unique to preparation of quarterly consolidated financial statements	3
	(3) Changes in accounting policy and accounting estimates and restatement	3
3.	Quarterly Consolidated Financial Statements	4
	(1) Quarterly consolidated balance sheets	4
	(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income	6
	(Quarterly consolidated statements of income)	6
	(Quarterly consolidated statements of comprehensive income).....	7
	(3) Notes on quarterly consolidated financial statements	8
	(Note on assumptions of a going concern)	8
	(Notes when the amount of the shareholders' equity significantly fluctuates).....	8
	(Segment information, etc.).....	8

1. Qualitative Information Regarding the Results for the First Three Months of the Year Ending March 31, 2016

(1) Description of consolidated operating results

In the first three months of fiscal 2015 (April – June 2015), the Japanese economy continued to recover at a moderate pace overall, reflecting a recovery in corporate earnings and an increase in average share prices on the back of economic and monetary policies implemented by the government and the Bank of Japan. However, in consumer spending, a number of factors still appear to be weighing on consumer sentiment, including price hikes for daily necessities to pass on the higher cost of raw materials caused by the weak yen.

Against this backdrop, the Mitsui Sugar Group focused on implementing its fifth medium-term management plan, “Mitsui Sugar Revolution Phase 2 – The Road to 2022” (April 2014 to March 2016), which was launched in April 2014. An overview of the business activities and performance in each business segment for the first three months of the fiscal year is as follows:

(Sugar Business)

In the overseas crude sugar market, prices rose slowly from 12 cents per pound to the mid-13 cent level in the first half of the period, as the Brazilian real gained strength. However, in the second half of the period, the crude sugar price fell through the 12 cent level at one point as the market factored in prospects for an easing in supply-demand amid forecasts for a steady milling output in India, Brazil, Thailand and other major producing nations. The price subsequently recovered, ending the period in the low 12 cent range. Against this backdrop, the Company worked to procure crude sugar while carefully watching market trends.

In production activities, the Kobe Plant was able to use imported Australian sugar with high sucrose content, which became available for import from the period under review, for the first time. This reduced the burden on manufacturing processes and helped to stabilize production. Also, compared with the same period a year earlier, the crude oil price was at a consistently low level, leading to lower gas procurement costs and a reduction in variable manufacturing costs.

In sales activities, the Company stepped up sales promotion to existing volume retailers and began supplying new volume retailers. Also, in the same period a year earlier, there was a temporary pullback in demand after the consumption tax hike, but this was absent in the period under review. As a result, sales volume for home-use products increased year on year. Sales volume for commercial-use products also rose year on year, reflecting an increase in sales due to efforts with new users. In sales-related costs, the Company reduced costs by efficiently using the new product distribution center in Kobe, opened in October 2014, to reduce product storage expenses and cargo handling fees.

At consolidated subsidiary Hokkaido Sugar Co., Ltd., production output and sales volume increased, leading to a drop in fixed costs and contributing to higher margins. As a result of the above, the Sugar Business overall reported net sales of 20,762 million yen and operating income of 987 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)

Three months ended June 30, 2015: 185-186 yen

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

Opening price: 12.00 cents, highest price: 13.60 cents, lowest price: 11.10 cents, closing price: 12.28 cents

(Food Science Business)

In the Food Science Business, sales in the palatinose category were slightly lower year on year, but the gross margin improved after the business ended domestic production of palatinose in the previous fiscal year and switched to imports. In the sugar cane extract category, sales for flavor improver applications and animal feedstuff applications were strong.

NUTRI Co., Ltd., which became a consolidated subsidiary in December 2014, contributed to earnings, and earnings were firm at the bio business of Hokkaido Sugar Co., Ltd. and at Taisho Technos Co., Ltd., also both consolidated subsidiaries. As a result, net sales in the Food Science Business totaled 3,671 million yen and operating income was 131 million yen.

(Real Estate Business)

In the Real Estate Business, net sales totaled 344 million yen and operating income was 175 million yen, both higher than the same period a year earlier. This reflected earnings contributions from new rental properties completed in Tokyo's Suginami Ward and in Kawasaki in the previous fiscal year, as well as the absence of maintenance expenses for existing properties.

As a result, in the first three months of the fiscal year, net sales increased 8.0% year on year to 24,778 million yen and operating income rose 50.5% to 1,295 million yen.

In non-operating income and expenses, the Group booked royalty income of 1,529 million yen and share of profit of entities accounted for using equity method of 192 million yen. As a result, ordinary income rose 50.2% year on year to 3,099 million yen and profit attributable to owners of parent increased 50.6% to 1,912 million yen.

(2) Description of consolidated financial position

Changes in consolidated financial position

As of June 30, 2015, total assets stood at 107,078 million yen, down 6,861 million yen from the end of the previous fiscal year. Significant changes in the main items on the consolidated balance sheet were as follows:

(i) Current assets

Current assets totaled 41,784 million yen, down 6,433 million yen from the end of the previous fiscal year. This mainly reflected an increase in notes and accounts receivable – trade of 328 million yen, versus decreases of 3,618 million yen for merchandise and finished goods and 1,819 million yen for cash and deposits.

(ii) Non-current assets

Non-current assets totaled 65,294 million yen, down 427 million yen from the end of the previous fiscal year. This was mainly attributable to increases of 646 million yen for goodwill and 428 million yen for investment securities, versus a decline of 1,443 million yen for property, plant and equipment due to reduction entries and other factors.

(iii) Liabilities

Liabilities totaled 34,044 million yen, down 8,311 million yen from the end of the previous fiscal year. This mainly reflected declines of 3,357 million yen for loans payable, 2,202 million yen for notes and accounts payable – trade, 974 million yen for income taxes payable, and 271 million yen for accrued expenses.

(iv) Net assets

Net assets totaled 73,033 million yen, up 1,449 million yen from the end of the previous fiscal year. This was mainly due to profit attributable to owners of parent of 1,912 million yen and dividends of surplus of 801 million yen.

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

Performance in the first three months of the fiscal year was largely in line with forecasts. As a result, consolidated business forecasts for fiscal 2015, announced on May 12, 2015, are unchanged.

2. Matters Regarding Summary Information (Notes)

(1) Significant changes in subsidiaries during the period

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

(Application of accounting standard for business combinations, etc.)

The Company has applied the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013) and the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) from the first quarter of the current fiscal year. As a result, the accounting method was changed to record the difference arising from changes in the equity in subsidiaries under ongoing control of the Company as capital surplus, and acquisition-related costs as expenses for the fiscal year in which they are incurred. In addition, with respect to any business combination entered into on or after the first day of the first quarter under review, the accounting method was changed to reflect adjustments to the allocation of acquisition cost under provisional accounting treatment on the consolidated financial statements of the quarterly financial period in which the relevant business combinations became or will become effective. Furthermore, the presentation method for “net income” was changed, and references to “minority interests” were changed to “non-controlling interests.” To reflect these changes, the Company has reclassified its quarterly and full-year consolidated financial statements for the first quarter of the previous fiscal year and the previous fiscal year.

The Company has applied the Accounting Standard for Business Combinations and the other standards in accordance with transitional provisions in paragraph 58-2(4) of the Accounting Standard for Business Combinations, paragraph 44-5(4) of the Accounting Standard for Consolidated Financial Statements and paragraph 57-4(4) of the Accounting Standard for Business Divestitures, prospectively at the beginning of the first quarter under review.

The impact of the above changes on the quarterly financial statements is minimal.

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Million yen)

	FY2014 (As of March 31, 2015)	First three months of FY2015 (As of June 30, 2015)
Assets		
Current assets		
Cash and deposits	16,178	14,359
Notes and accounts receivable-trade	6,848	7,177
Merchandise and finished goods	15,683	12,065
Work in process	1,878	1,526
Raw materials and supplies	5,352	4,579
Deferred tax assets	680	641
Other	1,595	1,434
Allowance for doubtful accounts	(0)	(0)
Total current assets	48,217	41,784
Non-current assets		
Property, plant and equipment		
Buildings and structures	34,498	34,777
Accumulated depreciation	(20,887)	(20,969)
Buildings and structures, net	13,610	13,808
Machinery, equipment and vehicles	72,683	71,830
Accumulated depreciation	(60,050)	(58,597)
Machinery, equipment and vehicles, net	12,633	13,233
Tools, furniture and fixtures	2,325	2,257
Accumulated depreciation	(2,016)	(1,959)
Tools, furniture and fixtures, net	308	297
Land	18,435	18,435
Lease assets	912	885
Accumulated depreciation	(118)	(142)
Lease assets, net	794	742
Construction in progress	2,960	780
Total property, plant and equipment	48,742	47,299
Intangible assets		
Goodwill	2,380	3,026
Other	678	636
Total intangible assets	3,058	3,662
Investments and other assets		
Investment securities	12,055	12,484
Long-term loans receivable	35	34
Net defined benefit assets	302	291
Deferred tax assets	685	692
Other	867	855
Allowance for doubtful accounts	(25)	(25)
Total investments and other assets	13,920	14,332
Total non-current assets	65,722	65,294
Total assets	113,940	107,078

(Million yen)

	FY2014 (As of March 31, 2015)	First three months of FY2015 (As of June 30, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	6,804	4,601
Short-term loans payable	5,300	2,400
Current portion of long-term loans payable	1,778	1,629
Lease obligations	93	92
Accrued expenses	2,851	2,580
Income taxes payable	1,900	925
Provision for directors' bonuses	59	13
Other	3,995	2,487
Total current liabilities	22,783	14,731
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	2,555	2,246
Lease obligations	706	671
Deferred tax liabilities	1,326	1,428
Provision for directors' retirement benefits	218	215
Net defined benefit liability	2,886	2,893
Asset retirement obligations	395	395
Other	1,484	1,462
Total non-current liabilities	19,572	19,313
Total liabilities	42,356	34,044
Net assets		
Shareholders' equity		
Capital stock	7,083	7,083
Capital surplus	1,291	1,291
Retained earnings	58,665	59,775
Treasury shares	(2,895)	(2,896)
Total shareholders' equity	64,144	65,253
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	581	714
Deferred gains or losses on hedges	(1)	(4)
Foreign currency translation adjustment	690	734
Remeasurements of defined benefit plans	263	258
Total accumulated other comprehensive income	1,535	1,702
Non-controlling interests	5,904	6,078
Total net assets	71,584	73,033
Total liabilities and net assets	113,940	107,078

Summary of Consolidated Financial Results for the First Three Months Ended June 30, 2015

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

(Quarterly consolidated statements of income)

First three months of FY2015 (From April 1, 2015 to June 30, 2015) and FY2014 (From April 1, 2014 to June 30, 2014)

(Million yen)

	First three months of FY2014 (From April 1, 2014 to June 30, 2014)	First three months of FY2015 (From April 1, 2015 to June 30, 2015)
Net sales	22,950	24,778
Cost of sales	18,157	18,859
Gross profit	4,793	5,919
Selling, general and administrative expenses		
Distribution expenses	1,102	1,207
Provision for directors' bonuses	13	13
Retirement benefit expenses	27	32
Other	2,789	3,369
Total selling, general and administrative expenses	3,933	4,623
Operating income	860	1,295
Non-operating income		
Interest income	0	2
Dividend income	44	183
Royalty income	1,141	1,529
Share of profit of entities accounted for using equity method	86	192
Miscellaneous income	26	25
Total non-operating income	1,299	1,933
Non-operating expenses		
Interest expenses	34	30
Loss on retirement of non-current assets	14	52
Miscellaneous loss	48	46
Total non-operating expenses	97	129
Ordinary income	2,063	3,099
Extraordinary income		
Subsidy income	163	1,202
Total extraordinary income	163	1,202
Extraordinary loss		
Loss on reduction of non-current assets	147	1,186
Total extraordinary loss	147	1,186
Income before income taxes	2,079	3,115
Income taxes – current	689	953
Income taxes – deferred	62	80
Total income taxes	751	1,034
Profit	1,328	2,081
Profit attributable to non-controlling interests	58	168
Profit attributable to owners of parent	1,269	1,912

Summary of Consolidated Financial Results for the First Three Months Ended June 30, 2015

(Quarterly consolidated statements of comprehensive income)

First three months of FY2015 (From April 1, 2015 to June 30, 2015) and FY2014 (From April 1, 2014 to June 30, 2014)

(Million yen)

	First three months of FY2014 (From April 1, 2014 to June 30, 2014)	First three months of FY2015 (From April 1, 2015 to June 30, 2015)
Profit	1,328	2,081
Other comprehensive income		
Valuation difference on available-for-sale securities	59	132
Deferred gains or losses on hedges	(6)	(3)
Remeasurements of defined benefit plans, net of tax	3	(8)
Share of other comprehensive income of entities accounted for using equity method	(41)	51
Total other comprehensive income	15	171
Comprehensive income	1,344	2,252
Comprehensive income attributable to:		
Owners of parent	1,280	2,079
Non-controlling interests	63	173

Summary of Consolidated Financial Results for the First Three Months Ended June 30, 2015

(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, etc.)

Segment information

I. First three months of FY2014 (From April 1, 2014 to June 30, 2014)

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 Science Business	Real Estate Business	Total		
Net sales						
Net sales to third-party customers	20,284	2,384	282	22,950	—	22,950
Intersegment net sales and transfer	11	—	12	24	(24)	—
Total	20,296	2,384	294	22,975	(24)	22,950
Segment profit (loss)	763	(5)	103	860	—	860

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

II. First three months of FY2015 (From April 1, 2015 to June 30, 2015)

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 Science Business	Real Estate Business	Total		
Net sales						
Net sales to third party customers	20,762	3,671	344	24,778	—	24,778
Intersegment net sales and transfer	9	10	10	30	(30)	—
Total	20,771	3,682	354	24,808	(30)	24,778
Segment profit	987	131	175	1,295	—	1,295

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