Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

February 2, 2018

Company name: Nissin Sugar Co., Ltd.
Stock exchange listing: Tokyo
Stock code: 2117 URL http://www.nissin-sugar.co.jp/
Representative: President and Representative Director Yoichi Higuchi
Inquiries: General Manager, Finance Department Kenji Oba TEL 03-3668-1293
Scheduled date to file Quarterly Securities Report: February 13, 2018
Scheduled date to commence dividend payments: –
Preparation of supplementary material on quarterly financial results: No
Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2017 (from April 1, 2017 to December 31, 2017)

(1) Consolidated operating results (cumulative) 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 December 31, 2017	37,901	(1.3)	1,891	(26.8)	2,332	(17.8)	1,663	(21.2)
Nine months ended December 31, 2016	38,396	(1.3)	2,584	(3.5)	2,838	(2.7)	2,110	14.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2017	75.35	–
Nine months ended December 31, 2016	95.58	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	61,701	50,599	82.0
As of March 31, 2017	58,273	50,190	86.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2017	–	33.00	–	37.00	70.00
Year ending March 31, 2018	–	35.00	–		
Year ending March 31, 2018 (Forecast)				34.00	69.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	49,000	(1.9)	2,200	(19.6)	2,700	(12.2)	1,800	(29.5)	81.52

4. Notes

(1) Changes in specified significant subsidiaries during the nine months ended December 31, 2017 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	No
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2017	22,673,883 shares	As of March 31, 2017	22,673,883 shares

Number of treasury shares at the end of the period

As of December 31, 2017	594,251 shares	As of March 31, 2017	593,740 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2017	22,079,891 shares	Nine months ended December 31, 2016	22,080,737 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash on hand and in banks	13,351	12,454
Notes and accounts receivable - trade	4,133	5,804
Marketable securities	1,600	1,600
Merchandise and finished goods	3,678	3,448
Work in progress	589	472
Raw materials and supplies	1,928	1,949
Other	464	512
Allowance for doubtful accounts	(0)	(0)
Total current assets	25,745	26,243
Non-current assets		
Property, plant and equipment		
Land	7,860	8,606
Other, net	6,136	6,527
Total property, plant and equipment	13,997	15,134
Intangible assets		
Goodwill	–	1,396
Other	178	142
Total intangible assets	178	1,538
Investments and other assets		
Investment securities	16,582	16,941
Net defined benefit assets	264	297
Other	1,586	1,625
Allowance for doubtful accounts	(80)	(80)
Total investments and other assets	18,353	18,784
Total non-current assets	32,528	35,457
Total assets	58,273	61,701

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,191	3,142
Short-term loans payable	1,100	1,800
Current portion of long-term loans payable	–	78
Income taxes payable	372	176
Provision	300	155
Other	1,480	2,132
Total current liabilities	5,445	7,485
Non-current liabilities		
Long-term loans payable	–	763
Provision	267	163
Liability for retirement benefits	132	118
Other	2,238	2,569
Total non-current liabilities	2,637	3,615
Total liabilities	8,082	11,101
Net assets		
Shareholders' equity		
Capital stock	7,000	7,000
Capital surplus	12,020	12,020
Retained earnings	28,481	28,555
Treasury shares	(297)	(298)
Total shareholders' equity	47,205	47,278
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	784	1,092
Deferred gains or losses on hedges	(1)	0
Revaluation reserve for land	2,191	2,191
Remeasurements of defined benefit plans	11	37
Total accumulated other comprehensive income	2,985	3,321
Total net assets	50,190	50,599
Total liabilities and net assets	58,273	61,701

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net sales	38,396	37,901
Cost of sales	30,427	30,457
Gross profit	7,969	7,444
Selling, general and administrative expenses	5,385	5,552
Operating profit	2,584	1,891
Non-operating income		
Interest income	6	2
Dividend income	51	240
Share of profit of entities accounted for using equity method	223	195
Other	11	22
Total non-operating income	292	461
Non-operating expenses		
Interest expenses	8	9
Commission fee	6	6
Foreign exchange losses	17	–
Other	5	5
Total non-operating expenses	38	21
Ordinary profit	2,838	2,332
Extraordinary income		
Gain on sales of non-current assets	–	2
Gain on reversal of assets retirement obligations	43	–
Total extraordinary income	43	2
Extraordinary losses		
Loss on disposal of non-current assets	90	38
Loss on sales of non-current assets	–	2
Other	–	6
Total extraordinary losses	90	47
Profit before income taxes	2,790	2,287
Income taxes	680	623
Profit	2,110	1,663
Profit attributable to owners of parent	2,110	1,663

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	2,110	1,663
Other comprehensive income		
Valuation difference on available-for-sale securities	191	311
Deferred gains or losses on hedges	1	1
Remeasurements of defined benefit plans, net of tax	11	26
Share of other comprehensive income of entities accounted for using equity method	10	(3)
Total other comprehensive income	215	336
Comprehensive income	2,326	1,999
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,326	1,999
Comprehensive income attributable to non-controlling interests	–	–