

Flash Report Interim 2005

Kikkoman Corporation



Consolidated Financial Results

November 8, 2004

Half-Year Ended September 30, 2004

Listed Company Name: **Kikkoman Corporation**

Code No.: 2801

Shares Listed: Tokyo (1st Section), Osaka (1st Section)

Head Office: 250 Noda, Noda City, Chiba Prefecture

Contact: Takaharu Nakamura, Corporate Officer, Public Relations and
Investor Relations

E-mail: ir@mail.kikkoman.co.jp

Board of Directors' meeting for approval of interim consolidated results: November 8, 2004

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended September 30, 2004 are presented solely for convenience.



Kikkoman Corporation

Flash Report Interim 2005

<Index>

1. Business Performance for the Six-month Period Ended September 30, 2004	2
(1) Business Results	
(2) Financial Position	
(3) Cash Flows	
(4) Scope of Consolidation and Application of the Equity Method	
(5) Changes in Scope of Consolidation and Accounting Methods	
2. Forecast of Business Performance for the Fiscal Year Ending March 31, 2005	4
3. Consolidated Interim Balance Sheets	5
4. Consolidated Interim Statements of Income	7
5. Consolidated Interim Statements of Shareholders' Equity ..	8
6. Consolidated Interim Statements of Cash Flows	9
7. Notes to Consolidated Interim Financial Statements	10
(1) Basis of Preparation	
(2) Summary of Significant Accounting Policies	
(3) U.S. Dollar Amounts	
(4) Recurring Income	
(5) Segment Information	
8. Supplementary Schedules	18
(1) Consolidated Results for FY2005 Interim and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements	
(2) Consolidated Forecasts for FY2005 and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements	
(3) Major Consolidated Performance Indicators	

**1. Business Performance for the Six-month Period Ended September 30, 2004
(April 1, 2004 to September 30, 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- Sep.30, 2004	¥169,685	¥7,922	¥7,689
Apr. 1- Sep.30, 2003	¥164,683	¥6,869	¥6,182
Apr. 1, 2003 -Mar.31, 2004	¥334,656	¥17,059	¥15,428

	Net income	Net income per share (yen)	Net income per share: Assuming full dilution (yen)
Apr. 1- Sep.30, 2004	¥4,756	¥24.39	-
Apr. 1- Sep.30, 2003	¥3,580	¥18.33	-
Apr. 1, 2003 -Mar.31, 2004	¥9,287	¥47.15	-

Note:

Income from equity in earnings of unconsolidated subsidiaries and affiliates:

Apr.1-Sep.30, 2004: ¥296 million

Apr.1-Sep.30, 2003: ¥106 million

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

Average number of shares during the period (consolidated)

Apr.1-Sep.30, 2004: 195,062,504

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

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

Changes in accounting method

None

**1. Business Performance for the Six-month Period Ended September 30, 2004
(continued)
(April 1, 2004 to September 30, 2004)**

(2) Financial Position

(Millions of yen)

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share (yen)
Sep.30, 2004	¥277,476	¥143,707	51.8%	¥736.90
Sep.30, 2003	¥279,162	¥136,476	48.9%	¥700.12
Mar.31, 2004	¥278,602	¥141,849	50.9%	¥726.57

Note:

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

Sep.30, 2004: 195,016,590

Sep.30, 2003: 194,933,850

Mar.31, 2004: 195,111,904

(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, 2004	¥8,183	(¥7,266)	(¥1,723)	¥24,427
Apr. 1- Sep.30, 2003	¥6,754	(¥5,543)	(¥3,458)	¥30,715
Apr. 1, 2003 -Mar.31, 2004	¥20,451	(¥16,107)	(¥ 10,997)	¥25,100

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

- Consolidated subsidiaries: 28
- Unconsolidated subsidiaries accounted for by equity method: 5
- Affiliates accounted for by equity method: 7

**1. Business Performance for the Six-month Period Ended September 30, 2004
(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:	4
Newly unconsolidated company:	None
Companies newly accounted for by the equity method:	1
Companies no longer accounted for by the equity method:	1

**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
¥345,800	¥17,200	¥9,500

Estimated net income per share for the year: Consolidated basis ¥48.27

Note:

The average exchange rate for the second half year is estimated at ¥108.00=US\$1.00 (¥108.00 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,		
	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	¥ 24,796	¥ 29,094	\$ 223,387
Short-term investments	–	2,624	–
Trade notes and accounts receivable	42,555	41,688	383,378
Allowance for doubtful receivables	(627)	(712)	(5,649)
	41,928	40,976	377,730
Inventories	25,879	25,692	233,144
Deferred tax assets	3,840	3,949	34,595
Other current assets	6,886	6,298	62,036
Total current assets	103,331	108,636	930,910
Property, plant and equipment, at cost:			
Land	32,074	32,411	288,955
Buildings and structures	91,628	90,470	825,477
Machinery, equipment and vehicles	137,408	136,514	1,237,910
Other	53,995	54,376	486,441
Construction in progress	955	2,184	8,604
	316,062	315,958	2,847,405
Accumulated depreciation	203,921	(201,374)	1,837,126
Property, plant and equipment, net	112,140	114,583	1,010,270
Investments and other assets:			
Investments in securities	30,550	32,478	275,225
Investments in and advances to unconsolidated subsidiaries and affiliates	16,986	8,119	153,027
Intangible assets	7,548	7,652	68,000
Deferred tax assets	3,889	3,829	35,036
Other assets	3,028	3,863	27,279
Total investments and other assets	62,003	55,941	558,586
Total assets	¥277,476	¥ 279,162	\$2,499,784

3. Consolidated Interim Balance Sheets (continued)

	September 30,		
	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	¥ 15,599	¥ 17,869	\$ 140,532
Current portion of long-term debt	1,342	1,116	12,090
Trade notes and accounts payable	12,403	12,463	111,739
Other accounts payable	11,915	12,707	107,342
Accrued expenses	2,624	2,668	23,640
Accrued income taxes	2,113	2,315	19,036
Other current liabilities	4,336	4,155	39,063
Total current liabilities	<u>50,336</u>	<u>53,295</u>	<u>453,477</u>
Long-term liabilities:			
Long-term debt	24,711	25,332	222,622
Accrued employees' pension and severance costs	25,368	27,416	228,541
Accrued officers' severance benefits	1,445	1,312	13,018
Deposits received	6,526	11,842	58,793
Deferred tax liabilities	3,827	2,874	34,477
Other long-term liabilities	1,024	1,206	9,225
Total long-term liabilities	<u>62,904</u>	<u>69,985</u>	<u>566,703</u>
Minority interests	20,528	19,404	184,937
Shareholders' equity:			
Common stock, without par value:			
Authorized: 300,000,000 shares			
Issued: 197,202,300 shares at September 30, 2004 and 2003			
	11,599	11,599	104,495
Additional paid-in capital	5,771	5,768	51,991
Retained earnings	123,118	114,246	1,109,171
Unrealized holding gain on securities	9,635	7,491	86,802
Translation adjustments	(5,295)	(1,423)	47,703
	<u>144,829</u>	<u>137,682</u>	<u>1,304,766</u>
Treasury stock, at cost:			
September 30, 2004 – 2,185,710 shares	(1,121)	–	(10,099)
September 30, 2003 – 2,268,450 shares	–	(1,205)	–
Shareholders' equity, net	<u>143,707</u>	<u>136,476</u>	<u>1,294,658</u>
Total liabilities and shareholders' equity	<u>¥277,476</u>	<u>¥279,162</u>	<u>\$2,499,784</u>

See accompanying notes to consolidated interim financial statements.

4. Consolidated Interim Statements of Income

	Six months ended September 30,		
	2004	2003	2004
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 3)</i>
Net sales	¥169,685	¥164,683	\$1,528,694
Cost of sales	102,309	98,682	921,703
Gross profit	67,376	66,000	606,991
Selling, general and administrative expenses	59,453	59,131	535,613
Operating income	7,922	6,869	71,369
Other income (expenses):			
Interest and dividend income	495	452	4,459
Equity in earnings of unconsolidated subsidiaries and affiliates	296	106	2,667
Interest expense	(290)	(321)	(2,613)
Gain on sales of securities	9	11	81
Gain on sales of property, plant and equipment	276	66	2,486
Loss on disposal of property, plant and equipment	(350)	–	(3,153)
Other, net	(489)	(948)	(4,405)
	(53)	(644)	(478)
Income before income taxes and minority interests	7,870	6,224	70,901
Income taxes:			
Current	3,056	3,506	27,532
Deferred	(238)	(995)	(2,144)
	2,817	2,511	25,378
Income before minority interests	5,052	3,713	45,514
Minority interests in earnings of consolidated subsidiaries	296	133	2,667
Net income	¥ 4,756	¥ 3,580	\$ 42,847

See accompanying notes to consolidated interim financial statements.

5. Consolidated Interim Statements of Shareholders' Equity

	Six months ended September 30,		
	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 period (September 30, 2004 – 197,202,300 shares; September 30, 2003 – 197,202,300 shares)	¥ 11,599	¥ 11,599	\$ 104,495
Additional paid-in capital			
Balance at beginning of period	¥ 5,770	¥ 5,768	\$ 51,982
Add:			
Gain on sales of treasury stock	1	-	9
Balance at end of period	¥ 5,771	¥ 5,768	\$ 51,991
Retained earnings			
Balance at beginning of period	¥120,176	¥112,032	\$1,082,667
Add:			
Net income	4,756	3,580	42,847
Other	232	288	2,090
Deduct:			
Cash dividends paid	(1,959)	(1,571)	(17,649)
Bonuses to directors and statutory auditors	(87)	(82)	(784)
Balance at end of period	¥123,118	¥114,246	\$1,109,171
Unrealized holding gain on securities			
Balance at beginning of period	¥ 11,012	¥ 4,597	\$ 99,207
Net change during period	(1,377)	2,893	(12,405)
Balance at end of period	¥ 9,635	¥ 7,491	\$ 86,802
Translation adjustments			
Balance at beginning of period	¥ (5,665)	¥ (1,496)	\$ (51,036)
Net change during period	369	72	3,324
Balance at end of period	¥ (5,295)	¥ (1,423)	\$ (47,703)

See accompanying notes to consolidated interim financial statements.

6. Consolidated Interim Statements of Cash Flows

	Six months ended September 30,		
	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	¥ 7,870	¥ 6,224	\$ 70,901
Depreciation and amortization	6,477	6,733	58,351
Accrued employees' pension and severance costs	(536)	397	(4,829)
Accrued officers' severance benefits	(5)	84	(45)
Interest and dividend income	(495)	(452)	(4,459)
Interest expense	290	321	2,613
Equity in earnings of unconsolidated subsidiaries and affiliates	(296)	(106)	(2,667)
Gain on sales of property, plant and equipment	(276)	(66)	(2,486)
Gain on sales of securities	(9)	–	(81)
Loss on disposal of property, plant and equipment	351	–	3,162
Increase in notes and accounts receivable	(1,834)	(975)	(16,523)
Increase (decrease) in inventories	(679)	(354)	(6,117)
Decrease (increase) in notes and accounts payable	(556)	226	(5,009)
Increase in other	539	(2,117)	4,856
Subtotal	10,838	9,915	97,640
Interest and dividends received	698	590	6,288
Interest paid	(292)	(318)	(2,631)
Income taxes paid	(3,060)	(3,433)	(27,568)
Net cash provided by operating activities	8,183	6,754	73,721
Cash flows from investing activities			
Acquisition of property, plant and equipment	(6,582)	(5,733)	(59,297)
Proceeds from sales of property, plant and equipment	594	1,995	5,351
Acquisition of intangible assets	(578)	(781)	(5,207)
Acquisition of investments in securities	(1,478)	(1,987)	(13,315)
Proceeds from sales of investments in securities	2,242	11	20,198
Loans granted	(2,186)	(383)	(19,694)
Loans collected	459	481	4,135
Other	263	852	2,369
Net cash used in investing activities	(7,266)	(5,543)	(65,459)
Cash flows from financing activities			
Increase (decrease) in short-term bank loans	503	(1,863)	4,532
Proceeds from long-term debt		1,624	
Repayment of long-term debt	(112)	(1,090)	(1,009)
Acquisition of treasury stock	(83)	(510)	(748)
Cash dividends paid	(1,959)	(1,571)	(17,649)
Other	(71)	(46)	(640)
Net cash (used in) provided by financing activities	(1,723)	(3,458)	(15,523)
Effect of exchange rate changes on cash and cash equivalents	103	45	928
Increase in cash and cash equivalents	(703)	(2,200)	(6,333)
Cash and cash equivalents at beginning of period	25,100	32,906	226,126
Increase arising from inclusion of subsidiaries in consolidation	29	10	261
Cash and cash equivalents at end of period	¥24,427	¥30,715	\$220,063

See accompanying notes to consolidated interim financial statements.

7. Notes to Consolidated Interim Financial Statements

September 30, 2004

(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 are different in certain respects on to the application and disclosure requirements of International Financial Reporting Standards.

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 adjustment and 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 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 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 periods ranging from 8 to 10 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.

(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.

(l) Additional Information

As a tax assessment system based on the size of business became enforceable from the fiscal year starting from April 1, 2004, under the “Law Amending Part of Local Taxation Laws” issued on March 31, 2003, we calculated taxes relating to value added and capital in accordance with the “Practical Treatment on Presentation of Taxes Based on the Size of Business in Corporate Enterprise Taxes on Profit and Loss Statement” and included such taxes in operating cost and expenses.

As a result, selling, general and administrative expenses increased by 84 million yen, and operating income, current income and income before taxes, minority interests and adjustments for tax effects decreased by the same amount respectively.

(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, 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

	Six months ended September 30, 2004		
	2004	2003	2004
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Operating income	¥7,922	¥6,869	\$71,369
Non-operating income	2,044	1,365	18,414
Non-operating expenses	(2,278)	(2,052)	(20,523)
Recurring income	¥7,689	¥6,182	\$69,270
Extraordinary income	286	78	2,577
Extraordinary expenses	(104)	(35)	(937)
Income before income taxes and minority interests	¥7,870	¥6,224	\$70,901

(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, 2004 and 2003 is summarized as follows:

	Six months ended September 30, 2004						Eliminations and corporate	Consolidated
	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	¥ 86,157	¥25,642	¥55,858	¥2,026	¥169,685	¥ –	¥169,685	
Intragroup sales and transfers	263	544	–	1	810	(810)	–	
Total sales	86,421	26,187	55,858	2,028	170,495	(810)	169,685	
Operating expenses	80,904	25,202	54,844	1,616	162,567	(805)	161,762	
Operating income	¥ 5,517	¥ 985	¥ 1,013	¥ 411	¥ 7,927	¥ (4)	¥ 7,922	
II. Assets, depreciation and capital expenditures:								
Total assets	¥157,697	¥20,427	¥60,639	¥7,307	¥246,071	¥31,404	¥277,476	
Depreciation and amortization	4,254	115	1,996	110	6,477	–	6,477	
Capital expenditures	3,249	62	2,562	29	5,904	–	5,904	

(5) Segment Information (continued)

Business Segments (continued)

	Six months ended September 30, 2004						
	Foods – processing and sales	Foods – wholesale sales	Coca-Cola	Other	Total	Elimina- tions and corporate	Consoli- dated
	<i>(Thousands of U.S. dollars)</i>						
I. Sales and operating income:							
Sales to third parties	\$ 776,189	\$231,009	\$503,225	\$18,252	\$1,528,694	\$ –	\$1,528,694
Intragroup sales and transfers	2,369	4,901	–	9	7,297	(7,297)	–
Total sales	778,568	235,919	503,225	18,270	1,535,991	(7,297)	1,528,694
Operating expenses	728,865	227,045	494,090	14,559	1,464,568	(7,252)	1,457,315
Operating income	<u>\$ 49,703</u>	<u>\$ 8,874</u>	<u>\$ 9,126</u>	<u>\$ 3,703</u>	<u>\$ 71,414</u>	<u>\$ (36)</u>	<u>\$ 71,369</u>
II. Assets, depreciation and capital expenditures:							
Total assets	\$1,420,694	\$184,027	\$546,297	\$65,829	\$2,216,856	\$282,919	\$2,499,784
Depreciation and amortization	38,324	1,036	17,982	991	58,351	–	58,351
Capital expenditures	29,270	559	23,081	261	53,189	–	53,189

	Six months ended September 30, 2003						
	Foods – processing and sales	Foods – wholesale sales	Coca-Cola	Other	Total	Elimina- tions and corporate	Consoli- dated
	<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	<u>¥ 5,514</u>	<u>¥ 701</u>	<u>¥ 420</u>	<u>¥ 231</u>	<u>¥ 6,868</u>	<u>¥ 0</u>	<u>¥ 6,869</u>
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)

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, 2004						
	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, 2004						
	Japan	North America	Other	Total	Eliminations and corporate	Consolidated
	<i>(Thousands of U.S. dollars)</i>					
Sales to third parties	\$1,181,784	\$281,405	\$ 65,495	\$1,528,694	\$ –	\$1,528,694
Interarea sales and transfers	36,108	12,883	2,378	51,378	(51,378)	–
Total sales	1,217,892	294,297	67,883	1,580,081	(51,378)	1,528,694
Operating expenses	1,187,387	260,658	60,234	1,508,288	(50,973)	1,457,315
Operating income	\$ 30,495	\$ 33,640	\$ 7,640	\$ 71,784	\$ (405)	\$ 71,369
Total assets	\$1,795,108	\$437,279	\$110,532	\$2,342,937	\$156,838	\$2,499,784
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

(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, 2004 and 2003 are summarized as follows:

	Six months ended September 30, 2004					
	North America	Other	Total	North America	Other	Total
	<i>(Millions of yen)</i>			<i>(Thousands of U.S. dollars)</i>		
Overseas sales	¥31,058	¥9,442	¥ 40,500	\$279,802	\$85,063	\$ 364,865
Consolidated net sales			169,685			1,528,694
Ratio of overseas sales to consolidated net sales	18.3%	5.6%	23.9%	18.3%	5.6%	23.9%
	Six months ended September 30, 2003					
	North America	Other	Total			
	<i>(Millions of yen)</i>					
Overseas sales	¥31,202	¥8,520	¥ 39,722			
Consolidated net sales			164,683			
Ratio of overseas sales to consolidated net sales	18.9%	5.2%	24.1%			

8. Supplementary Schedules

(1) Consolidated Results for FY2005 Interim and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements

Consolidated Statement of Income

(Millions of yen, %)

	FY2005 interim		FY2004 interim		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.04 – 9.30.04		4.1.03 – 9.30.03		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%						
Net Sales	169,685	100.0	164,683	100.0	5,002	103.0	-	(3,263)	8,265	105.0
Operating Income	7,922	4.7	6,869	4.2	1,053	115.3	0.5	(384)	1,438	120.9
Recurring Income	7,689	4.5	6,182	3.8	1,507	124.4	0.7	(388)	1,895	130.7
Net Income	4,756	2.8	3,580	2.2	1,176	132.9	0.6	(246)	1,422	139.7
Exchange Rate (¥/US\$)	108.20		119.24		(11.04)					

Geographical Segment Information

(Millions of yen, %)

		FY2005 interim		FY2004 interim		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.04 – 9.30.04		4.1.03 – 9.30.03		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%						
Japan	Net Sales	135,186	100.0	131,399	100.0	3,787	102.9	-	-	3,787	102.9
	Operating Income	3,385	2.5	2,603	2.0	782	130.0	0.5	-	782	130.0
Overseas	Net Sales	39,925	100.0	39,035	100.0	890	102.3	-	(3,399)	4,290	111.0
	Operating Income	4,583	11.5	4,283	11.0	300	107.0	0.5	(383)	683	116.0
Eliminations	Net Sales	(5,427)	100.0	(5,751)	100.0	323	94.4	-	135	187	96.7
	Operating Income	(46)	-	(17)	-	(28)	260.3	-	(1)	(27)	253.8
Consolidated total	Net Sales	169,685	100.0	164,683	100.0	5,002	103.0	-	(3,263)	8,265	105.0
	Operating Income	7,922	4.7	6,869	4.2	1,053	115.3	0.5	(384)	1,438	120.9
Exchange Rate (¥/US\$)		108.20		119.24		(11.04)					

8. Supplementary Schedules (Continued)

(1) Consolidated Results for FY2005 Interim and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements (Continued)

		Business Segment Information				<i>(Millions of yen, %)</i>					
		FY2005 interim		FY2004 interim		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.04 – 9.30.04		4.1.03 – 9.30.03						Amount	
		Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Foods-manufacturing and sales	Net Sales	86,421	100.0	85,773	100.0	648	100.8	-	(1,364)	2,012	102.3
	Operating Income	5,517	6.4	5,514	6.4	2	100.1	-	(337)	340	106.2
Foods-wholesale	Net Sales	26,187	100.0	23,832	100.0	2,354	109.9	-	(1,917)	4,271	117.9
	Operating Income	985	3.8	701	2.9	283	140.4	0.9	(46)	329	147.0
Coca-Cola	Net Sales	55,858	100.0	53,861	100.0	1,996	103.7	-	-	1,996	103.7
	Operating Income	1,013	1.8	420	0.8	592	240.9	1.0	-	592	240.9
Others	Net Sales	2,028	100.0	1,910	100.0	118	106.2	-	2	115	106.1
	Operating Income	411	20.3	231	12.1	179	177.5	8.2	(0)	180	177.6
Eliminations	Net Sales	(810)	100.0	(694)	100.0	(115)	116.7	-	15	(131)	118.9
	Operating Income	(4)	-	0	-	(5)	-	-	0	(5)	-
Consolidated total	Net Sales	169,685	100.0	164,683	100.0	5,002	103.0	-	(3,263)	8,265	105.0
	Operating Income	7,922	4.7	6,869	4.2	1,053	115.3	0.5	(384)	1,438	120.9
Exchange Rate (¥/US\$)		108.20		119.24		(11.04)					

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	345,800	100.0	334,656	100.0	11,144	103.3	-	(4,689)	15,833	104.7
Operating Income	18,200	5.3	17,059	5.1	1,141	106.7	0.2	(611)	1,752	110.3
Recurring Income	17,200	5.0	15,428	4.6	1,771	111.5	0.4	(567)	2,338	115.2
Net Income	9,500	2.7	9,287	2.8	212	102.3	(0.1)	(374)	586	106.3
Exchange Rate (¥/US\$)	108.00		116.05		(8.05)					

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	277,000	100.0	268,277	100.0	8,723	103.3	-	-	8,723	103.3
	Operating Income	9,500	3.4	8,694	3.2	805	109.3	0.2	-	805	109.3
Overseas	Net Sales	79,800	100.0	77,126	100.0	2,673	103.5	-	(4,865)	7,539	109.8
	Operating Income	8,700	10.9	8,344	10.8	356	104.3	0.1	(611)	967	111.6
Eliminations	Net Sales	(11,000)	100.0	(10,747)	100.0	(252)	102.4	-	176	(429)	104.0
	Operating Income	-	-	20	-	(20)	-	-	-	(20)	-
Consolidated total	Net Sales	345,800	100.0	334,656	100.0	11,144	103.3	-	(4,689)	15,833	104.7
	Operating Income	18,200	5.3	17,059	5.1	1,141	106.7	0.2	(611)	1,752	110.3
Exchange Rate (¥/US\$)		108.00		116.05		(8.05)					

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	%	Amount	%	Amount	YoY	%		Amount	YoY
Foods-manufacturing and sales	Net Sales	172,735	100.0	169,645	100.0	3,089	101.8	-	(1,944)	5,034	103.0
	Operating Income	11,492	6.7	11,394	6.7	98	100.9	0.0	(515)	613	105.4
Foods- wholesale	Net Sales	52,087	100.0	48,522	100.0	3,564	107.3	-	(2,775)	6,340	113.1
	Operating Income	2,174	4.2	1,671	3.4	503	130.1	0.8	(95)	598	135.8
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	4,130	100.0	3,992	100.0	137	103.4	-	9	128	103.2
	Operating Income	832	20.2	796	20.0	35	104.5	0.2	(0)	36	104.6
Eliminations	Net Sales	(1,651)	100.0	(1,160)	100.0	(491)	142.3	-	21	(513)	144.2
	Operating Income	-	-	2	-	(2)	-	-	-	(2)	-
Consolidated total	Net Sales	345,800	100.0	334,656	100.0	11,144	103.3	-	(4,689)	15,833	104.7
	Operating Income	18,200	5.3	17,059	5.1	1,141	106.7	0.2	(611)	1,752	110.3
Exchange Rate (¥/US\$)		108.00		116.05		(8.05)					

8. Supplementary Schedules (continued)

(3) Major Consolidated Performance Indicators

<i>Consolidated Results</i>		Interim 2002.9 Actual	Interim 2003.9 Actual	Interim 2004.9 Actual	2003.3 Actual	2004.3 Actual	2005.3 Forecast
Net Sales	¥ millions	169,488	164,683	169,685	342,508	334,656	345,800
YoY Change	%	2.8	(2.8)	3.0	1.7	(2.3)	3.3
Operating Income	¥ millions	7,981	6,869	7,922	17,904	17,059	18,200
(Operating Income Ratio)	%	4.7	4.2	4.7	5.2	5.1	5.3
YoY Change	%	37.6	(13.9)	15.3	19.8	(4.7)	6.7
Recurring Income	¥ millions	7,137	6,182	7,689	15,640	15,428	17,200
(Recurring Income Ratio)	%	4.2	3.8	4.5	4.6	4.6	5.0
YoY Change	%	35.5	(13.4)	24.4	18.6	(1.4)	11.5
Net Income	¥ millions	3,623	3,580	4,756	8,311	9,287	9,500
(Net Income Ratio)	%	2.1	2.2	2.8	2.4	2.8	2.7
YoY Change	%	40.5	(1.2)	32.9	55.0	11.7	2.3
Shareholders' Equity per Share	yen	670.40	700.12	736.90	673.44	726.57	-
Net Income per Share	yen	18.46	18.33	24.39	41.98	47.15	48.27
Diluted Net Income per Share	yen	17.79	-	-	40.86	-	-
Shareholders' Equity	¥ millions	131,539	136,476	143,707	131,806	141,849	-
Total Assets	¥ millions	287,367	279,162	277,476	273,902	278,602	-
Shareholders' Equity Ratio	%	45.8	48.9	51.8	48.1	50.9	-
ROE	%	2.7	2.6	3.3	6.3	6.8	-
Recurring Income to Total Assets	%	2.5	2.2	2.8	5.5	5.6	-
Share Price as of Term-end	yen	784	726	971	758	866	-
PER	Times	-	-	-	18.1	18.4	-
Cash Flows From Operating Activities	¥ millions	6,353	6,754	8,183	20,012	20,451	-
Cash Flows From Investing Activities	¥ millions	(659)	(5,543)	(7,266)	(8,551)	(16,107)	-
Cash Flows From Financing Activities	¥ millions	(501)	(3,458)	(1,723)	(8,683)	(10,997)	-
Term-end Cash and Cash Equivalents	¥ millions	35,069	30,715	24,427	32,906	25,100	-
Free Cash Flows	¥ millions	5,693	1,211	917	11,461	4,344	-
Free Cash Flows per Share	yen	29.01	6.20	4.70	58.47	22.26	-
Interest-bearing Debt	¥ millions	59,565	50,361	47,120	51,870	46,722	-
Capital Expenditures	¥ millions	6,238	7,013	5,904	11,841	15,422	14,800
(For Property, Plant and Equipment)	¥ millions	5,788	5,964	5,118	10,390	13,283	13,500
Depreciation and Amortization	¥ millions	7,314	6,733	6,477	15,028	13,847	14,000
(On Property, Plant and Equipment)	¥ millions	6,618	6,050	5,722	13,633	12,440	12,500
R&D Costs	¥ millions	1,814	1,814	1,702	3,598	3,551	-
Net Financial Income (Loss)	¥ millions	70	131	205	(3)	154	-
Average Term Exchange Rate	yen/US\$	129.11	119.24	108.20	125.38	116.05	108.00
No. of Employees	people	6,553	6,341	6,235	6,456	6,204	-
No. of Shares Issued and Outstanding at Term-end	Thousand	196,208	194,933	195,016	195,597	195,111	-

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

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

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

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