

Flash Report 2004

Kikkoman Corporation



Consolidated Financial Results

May 11 2004

Year ended March 31, 2004

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 11, 2004

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2004 are presented solely for convenience.



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1. Business Performance for the Year Ended March 31, 2004 (April 1, 2003 to March 31, 2004)

(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, 2003 -Mar. 31, 2004	¥334,656	¥17,059	¥15,428
Apr. 1, 2002 -Mar. 31, 2003	¥342,508	¥17,904	¥15,640

	Net income	Net income per share (yen)	Net income per share: Assuming full dilution (yen)
Apr. 1, 2003 -Mar. 31, 2004	¥9,287	¥47.15	-
Apr. 1, 2002 -Mar. 31, 2003	¥8,311	¥41.98	¥40.86

Note:

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

Apr. 1, 2003-Mar. 31, 2004: ¥444 million

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

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

Apr. 1, 2003-Mar. 31, 2004: 195,146,752

Apr. 1, 2002-Mar. 31, 2003: 196,008,847

3) Changes in accounting method

None

**1. Business Performance for the Year Ended March 31, 2004 (April 1, 2003 to March 31, 2004)
(continued)**

(2) Financial Position

(Millions of yen)

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share (yen)
Mar.31,2004	¥278,602	¥141,849	50.9%	¥726.57
Mar.31,2003	¥273,902	¥131,806	48.1%	¥673.44

Note:

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

Mar.31, 2004: 195,111,904

Mar.31, 2003: 195,597,691

(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. 1,2003 -Mar.31,2004	¥20,451	(¥16,107)	(¥ 10,997)	¥25,100
Apr. 1,2002 -Mar.31,2003	¥20,012	(¥ 8,551)	(¥ 8,683)	¥32,906

(4) Scope of Consolidation and Application of the Equity Method

- Consolidated subsidiaries: 24
- Unconsolidated subsidiaries accounted for by equity method: 6
- Affiliates accounted for by equity method: 6

(5) Changes in Scope of Consolidation and Accounting Methods

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

Newly consolidated companies: 1

Newly unconsolidated company: None

Companies newly accounted for by the equity method: 4

Companies no longer accounted for by the equity method: None

2. Forecast of Business Performance for the Fiscal Year Ending March 31, 2005 (April 1, 2004 to March 31, 2005)

(Millions of yen)

	Net sales	Recurring income	Net income
Apr. 1, -Sep.30,2004	¥169,000	¥6,700	¥3,800
Apr.1,2004- Mar.31,2005	¥344,000	¥16,500	¥9,000

Estimated net income per share for the year: Consolidated basis ¥45.68

3. Consolidated Balance Sheets

	March 31,		
	2004	2003	2004
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 3)</i>
Assets			
Current assets:			
Cash and time deposits	¥ 25,679	¥ 31,670	\$ 242,255
Short-term investments	–	3,024	–
Trade notes and accounts receivable	40,086	40,593	378,170
Allowance for doubtful receivables	(626)	(675)	(5,906)
	<u>39,459</u>	<u>39,918</u>	<u>372,255</u>
Inventories	24,726	25,239	233,264
Deferred tax assets	3,731	3,637	35,198
Other current assets	6,169	4,241	58,198
Total current assets	<u>99,766</u>	<u>107,732</u>	<u>941,189</u>
Property, plant and equipment, at cost:			
Land	32,286	32,413	304,585
Buildings and structures	91,012	90,129	858,604
Machinery, equipment and vehicles	135,466	138,396	1,277,981
Other	53,294	54,342	502,774
Construction in progress	2,065	758	19,481
	<u>314,125</u>	<u>316,041</u>	<u>2,963,443</u>
Accumulated depreciation	(200,954)	(199,456)	(1,895,792)
Property, plant and equipment, net	<u>113,170</u>	<u>116,585</u>	<u>1,067,642</u>
Investments and other assets:			
Investments in securities	34,291	25,636	323,500
Investments in and advances to unconsolidated subsidiaries and affiliates	16,487	7,957	155,538
Intangible assets	7,725	7,533	72,877
Deferred tax assets	3,827	4,249	36,104
Other assets	3,332	4,208	31,434
Total investments and other assets	<u>65,664</u>	<u>49,584</u>	<u>619,472</u>
Total assets	<u>¥ 278,602</u>	<u>¥ 273,902</u>	<u>\$ 2,628,321</u>

3. Consolidated Balance Sheets (continued)

	March 31,		
	2004	2003	2004
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 3)</i>
Liabilities and shareholders' equity			
Current liabilities:			
Short-term bank loans	¥ 14,906	¥ 19,615	\$ 140,623
Current portion of long-term debt	1,438	2,211	13,566
Trade notes and accounts payable	12,590	12,172	118,774
Other accounts payable	14,239	13,633	134,330
Accrued expenses	2,030	2,131	19,151
Accrued income taxes	2,210	2,262	20,849
Other current liabilities	4,282	3,450	40,396
Total current liabilities	<u>51,697</u>	<u>55,477</u>	<u>487,708</u>
Long-term liabilities:			
Long-term debt	24,723	23,662	233,236
Accrued employees' pension and severance costs	25,903	27,018	244,368
Accrued officers' severance benefits	1,451	1,227	13,689
Deposits received	6,702	12,158	63,226
Deferred tax liabilities	4,973	2,033	46,915
Other long-term liabilities	1,102	1,243	10,396
Total long-term liabilities	<u>64,857</u>	<u>67,344</u>	<u>611,858</u>
Minority interests	20,196	19,273	190,528
Shareholders' equity:			
Common stock:			
Authorized: 300,000,000 shares			
Issued: 197,202,300 shares in 2004 and 2003	11,599	11,599	109,425
Additional paid-in capital	5,770	5,768	54,434
Retained earnings	120,176	112,032	1,133,736
Unrealized holding gain on securities	11,012	4,597	103,887
Translation adjustments	(5,665)	(1,496)	(53,443)
	<u>142,892</u>	<u>132,501</u>	<u>1,348,038</u>
Treasury stock, at cost:			
March 31, 2004 –2,090,396 shares	(1,042)	–	(9,830)
March 31, 2003 –1,604,609 shares	–	(695)	–
Shareholders' equity, net	<u>141,849</u>	<u>131,806</u>	<u>1,338,198</u>
Contingent liabilities			
Total liabilities and shareholders' equity	<u>¥ 278,602</u>	<u>¥273,902</u>	<u>\$ 2,628,321</u>

See accompanying notes to consolidated financial statements.

4. Consolidated Statements of Income

	Year ended March 31,		
	2004	2003	2004
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 3)</i>
Net sales	¥ 334,656	¥342,508	\$ 3,157,132
Cost of sales	200,281	204,759	1,889,443
Gross profit	134,375	137,748	1,267,689
Selling, general and administrative expenses	117,316	119,844	1,106,755
Operating income	17,059	17,904	160,934
Other income (expenses):			
Interest and dividend income	790	938	7,453
Equity in (losses) earnings of unconsolidated subsidiaries and affiliates	444	(127)	4,189
Interest expense	(635)	(942)	(5,991)
Gain on sales of securities	11	880	104
Gain on sales of investments in affiliates	573	–	5,406
Gain on return of substitutional portion of national government welfare pension program funds	–	2,986	–
Special additional severance benefits	–	(631)	–
Gain on sales of property, plant and equipment	93	635	877
Loss on disposal of property, plant and equipment	–	(1,605)	–
Loss on revaluation of investments in securities	(35)	(546)	(330)
Loss on revaluation of investments in affiliates	(71)	–	(670)
Loss on liquidation of affiliates	–	(115)	–
Other, net	(2,228)	(2,164)	(21,019)
	(1,059)	(693)	(9,991)
Income before income taxes and minority interests	15,999	17,211	150,934
Income taxes:			
Current	6,435	6,318	60,708
Deferred	(964)	1,167	(9,094)
	5,470	7,485	51,604
Income before minority interests	10,529	9,725	99,330
Minority interests	(1,241)	(1,414)	(11,708)
Net income	¥ 9,287	¥ 8,311	\$ 87,613

See accompanying notes to consolidated financial statements.

5. Consolidated Statements of Shareholders' Equity

	Year ended March 31,		
	2004	2003	2004
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 3)</i>
Common stock			
Balance at beginning and end of year (March 31, 2004 –197,202,300 shares; March 31, 2003 –197,202,300 shares)	¥ 11,599	¥ 11,599	\$ 109,425
Additional paid-in capital			
Balance at beginning and end of year	¥ 5,770	¥ 5,768	54,434
Retained earnings			
Balance at beginning of year	¥ 112,032	¥105,549	1,056,906
Add:			
Net income	9,287	8,311	87,613
Other	510	–	4,811
Deduct:			
Cash dividends paid	(1,571)	(1,380)	(14,821)
Bonuses to directors and statutory auditors	(82)	(82)	(774)
Other	–	(367)	–
Balance at end of year	¥ 120,176	¥112,032	1,133,736
Unrealized holding gain on securities			
Balance at beginning of year	¥ 4,597	¥ 8,022	43,368
Net change during year	6,414	(3,424)	60,509
Balance at end of year	¥ 11,012	¥ 4,597	103,887
Translation adjustments			
Balance at beginning of year	¥ (1,496)	¥ 1,618	(14,113)
Net change during year	(4,169)	(3,115)	(39,330)
Balance at end of year	¥ (5,665)	¥ (1,496)	\$ (53,443)

See accompanying notes to consolidated financial statements.

6. Consolidated Statements of Cash Flows

	Year ended March 31,		
	2004	2003	2004
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 3)</i>
Cash flows from operating activities			
Income before income taxes and minority interests	¥ 15,999	¥ 17,211	\$ 150,934
Depreciation and amortization	13,847	15,028	130,632
Accrued employees' pension and severance costs	(1,099)	(829)	(10,368)
Accrued officers' severance benefits	223	(120)	2,104
Interest and dividend income	(790)	(938)	(7,453)
Interest expense	635	942	5,991
Equity in losses (earnings) of unconsolidated subsidiaries and affiliates	(444)	127	(4,189)
Gain on return of substitutional portion of national government welfare pension program funds	-	(2,986)	-
Gain on sales of property, plant and equipment	(93)	(635)	(877)
Gain on sales of securities	(11)	(880)	(104)
Gain on sales of investments in affiliates	(573)	-	(5,406)
Loss on disposal of property, plant and equipment	781	2,010	7,368
Loss on revaluation of investments in securities	35	546	330
Loss on revaluation of investments in affiliates	71	-	670
Loss on liquidation of affiliates	-	115	-
Notes and accounts receivable	(319)	(284)	(3,009)
Inventories	(327)	2,494	(3,085)
Notes and accounts payable	905	(1,685)	8,538
Other	(2,076)	(3,016)	(19,585)
Subtotal	26,764	27,102	252,491
Interest and dividends received	930	967	8,774
Interest paid	(629)	(940)	(5,934)
Income taxes paid	(6,613)	(7,116)	(62,387)
Net cash provided by operating activities	20,451	20,012	192,934
Cash flows from investing activities			
Acquisition of property, plant and equipment	(12,014)	(11,694)	(113,340)
Proceeds from sales of property, plant and equipment	2,149	4,580	20,274
Acquisition of intangible assets	(1,670)	(1,155)	(15,755)
Acquisition of investments in securities	(9,346)	(3,723)	(88,170)
Proceeds from sales of investments in securities	3,596	929	33,925
Addition to loans receivable	(626)	(646)	(5,906)
Collection of loans receivable	477	2,480	4,500
Other	1,327	677	12,519
Net cash used in investing activities	(16,107)	(8,551)	(151,953)
Cash flows from financing activities			
(Decrease) increase in short-term bank loans	(4,495)	(5,760)	(42,406)
Proceeds from long-term debt	2,275	10,100	21,462
Repayment of long-term debt	(1,691)	(10,794)	(15,953)
Cash dividends paid	(1,892)	(1,581)	(17,849)
Purchases of treasury stock	(541)	(554)	(5,104)
Repayment of deposits received	(4,760)	-	(44,906)
Other	108	(92)	1,019
Net cash used in financing activities	(10,997)	(8,683)	(103,745)
Effect of exchange rate changes on cash and cash equivalents	(1,162)	(863)	(10,962)
Increase in cash and cash equivalents	(7,815)	1,914	(73,726)
Cash and cash equivalents at beginning of year	32,906	30,858	310,434
Increase arising from inclusion of subsidiaries in consolidation	10	133	94
Cash and cash equivalents at end of year	¥ 25,100	¥ 32,906	\$ 236,792

See accompanying notes to consolidated financial statements.

7. Notes to Consolidated Financial Statements

March 31, 2004

(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.

Prior service cost is amortized by the straight-line method over the period of 8 years which is shorter than the average remaining years of service of the active participants in the plans.

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 shorter than 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.

(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.

7. Notes to Consolidated Financial Statements (continued)

(2) Summary of Significant Accounting Policies (continued)

(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.

(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 ¥106 = U.S.\$1.00, the approximate rate of exchange in effect on March 31, 2004. 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.

(4) Recurring Income

	Year ended March 31,		
	2004	2003	2004
	(Millions of yen)		(Thousands of U.S. dollars) (Note 3)
Operating income	¥17,059	¥17,904	\$160,934
Non-operating income	2,988	2,567	28,189
Non-operating expenses	(4,618)	(4,831)	(43,566)
Recurring income	¥15,428	¥15,640	\$145,547
Extraordinary income	679	4,502	6,406
Extraordinary expenses	(107)	(2,931)	(1,009)
Income before income taxes and minority interests	¥15,999	¥17,211	\$150,934

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 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, 2004						Eliminations and corporate	Consoli- dated
	Foods – manufacturing and sales	Foods – wholesale	Coca-Cola	Others	Total			
	<i>(Millions of yen)</i>							
I. Sales and operating income:								
Sales to third parties	¥ 169,152	¥ 47,855	¥113,655	¥ 3,992	¥334,656	¥ -	¥334,656	
Intragroup sales and transfers	492	667	-	-	1,160	(1,160)	-	
Total sales	169,645	48,522	113,655	3,992	335,817	(1,160)	334,656	
Operating expenses	158,251	46,851	110,462	3,195	318,760	(1,163)	317,597	
Operating income	¥ 11,394	¥ 1,671	¥ 3,193	¥ 796	¥ 17,056	¥ 2	¥ 17,059	
II. Assets, depreciation and capital expenditures:								
Total assets	¥ 153,460	¥ 21,516	¥ 63,363	¥ 7,776	¥ 246,117	¥ 32,485	¥ 278,602	
Depreciation and amortization	8,693	293	4,635	223	13,847	-	13,847	
Capital expenditures	9,919	342	5,080	80	15,422	-	15,422	
	Year ended March 31, 2004							
	Foods – manufacturing and sales	Foods – wholesale	Coca-Cola	Others	Total	Eliminations and corporate	Consoli- dated	
	<i>(Thousands of U.S. dollars)</i>							
I. Sales and operating income:								
Sales to third parties	\$ 1,595,774	\$ 451,462	\$1,072,217	\$37,660	\$3,157,132	\$ -	\$3,157,132	
Intragroup sales and transfers	4,642	6,292	-	-	10,943	(10,943)	-	
Total sales	1,600,425	457,755	1,072,217	37,660	3,168,085	(10,943)	3,157,132	
Operating expenses	1,492,934	441,991	1,042,094	30,142	3,007,170	(10,972)	2,996,198	
Operating income	\$ 107,491	\$ 15,764	\$ 30,123	\$ 7,509	\$ 160,906	\$ 19	\$ 160,934	
II. Assets, depreciation and capital expenditures:								
Total assets	\$1,447,736	\$202,981	\$597,764	\$73,358	\$2,321,858	\$ 306,462	\$2,628,321	
Depreciation and amortization	82,009	2,764	43,726	2,104	130,632	-	130,632	
Capital expenditures	93,575	3,226	47,925	755	145,491	-	145,491	

7. Notes to Consolidated Financial Statements (continued)

(5) Segment Information (continued)

Business Segments (continued)

	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

Geographical Segments

Geographical segment information for the Company and its consolidated subsidiaries for the years ended March 31, 2004 and 2003 is summarized as follows:

	Year ended March 31, 2004					
	Japan	North America	Other	Total	Eliminations and corporate	Consolidated
	<i>(Millions of yen)</i>					
Sales to third parties	¥260,237	¥62,880	¥11,537	¥334,656	¥ –	¥334,656
Interarea sales and transfers	8,040	1,275	1,680	10,996	(10,996)	–
Total sales	268,277	64,156	13,218	345,653	(10,996)	334,656
Operating expenses	259,583	57,033	11,998	328,614	(11,016)	317,597
Operating income	8,694	7,123	1,220	17,039	20	17,059
Total assets	¥199,446	¥45,291	¥12,021	¥256,759	¥ 21,842	¥278,602
	Year ended March 31, 2004					
	Japan	North America	Other	Total	Eliminations and corporate	Consolidated
	<i>(Thousands of U.S. dollars)</i>					
Sales to third parties	\$2,455,066	\$593,208	\$108,840	\$3,157,132	\$ –	\$3,157,132
Interarea sales and transfers	75,849	12,028	15,849	103,736	(103,736)	–
Total sales	2,530,915	605,245	124,698	3,260,877	(103,736)	3,157,132
Operating expenses	2,448,896	538,047	113,189	3,100,132	(103,925)	2,996,198
Operating income	82,019	67,198	11,509	160,745	189	160,934
Total assets	\$1,881,566	\$427,274	\$113,406	\$2,422,255	\$ 206,057	\$2,628,321

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>(Millions of yen)</i>					
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

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, 2004 and 2003 are summarized as follows:

	Year ended March 31, 2004					
	North America	Other	Total	North America	Other	Total
	<i>(Millions of yen)</i>			<i>(Thousands of U.S. dollars)</i>		
Overseas sales	¥62,187	¥17,051	¥ 79,239	\$586,670	\$160,858	\$ 747,538
Consolidated net sales			334,656			3,157,132
Ratio of overseas sales to consolidated net sales	18.6%	5.1%	23.7%	18.6%	5.1%	23.7%
	Year ended March 31, 2003					
	North America	Other	Total			
	<i>(Millions of yen)</i>					
Overseas sales	¥64,941	¥16,017	¥ 80,958			
Consolidated net sales			342,508			
Ratio of overseas sales to consolidated net sales	18.9%	4.7%	23.6%			

8. Supplementary Schedules

(1) Consolidated Results 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 difference	
	4.1.03 – 3.31.04		4.1.02 – 3.31.03		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%						
Net Sales	334,656	100.0	342,508	100.0	(7,851)	97.7	-	(4,543)	(3,307)	99.0
Operating Income	17,059	5.1	17,904	5.2	(845)	95.3	(0.1)	(549)	(296)	98.3
Recurring Income	15,428	4.6	15,640	4.6	(212)	98.6	-	(493)	281	101.8
Net Income	9,287	2.8	8,311	2.4	976	111.7	0.4	(310)	1,286	115.5
Exchange Rate (¥/US\$)	116.05		125.38		(9.33)					

Geographical Segment Information

(Millions of yen, %)

		FY2004		FY2003		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.03 – 3.31.04		4.1.02 – 3.31.03		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%						
Japan	Net Sales	268,277	100.0	274,710	100.0	(6,432)	97.7	-	-	(6,432)	97.7
	Operating Income	8,694	3.2	9,175	3.3	(480)	94.8	(0.1)	-	(480)	94.8
Overseas	Net Sales	77,126	100.0	79,162	100.0	(2,036)	97.4	-	(4,702)	2,666	103.4
	Operating Income	8,344	10.8	8,732	11.0	(388)	95.6	(0.2)	(549)	160	101.8
Eliminations	Net Sales	(10,747)	100.0	(11,364)	100.0	617	94.6	-	159	458	96.0
	Operating Income	20	-	(2)	-	22	-	-	(0)	22	-
Consolidated total	Net Sales	334,656	100.0	342,508	100.0	(7,851)	97.7	-	(4,543)	(3,307)	99.0
	Operating Income	17,059	5.1	17,904	5.2	(845)	95.3	(0.1)	(549)	(296)	98.3
	Exchange Rate (¥/US\$)	116.05		125.38		(9.33)					

8. Supplementary Schedules (Continued)

(1) Consolidated Results 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 difference		
		4.1.03 – 3.31.04		4.1.02 – 3.31.03						Amount		YoY
		Amount	%	Amount	%	Amount	YoY	%		Amount	YoY	
Foods-manufacturing and sales	Net Sales	169,645	100.0	172,774	100.0	(3,128)	98.2	-	(1,786)	(1,341)	99.2	
	Operating Income	11,394	6.7	11,511	6.7	(116)	99.0	-	(460)	343	103.0	
Foods-wholesale	Net Sales	48,522	100.0	48,657	100.0	(135)	99.7	-	(2,828)	2,693	105.5	
	Operating Income	1,671	3.4	1,821	3.7	(150)	91.7	(0.3)	(87)	(63)	96.5	
Coca-Cola	Net Sales	113,655	100.0	118,095	100.0	(4,439)	96.2	-	-	(4,439)	96.2	
	Operating Income	3,193	2.8	4,089	3.5	(895)	78.1	(0.7)	-	(895)	78.1	
Others	Net Sales	3,992	100.0	4,072	100.0	(79)	98.0	-	62	(142)	96.5	
	Operating Income	796	20.0	477	11.7	319	166.8	8.3	(1)	321	167.2	
Eliminations	Net Sales	(1,160)	100.0	(1,091)	100.0	(69)	106.3	-	9	(78)	107.2	
	Operating Income	2	-	5	-	(2)	51.9	-	0	(2)	48.1	
Consolidated total	Net Sales	334,656	100.0	342,508	100.0	(7,851)	97.7	-	(4,543)	(3,307)	99.0	
	Operating Income	17,059	5.1	17,904	5.2	(845)	95.3	(0.1)	(549)	(296)	98.3	
Exchange Rate (¥/US\$)		116.05		125.38		(9.33)						

8. Supplementary Schedules (Continued)

(2) Consolidated Forecasts for FY2005 and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements

Consolidated Statement of Income (Millions of yen, %)

	FY2005		FY2004		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.04 – 3.31.05		4.1.03 – 3.31.04		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%						
Net Sales	344,000	100.0	334,656	100.0	9,343	102.8	-	(6,489)	15,833	104.7
Operating Income	18,000	5.2	17,059	5.1	940	105.5	0.1	(791)	1,732	110.2
Recurring Income	16,500	4.8	15,428	4.6	1,071	106.9	0.2	(747)	1,818	111.8
Net Income	9,000	2.6	9,287	2.8	(287)	96.9	(0.2)	(474)	186	102.0
Exchange Rate (¥/US\$)	105.00		116.05		(11.05)					

Geographical Segment Information (Millions of yen, %)

		FY2005		FY2004		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.04 – 3.31.05		4.1.03 – 3.31.04		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%						
Japan	Net Sales	277,139	100.0	268,277	100.0	8,861	103.3	-	-	8,861	103.3
	Operating Income	9,600	3.5	8,694	3.2	905	110.4	0.3	-	905	110.4
Overseas	Net Sales	77,924	100.0	77,126	100.0	798	101.0	-	(6,670)	7,468	109.7
	Operating Income	8,400	10.8	8,344	10.8	55	100.7	-	(791)	846	110.1
Eliminations	Net Sales	(11,064)	100.0	(10,747)	100.0	(317)	103.0	-	180	(497)	104.6
	Operating Income	-	-	20	-	(20)	-	-	-	(20)	-
Consolidated total	Net Sales	344,000	100.0	334,656	100.0	9,343	102.8	-	(6,489)	15,833	104.7
	Operating Income	18,000	5.2	17,059	5.1	940	105.5	0.1	(791)	1,732	110.2
Exchange Rate (¥/US\$)		105.00		116.05		(11.05)					

8. Supplementary Schedules (Continued)

(2) Consolidated Forecasts for FY2005 and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements (Continued)

		Business Segment Information				<i>(Millions of yen, %)</i>						
		FY2005		FY2004		Increase /Decrease			Translation difference	Increase /Decrease except translation difference		
		4.1.04 – 3.31.05		4.1.03 – 3.31.04		Amount	YoY	%		Amount	YoY	
		Amount	%	Amount	%	Amount	YoY	%		Amount	YoY	
Foods-manufacturing and sales	Net Sales	173,368	100.0	169,645	100.0	3,722	102.2	-	(2,730)	6,453	103.8	
	Operating Income	11,850	6.8	11,394	6.7	456	104.0	0.1	(680)	1,137	110.0	
Foods- wholesale	Net Sales	49,401	100.0	48,522	100.0	879	101.8	-	(3,788)	4,667	109.6	
	Operating Income	1,725	3.5	1,671	3.4	53	103.2	0.1	(110)	164	109.8	
Coca-Cola	Net Sales	118,500	100.0	113,655	100.0	4,844	104.3	-	-	4,844	104.3	
	Operating Income	3,700	3.1	3,193	2.8	506	115.8	0.3	-	506	115.8	
Others	Net Sales	3,842	100.0	3,992	100.0	(149)	96.2	-	11	(161)	96.0	
	Operating Income	724	18.8	796	20.0	(72)	90.9	(1.2)	0	(72)	90.8	
Eliminations	Net Sales	(1,113)	100.0	(1,160)	100.0	47	95.9	-	18	28	97.5	
	Operating Income	-	-	2	-	(2)	-	-	-	(2)	-	
Consolidated total	Net Sales	344,000	100.0	334,656	100.0	9,343	102.8	-	(6,489)	15,833	104.7	
	Operating Income	18,000	5.2	17,059	5.1	940	105.5	0.1	(791)	1,732	110.2	
Exchange Rate (¥/US\$)		105.00		116.05		(11.05)						

8. Supplementary Schedules (continued)

(3) Major Consolidated Performance Indicators

<i>Consolidated Results</i>		2002.3	2003.3	2004.3	2005.3
		Actual	Actual	Actual	Forecast
Net Sales	¥ millions	336,887	342,508	334,656	344,000
YoY Change	%	3.1	1.7	(2.3)	2.8
Operating Income	¥ millions	14,942	17,904	17,059	18,000
(Operating Income Ratio)	%	4.4	5.2	5.1	5.2
YoY Change	%	1.7	19.8	(4.7)	5.5
Recurring Income	¥ millions	13,183	15,640	15,428	16,500
(Recurring Income Ratio)	%	3.9	4.6	4.6	4.8
YoY Change	%	2.1	18.6	(1.4)	6.9
Net Income	¥ millions	5,363	8,311	9,287	9,000
(Net Income Ratio)	%	1.6	2.4	2.8	2.6
YoY Change	%	(12.8)	55.0	11.7	(3.1)
Shareholders' Equity per Share	yen	676.82	673.44	726.57	-
Net Income per Share	yen	27.43	41.98	47.15	45.68
Diluted Net Income per Share	yen	26.52	40.86	-	-
Shareholders' Equity	¥ millions	132,313	131,806	141,849	-
Total Assets	¥ millions	294,527	273,902	278,602	-
Shareholders' Equity Ratio	%	44.9	48.1	50.9	-
ROE	%	4.1	6.3	6.8	-
Recurring Income to Total Assets	%	4.5	5.5	5.6	-
Share Price as of Term-end	yen	685	758	866	-
PER	Times	25.0	18.1	18.4	-
Cash Flows From Operating Activities	¥ millions	22,572	20,012	20,451	-
Cash Flows From Investing Activities	¥ millions	(17,602)	(8,551)	(16,107)	-
Cash Flows From Financing Activities	¥ millions	(480)	(8,683)	(10,997)	-
Term-end Cash and Cash Equivalents	¥ millions	30,858	32,906	25,100	-
Free Cash Flows	¥ millions	4,970	11,461	4,344	-
Free Cash Flows per Share	yen	25.42	58.47	22.26	-
Interest-bearing Debt	¥ millions	59,505	51,870	46,722	-
Capital Expenditures	¥ millions	15,435	11,841	15,422	14,800
(For Property, Plant and Equipment)	¥ millions	14,567	10,390	13,283	13,500
Depreciation and Amortization	¥ millions	16,437	15,028	13,847	14,000
(On Property, Plant and Equipment)	¥ millions	14,845	13,633	12,440	12,500
R&D Costs	¥ millions	3,651	3,598	3,551	-
Net Financial Income (Loss)	¥ millions	(164)	(3)	154	-
Average Term Exchange Rate	yen/US\$	121.64	125.38	116.05	105.00
No. of Employees	people	6,240	6,456	6,204	-
No. of Shares Issued and Outstanding at Term-end	Thousand	195,492	195,597	195,111	-

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

2. 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.

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

4. Interest-bearing debt refers to all liabilities on the consolidated balance sheet on which interest is paid.

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