

**Consolidated Financial Results**  
**for the Nine Months Ended December 31, 2019**  
**<under J-GAAP>**

Company name: **Toyo Suisan Kaisha, Ltd.**  
 Listing: First Section of the Tokyo Stock Exchange  
 Securities code: 2875  
 URL: <https://www.maruchan.co.jp/>  
 Representative: Masanari Imamura, Representative Director and President  
 Contact: Chiyoko Matsumoto, General Manager of Accounting Department  
 TEL: +81-3-3458-5246 (from overseas)

Scheduled date of filing of quarterly securities report: February 13, 2020  
 Scheduled date of start of dividend payment: –  
 Preparation of quarterly results presentation materials: Yes  
 Holding of quarterly results briefing meeting: None

(Amounts less than one million yen have been omitted.)

**1. Consolidated Operating Results for the First Nine Months of FY2020**  
**(from April 1, 2019 to December 31, 2019)**

**(1) Consolidated Operating Results** (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Dec. 31, 2019	313,898	2.5	21,887	10.6	24,305	12.2	17,247	17.0
Dec. 31, 2018	306,121	2.2	19,797	(11.2)	21,655	(9.9)	14,736	(9.4)

Note: Comprehensive income Nine months ended December 31, 2019: 15,290 million yen [(17.4)%]  
 Nine months ended December 31, 2018: 18,514 million yen [(6.8)%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended Dec. 31, 2019	168.88		–	
Dec. 31, 2018	144.30		–	

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2019	400,587	314,704	75.7
As of Mar. 31, 2019	390,190	307,729	76.0

Reference: Equity  
 As of December 31, 2019: 303,407 million yen  
 As of March 31, 2019: 296,638 million yen

**2. Dividends**

	Full Year Dividends				
	1 <sup>st</sup> quarter-end	2 <sup>nd</sup> quarter-end	3 <sup>rd</sup> quarter-end	Year-end	For the year
	Yen				
FY2019	–	30.00	–	40.00	70.00
FY2020	–	40.00	–	–	–
FY2020 (Forecast)	–	–	–	40.00	80.00

Note: Revisions to the dividends forecasts most recently announced: None

### 3. Consolidated Results Forecasts for FY2020 (from April 1, 2019 to March 31, 2020)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	420,000	4.7	27,000	14.1	29,500	12.7	21,000	13.9	205.62

Note: Revisions to the results forecasts most recently announced: None

#### \* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of specific accounting procedures for preparation of the quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - a. Changes in accounting policies due to amendments to accounting standards and other regulations: None
  - b. Changes in accounting policies due to other reasons: None
  - c. Changes in accounting estimates: None
  - d. Restatement: None

#### (4) Number of shares issued (common stock)

##### a. Number of shares issued at end of period (including treasury shares)

As of December 31, 2019	110,881,044 shares
As of March 31, 2019	110,881,044 shares

##### b. Number of treasury shares at end of period

As of December 31, 2019	8,752,522 shares
As of March 31, 2019	8,752,148 shares

##### c. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2019	102,128,593 shares
Nine months ended December 31, 2018	102,129,080 shares

\* Quarterly financial results reports are exempt from quarterly reviews conducted by certified public accountants or an audit corporation.

#### \* Explanation related to the appropriate use of the results forecasts and other items warranting special mention

(Caution regarding forward-looking statements)

Forward-looking statements in this document, including the results forecasts, etc., are based on the information available as of the date of the release of this document and the preconditions that the Company deemed to be reasonable; they are not meant to be a commitment by the Company, and a variety of factors in the future may cause actual results to differ materially from these forecasts. Please refer to Section: “(3) Explanation of forward-looking information, including consolidated results forecasts” of “1. Qualitative Information on Quarterly Consolidated Financial Results for the Nine Months Ended December 31, 2019” on page 3 of the attachments for the preconditions for the results forecasts and items to exercise caution in the use of these results forecasts.

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## 1. Qualitative Information on Quarterly Consolidated Financial Results for the Nine Months Ended December 31, 2019

### (1) Explanation of the consolidated operating results

During the nine months ended December 31, 2019, the Japanese economy continued to recover at a gradual pace, on the back of results from various economic measures amid improvements in the employment and income environments, despite increasing weakness primarily of the manufacturing industry, on the back signs of continuing weakness of exports. However, the economy continued to be exposed to downside risks due to trade problems, trends in overseas economies and fluctuations in the financial and capital markets, as well as due to trends in consumer sentiment after the consumption tax hike.

Under these circumstances, the Toyo Suisan Group (hereafter, the “Group”) has remained committed to its mission “to contribute to society through foods” and “to provide safe and secure foods and services to customers” under the corporate slogan of “Smiles for All.” The Group continued to implement further cost reductions and promoted aggressive sales activities in its efforts to face an increasingly competitive sales environment.

As a result, net sales were ¥313,898 million (up 2.5% year on year), operating profit was ¥21,887 million (up 10.6% year on year), ordinary profit was ¥24,305 million (up 12.2% year on year), and profit attributable to owners of parent was ¥17,247 million (up 17.0% year on year) for the period under review.

The foreign exchange rate for the period was ¥109.54 to the U.S. dollar (¥111.02 to the U.S. dollar for the corresponding period of the previous fiscal year).

The operating results by segment are as follows.

In the Seafood Segment, although the Group focused on selling products at reasonable prices to convenience stores and mass retailers amid the effects of market fluctuations for the core products of salmon, trout, fish eggs, etc. and price rises in the cost of fish due to fewer inshore fish caught in Japan and other countries, competition intensified and sales volumes decreased. As a result, segment sales were ¥22,966 million (down 0.7% year on year) while segment loss was ¥209 million (compared with a segment profit of ¥251 million in the corresponding period of the previous fiscal year).

In the Overseas Instant Noodles Segment, sales increased in the U.S. because of favorable sales of our signature products, the bag-type noodle product *Ramen* series and the cup-type noodle product *Instant Lunch* series, owing to regular sales campaigns and sales to new customers, in addition to the implementation of special sales campaigns at each of our leading customers’ stores. In Mexico, sales increased thanks to robust trends from cup-type noodles, our signature products, and favorable sales of bag-type noodles, for which we reinforced sales. As a result, segment sales were ¥65,544 million (up 6.9% year on year). Segment profit was ¥8,682 million (up 28.1% year on year) mainly due to increased sales volume, the curbing of sales promotion costs, reduced distribution costs, and a decrease in raw material costs due to lower unit cost of main raw materials, despite factors such as an increase in personnel expenses.

In the Domestic Instant Noodles Segment, amid production and supply costs increasing, the Group revised prices from June 2019 in order to steadily deliver quality products that satisfy customers. Under these circumstances, in addition to carrying out initiatives to invigorate the market with various promotions centered on our key branded products such as the Japanese-style series including *Akai Kitsune Udon* and *Midori no Tanuki Ten Soba*, the *Menzukuri* series and the *MARUCHAN QTTA* series, sales in cup-type noodles increased thanks to strong sales of the new products such as *Akai Tanuki Ten Udon* and *Akai Kitsune Yakiudon*, as well as the *Maruchan Seimen Cup* series that launched products for which noodles are soaked in hot water and drained, and the *Gotsu Mori* series. Sales in bag-type noodles were almost flat year on year, due to efforts to stimulate demand, centering on the *Maruchan Seimen* series. As a result, segment sales were ¥100,581 million (up 2.3% year on year) and segment profit was ¥8,646 million (up 26.6% year on year) due to an increase in sales and the curbing of sales promotion costs, despite factors such as increases in personnel expenses and distribution costs.

In the Frozen and Refrigerated Foods Segment, amid production and supply costs increasing, the Group revised prices from April 2019 in order to steadily deliver quality products that satisfy customers. Under these circumstances, sales increased in fresh noodles thanks to not only favorable sales performance of the *Maruchan Yakisoba (Three-Meal Package)* series, for which we took initiatives such as sales of products offered for a limited time only and implementation of consumer campaigns, and the ramen noodle category, but also the significant increases of the *Tsuruyaka* series, whose preparation simply requires separating the noodles by water and whose sales area has increased throughout Japan this fiscal year, and of the *Pari-Pari Mugen* series, which offers a very tasty way to eat vegetables. Among frozen and chilled foods, although our signature *shumai* (steamed dumpling) and rice burger products saw a decrease in sales, sales were strong for products such as the

household *Frozen Yakisoba Noodles* and frozen noodles for restaurant business. As a result, segment sales were ¥54,243 million (up 2.8% year on year) and segment profit was ¥4,126 million (up 12.5% year on year) due to an increase in sales, despite increases mainly in personnel expenses and distribution costs.

In the Processed Foods Segment, the Group is working to increase production capacity in packaged cooked rice and freeze-dried products in order to capture market expansion. We worked to introduce new products in addition to promoting sales of our signature products such as, in packaged cooked rice, the *Attaka Gohan* series, an aseptically packaged cooked rice product, and the packaged flavored cooked rice series including *Fukkura Sekihan*, and in freeze-dried products, the *Sozai no Chikara* series, a freeze-dried soup product with five packs in one bag. As a result, segment sales were ¥17,693 million (up 2.8% year on year), and the segment reported a segment loss of ¥983 million (compared with a segment loss of ¥590 million in the corresponding period of the previous fiscal year) owing to the increases mainly in depreciation associated with the start of operations of the new factories.

In the Cold-Storage Segment, the Group saw robust sales from trade centered on frozen foods and trade in incidental businesses such as customs clearance and transportation, in addition to an increase in warehouse capacity because of the operation of the Saitama Sugito Distribution Center and the Kobe Distribution Center, which began in January 2019. As a result, segment sales were ¥15,712 million (up 11.4% year on year) while segment profit was ¥1,108 million (down 34.4% year on year) due to increases in depreciation and personnel expenses associated with the operation of new cold storage facilities, etc.

The Other Business Segment consists of mainly the packed lunch/deli food business. Segment sales were ¥37,156 million (down 5.3% year on year) while segment profit was ¥1,090 million (down 33.9% year on year).

## (2) Explanation of the consolidated financial position

At the end of the third quarter of the fiscal year ending March 31, 2020, total assets increased by ¥10,396 million from the previous fiscal year-end to ¥400,587 million, and net assets increased by ¥6,975 million to ¥314,704 million. The main factors contributing to these results are as follows:

The main contributing factors for assets were increases in cash and deposits, and notes and accounts receivable - trade, and a decrease in securities. The main contributing factors for liabilities were increases in notes and accounts payable - trade and accrued expenses. The main contributing factor for net assets was an increase in retained earnings.

As a result of these factors, the equity ratio was 75.7%.

## (3) Explanation of forward-looking information, including consolidated results forecasts

The Company has not changed its consolidated results forecasts for the fiscal year ending March 31, 2020, as announced on May 10, 2019, because the results for the first nine months were within its expectations. Should any changes occur in the future, the relevant information will be duly disclosed.

## 2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

### (1) Quarterly consolidated balance sheets

(Millions of yen)

	As of end FY2019 (March 31, 2019)	As of end 3Q FY2020 (December 31, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	86,280	99,865
Notes and accounts receivable - trade	54,432	66,969
Securities	32,000	18,000
Merchandise and finished goods	19,168	16,063
Work in process	332	313
Raw materials and supplies	6,722	6,851
Other	4,990	3,377
Allowance for doubtful accounts	(628)	(654)
Total current assets	203,298	210,785
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	71,773	73,353
Machinery, equipment and vehicles, net	35,599	35,943
Land	35,622	35,583
Leased assets, net	2,707	2,568
Construction in progress	5,722	8,307
Other, net	1,350	1,250
Total property, plant and equipment	152,776	157,006
Intangible assets		
Other	1,604	1,523
Total intangible assets	1,604	1,523
Investments and other assets		
Investment securities	30,409	29,072
Deferred tax assets	1,165	1,199
Retirement benefit asset	75	67
Other	860	932
Total investments and other assets	32,511	31,271
Total non-current assets	186,891	189,801
Total assets	390,190	400,587

(Millions of yen)

	As of end FY2019 (March 31, 2019)	As of end 3Q FY2020 (December 31, 2019)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	26,320	28,062
Short-term borrowings	644	325
Lease obligations	254	288
Accrued expenses	21,111	23,430
Income taxes payable	1,909	3,166
Provision for bonuses for directors (and other officers)	74	79
Other	3,555	2,804
Total current liabilities	53,870	58,157
Non-current liabilities		
Lease obligations	3,664	3,741
Deferred tax liabilities	3,476	3,243
Provision for retirement benefits for directors (and other officers)	302	317
Retirement benefit liability	18,899	18,969
Provision for loss on business of subsidiaries and associates	28	–
Asset retirement obligations	216	212
Other	2,002	1,241
Total non-current liabilities	28,590	27,725
Total liabilities	82,461	85,883
<b>Net assets</b>		
Shareholders' equity		
Share capital	18,969	18,969
Capital surplus	22,942	22,942
Retained earnings	252,891	261,968
Treasury shares	(8,228)	(8,230)
Total shareholders' equity	286,574	295,650
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,853	8,738
Deferred gains or losses on hedges	(1)	7
Foreign currency translation adjustment	2,054	697
Remeasurements of defined benefit plans	(1,843)	(1,686)
Total accumulated other comprehensive income	10,063	7,757
Non-controlling interests	11,090	11,296
Total net assets	307,729	314,704
Total liabilities and net assets	390,190	400,587

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

(Millions of yen)

	3Q FY2019 (from April 1, 2018 to December 31, 2018)	3Q FY2020 (from April 1, 2019 to December 31, 2019)
Net sales	306,121	313,898
Cost of sales	192,728	197,511
Gross profit	113,393	116,387
Selling, general and administrative expenses	93,595	94,499
Operating profit	19,797	21,887
Non-operating income		
Interest income	1,200	1,526
Dividend income	438	461
Share of profit of entities accounted for using equity method	125	118
Miscellaneous income	667	712
Total non-operating income	2,431	2,819
Non-operating expenses		
Interest expenses	189	185
Provision of allowance for doubtful accounts	191	–
Miscellaneous loss	191	216
Total non-operating expenses	573	401
Ordinary profit	21,655	24,305
Extraordinary income		
Gain on sales of non-current assets	10	2
Gain on sales of investment securities	232	–
Subsidy income	250	93
Insurance claim income	–	33
Other	81	35
Total extraordinary income	574	164
Extraordinary losses		
Loss on sales and retirement of non-current assets	262	283
Impairment loss	176	10
Loss on disaster	128	29
Other	48	18
Total extraordinary losses	616	342
Profit before income taxes	21,613	24,127
Income taxes - current	5,526	6,391
Income taxes - deferred	899	146
Total income taxes	6,426	6,537
Profit	15,187	17,589
Profit attributable to non-controlling interests	450	342
Profit attributable to owners of parent	14,736	17,247

Quarterly consolidated statements of comprehensive income (Cumulative)

(Millions of yen)

	3Q FY2019 (from April 1, 2018 to December 31, 2018)	3Q FY2020 (from April 1, 2019 to December 31, 2019)
Profit	15,187	17,589
Other comprehensive income		
Valuation difference on available-for-sale securities	(884)	(1,153)
Deferred gains or losses on hedges	17	9
Foreign currency translation adjustment	4,019	(1,356)
Remeasurements of defined benefit plans, net of tax	204	173
Share of other comprehensive income of entities accounted for using equity method	(29)	28
Total other comprehensive income	3,327	(2,299)
Comprehensive income	18,514	15,290
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,342	14,941
Comprehensive income attributable to non- controlling interests	171	348

- (3) Notes to quarterly consolidated financial statements  
(Notes on going concern assumptions)  
Not applicable

(Notes in the event of substantial changes in shareholders' equity)  
Not applicable

(Segment information)  
[Segment information]

I. Nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)

1. Information relating to net sales, profit and loss by each reportable segment

(Millions of yen)

	Reportable segment							Other (Note 1)	Total	Adjust- ments (Note 2)	Amount reported on quarterly consoli- dated financial statements (Note 3)
	Seafood Segment	Overseas Instant Noodles Segment	Domestic Instant Noodles Segment	Frozen and Refrigerated Foods Segment	Processed Foods Segment	Cold- Storage Segment	Total				
Net sales											
Net sales to outside customers	23,138	61,307	98,351	52,778	17,212	14,100	266,890	39,231	306,121	–	306,121
Intersegment sales or transfers	799	–	–	–	–	794	1,593	67	1,661	(1,661)	–
Total	23,938	61,307	98,351	52,778	17,212	14,894	268,483	39,299	307,782	(1,661)	306,121
Segment profit (loss)	251	6,778	6,831	3,667	(590)	1,690	18,627	1,648	20,276	(479)	19,797

Notes: 1. The Other Business Segment is one which is not among the reportable segments and refers to a business which is mainly involved in the packed lunch/deli food business.

2. The negative ¥479 million in segment profit or loss adjustments includes companywide expenses of negative ¥889 million which have not been allocated to each reportable segment, a ¥24 million adjustment to inventories, and other adjustments of ¥386 million. Companywide expenses refer mainly to general and administrative expenses which do not belong to any reportable segment. Other adjustments are mainly for offset and elimination of knowhow fees from overseas subsidiaries at account closing.

3. Segment profit or loss is adjusted at the operating profit level on the quarterly consolidated financial statements.

2. Information relating to impairment loss on non-current assets or goodwill for each reportable segment  
Statement is omitted due to the immateriality of the amount.

II. Nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

1. Information relating to net sales, profit and loss by each reportable segment

(Millions of yen)

	Reportable segment							Other (Note 1)	Total	Adjust- ments (Note 2)	Amount reported on quarterly consoli- dated financial statements (Note 3)
	Seafood Segment	Overseas Instant Noodles Segment	Domestic Instant Noodles Segment	Frozen and Refrigerated Foods Segment	Processed Foods Segment	Cold- Storage Segment	Total				
Net sales											
Net sales to outside customers	22,966	65,544	100,581	54,243	17,693	15,712	276,741	37,156	313,898	–	313,898
Intersegment sales or transfers	707	–	–	–	–	907	1,614	23	1,637	(1,637)	–
<b>Total</b>	<b>23,673</b>	<b>65,544</b>	<b>100,581</b>	<b>54,243</b>	<b>17,693</b>	<b>16,619</b>	<b>278,355</b>	<b>37,180</b>	<b>315,536</b>	<b>(1,637)</b>	<b>313,898</b>
Segment profit (loss)	(209)	8,682	8,646	4,126	(983)	1,108	21,370	1,090	22,460	(573)	21,887

Notes: 1. The Other Business Segment is one which is not among the reportable segments and refers to a business which is mainly involved in the packed lunch/deli food business.

2. The negative ¥573 million in segment profit or loss adjustments includes companywide expenses of negative ¥930 million which have not been allocated to each reportable segment, a negative ¥4 million adjustment to inventories, and other adjustments of ¥361 million. Companywide expenses refer mainly to general and administrative expenses which do not belong to any reportable segment. Other adjustments are mainly for offset and elimination of knowhow fees from overseas subsidiaries at account closing.

3. Segment profit or loss is adjusted at the operating profit level on the quarterly consolidated financial statements.

2. Information relating to impairment loss on non-current assets or goodwill for each reportable segment Statement is omitted due to the immateriality of the amount.