



Summary of Consolidated Financial Results

For the Three Months Ended June 30, 2013 (Based on Japanese GAAP)

July 31, 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 Manger, Corporate Planning Division	
		TEL. 81-3-3663-3111	
Planned date for submission of quarterly report		August 8, 2013	
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 Ended June 30, 2013 (From April 1, 2013 to June 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	%
Three Months Ended June 30, 2013	24,039	(1.9)	1,201	32.6	1,970	63.1	1,196	69.1
Three Months Ended June 30, 2012	24,503	21.3	906	(52.3)	1,208	(46.2)	707	(47.0)

Note: Comprehensive income

Three Months Ended June 30, 2013: 1,807 million yen (94.2%) Three Months Ended June 30, 2012: 930 million yen ((27.3)%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three Months Ended June 30, 2013	8.98	—
Three Months Ended June 30, 2012	5.31	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2013	91,422	61,756	63.0	431.86
As of March 31, 2012	93,294	60,483	60.4	422.57

(Reference) Equity capital

As of June 30, 2013: 57,587 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	—	—	—	—	—
Year Ending March 31, 2014 (forecast)	—	3.00	—	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
Six Months Ending September 30, 2013	49,400	2.3	2,100	27.1	3,160	27.5	1,850	23.9	13.87
Full year	97,800	1.6	4,840	17.9	7,080	14.5	4,250	(4.5)	31.87

(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)	As of June 30, 2013	141,667,400 shares	As of March 31, 2013	141,667,400 shares
(ii) Number of treasury stock at period end	As of June 30, 2013	8,319,296 shares	As of March 31, 2013	8,318,092 shares
(iii) Average number of shares during period (from the beginning of fiscal year to period end)	As of June 30, 2013	133,348,777 shares	As of June 30, 2012	133,352,410 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 Three Months of Fiscal Year 2013" on page 3 of the Appendix.

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

(1) Description of consolidated operating results

Taking an overview of the Japanese economy during the first three months of fiscal year 2013, the economic recovery trend that was driven by expectations for the new administration had a ripple effect across corporate production activities and consumer spending. Coupled with the effects of various stimulus policies, this meant the momentum of recovery picked up steadily before the end of the first three months of fiscal year 2013.

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 three months of fiscal year 2013 is as follows:

Sugar Business

In the Sugar Business, the Kobe Plant, in which the production function of the Okayama Plant was integrated in October 2012, operated smoothly including the newly established packaging facility exclusively for superfine sugar. In addition, we reduced fixed costs of manufacturing and direct sales costs according to plan.

Looking at the sugar market conditions, there was a price increase factor in the overseas crude sugar market caused by a delay in the harvest of sugar cane as a result of rainfall 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 and a favorable outlook for production in Thailand, which is the largest exporter of sugar in Asia. As a result, prices fluctuated in relatively narrow ranges and the domestic price did not change.

Net sales fell below the level in the corresponding period of the previous fiscal year. They are down because domestic selling prices fell from a year earlier affected by the sluggish overseas crude sugar market, and unstable weather and low temperature before the high demand period in June, combined with decreased special sales in mass retailers, constrains increase in the sales volume.

As a result, net sales of the Sugar Business amounted to 21,251 million yen and operating income was 937 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: 16.02 cents, closing price: 16.45 cents

Food Ingredient Business

In the Food Ingredient Business, performance in the existing businesses remained at the same level as the corresponding period of the previous fiscal year. Meanwhile, 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 boosting performance in the business segment. As a result, net sales of the Food Ingredient Business were 2,489 million yen and operating income was 111 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 298 million yen, while operating income was 152 million yen.

As a result, net sales for the first three months of fiscal year 2013 amounted to 24,039 million yen (down 1.9% year on year), and operating income was 1,201 million yen (up 32.6% year on year).

As for non-operating income and expenses, we recorded royalty income of 773 million yen. Consequently, ordinary income totaled 1,970 million yen, an increase of 63.1% year on year, and net income surged 69.1% year on year to 1,196 million yen.

(2) Description of consolidated financial position

Changes in consolidated financial position

Total assets as of June 30, 2013 decreased by 1,872 million yen compared to the end of the previous fiscal year, and came to 91,422 million yen.

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

(i) Current assets

Current assets declined by 2,022 million yen compared to the end of the previous fiscal year, and amounted to 35,398 million yen. This was mainly due to decreases in merchandise and finished goods of 3,379 million yen and work in process of 362 million yen, while raw materials and supplies increased by 1,264 million yen and cash and deposits increased by 456 million yen.

(ii) Noncurrent assets

Noncurrent assets increased by 149 million yen compared to the end of the previous fiscal year to 56,023 million yen. This was mainly due to an increase in investment securities of 554 million yen while machinery, equipment and vehicles declined by 265 million yen and buildings and structures decreased by 131 million yen.

(iii) Liabilities

Liabilities decreased by 3,146 million yen compared to the end of the previous fiscal year, and came to 29,665 million yen. This was mainly due to decreases in short-term loans payable of 3,300 million yen, income taxes payable of 533 million yen, long-term loans payable of 519 million yen and accrued expenses of 459 million yen, while notes and accounts payable-trade increased by 1,075 million yen.

(iv) Net assets

Net assets increased by 1,273 million yen compared to the end of the previous fiscal year to 61,756 million yen. This was mainly due to net income of 1,196 million yen, dividends from surplus of 534 million yen and an increase in foreign currency translation adjustment of 562 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 May 15, 2013.

2. Matters Regarding Summary Information (Notes)

(1) Significant changes in subsidiaries during the first three 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)	First three months of FY2013 (As of June 30, 2013)
Assets		
Current assets		
Cash and deposits	7,648	8,105
Notes and accounts receivable-trade	6,380	6,503
Merchandise and finished goods	15,440	12,061
Work in process	1,764	1,401
Raw materials and supplies	4,526	5,790
Deferred tax assets	601	560
Other	1,057	975
Total current assets	37,420	35,398
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	32,917	32,940
Accumulated depreciation	(21,703)	(21,858)
Buildings and structures, net	11,213	11,081
Machinery, equipment and vehicles	74,052	74,257
Accumulated depreciation	(60,524)	(60,994)
Machinery, equipment and vehicles, net	13,527	13,262
Tools, furniture and fixtures	2,259	2,270
Accumulated depreciation	(1,874)	(1,903)
Tools, furniture and fixtures, net	384	366
Land	18,045	18,045
Lease assets	35	43
Accumulated depreciation	(6)	(7)
Lease assets, net	29	35
Construction in progress	87	124
Total property, plant and equipment	43,287	42,916
Intangible assets		
Total intangible assets	780	738
Investments and other assets		
Investment securities	9,979	10,533
Long-term loans receivable	54	52
Deferred tax assets	925	951
Other	868	852
Allowance for doubtful accounts	(22)	(22)
Total investments and other assets	11,805	12,368
Total noncurrent assets	55,874	56,023
Total assets	93,294	91,422

(Million yen)

	FY2012 (As of March 31, 2013)	First three months of FY2013 (As of June 30, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	5,956	7,031
Short-term loans payable	8,300	5,000
Current portion of long-term loans payable	2,059	1,959
Lease obligations	4	6
Accrued expenses	2,839	2,379
Income taxes payable	1,206	672
Accrued consumption taxes	133	323
Provision for directors' bonuses	57	13
Asset retirement obligation	-	6
Other	1,210	1,646
Total current liabilities	21,767	19,040
Noncurrent liabilities		
Long-term loans payable	4,503	4,084
Lease obligations	24	29
Deferred tax liabilities	1,062	1,069
Provision for retirement benefits	3,069	3,087
Provision for directors' retirement benefits	121	129
Asset retirement obligations	294	284
Long-term guarantee deposited	809	784
Other	1,158	1,156
Total noncurrent liabilities	11,043	10,624
Total liabilities	32,811	29,665
Net assets		
Shareholders' equity		
Capital stock	7,083	7,083
Capital surplus	1,255	1,255
Retained earnings	51,205	51,868
Treasury stock	(2,916)	(2,916)
Total shareholders' equity	56,627	57,289
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	282	289
Deferred gains or losses on hedges	(5)	1
Foreign currency translation adjustment	(554)	7
Total accumulated other comprehensive income	(277)	298
Minority interests	4,133	4,168
Total net assets	60,483	61,756
Total liabilities and net assets	93,294	91,422

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

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

(Million yen)

	First three months of FY2012 (From April 1, 2012 to June 30, 2012)	First three months of FY2013 (From April 1, 2013 to June 30, 2013)
Net sales	24,503	24,039
Cost of sales	19,742	19,022
Gross profit	4,761	5,016
Selling, general and administrative expenses		
Distribution expenses	1,037	1,064
Provision for directors' bonuses	11	13
Provision for retirement benefits	39	39
Provision for directors' retirement benefits	7	7
Other	2,758	2,689
Total selling, general and administrative expenses	3,854	3,814
Operating income	906	1,201
Non-operating income		
Interest income	0	1
Dividends income	35	48
Royalty income	384	773
Equity in earnings of affiliates	38	22
Miscellaneous income	46	37
Total non-operating income	506	884
Non-operating expenses		
Interest expenses	41	38
Loss on retirement of noncurrent assets	28	3
Facilities removal expenses	61	26
Miscellaneous loss	72	47
Total non-operating expenses	203	115
Ordinary income	1,208	1,970
Extraordinary income		
Gain on sales of investment securities	7	-
Gain on disposal of noncurrent assets	43	-
Gain on negative goodwill	2,134	-
Total extraordinary income	2,185	-
Extraordinary loss		
Loss on valuation of investment securities	14	-
Loss on step acquisitions	2,121	-
Other	26	-
Total extraordinary loss	2,161	-
Net income before income taxes	1,231	1,970
Income taxes-current	335	718
Income taxes-deferred	171	23
Total income taxes	507	742
Income before minority interests	724	1,228
Minority interests in income	16	31
Net income	707	1,196

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

(Million yen)

	First three months of FY2012 (From April 1, 2012 to June 30, 2012)	First three months of FY2013 (From April 1, 2013 to June 30, 2013)
Income before minority interests	724	1,228
Other comprehensive income		
Valuation difference on available-for-sale securities	(33)	(16)
Deferred gains or losses on hedges	(19)	8
Share of other comprehensive income of associates accounted for using equity method	260	587
Total other comprehensive income	206	579
Comprehensive income	930	1,807
Comprehensive income attributable to:		
Owners of the parent	918	1,772
Minority interests	12	35

(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 three months of FY2012 (From April 1, 2012 to June 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	22,185	2,002	315	24,503	-	24,503
Intersegment net sales and transfer	12	-	17	30	(30)	-
Total	22,197	2,002	333	24,534	(30)	24,503
Segment profit	655	72	177	906	-	906

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

2. Information concerning impairment loss or goodwill of noncurrent assets by reportable segment

(Significant gain on negative goodwill)

In conjunction with the additional acquisition of shares of Hokkaido Sugar Co., Ltd., the Company recognized a gain on negative goodwill in the Sugar Business segment. The amount of gain on negative goodwill associated with this acquisition posted during the first three months of the fiscal year was 2,132 million yen.

II. First three months of FY2013 (from April 1, 2013 to June 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	21,251	2,489	298	24,039	-	24,039
Intersegment net sales and transfer	12	-	13	26	(26)	-
Total	21,264	2,489	312	24,065	(26)	24,039
Segment profit	937	111	152	1,201	-	1,201

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