

Flash Report Interim 2004

Kikkoman Corporation



Consolidated Financial Results

November 13 2003

Half-Year Ended September 30, 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 interim consolidated results: November 13, 2003

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended September 30, 2003 are presented solely for convenience.



Kikkoman Corporation

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**1. Business Performance for the Six-month Period Ended September 30, 2003
(April 1, 2003 to September 30, 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- Sep.30,2003	¥164,683	¥6,869	¥6,182
Apr. 1- Sep.30,2002	¥169,488	¥7,981	¥7,137
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- Sep.30,2003	¥3,580	¥18.33	-
Apr. 1- Sep.30,2002	¥3,623	¥18.46	¥17.79
Apr. 1,2002 -Mar.31,2003	¥8,311	¥41.98	¥40.86

Note:

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

Apr.1-Sep.30, 2003: ¥106 million

Apr.1-Sep.30, 2002: (¥115 million)

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

Average number of shares during the period (consolidated)

Apr.1-Sep.30, 2003: 195,315,223

Apr.1-Sep.30, 2002: 196,266,593

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

Changes in accounting method

None

**1. Business Performance for the Six-month Period Ended September 30, 2003
(continued)
(April 1, 2003 to September 30, 2003)**

(2) Financial Position

(Millions of yen)

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share (yen)
Sep.30,2003	¥279,162	¥136,476	48.9%	¥700.12
Sep.30,2002	¥287,367	¥131,539	45.8%	¥670.40
Mar.31,2003	¥273,902	¥131,806	48.1%	¥673.44

Note:

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

Sep.30, 2003: 194,933,850

Sep.30, 2002: 196,208,828

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- Sep.30,2003	¥6,754	(¥5,543)	(¥3,458)	¥30,715
Apr. 1- Sep.30,2002	¥6,353	(¥ 659)	(¥ 501)	¥35,069
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: 4

**1. Business Performance for the Six-month Period Ended September 30, 2003
(continued)**

(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:	2
Companies no longer accounted for by the equity method:	None

**2. Forecast of Business Performance for the Fiscal Year Ending March 31, 2004
(April 1, 2003 to March 31, 2004)**

(Millions of yen)

Net sales	Recurring income	Net income
¥336,500	¥14,800	¥8,500

Estimated net income per share for the year: Consolidated basis ¥43.18

Note:

The average exchange rate for the second half year is estimated at ¥113=US\$1.00.
(¥116.40 in the full year.)

The above estimates were based on the economic environment at the time they were prepared. Kikkoman therefore wishes to caution readers that actual results may differ materially from forecasts due to a number of unpredictable factors.

3. Consolidated Interim Balance Sheets

	September 30,		
	2003	2002	2003
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 3)</i>
Assets			
Current assets:			
Cash and time deposits	¥ 29,094	¥ 36,834	\$ 262,108
Short-term investments	2,624	24	23,640
Trade notes and accounts receivable	41,688	41,799	375,568
Allowance for doubtful receivables	(712)	(639)	(6,414)
	40,976	41,160	369,153
Inventories	25,692	24,888	231,459
Deferred tax assets	3,949	3,830	35,577
Other current assets	6,298	5,525	56,739
Total current assets	108,636	112,264	978,703
Property, plant and equipment, at cost:			
Land	32,411	32,771	291,991
Buildings and structures	90,470	89,750	815,045
Machinery, equipment and vehicles	136,514	140,755	1,229,856
Other	54,376	62,031	489,874
Construction in progress	2,184	803	19,676
	315,958	326,113	2,846,468
Accumulated depreciation	(201,374)	(205,773)	(1,814,180)
Property, plant and equipment, net	114,583	120,340	1,032,279
Investments and other assets:			
Investments in securities	32,478	30,282	292,595
Investments in and advances to unconsolidated subsidiaries and affiliates	8,119	7,561	73,144
Intangible assets	7,652	8,014	68,937
Deferred tax assets	3,829	4,691	34,495
Other assets	3,863	4,213	34,802
Total investments and other assets	55,941	54,763	503,973
Total assets	¥ 279,162	¥ 287,367	\$ 2,514,973

3. Consolidated Interim Balance Sheets (continued)

	September 30,		
	2003	2002	2003
	<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	¥ 17,869	¥ 26,705	\$ 160,982
Current portion of long-term debt	1,116	1,361	10,054
Convertible bonds due within one year	–	10,000	–
Trade notes and accounts payable	12,463	11,255	112,279
Other accounts payable	12,707	14,961	114,477
Accrued expenses	2,668	2,892	24,036
Accrued income taxes	2,315	2,063	20,856
Other current liabilities	4,155	3,711	37,432
Total current liabilities	<u>53,295</u>	<u>72,951</u>	<u>480,135</u>
Long-term liabilities:			
Long-term debt	25,332	14,785	228,216
Accrued employees' pension and severance costs	27,416	30,923	246,991
Accrued officers' severance benefits	1,312	1,104	11,820
Deposits received	11,842	12,620	106,694
Deferred tax liabilities	2,874	3,977	25,892
Other long-term liabilities	1,206	1,075	10,865
Total long-term liabilities	<u>69,985</u>	<u>64,484</u>	<u>630,495</u>
Minority interests	19,404	18,392	174,811
Shareholders' equity:			
Common stock, without par value:			
Authorized: 300,000,000 shares			
Issued: 197,202,300 shares at September 30,			
2003 and 2002	11,599	11,599	104,495
Additional paid-in capital	5,768	5,768	51,964
Retained earnings	114,246	107,711	1,029,243
Unrealized holding gain on securities	7,491	8,439	67,486
Translation adjustments	(1,423)	(1,754)	(12,820)
	<u>137,682</u>	<u>131,764</u>	<u>1,240,378</u>
Treasury stock, at cost:			
September 30, 2003 – 2,268,450 shares	(1,205)	–	(10,856)
September 30, 2002 – 993,472 shares	–	(225)	–
Shareholders' equity, net	<u>136,476</u>	<u>131,539</u>	<u>1,229,514</u>
Total liabilities and shareholders' equity	<u>¥279,162</u>	<u>¥287,367</u>	<u>\$2,514,973</u>

See accompanying notes to consolidated interim financial statements.

4. Consolidated Interim Statements of Income

	Six months ended September 30,		
	2003	2002	2003
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 3)</i>
Net sales	¥164,683	¥169,488	\$1,483,631
Cost of sales	98,682	100,770	889,027
Gross profit	66,000	68,717	594,595
Selling, general and administrative expenses	59,131	60,736	532,712
Operating income	6,869	7,981	61,883
Other income (expenses):			
Interest and dividend income	452	571	4,072
Equity in earnings (losses) of unconsolidated subsidiaries and affiliates	106	(115)	955
Interest expense	(321)	(500)	(2,892)
Special additional retirement benefits	–	(626)	–
Gain on sales of property, plant and equipment	66	438	595
Loss on disposal of property, plant and equipment	–	(404)	–
Other, net	(948)	(894)	(8,541)
	(644)	(1,531)	(5,802)
Income before income taxes and minority interests	6,224	6,449	56,072
Income taxes:			
Current	3,506	3,360	31,586
Deferred	(995)	(528)	(8,964)
	2,511	2,831	22,622
Income before minority interests	3,713	3,617	33,450
Minority interests	(133)	5	(1,198)
Net income	¥ 3,580	¥ 3,623	\$ 32,252

See accompanying notes to consolidated interim financial statements.

5. Consolidated Interim Statements of Shareholders' Equity

	Six months ended September 30,		
	2003	2002	2003
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Common stock			
Balance at beginning and end of period (September 30, 2003 – 197,202,300 shares; September 30, 2002 – 197,202,300 shares)	¥ 11,599	¥ 11,599	\$ 104,495
Additional paid-in capital			
Balance at beginning and end of period	¥ 5,768	¥ 5,768	\$ 51,964
Retained earnings			
Balance at beginning of period	¥112,032	¥105,549	\$1,009,297
Add:			
Net income	3,580	3,623	32,252
Other	288	–	2,595
Deduct:			
Cash dividends paid	(1,571)	(1,380)	(14,153)
Bonuses to directors and statutory auditors	(82)	(82)	(739)
Balance at end of period	¥114,246	¥107,711	\$1,029,243
Unrealized holding gain on securities			
Balance at beginning of period	¥ 4,597	¥ 8,022	\$ 41,414
Net change during period	2,893	416	26,063
Balance at end of period	¥ 7,491	¥ 8,439	\$ 67,486
Translation adjustments			
Balance at beginning of period	¥ (1,496)	¥ 1,618	\$ (13,477)
Net change during period	72	(3,373)	649
Balance at end of period	¥ (1,423)	¥ (1,754)	\$ (12,820)

See accompanying notes to consolidated interim financial statements.

6. Consolidated Interim Statements of Cash Flows

	Six months ended September 30,		
	2003	2002	2003
	<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	¥ 6,224	¥ 6,449	\$ 56,072
Depreciation and amortization	6,733	7,314	60,658
Accrued employees' pension and severance costs	397	88	3,577
Accrued officers' severance benefits	84	(243)	757
Interest and dividend income	(452)	(571)	(4,072)
Interest expense	321	500	2,892
Equity in earnings of unconsolidated subsidiaries and affiliates	(106)	115	(955)
Gain on sales of property, plant and equipment	(66)	(438)	(595)
Loss on disposal of property, plant and equipment	-	404	-
Notes and accounts receivable	(975)	(1,627)	(8,784)
Inventories	(354)	2,814	(3,189)
Notes and accounts payable	226	(2,521)	2,036
Other	(2,117)	(1,863)	(19,072)
Subtotal	9,915	10,420	89,324
Interest and dividends received	590	606	5,315
Interest paid	(318)	(468)	(2,865)
Income taxes paid	(3,433)	(4,205)	(30,928)
Net cash provided by operating activities	6,754	6,353	60,847
Cash flows from investing activities			
Acquisition of property, plant and equipment	(5,733)	(6,019)	(51,649)
Proceeds from sales of property, plant and equipment	1,995	3,923	17,973
Acquisition of intangible assets	(781)	(313)	(7,036)
Acquisition of investments in securities	(1,987)	(1,010)	(17,901)
Loans granted	(383)	(109)	(3,450)
Loans collected	481	2,016	4,333
Other	864	853	7,784
Net cash used in investing activities	(5,543)	(659)	(49,937)
Cash flows from financing activities			
Increase (decrease) in short-term bank loans	(1,863)	1,414	(16,784)
Proceeds from long-term debt	1,624	-	14,631
Repayment of long-term debt	(1,090)	(410)	(9,820)
Acquisition of treasury stock	(510)	(84)	(4,595)
Cash dividends paid	(1,571)	(1,380)	(14,153)
Other	(46)	(39)	(414)
Net cash (used in) provided by financing activities	(3,458)	(501)	(31,153)
Effect of exchange rate changes on cash and cash equivalents	45	(1,114)	405
Increase in cash and cash equivalents	(2,200)	4,077	(19,820)
Cash and cash equivalents at beginning of period	32,906	30,858	296,450
Increase arising from inclusion of subsidiaries in consolidation	10	133	90
Cash and cash equivalents at end of period	¥30,715	¥35,069	\$276,712

See accompanying notes to consolidated interim financial statements.

7. Notes to Consolidated Interim Financial Statements

September 30, 2003

(1) Basis of Preparation

KIKKOMAN CORPORATION (the “Company”) and its domestic subsidiaries maintain their accounting records and prepare their interim 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 interim financial statements have been compiled from the consolidated semiannual 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 interim 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 interim 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 interim 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.

(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 period. 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 translation adjustments and amounts attributed to stockholders' equity and minority interests are included in stockholders' equity and minority interests, respectively.

(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 unrealized gains and losses (net of taxes) reported in a separate component of shareholders' equity. 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, consist of finished products, work in progress and raw materials, 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 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.

(2) Summary of Significant Accounting Policies (continued)

(f) Depreciation and amortization (continued)

The ranges of 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 based on the projected benefit obligation and the pension plan assets by the Company and its domestic consolidated subsidiaries.

The effect of the adjustment made during this fiscal period 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 15 years, which are within the average remaining years of service of the active participants in the plans.

The unrecognized retirement benefit obligation at transition has been charged to operations as incurred.

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

(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 or incurred.

(k) Derivatives

Derivative positions are stated at fair value.

(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 ¥111 = U.S.\$1.00, the approximate rate of exchange in effect on September 30, 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.

(4) Recurring Income

	Six months ended September 30, 2003		
	2003	2002	2003
	(Millions of yen)		(Thousands of U.S. dollars)
Operating income	¥6,869	¥7,981	\$61,883
Non-operating income	1,365	1,470	12,297
Non-operating expenses	(2,052)	(2,314)	(18,486)
Recurring income	¥6,182	¥7,137	\$55,694
Extraordinary income	78	438	703
Extraordinary expenses	(35)	(1,125)	(315)
Income before income taxes and minority interests	¥6,224	¥6,449	\$56,072

(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: processing 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

Business segments information of the Company and its consolidated subsidiaries for the six months ended September 30, 2003 and 2002 is summarized as follows:

	Six months ended September 30, 2003					Elimina- tions and corporate	Consoli- dated
	Foods – processing and sales	Foods – wholesale sales	Coca-Cola	Other	Total		
	<i>(Millions of yen)</i>						
I. Sales and operating income:							
Sales to third parties	¥ 85,514	¥23,397	¥53,861	¥1,910	¥164,683	¥ –	¥164,683
Intragroup sales and transfers	259	435	–	–	694	(694)	–
Total sales	85,773	23,832	53,861	1,910	165,377	(694)	164,683
Operating expenses	80,259	23,131	53,440	1,678	158,509	(695)	157,813
Operating income	¥ 5,514	¥ 701	¥ 420	¥ 231	¥ 6,868	¥ 0	¥ 6,869
II. Assets, depreciation and capital expenditures:							
Total assets	¥149,350	¥20,319	¥61,663	¥8,432	¥239,766	¥39,396	¥279,162
Depreciation and amortization	4,233	150	2,238	111	6,733	–	6,733
Capital expenditures	3,839	154	2,991	28	7,013	–	7,013

(5) Segment Information (continued)

Business Segments (continued)

	Six months ended September 30, 2003						
	<u>Foods – processing and sales</u>	<u>Foods – wholesale sales</u>	<u>Coca-Cola</u>	<u>Other</u>	<u>Total</u>	<u>Elimina- tions and corporate</u>	<u>Consoli- dated</u>
	<i>(Thousands of U.S. dollars)</i>						
I. Sales and operating income:							
Sales to third parties	\$ 770,396	\$ 210,784	\$ 485,234	\$ 17,207	\$ 1,483,631	\$ –	\$ 1,483,631
Intragroup sales and transfers	2,333	3,919	–	–	6,252	(6,252)	–
Total sales	772,730	214,703	483,234	17,207	1,489,883	(6,252)	1,483,631
Operating expenses	723,054	208,387	481,441	15,117	1,428,009	(6,261)	1,421,739
Operating income	<u>\$ 49,676</u>	<u>\$ 6,315</u>	<u>\$ 3,784</u>	<u>\$ 2,081</u>	<u>\$ 61,874</u>	<u>\$ 0</u>	<u>\$ 61,883</u>
II. Assets, depreciation and capital expenditures:							
Total assets	\$ 1,345,495	\$ 183,054	\$ 555,523	\$ 75,964	\$ 2,160,054	\$ 354,919	\$ 2,514,973
Depreciation and amortization	38,135	1,351	20,162	1,000	60,658	–	60,658
Capital expenditures	34,586	1,387	26,946	252	63,180	–	63,180

	Six months ended September 30, 2002						
	<u>Foods – processing and sales</u>	<u>Foods – wholesale sales</u>	<u>Coca-Cola</u>	<u>Other</u>	<u>Total</u>	<u>Elimina- tions and corporate</u>	<u>Consoli- dated</u>
	<i>(Millions of yen)</i>						
I. Sales and operating income:							
Sales to third parties	¥ 87,935	¥ 23,910	¥ 55,730	¥ 1,912	¥ 169,488	¥ –	¥ 169,488
Intragroup sales and transfers	227	349	–	–	577	(577)	–
Total sales	88,163	24,259	55,730	1,912	170,065	(577)	169,488
Operating expenses	82,586	23,292	54,533	1,674	162,087	(580)	161,507
Operating income	<u>¥ 5,576</u>	<u>¥ 966</u>	<u>¥ 1,196</u>	<u>¥ 238</u>	<u>¥ 7,978</u>	<u>¥ 2</u>	<u>¥ 7,981</u>
II. Assets, depreciation and capital expenditures:							
Total assets	¥ 148,934	¥ 19,444	¥ 67,339	¥ 8,030	¥ 243,749	¥ 43,618	¥ 287,367
Depreciation and amortization	4,508	132	2,510	162	7,314	–	7,314
Capital expenditures	3,134	70	2,989	44	6,238	–	6,238

(5) Segment Information (continued)

Geographical Segments

Geographical segments information of the Company and its consolidated subsidiaries for the six months ended September 30, 2003 and 2002 is summarized as follows:

Six months ended September 30, 2003						
	Japan	North America	Other	Total	Eliminations and corporate	Consolidated
	<i>(Millions of yen)</i>					
Sales to third parties	¥127,259	¥31,480	¥ 5,942	¥164,683	¥ –	¥164,683
Interarea sales and transfers	4,139	896	833	5,869	(5,869)	–
Total sales	131,399	32,376	6,776	170,552	(5,869)	164,683
Operating expenses	128,795	28,773	6,096	163,665	(5,851)	157,813
Operating income	¥ 2,603	¥ 3,603	¥ 679	¥ 6,886	¥ (17)	¥ 6,869
Total assets	¥188,366	¥48,240	¥11,519	¥248,126	¥ 31,035	¥279,162

Six months ended September 30, 2003						
	Japan	North America	Other	Total	Eliminations and corporate	Consolidated
	<i>(Thousands of U.S. dollars)</i>					
Sales to third parties	\$1,146,477	\$283,604	\$ 53,532	\$1,483,631	\$ –	\$1,483,631
Interarea sales and transfers	37,288	8,072	7,505	52,874	(52,874)	–
Total sales	1,183,775	291,676	61,045	1,536,505	(52,874)	1,483,631
Operating expenses	1,160,315	259,216	54,919	1,474,459	(52,712)	1,421,739
Operating income	\$ 23,450	\$ 32,459	\$ 6,117	\$ 62,036	\$ (153)	\$ 61,883
Total assets	\$1,696,991	\$434,595	\$103,775	\$2,235,369	\$279,595	\$2,514,973

Six months ended September 30, 2002						
	Japan	North America	Other	Total	Eliminations and corporate	Consolidated
	<i>(Millions of yen)</i>					
Sales to third parties	¥130,420	¥33,249	¥5,818	¥169,488	¥ –	¥169,488
Interarea sales and transfers	4,227	534	843	5,605	(5,605)	–
Total sales	134,648	33,783	6,661	175,094	(5,605)	169,488
Operating expenses	131,411	29,588	6,083	167,083	(5,576)	161,507
Operating income	¥ 3,236	¥ 4,195	¥ 578	¥ 8,010	¥ (29)	¥ 7,981
Total assets	¥196,562	¥45,329	¥9,944	¥251,836	¥ 35,531	¥287,367

(5) Segment Information (continued)

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 six months ended September 30, 2003 and 2002 are summarized as follows:

	Six months ended September 30, 2003					
	North America	Other	Total	North America	Other	Total
	<i>(Millions of yen)</i>			<i>(Thousands of U.S. dollars)</i>		
Overseas sales	¥31,202	¥8,520	¥ 39,722	\$281,099	\$76,757	\$ 357,856
Consolidated net sales			164,683			1,483,631
Ratio of overseas sales to consolidated net sales	18.9%	5.2%	24.1%			
	Six months ended September 30, 2002					
	North America	Other	Total			
	<i>(Millions of yen)</i>					
Overseas sales	¥33,083	¥8,132	¥ 41,216			
Consolidated net sales			169,488			
Ratio of overseas sales to consolidated net sales	19.5%	4.8%	24.3%			

8. Supplementary Schedules

(1) Consolidated Results for FY2004 Interim and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements

Consolidated Statement of Income

(Millions of yen, %)

	FY2004 interim		FY2003 interim		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.03 – 9.30.03		4.1.02 – 9.30.02		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%						
Net Sales	164,683	100.0	169,488	100.0	(4,805)	97.2	-	(2,296)	(2,509)	98.5
Operating Income	6,869	4.2	7,981	4.7	(1,112)	86.1	(0.5)	(285)	(826)	89.6
Recurring Income	6,182	3.8	7,137	4.2	(955)	86.6	(0.4)	(259)	(695)	90.3
Net Income	3,580	2.2	3,623	2.1	(43)	98.8	0.1	(161)	118	103.3
Exchange Rate (¥/US\$)	119.24		129.11		(9.87)					

Geographical Segment Information

(Millions of yen, %)

		FY2004 interim		FY2003 interim		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.03 – 9.30.03		4.1.02 – 9.30.02		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%						
Japan	Net Sales	131,399	100.0	134,648	100.0	(3,249)	97.6	-	-	(3,249)	97.6
	Operating Income	2,603	2.0	3,236	2.4	(633)	80.4	(0.4)	-	(633)	80.4
Overseas	Net Sales	39,035	100.0	40,335	100.0	(1,300)	96.8	-	(2,389)	1,088	102.7
	Operating Income	4,283	11.0	4,773	11.8	(490)	89.7	(0.8)	(285)	(205)	95.7
Eliminations	Net Sales	(5,751)	100.0	(5,495)	100.0	(255)	104.6	-	93	(348)	106.3
	Operating Income	(17)	-	(29)	-	11	60.2	-	(0)	11	60.1
Consolidated total	Net Sales	164,683	100.0	169,488	100.0	(4,805)	97.2	-	(2,296)	(2,509)	98.5
	Operating Income	6,869	4.2	7,981	4.7	(1,112)	86.1	(0.5)	(285)	(826)	89.6
Exchange Rate (¥/US\$)		119.24		129.11		(9.87)					

8. Supplementary Schedules (Continued)

(1) Consolidated Results for FY2004 Interim and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements (Continued)

		Business Segment Information				<i>(Millions of yen, %)</i>					
		FY2004 interim		FY2003 interim		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.03 – 9.30.03		4.1.02 – 9.30.02						Amount	
		Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Foods-manufacturing and sales	Net Sales	85,773	100.0	88,163	100.0	(2,389)	97.3	-	(879)	(1,509)	98.3
	Operating Income	5,514	6.4	5,576	6.3	(61)	98.9	0.1	(245)	183	103.3
Foods-wholesale	Net Sales	23,832	100.0	24,259	100.0	(427)	98.2	-	(1,457)	1,030	104.2
	Operating Income	701	2.9	966	4.0	(265)	72.6	(1.1)	(35)	(230)	76.2
Coca-Cola	Net Sales	53,861	100.0	55,730	100.0	(1,868)	96.6	-	-	(1,868)	96.6
	Operating Income	420	0.8	1,196	2.1	(775)	35.2	(1.3)	-	(775)	35.2
Others	Net Sales	1,910	100.0	1,912	100.0	(2)	99.9	-	35	(37)	98.0
	Operating Income	231	12.1	238	12.5	(6)	97.2	(0.4)	(4)	(2)	99.1
Eliminations	Net Sales	(694)	100.0	(577)	100.0	(117)	120.3	-	6	(123)	121.4
	Operating Income	0	-	2	-	(2)	10.7	-	0	(2)	7.3
Consolidated total	Net Sales	164,683	100.0	169,488	100.0	(4,805)	97.2	-	(2,296)	(2,509)	98.5
	Operating Income	6,869	4.2	7,981	4.7	(1,112)	86.1	(0.5)	(285)	(826)	89.6
Exchange Rate (¥/US\$)		119.24		129.11		(9.87)					

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 difference	
	4.1.03 – 3.31.04		4.1.02 – 3.31.03		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%						
Net Sales	336,500	100.0	342,508	100.0	(6,008)	98.2	-	(4,809)	(1,198)	99.6
Operating Income	16,300	4.8	17,904	5.2	(1,605)	91.0	(0.4)	(574)	(1,030)	94.2
Recurring Income	14,800	4.4	15,640	4.6	(840)	94.6	(0.2)	(536)	(304)	98.1
Net Income	8,500	2.5	8,311	2.4	188	102.3	0.1	(322)	511	106.1
Exchange Rate (¥/US\$)	116.40		125.38		(8.98)					

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	270,617	100.0	274,710	100.0	(4,093)	98.5	-	-	(4,093)	98.5
	Operating Income	8,100	3.0	9,175	3.3	(1,075)	88.3	(0.3)	-	(1,075)	88.3
Overseas	Net Sales	77,407	100.0	79,162	100.0	(1,755)	97.8	-	(4,981)	3,225	104.1
	Operating Income	8,200	10.6	8,732	11.0	(533)	93.9	(0.4)	(574)	41	100.5
Eliminations	Net Sales	(11,523)	100.0	(11,364)	100.0	(159)	101.4	-	171	(330)	102.9
	Operating Income	-	-	(2)	-	2	-	-	-	2	-
Consolidated total	Net Sales	336,500	100.0	342,508	100.0	(6,008)	98.2	-	(4,809)	(1,198)	99.6
	Operating Income	16,300	4.8	17,904	5.2	(1,605)	91.0	(0.4)	(574)	(1,030)	94.2
Exchange Rate (¥/US\$)		116.40		125.38		(8.98)					

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 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	171,720	100.0	172,774	100.0	(1,053)	99.4	-	(1,905)	852	100.5	
	Operating Income	11,882	6.9	11,511	6.7	371	103.2	0.2	(485)	857	107.4	
Foods- wholesale	Net Sales	48,322	100.0	48,657	100.0	(335)	99.3	-	(2,976)	2,640	105.4	
	Operating Income	1,431	3.0	1,821	3.7	(390)	78.6	(0.7)	(85)	(304)	83.3	
Coca-Cola	Net Sales	113,700	100.0	118,095	100.0	(4,395)	96.3	-	-	(4,395)	96.3	
	Operating Income	2,700	2.4	4,089	3.5	(1,389)	66.0	(1.1)	-	(1,389)	66.0	
Others	Net Sales	4,230	100.0	4,072	100.0	158	103.9	-	51	107	102.6	
	Operating Income	285	6.7	477	11.7	(192)	59.8	(5.0)	(3)	(189)	60.4	
Eliminations	Net Sales	(1,472)	100.0	(1,091)	100.0	(381)	135.0	-	21	(403)	136.9	
	Operating Income	-	-	5	-	(5)	-	-	-	(5)	-	
Consolidated total	Net Sales	336,500	100.0	342,508	100.0	(6,008)	98.2	-	(4,809)	(1,198)	99.6	
	Operating Income	16,300	4.8	17,904	5.2	(1,605)	91.0	(0.4)	(574)	(1,030)	94.2	
Exchange Rate (¥/US\$)		116.40		125.38		(8.98)						

8. Supplementary Schedules (continued)

(3) Major Consolidated Performance Indicators

<i>Consolidated Results</i>		Interim 2001.9	Interim 2002.9	Interim 2003.9	2002.3	2003.3	2004.3
		Actual	Actual	Actual	Actual	Actual	Forecast
Net Sales	¥ millions	164,820	169,488	164,683	336,887	342,508	336,500
YoY Change	%	7.9	2.8	(2.8)	3.1	1.7	(1.8)
Operating Income	¥ millions	5,800	7,981	6,869	14,942	17,904	16,300
(Operating Income Ratio)	%	3.5	4.7	4.2	4.4	5.2	4.8
YoY Change	%	(0.3)	37.6	(13.9)	1.7	19.8	(9.0)
Recurring Income	¥ millions	5,267	7,137	6,182	13,183	15,640	14,800
(Recurring Income Ratio)	%	3.2	4.2	3.8	3.9	4.6	4.4
YoY Change	%	1.8	35.5	(13.4)	2.1	18.6	(5.4)
Net Income	¥ millions	2,579	3,623	3,580	5,363	8,311	8,500
(Net Income Ratio)	%	1.6	2.1	2.2	1.6	2.4	2.5
YoY Change	%	(12.3)	40.5	(1.2)	(12.8)	55.0	2.3
Shareholders' Equity per Share	yen	658.43	670.40	700.12	676.82	673.44	-
Net Income per Share	yen	13.19	18.46	18.33	27.43	41.98	43.18
Diluted Net Income per Share	yen	12.76	17.79	-	26.52	40.86	-
Shareholders' Equity	¥ millions	128,752	131,539	136,476	132,313	131,806	-
Total Assets	¥ millions	295,911	287,367	279,162	294,527	273,902	-
Shareholders' Equity Ratio	%	43.5	45.8	48.9	44.9	48.1	-
ROE	%	2.0	2.7	2.6	4.1	6.3	-
Recurring Income to Total Assets	%	1.8	2.5	2.2	4.5	5.5	-
Share Price as of Term-end	yen	743	784	726	685	758	-
PER	Times	-	-	-	25.0	18.1	-
Cash Flows From Operating Activities	¥ millions	6,503	6,353	6,754	22,572	20,012	-
Cash Flows From Investing Activities	¥ millions	(9,353)	(659)	(5,543)	(17,602)	(8,551)	-
Cash Flows From Financing Activities	¥ millions	4,067	(501)	(3,458)	(480)	(8,683)	-
Term-end Cash and Cash Equivalents	¥ millions	26,984	35,069	30,715	30,858	32,906	-
Free Cash Flows	¥ millions	(2,850)	5,693	1,211	4,970	11,461	-
Free Cash Flows per Share	yen	(14.58)	29.01	6.20	25.42	58.47	-
Interest-bearing Debt	¥ millions	63,050	59,565	50,361	59,505	51,870	-
Capital Expenditures	¥ millions	7,603	6,238	7,013	15,435	11,841	15,000
(For Property, Plant and Equipment)	¥ millions	7,250	5,788	5,964	14,567	10,390	13,300
Depreciation and Amortization	¥ millions	7,838	7,314	6,733	16,437	15,028	14,100
(On Property, Plant and Equipment)	¥ millions	7,082	6,618	6,050	14,845	13,633	12,800
R&D Costs	¥ millions	1,836	1,814	1,814	3,651	3,598	-
Net Financial Income (Loss)	¥ millions	(74)	70	131	(164)	(3)	-
Average Term Exchange Rate	yen/US\$	119.93	129.11	119.24	121.64	125.38	116.40
No. of Employees	people	6,540	6,553	6,341	6,240	6,456	-
No. of Shares Issued and Outstanding at Term-end	Thousand	195,545	196,208	194,933	195,492	195,597	-

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

2. For the purposes of comparison, year-on-year changes for the interim period ended September 30, 2001 and year ended March 31, 2002 are those with the interim period ended June 30, 2000 and 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

6. Please refer to page 4 for details of assumptions underlying forecasts and other related information.