

## Flash Report 2003

# Kikkoman Corporation



## Consolidated Financial Results

May 19 2003

Year ended March 31, 2003

Listed company name: **Kikkoman Corporation**  
Code No.: 2801  
Shares listed: Tokyo (1st Section), Osaka (1st Section)  
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Board of Directors' meeting for approval of consolidated results: May 13, 2003

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2003 are presented solely for convenience.



# Kikkoman Corporation

## Flash Report 2003

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## 1. Business performance for the year ended March 31, 2003

(April 1, 2002 to March 31, 2003)

### (1) Business results

Amounts less than ¥1 million, except for per share amounts, have been omitted in the following tables.

(Millions of yen)

|                                 | Net sales | Operating income | Recurring income |
|---------------------------------|-----------|------------------|------------------|
| Apr. 1, 2002 -<br>Mar. 31, 2003 | ¥342,508  | ¥17,904          | ¥15,640          |
| Apr. 1, 2001 -<br>Mar. 31, 2002 | ¥336,887  | ¥14,942          | ¥13,183          |

|                                 | Net income | Net income per share<br>(yen) | Net income per share:<br>Assuming full dilution<br>(yen) |
|---------------------------------|------------|-------------------------------|--|
| Apr. 1, 2002 -<br>Mar. 31, 2003 | ¥8,311     | ¥41.98                        | ¥40.86   |
| Apr. 1, 2001 -<br>Mar. 31, 2002 | ¥5,363     | ¥27.43                        | ¥26.52   |

Note:

1) Income (loss) from equity in earnings of unconsolidated subsidiaries and affiliates:

Apr. 1, 2002-Mar. 31, 2003: (¥127 million) (Apr. 1, 2001-Mar. 31, 2002: ¥ 226 million)

2) Average number of shares during the period (consolidated)

Apr. 1, 2002-Mar. 31, 2003: 196,008,847 (Apr. 1, 2001-Mar. 31, 2002: 195,531,893)

3) Changes in accounting method

None

## 1. Business performance for the year ended March 31, 2003 (continued)

### (2) Financial position

(Millions of yen)

|             | Total assets | Shareholders' equity | Shareholders' equity ratio | Shareholders' equity per share (yen) |
|-------------|--------------|----------------------|----------------------------|--------------------------------------|
| Mar.31,2003 | ¥273,902     | ¥131,806             | 48.1%                      | ¥673.44                              |
| Mar.31,2002 | ¥294,527     | ¥132,313             | 44.9%                      | ¥676.82                              |

Note:

1) Number of shares issued and outstanding at end of the period (consolidated)

Mar.31, 2003: 195,597,691 (Mar.31, 2002: 195,492,644)

### (3) Cash Flows

(Millions of yen)

|                           | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| Apr. 1,2002 - Mar.31,2003 | ¥20,012                              | (¥ 8,551)                            | ( ¥ 8,683)                           | ¥32,906                                    |
| Apr. 1,2001 - Mar.31,2002 | ¥22,572                              | (¥17,602)                            | ( ¥ 480)                             | ¥30,858                                    |

### (4) Scope of consolidation and application of the equity method

- Consolidated subsidiaries: 23
- Unconsolidated subsidiaries accounted for by equity method: 6
- Affiliates accounted for by equity method: 2

### (5) Changes in scope of consolidation and accounting methods

1) Changes in the scope of consolidation and the number of companies accounted for by the equity method

Newly consolidated companies: 1

Newly unconsolidated company: 1

Companies newly accounted for by the equity method: None

Companies no longer accounted for by the equity method: 1

## 2. Forecast of business performance for the fiscal year ending March 31, 2004

(Millions of yen)

|                            | Net sales | Recurring income | Net income |
|----------------------------|-----------|------------------|------------|
| Apr. 1, -<br>Sep.30,2003   | ¥168,500  | ¥7,200           | ¥3,800     |
| Apr.1,2003-<br>Mar.31,2004 | ¥347,000  | ¥17,000          | ¥8,500     |

Estimated net income per share for the year: Consolidated basis

¥43.03

### 3. Consolidated Balance Sheets

|   | <b>March 31,</b>         |                  |   |
|---|--------------------------|------------------|---|
|   | <b>2003</b>              | <b>2002</b>      | <b>2003</b>   |
|   | <i>(Millions of yen)</i> |                  | <i>(Thousands of U.S. dollars)</i><br><i>(Note 3)</i> |
| <b>Assets</b>   |                          |                  |   |
| Current assets:   |                          |                  |   |
| Cash and time deposits  | ¥ 31,670                 | ¥ 32,835         | \$ 263,917  |
| Short-term investments  | 3,024                    | 24               | 25,200  |
| Trade notes and accounts receivable                                       | 40,593                   | 41,116           | 338,275   |
| Allowance for doubtful receivables  | (675)                    | (604)            | (5,625)   |
|   | <u>39,918</u>            | <u>40,511</u>    | <u>332,650</u>  |
| Inventories   | 25,239                   | 28,525           | 210,325   |
| Deferred tax assets   | 3,637                    | 4,262            | 30,308  |
| Other current assets  | 4,241                    | 9,243            | 35,342  |
| Total current assets  | <u>107,732</u>           | <u>115,403</u>   | <u>897,767</u>  |
| Property, plant and equipment, at cost:                                   |                          |                  |   |
| Land  | 32,413                   | 33,082           | 270,108   |
| Buildings and structures  | 90,129                   | 90,020           | 751,075   |
| Machinery, equipment and vehicles   | 138,396                  | 147,170          | 1,153,300   |
| Other   | 54,342                   | 61,790           | 452,850   |
| Construction in progress  | 758                      | 1,954            | 6,317   |
|   | <u>316,041</u>           | <u>334,017</u>   | <u>2,633,675</u>                                      |
| Accumulated depreciation  | (199,456)                | (209,975)        | (1,662,133)   |
| Property, plant and equipment, net  | <u>116,585</u>           | <u>124,042</u>   | <u>971,542</u>  |
| Investments and other assets:   |                          |                  |   |
| Investments in securities   | 25,636                   | 30,179           | 213,633   |
| Investments in and advances to unconsolidated subsidiaries and affiliates | 7,957                    | 7,851            | 66,308  |
| Intangible assets   | 7,533                    | 8,376            | 62,775  |
| Deferred tax assets   | 4,249                    | 4,245            | 35,408  |
| Other assets  | 4,208                    | 4,427            | 35,067  |
| Total investments and other assets  | <u>49,584</u>            | <u>55,081</u>    | <u>413,200</u>  |
| Total assets  | <u>¥ 273,902</u>         | <u>¥ 294,527</u> | <u>\$ 2,282,517</u>                                   |

### 3. Consolidated Balance Sheets (Continued)

|  | March 31,                |                 |   |
|--|--------------------------|-----------------|---|
|  | 2003                     | 2002            | 2003  |
|  | <i>(Millions of yen)</i> |                 | <i>(Thousands of U.S. dollars)</i><br><i>(Note 3)</i> |
| <b>Liabilities and shareholders' equity</b>    |                          |                 |   |
| Current liabilities:                           |                          |                 |   |
| Short-term bank loans                          | ¥ 19,615                 | ¥ 25,713        | \$ 163,458  |
| Current portion of long-term debt              | 2,211                    | 10,645          | 18,425  |
| Trade notes and accounts payable               | 12,172                   | 14,069          | 101,433   |
| Other accounts payable                         | 13,633                   | 18,354          | 113,608   |
| Accrued expenses                               | 2,131                    | 2,229           | 17,758  |
| Accrued income taxes                           | 2,262                    | 2,960           | 18,850  |
| Other current liabilities                      | 3,450                    | 3,396           | 28,750  |
| Total current liabilities                      | <u>55,477</u>            | <u>77,369</u>   | <u>462,308</u>  |
| Long-term liabilities:                         |                          |                 |   |
| Long-term debt                                 | 23,662                   | 16,256          | 197,183   |
| Accrued employees' pension and severance costs | 27,018                   | 30,815          | 225,150   |
| Accrued officers' severance benefits           | 1,227                    | 1,347           | 10,225  |
| Deposits received                              | 12,158                   | 12,712          | 101,317   |
| Deferred tax liabilities                       | 2,033                    | 4,250           | 16,942  |
| Other long-term liabilities                    | 1,243                    | 937             | 10,358  |
| Total long-term liabilities                    | <u>67,344</u>            | <u>66,320</u>   | <u>561,200</u>  |
| Minority interests                             | 19,273                   | 18,418          | 160,608   |
| Shareholders' equity:                          |                          |                 |   |
| Common stock:                                  |                          |                 |   |
| Authorized: 300,000,000 shares                 |                          |                 |   |
| Issued: 197,202,300 shares in 2003 and 2002    | 11,599                   | 11,599          | 96,658  |
| Additional paid-in capital                     | 5,768                    | 5,768           | 48,067  |
| Retained earnings                              | 112,032                  | 105,549         | 933,600   |
| Unrealized holding gain on securities          | 4,597                    | 8,022           | 38,308  |
| Translation adjustments                        | (1,496)                  | 1,618           | (12,467)  |
|  | <u>132,501</u>           | <u>132,559</u>  | <u>1,104,175</u>                                      |
| Treasury stock, at cost:                       |                          |                 |   |
| 2003 – 1,604,609 shares                        | (695)                    | –               | (5,792)   |
| 2002 – 881,463 shares                          | –                        | (141)           | –   |
| Shareholders' equity, net                      | <u>131,806</u>           | <u>132,418</u>  | <u>1,098,383</u>                                      |
| Contingent liabilities                         |                          |                 |   |
| Total liabilities and shareholders' equity     | <u>¥273,902</u>          | <u>¥294,527</u> | <u>\$2,282,517</u>                                    |

See accompanying notes to consolidated financial statements.

#### 4. Consolidated Statements of Income

|   | Year ended March 31,     |          |   |
|---|--------------------------|----------|---|
|   | 2003                     | 2002     | 2003  |
|   | <i>(Millions of yen)</i> |          | <i>(Thousands of U.S. dollars)</i><br><i>(Note 3)</i> |
| Net sales   | ¥342,508                 | ¥336,887 | \$2,854,233   |
| Cost of sales   | 204,759                  | 195,981  | 1,706,325   |
| Gross profit  | 137,748                  | 140,905  | 1,147,900   |
| Selling, general and administrative expenses  | 119,844                  | 125,963  | 998,700   |
| Operating income  | 17,904                   | 14,942   | 149,200   |
| Other income (expenses):  |                          |          |   |
| Interest and dividend income  | 938                      | 1,081    | 7,817   |
| Equity in (losses) earnings of unconsolidated subsidiaries and affiliates                     | (127)                    | 226      | (1,058)   |
| Interest expense  | (942)                    | (1,246)  | (7,850)   |
| Gain on sales of securities   | 880                      | 503      | 7,333   |
| Gain on return of substitutional portion of national government welfare pension program funds | 2,986                    | –        | 24,883  |
| Special additional severance benefits   | (631)                    | (3,960)  | (5,258)   |
| Gain on sales of property, plant and equipment  | 635                      | 453      | 5,292   |
| Loss on disposal of property, plant and equipment   | (1,605)                  | (601)    | (13,375)  |
| Loss on revaluation of investments in securities  | (546)                    | (3)      | (4,550)   |
| Loss on liquidation of affiliates   | (115)                    | (416)    | (958)   |
| Other, net  | (2,164)                  | (2,003)  | (18,033)  |
|   | (693)                    | (5,966)  | (5,775)   |
| Income before income taxes and minority interests   | 17,211                   | 8,976    | 143,425   |
| Income taxes:   |                          |          |   |
| Current   | 6,318                    | 6,564    | 52,650  |
| Deferred  | 1,167                    | (2,511)  | 9,725   |
|   | 7,485                    | 4,053    | 62,375  |
| Income before minority interests  | 9,725                    | 4,922    | 81,042  |
| Minority interests  | (1,414)                  | 441      | (11,783)  |
| Net income  | ¥ 8,311                  | ¥ 5,363  | \$ 69,258   |

*See accompanying notes to consolidated financial statements.*

## 5. Consolidated Statements of Shareholders' Equity

|  | Year ended March 31,     |           |   |
|--|--------------------------|-----------|---|
|  | 2003                     | 2002      | 2003  |
|  | <i>(Millions of yen)</i> |           | <i>(Thousands of U.S. dollars)</i><br><i>(Note 3)</i> |
| <b>Common stock</b>  |                          |           |   |
| Balance at beginning and end of year<br>( 2003 – 197,202,300 shares;<br>2002 – 197,202,300 shares) | ¥ 11,599                 | ¥ 11,599  | \$ 96,658   |
| <b>Additional paid-in capital</b>  |                          |           |   |
| Balance at beginning and end of year   | ¥ 5,768                  | ¥ 5,768   | \$ 48,067   |
| <b>Retained earnings</b>   |                          |           |   |
| Balance at beginning of year   | ¥105,549                 | ¥100,493  | \$879,575   |
| Add:   |                          |           |   |
| Net income   | 8,311                    | 5,363     | 69,258  |
| Other  | –                        | 129       | –   |
| Deduct:  |                          |           |   |
| Cash dividends paid  | (1,380)                  | (330)     | (11,500)  |
| Bonuses to directors and statutory auditors  | (82)                     | (41)      | (683)   |
| Other  | (367)                    | (64)      | (3,058)   |
| Balance at end of year   | ¥112,032                 | ¥105,549  | \$933,600   |
| <b>Unrealized holding gain on securities</b>   |                          |           |   |
| Balance at beginning of year   | ¥ 8,022                  | ¥ 11,687  | \$ 66,850   |
| Net change during year   | (3,424)                  | (3,664)   | (28,533)  |
| Balance at end of year   | ¥ 4,597                  | ¥ 8,022   | \$ 38,308   |
| <b>Translation adjustments</b>   |                          |           |   |
| Balance at beginning of year   | ¥ 1,618                  | ¥ (2,876) | \$ 13,483   |
| Net change during year   | (3,115)                  | 4,495     | (25,958)  |
| Balance at end of year   | ¥ (1,496)                | ¥ 1,618   | \$ (12,467)   |

See accompanying notes to consolidated financial statements.

## 6. Consolidated Statements of Cash Flows

|   | Year ended March 31,     |          |   |
|---|--------------------------|----------|---|
|   | 2003                     | 2002     | 2003  |
|   | <i>(Millions of yen)</i> |          | <i>(Thousands of U.S. dollars)<br/>(Note 3)</i> |
| <b>Cash flows from operating activities</b>   |                          |          |   |
| Income before income taxes and minority interests   | ¥ 17,211                 | ¥ 8,976  | \$143,425                                       |
| Depreciation and amortization   | 15,028                   | 16,437   | 125,233   |
| Accrued employees' pension and severance costs  | (829)                    | (1,566)  | (6,908)   |
| Accrued officers' severance benefits  | (120)                    | 169      | (1,000)   |
| Interest and dividend income  | (938)                    | (1,081)  | (7,817)   |
| Interest expense  | 942                      | 1,246    | 7,850   |
| Equity in losses (earnings) of unconsolidated subsidiaries and affiliates                     | 127                      | (226)    | 1,058   |
| Gain on return of substitutional portion of national government welfare pension program funds | (2,986)                  | –        | (24,883)  |
| Gain on sales of property, plant and equipment  | (635)                    | (453)    | (5,292)   |
| Gain on sales of securities   | (880)                    | (503)    | (7,333)   |
| Loss on disposal of property, plant and equipment   | 1,605                    | 601      | 13,375  |
| Loss on revaluation of investments in securities  | 546                      | 3        | 4,550   |
| Loss on liquidation of affiliates   | 115                      | 416      | 958   |
| Notes and accounts receivable   | (284)                    | (307)    | (2,367)   |
| Inventories   | 2,494                    | 2,718    | 20,783  |
| Notes and accounts payable  | (1,685)                  | 130      | (14,042)  |
| Other   | (2,610)                  | 1,575    | (21,750)  |
| Subtotal  | 27,102                   | 28,136   | 225,850   |
| Interest and dividends received   | 967                      | 1,123    | 8,058   |
| Interest paid   | (940)                    | (1,327)  | (7,833)   |
| Income taxes paid   | (7,116)                  | (5,359)  | (59,300)  |
| Net cash provided by operating activities   | 20,012                   | 22,572   | 166,767   |
| <b>Cash flows from investing activities</b>   |                          |          |   |
| Acquisition of property, plant and equipment  | (11,694)                 | (13,215) | (97,450)  |
| Proceeds from sales of property, plant and equipment  | 4,580                    | 558      | 38,167  |
| Acquisition of intangible assets  | (1,155)                  | (440)    | (9,625)   |
| Acquisition of investments in securities  | (3,723)                  | (1,933)  | (31,025)  |
| Proceeds from sales of investments in securities  | 929                      | 698      | 7,742   |
| Purchase of subsidiary's stock  | –                        | (1,986)  | –   |
| Addition to loans receivable  | (646)                    | (2,189)  | (5,383)   |
| Collection of loans receivable  | 2,480                    | 444      | 20,667  |
| Other   | 677                      | 461      | 5,642   |
| Net cash used in investing activities   | (8,551)                  | (17,602) | (71,258)  |
| <b>Cash flows from financing activities</b>   |                          |          |   |
| (Decrease) increase in short-term bank loans  | (5,760)                  | 921      | (48,000)  |
| Proceeds from long-term debt  | 10,100                   | 1,875    | 84,167  |
| Repayment of long-term debt   | (10,794)                 | (2,651)  | (89,950)  |
| Cash dividends paid   | (1,581)                  | (546)    | (13,175)  |
| Purchases of treasury stock   | (554)                    | (36)     | (4,617)   |
| Other   | (92)                     | (43)     | (767)   |
| Net cash used in financing activities   | (8,683)                  | (480)    | (72,358)  |
| Effect of exchange rate changes on cash and cash equivalents                                  | (863)                    | 1,170    | (7,192)   |
| Increase in cash and cash equivalents   | 1,914                    | 5,660    | 15,950  |
| Cash and cash equivalents at beginning of year  | 30,858                   | 25,188   | 257,150   |
| Increase arising from inclusion of subsidiaries in consolidation                              | 133                      | 10       | 1,108   |
| Cash and cash equivalents at end of year  | ¥ 32,906                 | ¥ 30,858 | \$274,217                                       |

See accompanying notes to consolidated financial statements.

## **7. Notes to Consolidated Financial Statements**

### **(1) Basis of Preparation**

KIKKOMAN CORPORATION (the “Company”) and its domestic subsidiaries maintain their accounting records and prepare their financial statements in accordance with accounting principles and practices generally accepted and applied in Japan, and its foreign subsidiaries maintain their books of account in conformity with those of their countries of domicile. The accompanying consolidated financial statements have been compiled from the consolidated financial statements prepared by the Company as required by the Securities and Exchange Law of Japan and have been prepared in accordance with accounting principles generally accepted in Japan, which may differ in certain material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

As permitted by the Securities and Exchange Law, amounts of less than one million yen have been omitted. Consequently, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sum of the individual amounts.

### **(2) Summary of Significant Accounting Policies**

- (a) Basis of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates

The accompanying consolidated financial statements include the accounts of the Company and all significant companies controlled directly or indirectly by the Company. In addition, companies over which the Company exercises significant influence in terms of their operating and financial policies have been included in the consolidated financial statements on an equity basis.

All significant intercompany balances and transactions have been eliminated in consolidation.

Investments in unconsolidated subsidiaries and affiliates not accounted for by the equity method are stated at cost.

Differences, not significant in amount, between the cost and the underlying net equity in investments in consolidated subsidiaries and unconsolidated subsidiaries and affiliates accounted for by the equity method are charged or credited to income in the year of acquisition.

## **7. Notes to Consolidated Financial Statements (continued)**

### **(2) Summary of Significant Accounting Policies (continued)**

#### **(b) Foreign currency translation**

Revenue and expense accounts of the foreign consolidated subsidiaries are translated at the average exchange rates in effect during the year. Except for shareholders' equity, the balance sheet accounts are translated into yen at the rates of exchange in effect at the balance sheet date. The components of shareholders' equity are translated at their historical exchange rates.

Differences arising on translation are presented as minority interests and as a separate component of stockholders' equity.

#### **(c) Cash equivalents**

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

#### **(d) Securities**

Securities except for investments in unconsolidated subsidiaries and affiliates are classified as trading securities, held-to-maturity securities or other securities. Trading securities are carried at fair value. Held-to-maturity securities are carried at amortized cost. Marketable securities classified as other securities are carried at fair value with any unrealized gains and losses reported as a separate component of shareholders' equity, net of taxes. Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

#### **(e) Inventories**

Inventories are stated principally at the lower of cost or market, cost being determined by the average method, except for finished products, work in process and soybean-related ingredients of the Company which are stated at the lower of cost or market, cost being determined by the last-in, first-out method.

#### **(f) Depreciation and amortization**

Depreciation of property, plant and equipment of the Company and its domestic consolidated subsidiaries is determined primarily by the declining-balance method, except for buildings and for two of the Company's factories on which depreciation is computed by the straight-line method at rates based on the estimated useful lives of the respective assets. Depreciation of property, plant and equipment of the foreign consolidated subsidiaries is computed principally by the straight-line method.

## 7. Notes to Consolidated Financial Statements (continued)

### (2) Summary of Significant Accounting Policies (continued)

#### (f) Depreciation and amortization (continued)

The useful lives are as follows:

|                          |                    |
|--------------------------|--------------------|
| Buildings and structures | from 7 to 50 years |
| Machinery and vehicles   | from 3 to 20 years |

Intangible assets are amortized by the straight-line method over their estimated useful lives.

#### (g) Leases

Noncancelable leases of the Company and its domestic consolidated subsidiaries are accounted for as operating leases (whether such leases are classified as operating or finance leases) except that leases which stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases. However, leases of the foreign consolidated subsidiaries are generally accounted for as either finance or operating leases according to their classification.

#### (h) Accrued pension and severance costs

To provide for employees' severance indemnities and pension payments, net periodic pension and severance costs are computed by the Company and its domestic consolidated subsidiaries based on the projected benefit obligation and the pension plan assets.

The effect of the adjustment made during this fiscal year arising from revisions to the actuarial assumptions (the "actuarial assumption adjustment") is amortized by the straight-line method beginning the following fiscal year over periods ranging from 10 to 14 years, which are within the average remaining years of service of the active participants in the plans.

Certain foreign consolidated subsidiaries have defined contribution plans in addition to defined pension plans.

In addition, directors and statutory auditors of the Company and certain consolidated subsidiaries are customarily entitled to lump-sum payments under their respective unfunded retirement allowance plans. Provision for retirement allowances for these officers has been made at estimated amounts.

## **7. Notes to Consolidated Financial Statements (continued)**

### **(2) Summary of Significant Accounting Policies (continued)**

(i) Income taxes

Deferred tax assets and liabilities are determined based on the differences between the financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

(j) Research and development costs

Research and development costs are charged to income when incurred.

(k) Derivatives

Derivative positions are stated at fair value.

(l) Appropriation of retained earnings

Under the Commercial Code of Japan (the "Code"), the appropriation of retained earnings with respect to a given financial period is made by resolution of the shareholders at a general meeting held subsequent to the close of such financial period. The accounts for that period do not, therefore, reflect such appropriations. See Note 18.

### **(3) U.S. Dollar Amounts**

The translation of yen amounts into U.S. dollar amounts is included solely for convenience, as a matter of arithmetic computation, at the rate of ¥120 = U.S.\$1.00, the approximate rate of exchange in effect on March 31, 2003. The translation should not be construed as a representation that yen have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

## 7. Notes to Consolidated Financial Statements (continued)

### (4) Recurring Income

|   | Year ended March 31, |         |   |
|---|----------------------|---------|---|
|   | 2003                 | 2002    | 2003                                    |
|   | (Millions of yen)    |         | (Thousands of U.S. dollars)<br>(Note 3) |
| Operating income                                  | ¥17,904              | ¥14,942 | \$149,200                               |
| Non-operating income                              | 2,567                | 3,567   | 21,392                                  |
| Non-operating expenses                            | (4,831)              | (5,326) | (40,258)                                |
| Recurring income                                  | ¥15,640              | ¥13,183 | \$130,333                               |
| Extraordinary income                              | 4,502                | 957     | 37,517                                  |
| Extraordinary expenses                            | (2,931)              | (5,165) | (24,425)                                |
| Income before income taxes and minority interests | ¥17,211              | ¥8,976  | \$143,425                               |

## 7. Notes to Consolidated Financial Statements (continued)

### (5) Segment Information

The Company and its consolidated subsidiaries are primarily engaged in the processing and sales of products in Japan and overseas in four major segments: manufacturing and sales of foods which include soy sauce and other processed seasonings, sauces, Del Monte processed fruit and vegetables, and sake and wine; wholesale sales of oriental food products which include eastern foods; Coca-Cola, which includes Coca-Cola and other beverages; and other businesses which include pharmaceuticals, real estate rental and restaurants.

#### Business Segments

|  | Year ended March 31, 2003          |                   |           |          |             |                            | Consolidated |
|--|------------------------------------|-------------------|-----------|----------|-------------|----------------------------|--------------|
|  | Foods – manufacturing and sales    | Foods – wholesale | Coca-Cola | Others   | Total       | Eliminations and corporate |              |
|  | <i>(Millions of yen)</i>           |                   |           |          |             |                            |              |
| I. Sales and operating income:                     |                                    |                   |           |          |             |                            |              |
| Sales to third parties                             | ¥ 172,240                          | ¥ 48,100          | ¥ 118,095 | ¥ 4,072  | ¥ 342,508   | ¥ –                        | ¥ 342,508    |
| Intragroup sales and transfers                     | 533                                | 557               | –         | –        | 1,091       | (1,091)                    | –            |
| Total sales  | 172,774                            | 48,657            | 118,095   | 4,072    | 343,599     | (1,091)                    | 342,508      |
| Operating expenses                                 | 161,263                            | 46,836            | 114,006   | 3,594    | 325,699     | (1,096)                    | 324,603      |
| Operating income                                   | ¥ 11,511                           | ¥ 1,821           | ¥ 4,089   | ¥ 477    | ¥ 17,899    | ¥ 5                        | ¥ 17,904     |
| II. Assets, depreciation and capital expenditures: |                                    |                   |           |          |             |                            |              |
| Total assets                                       | ¥ 147,171                          | ¥ 20,615          | ¥ 62,137  | ¥ 8,542  | ¥ 238,466   | ¥ 35,435                   | ¥ 273,902    |
| Depreciation and amortization                      | 9,236                              | 249               | 5,224     | 318      | 15,028      | –                          | 15,028       |
| Capital expenditures                               | 6,714                              | 191               | 4,862     | 73       | 11,841      | –                          | 11,841       |
|  | <b>Year ended March 31, 2003</b>   |                   |           |          |             |                            |              |
|  | Foods – manufacturing and sales    | Foods – wholesale | Coca-Cola | Others   | Total       | Eliminations and corporate | Consolidated |
|  | <i>(Thousands of U.S. dollars)</i> |                   |           |          |             |                            |              |
| I. Sales and operating income:                     |                                    |                   |           |          |             |                            |              |
| Sales to third parties                             | \$1,435,333                        | \$400,833         | \$984,125 | \$33,933 | \$2,854,233 | \$ –                       | \$2,854,233  |
| Intragroup sales and transfers                     | 4,442                              | 4,642             | –         | –        | 9,092       | (9,092)                    | –            |
| Total sales  | 1,439,783                          | 405,475           | 984,125   | 33,933   | 2,863,325   | (9,092)                    | 2,854,233    |
| Operating expenses                                 | 1,343,858                          | 390,300           | 950,050   | 29,950   | 2,714,158   | (9,133)                    | 2,705,025    |
| Operating income                                   | \$ 95,925                          | \$ 15,175         | \$ 34,075 | \$ 3,975 | \$ 149,158  | \$ 42                      | \$ 149,200   |
| II. Assets, depreciation and capital expenditures: |                                    |                   |           |          |             |                            |              |
| Total assets                                       | \$1,226,425                        | \$171,792         | \$517,808 | \$71,183 | \$1,987,217 | \$ 295,292                 | \$2,282,517  |
| Depreciation and amortization                      | 76,967                             | 2,075             | 43,533    | 2,650    | 125,233     | –                          | 125,233      |
| Capital expenditures                               | 55,950                             | 1,592             | 40,517    | 608      | 98,675      | –                          | 98,675       |

## 7. Notes to Consolidated Financial Statements (continued)

### (5) Segment Information (continued)

#### *Business Segments (continued)*

|  | Year ended March 31, 2002             |                      |           |         |           |                                  | Consolidated |
|--|---------------------------------------|----------------------|-----------|---------|-----------|----------------------------------|--------------|
|  | Foods –<br>manufacturing<br>and sales | Foods –<br>wholesale | Coca-Cola | Others  | Total     | Eliminations<br>and<br>corporate |              |
|  | (Millions of yen)                     |                      |           |         |           |                                  |              |
| I. Sales and operating income:                     |                                       |                      |           |         |           |                                  |              |
| Sales to third parties                             | ¥ 171,957                             | ¥ 47,028             | ¥ 113,469 | ¥ 4,433 | ¥ 336,887 | ¥ –                              | ¥ 336,887    |
| Intragroup sales and transfers                     | 431                                   | 627                  | –         | 131     | 1,190     | (1,190)                          | –            |
| Total sales  | 172,388                               | 47,655               | 113,469   | 4,565   | 338,078   | (1,190)                          | 336,887      |
| Operating expenses                                 | 162,007                               | 46,033               | 111,080   | 4,035   | 323,157   | (1,212)                          | 321,945      |
| Operating income                                   | ¥ 10,381                              | ¥ 1,622              | ¥ 2,388   | ¥ 529   | ¥ 14,920  | ¥ 21                             | ¥ 14,942     |
| II. Assets, depreciation and capital expenditures: |                                       |                      |           |         |           |                                  |              |
| Total assets                                       | ¥ 153,577                             | ¥ 20,574             | ¥ 71,052  | ¥ 8,784 | ¥ 253,988 | ¥ 40,538                         | ¥ 294,527    |
| Depreciation and amortization                      | 9,473                                 | 240                  | 6,100     | 351     | 16,166    | –                                | 16,166       |
| Capital expenditures                               | 9,734                                 | 138                  | 5,085     | 49      | 15,007    | –                                | 15,007       |

#### *Geographical Segments*

Geographical segment information for the Company and its consolidated subsidiaries for the years ended March 31, 2003 and 2002 is summarized as follows:

|                               | Year ended March 31, 2003 |               |          |           |                            | Consolidated |
|-------------------------------|---------------------------|---------------|----------|-----------|----------------------------|--------------|
|                               | Japan                     | North America | Other    | Total     | Eliminations and corporate |              |
|                               | (Millions of yen)         |               |          |           |                            |              |
| Sales to third parties        | ¥266,129                  | ¥ 65,361      | ¥ 11,017 | ¥ 342,508 | ¥ –                        | ¥ 342,508    |
| Interarea sales and transfers | 8,580                     | 1,343         | 1,658    | 11,582    | (11,582)                   | –            |
| Total sales                   | 274,710                   | 66,704        | 12,676   | 354,090   | (11,582)                   | 342,508      |
| Operating expenses            | 265,535                   | 58,962        | 11,683   | 336,180   | (11,577)                   | 324,603      |
| Operating income              | ¥ 9,175                   | ¥ 7,742       | ¥ 992    | ¥ 17,909  | ¥ (5)                      | ¥ 17,904     |
| Total assets                  | ¥190,299                  | ¥46,448       | ¥ 10,620 | ¥ 247,368 | ¥ 26,533                   | ¥ 273,902    |

## 7. Notes to Consolidated Financial Statements (continued)

### (5) Segment Information (continued)

#### Geographical Segments (continued)

|                               | Year ended March 31, 2003          |               |           |             |                            |              |
|-------------------------------|------------------------------------|---------------|-----------|-------------|----------------------------|--------------|
|                               | Japan                              | North America | Other     | Total       | Eliminations and corporate | Consolidated |
|                               | <i>(Thousands of U.S. dollars)</i> |               |           |             |                            |              |
| Sales to third parties        | \$2,217,742                        | \$544,675     | \$ 91,808 | \$2,854,233 | \$ –                       | \$2,854,233  |
| Interarea sales and transfers | 71,500                             | 11,192        | 13,817    | 96,517      | (96,517)                   | –            |
| Total sales                   | 2,289,250                          | 555,867       | 105,633   | 2,950,750   | (96,517)                   | 2,854,233    |
| Operating expenses            | 2,212,792                          | 491,350       | 97,358    | 2,801,500   | (96,475)                   | 2,705,025    |
| Operating income              | \$ 76,458                          | \$ 64,517     | \$ 8,267  | \$ 149,242  | \$ (42)                    | \$ 149,200   |
| Total assets                  | \$1,585,825                        | \$387,067     | \$ 88,500 | \$2,061,400 | \$ 221,108                 | \$2,282,517  |

  

|                               | Year ended March 31, 2002 |               |          |           |                            |              |
|-------------------------------|---------------------------|---------------|----------|-----------|----------------------------|--------------|
|                               | Japan                     | North America | Other    | Total     | Eliminations and corporate | Consolidated |
|                               | <i>(Millions of yen)</i>  |               |          |           |                            |              |
| Sales to third parties        | ¥ 265,707                 | ¥ 61,126      | ¥ 10,053 | ¥ 336,887 | ¥ –                        | ¥ 336,887    |
| Interarea sales and transfers | 7,998                     | 1,344         | 1,608    | 10,951    | (10,951)                   | –            |
| Total sales                   | 273,706                   | 62,471        | 11,662   | 347,839   | (10,951)                   | 336,887      |
| Operating expenses            | 265,973                   | 55,921        | 11,007   | 332,902   | (10,956)                   | 321,945      |
| Operating income              | ¥ 7,733                   | ¥ 6,550       | ¥ 654    | ¥ 14,937  | ¥ 4                        | ¥ 14,942     |
| Total assets                  | ¥ 204,650                 | ¥ 48,003      | ¥ 9,792  | ¥ 262,446 | ¥ 32,080                   | ¥ 294,527    |

#### Overseas Sales

Overseas sales, which include export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of its foreign consolidated subsidiaries, for the years ended March 31, 2003 and 2002 are summarized as follows:

|   | Year ended March 31, 2003 |          |          |                                    |           |            |
|---|---------------------------|----------|----------|------------------------------------|-----------|------------|
|   | North America             | Other    | Total    | North America                      | Other     | Total      |
|   | <i>(Millions of yen)</i>  |          |          | <i>(Thousands of U.S. dollars)</i> |           |            |
| Overseas sales                                    | ¥ 64,941                  | ¥ 16,017 | ¥ 80,958 | \$541,175                          | \$133,475 | \$ 674,650 |
| Consolidated net sales                            |                           |          | 342,508  |                                    |           | 2,854,233  |
| Ratio of overseas sales to consolidated net sales | 18.9%                     | 4.7%     | 23.6%    |                                    |           |            |

## 7. Notes to Consolidated Financial Statements (continued)

### (5) Segment Information (continued)

#### *Overseas Sales (continued)*

|  | <u>Year ended March 31, 2002</u> |              |              |
|--|----------------------------------|--------------|--------------|
|  | <u>North</u>                     | <u>Other</u> | <u>Total</u> |
|  | <u>America</u>                   |              |              |
|  | <i>(Millions of yen)</i>         |              |              |
| Overseas sales                                       | ¥60,978                          | ¥14,791      | ¥ 75,770     |
| Consolidated net sales                               |                                  |              | 336,887      |
| Ratio of overseas sales<br>to consolidated net sales | 18.1%                            | 4.4%         | 22.5%        |

## 8. Supplementary Schedules

### (1) Consolidated Results for FY2003 and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements

#### Consolidated Statement of Income

(Millions of yen, %)

|                         | FY2003           |       | FY2002           |       | Increase /Decrease |       |     | Translation difference | Increase /Decrease except translation difference |       |
|-------------------------|------------------|-------|------------------|-------|--------------------|-------|-----|------------------------|--|-------|
|                         | 4.1.02 – 3.31.03 |       | 4.1.01 – 3.31.02 |       | Amount             | YoY   | %   |                        | Amount   | YoY   |
|                         | Amount           | %     | Amount           | %     |                    |       |     |                        |  |       |
| Net Sales               | 342,508          | 100.0 | 336,887          | 100.0 | 5,620              | 101.7 | -   | 2,264                  | 3,356  | 101.0 |
| Operating Income        | 17,904           | 5.2   | 14,942           | 4.4   | 2,962              | 119.8 | 0.8 | 272                    | 2,690  | 118.0 |
| Recurring Income        | 15,640           | 4.6   | 13,183           | 3.9   | 2,456              | 118.6 | 0.7 | 244                    | 2,211  | 116.8 |
| Net Income              | 8,311            | 2.4   | 5,363            | 1.6   | 2,947              | 155.0 | 0.8 | 153                    | 2,794  | 152.1 |
| Exchange Rate (¥/ US\$) | 125.38           |       | 121.64           |       | 3.74               |       |     |                        |  |       |

#### Geographical segment information

(Millions of yen, %)

|                         |                  | FY2003           |       | FY2002           |       | Increase /Decrease |       |     | Translation difference | Increase /Decrease except translation difference |       |
|-------------------------|------------------|------------------|-------|------------------|-------|--------------------|-------|-----|------------------------|--|-------|
|                         |                  | 4.1.02 – 3.31.03 |       | 4.1.01 – 3.31.02 |       | Amount             | YoY   | %   |                        | Amount   | YoY   |
|                         |                  | Amount           | %     | Amount           | %     |                    |       |     |                        |  |       |
| Japan                   | Net Sales        | 274,710          | 100.0 | 273,706          | 100.0 | 1,004              | 100.4 | -   | -                      | 1,004  | 100.4 |
|                         | Operating Income | 9,175            | 3.3   | 7,733            | 2.8   | 1,441              | 118.6 | 0.5 | -                      | 1,441  | 118.6 |
| Overseas                | Net Sales        | 79,162           | 100.0 | 74,133           | 100.0 | 5,029              | 106.8 | -   | 2,348                  | 2,680  | 103.6 |
|                         | Operating Income | 8,732            | 11.0  | 7,204            | 9.7   | 1,527              | 121.2 | 1.3 | 272                    | 1,255  | 117.4 |
| Eliminations            | Net Sales        | ( 11,364)        | 100.0 | ( 10,951)        | 100.0 | ( 412)             | 103.8 | -   | ( 84)                  | ( 328)   | 103.0 |
|                         | Operating Income | ( 2)             | -     | 4                | -     | ( 7)               | -     | -   | ( 0)                   | ( 6)   | -     |
| Consolidated total      | Net Sales        | 342,508          | 100.0 | 336,887          | 100.0 | 5,620              | 101.7 | -   | 2,264                  | 3,356  | 101.0 |
|                         | Operating Income | 17,904           | 5.2   | 14,942           | 4.4   | 2,962              | 119.8 | 0.8 | 272                    | 2,690  | 118.0 |
| Exchange Rate (¥/ US\$) |                  | 125.38           |       | 121.64           |       | 3.74               |       |     |                        |  |       |

## 8. Supplementary Schedules (Continued)

### (1) Consolidated Results for FY2003 and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements (Continued)

|                               |                  | Business segment information |       |                  |       | <i>(Millions of yen, %)</i> |       |     |                        |  |       |     |
|-------------------------------|------------------|------------------------------|-------|------------------|-------|-----------------------------|-------|-----|------------------------|--|-------|-----|
|                               |                  | FY2003                       |       | FY2002           |       | Increase /Decrease          |       |     | Translation difference | Increase /Decrease except translation difference |       |     |
|                               |                  | 4.1.02 – 3.31.03             |       | 4.1.01 – 3.31.02 |       |                             |       |     |                        | Amount   |       | YoY |
|                               |                  | Amount                       | %     | Amount           | %     | Amount                      | YoY   | %   |                        | Amount   | YoY   |     |
| Foods-manufacturing and sales | Net Sales        | 172,774                      | 100.0 | 172,388          | 100.0 | 385                         | 100.2 | -   | 938                    | ( 552)   | 99.7  |     |
|                               | Operating Income | 11,511                       | 6.7   | 10,381           | 6.0   | 1,129                       | 110.9 | 0.7 | 234                    | 895  | 108.6 |     |
| Foods-wholesale               | Net Sales        | 48,657                       | 100.0 | 47,655           | 100.0 | 1,002                       | 102.1 | -   | 1,291                  | ( 289)   | 99.4  |     |
|                               | Operating Income | 1,821                        | 3.7   | 1,622            | 3.4   | 199                         | 112.3 | 0.3 | 43                     | 156  | 109.7 |     |
| Coca-Cola                     | Net Sales        | 118,095                      | 100.0 | 113,469          | 100.0 | 4,626                       | 104.1 | -   | -                      | 4,626  | 104.1 |     |
|                               | Operating Income | 4,089                        | 3.5   | 2,388            | 2.1   | 1,700                       | 171.2 | 1.4 | -                      | 1,700  | 171.2 |     |
| Others                        | Net Sales        | 4,072                        | 100.0 | 4,565            | 100.0 | ( 492)                      | 89.2  | -   | 49                     | ( 542)   | 88.1  |     |
|                               | Operating Income | 477                          | 11.7  | 529              | 11.6  | ( 51)                       | 90.3  | 0.1 | ( 4)                   | (47)   | 91.1  |     |
| Eliminations                  | Net Sales        | (1,091)                      | 100.0 | (1,190)          | 100.0 | 99                          | 91.7  | -   | ( 15)                  | 114  | 90.4  |     |
|                               | Operating Income | 5                            | -     | 21               | -     | ( 16)                       | 23.9  | -   | ( 0)                   | ( 16)  | 24.5  |     |
| Consolidated total            | Net Sales        | 342,508                      | 100.0 | 336,887          | 100.0 | 5,620                       | 101.7 | -   | 2,264                  | 3,356  | 101.0 |     |
|                               | Operating Income | 17,904                       | 5.2   | 14,942           | 4.4   | 2,962                       | 119.8 | 0.8 | 272                    | 2,690  | 118.0 |     |
| Exchange Rate (¥/ US\$)       |                  | 125.38                       |       | 121.64           |       | 3.74                        |       |     |                        |  |       |     |

## 8. Supplementary Schedules (Continued)

### (2) Consolidated Forecasts for FY2004 and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements

#### Consolidated Statement of Income

(Millions of yen, %)

|                         | FY2004           |       | FY2003           |       | Increase /Decrease |       |     | Translation difference | Increase /Decrease except translation differenc |       |
|-------------------------|------------------|-------|------------------|-------|--------------------|-------|-----|------------------------|---|-------|
|                         | 4.1.03 – 3.31.04 |       | 4.1.02 – 3.31.03 |       | Amount             | YoY   | %   |                        | Amount  | YoY   |
|                         | Amount           | %     | Amount           | %     |                    |       |     |                        |   |       |
| Net Sales               | 347,000          | 100.0 | 342,508          | 100.0 | 4,491              | 101.3 | -   | ( 2,701)               | 7,193   | 102.1 |
| Operating Income        | 18,500           | 5.3   | 17,904           | 5.2   | 595                | 103.3 | 0.1 | ( 329)                 | 924   | 105.2 |
| Recurring Income        | 17,000           | 4.9   | 15,640           | 4.6   | 1,359              | 108.7 | 0.3 | ( 300)                 | 1,659   | 110.6 |
| Net Income              | 8,500            | 2.4   | 8,311            | 2.4   | 188                | 102.3 | -   | ( 173)                 | 361   | 104.3 |
| Exchange Rate (¥/ US\$) | 120.00           |       | 125.38           |       | (5.38)             |       |     |                        |   |       |

#### Geographical segment information

(Millions of yen, %)

|                         |                  | FY2004           |       | FY2003           |       | Increase /Decrease |       |     | Translation difference | Increase /Decrease except translation differenc |       |
|-------------------------|------------------|------------------|-------|------------------|-------|--------------------|-------|-----|------------------------|---|-------|
|                         |                  | 4.1.03 – 3.31.04 |       | 4.1.02 – 3.31.03 |       | Amount             | YoY   | %   |                        | Amount  | YoY   |
|                         |                  | Amount           | %     | Amount           | %     |                    |       |     |                        |   |       |
| Japan                   | Net Sales        | 279,274          | 100.0 | 274,710          | 100.0 | 4,564              | 101.7 | -   | -                      | 4,564   | 101.7 |
|                         | Operating Income | 9,700            | 3.5   | 9,175            | 3.3   | 524                | 105.7 | 0.2 | -                      | 524   | 105.7 |
| Overseas                | Net Sales        | 79,970           | 100.0 | 79,162           | 100.0 | 807                | 101.0 | -   | ( 2,775)               | 3,583   | 104.5 |
|                         | Operating Income | 8,800            | 11.0  | 8,732            | 11.0  | 67                 | 100.8 | -   | ( 329)                 | 396   | 104.5 |
| Eliminations            | Net Sales        | ( 12,244)        | 100.0 | ( 11,364)        | 100.0 | ( 879)             | 107.7 | -   | 74                     | ( 954)  | 108.4 |
|                         | Operating Income | -                | -     | ( 2)             | -     | 2                  | -     | -   | -                      | 2   | -     |
| Consolidated total      | Net Sales        | 347,000          | 100.0 | 342,508          | 100.0 | 4,491              | 101.3 | -   | ( 2,701)               | 7,193   | 102.1 |
|                         | Operating Income | 18,500           | 5.3   | 17,904           | 5.2   | 595                | 103.3 | 0.1 | ( 329)                 | 924   | 105.2 |
| Exchange Rate (¥/ US\$) |                  | 120.00           |       | 125.38           |       | ( 5.38)            |       |     |                        |   |       |

## 8. Supplementary Schedules (Continued)

### (2) Consolidated Forecasts for FY2004 and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements (Continued)

|                               |                  | Business segment information |       |                  |       | <i>(Millions of yen, %)</i> |       |       |                        |   |       |  |
|-------------------------------|------------------|------------------------------|-------|------------------|-------|-----------------------------|-------|-------|------------------------|---|-------|--|
|                               |                  | FY2004                       |       | FY2003           |       | Increase /Decrease          |       |       | Translation difference | Increase /Decrease except translation differenc |       |  |
|                               |                  | 4.1.03 – 3.31.04             |       | 4.1.02 – 3.31.03 |       |                             |       |       |                        |   |       |  |
|                               |                  | Amount                       | %     | Amount           | %     | Amount                      | YoY   | %     | Amount                 | YoY   |       |  |
| Foods-manufacturing and sales | Net Sales        | 174,448                      | 100.0 | 172,774          | 100.0 | 1,674                       | 101.0 | -     | ( 1,028)               | 2,702   | 101.6 |  |
|                               | Operating Income | 12,463                       | 7.1   | 11,511           | 6.7   | 951                         | 108.3 | 0.4   | ( 272)                 | 1,224   | 110.6 |  |
| Foods-wholesale               | Net Sales        | 49,390                       | 100.0 | 48,657           | 100.0 | 732                         | 101.5 | -     | ( 1,712)               | 2,445   | 105.0 |  |
|                               | Operating Income | 1,606                        | 3.3   | 1,821            | 3.7   | ( 215)                      | 88.2  | (0.4) | ( 53)                  | ( 161)  | 91.1  |  |
| Coca-Cola                     | Net Sales        | 120,000                      | 100.0 | 118,095          | 100.0 | 1,904                       | 101.6 | -     | -                      | 1,904   | 101.6 |  |
|                               | Operating Income | 4,200                        | 3.5   | 4,089            | 3.5   | 110                         | 102.7 | -     | -                      | 110   | 102.7 |  |
| Others                        | Net Sales        | 4,322                        | 100.0 | 4,072            | 100.0 | 250                         | 106.1 | -     | 34                     | 216   | 105.3 |  |
|                               | Operating Income | 230                          | 5.3   | 477              | 11.7  | ( 247)                      | 48.2  | (6.4) | ( 2)                   | ( 244)  | 48.8  |  |
| Eliminations                  | Net Sales        | ( 1,161)                     | 100.0 | ( 1,091)         | 100.0 | ( 69)                       | 106.4 | -     | 5                      | ( 75)   | 106.9 |  |
|                               | Operating Income | -                            | -     | 5                | -     | ( 5)                        | -     | -     | -                      | ( 5)  | -     |  |
| Consolidated total            | Net Sales        | 347,000                      | 100.0 | 342,508          | 100.0 | 4,491                       | 101.3 | -     | ( 2,701)               | 7,193   | 102.1 |  |
|                               | Operating Income | 18,500                       | 5.3   | 17,904           | 5.2   | 595                         | 103.3 | 0.1   | ( 329)                 | 924   | 105.2 |  |
| Exchange Rate (¥/ US\$)       |                  | 120.00                       |       | 125.38           |       | ( 5.38)                     |       |       |                        |   |       |  |

## 8. Supplementary Schedules (continued)

### (3) Major Consolidated Performance Indicators

| <i>Consolidated Results</i>                      |            | 2000.12  | 2002.3   | 2003.3  | 2004.3   |
|--|------------|----------|----------|---------|----------|
|  |            | Actual   | Actual   | Actual  | Forecast |
| Net Sales  | ¥ millions | 326,708  | 336,887  | 342,508 | 347,000  |
| YoY Change                                       | %          | 47.3     | 3.1      | 1.7     | 1.3      |
| Operating Income                                 | ¥ millions | 14,686   | 14,942   | 17,904  | 18,500   |
| ( Operating Income Ratio )                       | %          | 4.5      | 4.4      | 5.2     | 5.3      |
| YoY Change                                       | %          | 33.0     | 1.7      | 19.8    | 3.3      |
| Recurring Income                                 | ¥ millions | 12,911   | 13,183   | 15,640  | 17,000   |
| ( Recurring Income                               | %          | 4.0      | 3.9      | 4.6     | 4.9      |
| YoY Change                                       | %          | 25.1     | 2.1      | 18.6    | 8.7      |
| Net Income                                       | ¥ millions | 6,150    | 5,363    | 8,311   | 8,500    |
| ( Net Income Ratio )                             | %          | 1.9      | 1.6      | 2.4     | 2.4      |
| YoY Change                                       | %          | 16.3     | (12.8)   | 55.0    | 2.3      |
| Shareholders' Equity per Share                   | yen        | 611.13   | 676.82   | 673.44  | -        |
| Net Income per Share                             | yen        | 31.45    | 27.43    | 41.98   | 43.03    |
| Diluted Net Income per Share                     | yen        | 29.38    | 26.52    | 40.86   | -        |
| Shareholders' Equity                             | ¥ millions | 119,503  | 132,313  | 131,806 | -        |
| Total Assets                                     | ¥ millions | 282,110  | 294,527  | 273,902 | -        |
| Shareholders' Equity Ratio                       | %          | 42.4     | 44.9     | 48.1    | -        |
| ROE  | %          | 5.3      | 4.1      | 6.3     | -        |
| Recurring Income to Total Assets                 | %          | 5.1      | 4.5      | 5.5     | -        |
| Share Price as of Term-end                       | yen        | 846      | 685      | 758     | -        |
| PER  | Times      | 26.9     | 25.0     | 18.1    | -        |
| Cash Flows From Operating Activities             | ¥ millions | 22,125   | 22,572   | 20,012  | -        |
| Cash Flows From Investing Activities             | ¥ millions | (16,323) | (17,602) | (8,551) | -        |
| Cash Flows From Financing Activities             | ¥ millions | (6,385)  | (480)    | (8,683) | -        |
| Term-end Cash and Cash Equivalents               | ¥ millions | 25,371   | 30,858   | 32,906  | -        |
| Free Cash Flows                                  | ¥ millions | 5,802    | 4,970    | 11,461  | -        |
| Free Cash Flows per Share                        | yen        | 29.68    | 25.42    | 58.47   | -        |
| Interest-bearing Debt                            | ¥ millions | 51,144   | 52,615   | 45,490  | -        |
| Capital Expenditures                             | ¥ millions | 16,352   | 15,435   | 11,841  | 15,200   |
| ( For Property, Plant and Equipment )            | ¥ millions | 15,831   | 14,567   | 10,390  | 14,000   |
| Depreciation and Amortization                    | ¥ millions | 15,919   | 16,437   | 15,028  | 14,700   |
| ( On Property, Plant and Equipment )             | ¥ millions | 14,687   | 14,845   | 13,633  | 13,200   |
| R&D Costs  | ¥ millions | 3,703    | 3,651    | 3,598   | -        |
| Net Financial Income (Loss)                      | ¥ millions | (308)    | (164)    | (3)     | -        |
| Average Term Exchange Rate                       | yen/US\$   | 107.95   | 121.64   | 125.38  | 120.00   |
| No. of Employees                                 | people     | 6,555    | 6,240    | 6,456   | -        |
| No. of Shares Issued and Outstanding at Term-end | Thousand   | 195,545  | 195,492  | 195,597 | -        |

( Notes ) 1. Net sales do not include consumption and other taxes.

2. Effective from the period ended December 2000, the scope of consolidation changed due to the application of standards for effective control.

3. Data for the three months ended March 31, 2001 have not be shown because this was a transitional period due to a change in the fiscal year-end.

4. For the purposes of comparison, year-on-year changes for the year ended March 31, 2002 are those with the year ended December 31, 2000.

5. Free cash flows are defined as the sum of cash flows from operating and investing activities.

6. Net financial income = interest and dividend income - interest expense