

Flash Report for Fiscal 2006 3Q

Kikkoman Corporation



Consolidated Financial Results

February 10, 2006

Nine-month period ended December 31, 2005

Listed company name: **Kikkoman Corporation**
Code No.: 2801
Shares listed: Tokyo (1st Section), Osaka (1st Section)
Head office: 250 Noda, Noda City, Chiba
Contact: Takaharu Nakamura, Corporate Officer
Public Relations and Investor Relations
[E-mail: ir@mail.kikkoman.co.jp](mailto:ir@mail.kikkoman.co.jp)

U.S. dollar amounts in this release are translated from yen, for convenience only, at the rate of ¥118 = U.S.\$1.00, the approximate rate of exchange on December 31, 2005.



<Index>

1. Notes Relating to the Preparation of Quarterly Financial Statements	2
1) Application of Simplified Method	
2) Changes in Accounting Treatment From Most Recent Fiscal Year	
3) Changes in Scope of Consolidation	
4) Changes in Fiscal Years	
2. Business Performance for the Nine-month Period Ended December 31, 2005 (April 1, 2005 to December 31, 2005)	2
1) Business Performance	
2) Financial Position	
3) Cash Flows	
3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2006 (April 1, 2005 to March 31, 2006)	6
4. Summary of Consolidated Balance Sheets	7
5. Summary of Consolidated Statements of Income	9
6. Summary of Consolidated Statements of Cash Flows	10
7. Segment Information	12
1) Business Segments	
2) Geographical Segments	
8. Supplementary Schedules	14
1) Consolidated Results for Fiscal 2006 3Q and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements	



1. Notes Relating to the Preparation of Quarterly Financial Statements

1) Application of Simplified Method: Yes

Tax expenses, including corporate tax, are recorded using the simplified method.

2) Changes in Accounting Treatment From Most Recent Fiscal Year: None

3) Changes in Scope of Consolidation

Newly consolidated companies: 2

Newly unconsolidated companies: 1

Companies newly accounted for by the equity method: 2

4) Changes in Fiscal Years

One domestic consolidated subsidiary and five North American consolidated subsidiaries that changed their fiscal year-ends from December 31 to March 31.

Japan: Pacific Trading Co., Ltd.

North America: Kikkoman Foods, Inc., Kikkoman International Inc., JFC International Inc., Japan Food Canada Inc., and Hapi Products, Inc.

**2. Business Performance for the Nine-month Period Ended December 31, 2005
(April 1, 2005 to December 31, 2005)**

1) Business Performance

(Millions of yen)

	Net sales		Operating income	Recurring income
	Amount	Y o Y (%)		
Apr. 1,2005 -Dec.31, 2005	¥274,175	3.3	¥15,513	¥15,598
Apr. 1,2004 -Dec.31, 2004	¥265,463	3.7	¥14,953	¥14,676
Apr. 1,2004 -Mar.31, 2005	¥344,625	3.0	¥17,847	¥16,649

	Net income	Net income per share (yen)	Net income per share (Assuming full dilution) (yen)
Apr. 1,2005 - Dec.31, 2005	¥9,492	¥49.02	¥49.01
Apr. 1,2004 - Dec.31, 2004	¥8,649	¥44.35	-
Apr. 1,2004 -Mar.31, 2005	¥9,487	¥48.16	-

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



<Qualitative Information Concerning Consolidated Operating Results>

Consolidated net sales for the third quarter, the period from April 1, 2005 to December 31, 2005, rose 3.3% year on year to ¥274,175 million. In terms of earnings, operating income was ¥15,513 million, up 3.7% year on year; recurring income was ¥15,598 million, up 6.3% year on year; and net income was ¥9,492 million, up 9.7% year on year.

Results by business segment were as follows.

(Foods—Manufacturing and Sales)

In Japan, the Soy Sauce Derivative Products and Del Monte divisions delivered steady growth, while the Soy Sauce and Sake and Wine divisions struggled.

In overseas business, steady growth was recorded in the U.S. home- and foodservice-use sectors, and healthy growth continued in Europe due to the steady expansion in Japanese food markets and development in sales channels.

As a result, segment net sales rose 3.1% to ¥137,355 million. Operating income was also up, climbing 8.0% to ¥10,778 million.

(Foods—Wholesale)

Sales continued to grow in this segment on the back of expansion in oriental food markets overseas.

The segment thus posted a year-on-year increase in net sales of 12.7% to ¥44,122 million. Operating income was also up, climbing 27.4% to ¥1,764 million.

(Coca-Cola)

New products contributed to segment sales. However, this segment continued to face a difficult operating environment as competition for sales intensified among companies and mainstay Coca-Cola beverages struggled.

The segment posted net sales of ¥89,968 million, down 1.2% year on year. Furthermore, operating income declined 21.2% to ¥2,321 million.

(Others)

Net sales increased 13.5% year on year to ¥3,515 million, while operating income was largely on a par with the corresponding period of the previous fiscal year, falling a mere 0.5% to ¥643 million.



2) Financial Position

(Millions of yen)

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share (yen)
Dec.31, 2005	¥326,159	¥166,766	51.1%	¥861.36
Dec.31, 2004	¥285,236	¥150,300	52.7%	¥771.03
Mar.31, 2005	¥295,802	¥147,370	49.8%	¥760.33

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. 1,2005 - Dec.31, 2005	¥12,200	(¥14,103)	¥2,181	¥21,104
Apr. 1,2004 - Dec.31, 2004	¥10,419	(¥9,942)	(¥5,269)	¥20,839
Apr. 1,2004 - Mar.31, 2005	¥20,405	(¥31,224)	¥4,456	¥18,815

<Qualitative Information Concerning Changes in Consolidated Financial Position >

Current assets at December 31, 2005 were ¥11,408 million higher than March 31, 2005 due to factors such as increases in trade notes and accounts receivable owing to seasonal factors. Fixed assets increased ¥18,949 million from March 31, 2005 due to increases in investments in securities. As a result, total assets at December 31, 2005 stood at ¥326,159 million, ¥30,357 million higher than at March 31, 2005.

Current liabilities decreased ¥10,715 million from March 31, 2005, mainly due to the repayment of short-term bank loans and bonds due for redemption within one year. Long-term liabilities, meanwhile, increased ¥20,927 million due to factors such as the issuance of bonds. As a result, total liabilities increased ¥10,211 million from March 31, 2005 to ¥136,016 million at December 31, 2005.

Shareholders' equity increased ¥19,396 million over the same period to ¥166,766 million due to increases in retained earnings and unrealized holding gain on securities.



<Qualitative Information Concerning Changes in Consolidated Financial Position (continued)>

Cash and cash equivalents at December 31, 2005 were ¥21,104 million. This reflected an increase of ¥762 million compared with the end of the previous fiscal year and an increase arising from the change of fiscal year-ends of certain consolidated subsidiaries.

Cash flows from each activity and reasons are as follows:

(Cash Flows From Operating Activities)

Operating activities provided net cash of ¥12,200 million. The main components of this were income before income taxes and minority interests and depreciation and amortization.

(Cash Flows From Investing Activities)

Investing activities used net cash of ¥14,103 million, mainly for the acquisition of property, plant and equipment and investments in securities.

(Cash Flows From Financing Activities)

Financing activities provided net cash of ¥2,181 million, with inflows from the issuance of bonds outweighing outflows for the repayment of debt and the redemption of bonds.



**3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2006
(April 1, 2005 to March 31, 2006)**

(Millions of yen)

	Net sales	Operating income	Recurring income	Net income
Apr.1, 2005- Mar.31, 2006	¥357,000	¥18,200	¥17,200	¥9,700

(Reference)

1. Estimated net income per share for the year: ¥49.57
2. Estimated exchange rate for the year: ¥113.00/US\$

<Qualitative Information Concerning Consolidated Operating Results Forecasts >

Kikkoman has revised its forecasts issued with fiscal 2006 interim results on October 25, 2005.

Regarding the exchange rate, Kikkoman assumed a rate of ¥110 to the U.S. dollar when it announced its interim results. However, Kikkoman is now assuming a rate of ¥113 because the yen is expected to weaken further due to recent exchange market conditions. This will increase the yen amounts of items in the financial statements of overseas subsidiaries when their financial statements are converted into yen for the purpose of preparing Kikkoman's consolidated financial statements.

Due to this foreign exchange rate revision and other factors that boost revenues, Kikkoman is now forecasting consolidated net sales of ¥357,000 million, ¥2,000 million higher than projected on October 25 last year and up 3.6% year on year.

In terms of earnings, the revised foreign exchange rate and other positive factors are expected to be outweighed by increased sales commissions resulting from stiffer competition in the Coca-Cola Business and other negative factors. Accordingly, Kikkoman has downwardly revised its earnings forecasts issued with interim results. Kikkoman has lowered its forecast for operating income by ¥700 million to ¥18,200 million (2.0% higher year on year). Furthermore, it has lowered projected recurring income by ¥500 million to ¥17,200 million (3.3% higher year on year) and projected net income by ¥100 million to ¥9,700 million (2.2% higher year on year).

Forecasts are based on information available to management at the time of announcement. Due to a number of inherent uncertainties in forecasts, actual results may differ materially from forecasts.



4. Summary of Consolidated Balance Sheets

	December 31, 2005	December 31, 2004	December 31, 2005
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Assets			
Current assets:			
Cash and time deposits	¥ 21,673	¥ 21,108	\$ 183,669
Trade notes and accounts receivable	54,413	51,514	461,127
Allowance for doubtful receivables	(781)	(655)	(6,619)
	<u>53,632</u>	<u>50,859</u>	<u>454,508</u>
Inventories	26,652	25,335	225,864
Deferred tax assets	4,554	4,018	38,593
Other current assets	5,673	7,219	48,076
Total current assets	<u>112,187</u>	<u>108,541</u>	<u>950,737</u>
Property, plant and equipment, at cost:			
Land	30,856	32,025	261,492
Buildings and structures	95,394	91,983	808,424
Machinery, equipment and vehicles	145,195	138,471	1,230,466
Other	55,606	53,777	471,237
Construction in progress	3,815	1,585	32,331
	<u>330,867</u>	<u>317,842</u>	<u>2,803,958</u>
Accumulated depreciation	(216,129)	(206,070)	(1,831,602)
Property, plant and equipment, net	<u>114,737</u>	<u>111,772</u>	<u>972,347</u>
Investments and other assets:			
Investments in securities	46,942	33,347	397,814
Investments in and advances to unconsolidated subsidiaries and affiliates	39,857	17,268	337,771
Intangible assets	6,837	7,331	57,941
Deferred tax assets	3,628	4,014	30,746
Other assets	1,969	2,959	16,686
Total investments and other assets	<u>99,235</u>	<u>64,922</u>	<u>840,975</u>
Total assets	<u>¥ 326,159</u>	<u>¥ 285,236</u>	<u>\$ 2,764,059</u>



4. Summary of Consolidated Balance Sheets (continued)

	December 31, 2005	December 31, 2004	December 31, 2005
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Liabilities and shareholders' equity			
Current liabilities:			
Short-term bank loans	¥ 16,641	¥ 13,519	\$ 141,025
Current portion of long-term debt	1,496	7,020	12,678
Trade notes and accounts payable	15,372	13,944	130,271
Other accounts payable	15,026	13,776	127,339
Accrued expenses	1,416	1,426	12,000
Accrued income taxes	3,375	2,826	28,602
Other current liabilities	5,310	5,433	45,000
Total current liabilities	<u>58,638</u>	<u>57,947</u>	<u>496,932</u>
Long-term liabilities:			
Long-term debt	36,418	17,804	308,627
Accrued employees' pension and severance costs	22,061	23,882	186,958
Accrued officers' severance benefits	1,698	1,545	14,390
Deferred tax liabilities	8,823	5,004	74,771
Other long-term liabilities	8,375	7,564	70,975
Total long-term liabilities	<u>77,378</u>	<u>55,800</u>	<u>655,746</u>
Minority interests	23,376	21,186	198,102
Shareholders' equity:			
Common stock:			
Authorized: 300,000,000 shares			
Issued: 197,202,300 shares	11,599	11,599	98,297
Additional paid-in capital	5,774	5,772	48,932
Retained earnings	135,836	127,011	1,151,153
Unrealized holding gain on securities	18,640	11,219	157,966
Translation adjustments	(2,440)	(4,101)	(20,678)
	<u>169,410</u>	<u>151,501</u>	<u>1,435,678</u>
Treasury stock, at cost:			
December 31, 2005 – 3,594,587 shares	(2,644)	–	(22,407)
December 31, 2004 – 2,266,768 shares	–	(1,200)	–
Shareholders' equity, net	<u>166,766</u>	<u>150,300</u>	<u>1,413,271</u>
Contingent liabilities			
Total liabilities and shareholders' equity	<u>¥ 326,159</u>	<u>¥ 285,236</u>	<u>\$ 2,764,059</u>



5. Summary of Consolidated Statements of Income

	Nine-month period ended December 31, 2005	Nine-month period ended December 31, 2004	Nine-month period ended December 31, 2005
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Net sales	¥ 274,175	¥ 265,463	\$ 2,323,517
Cost of sales	164,875	159,554	1,397,246
Gross profit	109,299	105,909	926,263
Selling, general and administrative expenses	93,786	90,955	794,797
Operating income	15,513	14,953	131,466
Other income (expenses):			
Interest and dividend income	775	662	6,568
Equity in earnings of unconsolidated subsidiaries and affiliates	690	602	5,847
Interest expense	(344)	(423)	(2,915)
Gain on sales of securities	505	9	4,280
Gain on sales of property, plant and equipment	708	284	6,000
Loss on sales of property, plant and equipment	–	(178)	–
Loss on impairment of fixed assets	(405)	–	(3,432)
Loss on disposal of property, plant and equipment	(383)	(647)	(3,246)
Loss on revaluation of investments in securities	(6)	–	(51)
Special additional severance benefits	(195)	–	(1,653)
Costs related to vending machines to accept the tender of new yen bills	(171)	–	(1,449)
Other, net	(666)	(576)	(5,644)
	507	(267)	4,297
Income before income taxes and minority interests	16,020	14,686	135,763
Income taxes	5,597	5,064	47,432
Income before minority interests	10,423	9,622	88,331
Minority interests	(930)	(972)	(7,881)
Net income	¥ 9,492	¥ 8,649	\$ 80,441



6. Consolidated Statements of Cash Flows

	Nine-month period ended December 31, 2005	Nine-month period ended December 31, 2004	Nine-month period ended December 31, 2005
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Cash flows from operating activities			
Income before income taxes and minority interests	¥ 16,020	¥ 14,686	\$ 135,763
Depreciation and amortization	10,389	10,031	88,042
Accrued employees' pension and severance costs	(1,739)	(2,025)	(14,737)
Accrued officers' severance benefits	(45)	94	(381)
Interest and dividend income	(775)	(662)	(6,568)
Interest expense	344	423	2,915
Equity in losses (earnings) of unconsolidated subsidiaries and affiliates	(690)	(602)	(5,847)
Gain on sales of property, plant and equipment	(708)	(284)	(6,000)
Gain on sales of securities	(505)	(9)	(4,280)
Loss on impairment of fixed assets	405	-	3,432
Loss on disposal of property, plant and equipment	383	647	3,246
Loss on sales of property, plant and equipment	-	178	-
Loss on revaluation of investments in securities	6	-	51
Notes and accounts receivable	(9,653)	(10,465)	(81,805)
Inventories	1,285	130	10,890
Notes and accounts payable	1,284	795	10,881
Other	1,863	1,889	15,788
Subtotal	17,864	14,828	151,390
Interest and dividends received	1,113	855	9,432
Interest paid	(508)	(408)	(4,305)
Income taxes paid	(6,268)	(4,856)	(53,119)
Net cash provided by operating activities	12,200	10,419	103,390
Cash flows from investing activities			
Acquisition of property, plant and equipment	(12,043)	(9,227)	(102,059)
Proceeds from sales of property, plant and equipment	1,021	686	8,653
Acquisition of intangible assets	(658)	(727)	(5,576)
Acquisition of investments in securities	(5,585)	(1,602)	(47,331)
Proceeds from sales of investments in securities	931	2,263	7,890
Addition to loans receivable	(74)	(2,400)	(627)
Collection of loans receivable	896	772	7,593
Other	1,408	292	11,932
Net cash used in investing activities	(14,103)	(9,942)	(119,517)



6. Consolidated Statements of Cash Flows (continued)

	Nine-month period ended December 31, 2005	Nine-month period ended December 31, 2004	Nine-month period ended December 31, 2005
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Cash flows from financing activities			
Increase (decrease) in short-term bank loans	(8,426)	(1,623)	(71,407)
Proceeds from long-term debt	19,887	–	168,534
Repayment of long-term debt	(7,124)	(1,441)	(60,373)
Cash dividends paid	(1,954)	(1,959)	(16,559)
Purchases of treasury stock	(102)	(168)	(864)
Other	(96)	(75)	(814)
Net cash used in financing activities	2,181	(5,269)	18,483
Effect of exchange rate changes on cash and cash equivalents	483	501	4,093
Increase (decrease) in cash and cash equivalents	762	(4,290)	6,458
Cash and cash equivalents at beginning of year	18,815	25,100	159,449
Increase from the changes of accounting year-end date in certain consolidated subsidiaries	1,526	–	12,932
Increase arising from inclusion of subsidiaries in consolidation	–	29	–
Cash and cash equivalents at end of year	¥ 21,104	¥ 20,839	\$ 178,847



7. 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, including soy sauce and other seasonings, sauces, Del Monte processed fruit and vegetables, and sake and wine; wholesale sales of oriental food products, including eastern foods; Coca-Cola, which includes Coca-Cola and other beverages; and other businesses which include pharmaceuticals, real estate rental and restaurants.

1) Business Segments

Nine-month period ended December 31, 2005

	<u>Foods – manufacturing and sales</u>	<u>Foods – wholesale</u>	<u>Coca-Cola</u>	<u>Others</u>	<u>Total</u>	<u>Eliminations and corporate</u>	<u>Consoli- dated</u>
	<i>(Millions of yen)</i>						
I. Sales and operating income:							
Sales to third parties	¥ 136,911	¥ 43,780	¥ 89,968	¥ 3,514	¥274,175	¥ -	¥274,175
Intragroup sales and transfers	443	341	-	1	786	(786)	-
Total sales	137,355	44,122	89,968	3,515	274,961	(786)	274,175
Operating expenses	126,576	42,358	87,646	2,871	259,452	(790)	258,661
Operating income	¥ 10,778	¥ 1,764	¥ 2,321	¥ 643	¥ 15,509	¥ 4	¥ 15,513

Nine-month period ended December 31, 2005

	<u>Foods – manufacturing and sales</u>	<u>Foods – wholesale</u>	<u>Coca-Cola</u>	<u>Others</u>	<u>Total</u>	<u>Eliminations and corporate</u>	<u>Consoli- dated</u>
	<i>(Thousands of U.S. dollars)</i>						
I. Sales and operating income:							
Sales to third parties	\$ 1,160,263	\$ 371,017	\$ 762,441	\$ 29,780	\$2,323,517	\$ -	\$ 2,323,517
Intragroup sales and transfers	3,754	2,890	-	8	6,661	(6,661)	-
Total sales	1,164,025	373,915	762,441	29,788	2,330,178	(6,661)	2,323,517
Operating expenses	1,072,678	358,966	742,763	24,331	2,198,746	(6,695)	2,192,042
Operating income	\$ 91,339	\$ 14,949	\$ 19,669	\$ 5,449	\$ 131,432	\$ 34	\$ 131,466

Nine-month period ended December 31, 2004

	<u>Foods – manufacturing and sales</u>	<u>Foods – wholesale</u>	<u>Coca-Cola</u>	<u>Others</u>	<u>Total</u>	<u>Eliminations and corporate</u>	<u>Consoli- dated</u>
	<i>(Millions of yen)</i>						
I. Sales and operating income:							
Sales to third parties	¥ 132,904	¥ 38,393	¥ 91,070	¥ 3,095	¥265,463	¥ -	¥265,463
Intragroup sales and transfers	380	748	-	2	1,131	(1,131)	-
Total sales	133,285	39,141	91,070	3,097	266,595	(1,131)	265,463
Operating expenses	123,301	37,756	88,123	2,450	251,632	(1,122)	250,509
Operating income	¥ 9,983	¥ 1,385	¥ 2,946	¥ 647	¥ 14,962	¥ (8)	¥ 14,953



7. Segment Information (continued)

2) Geographical Segments

Geographical segment information for the Company and its consolidated subsidiaries for the nine-month period ended December 31, 2005 and 2004 are summarized as follows:

Nine-month period ended December 31, 2005						
Japan	North America	Other	Total	Eliminations and corporate	Consolidated	
<i>(Millions of yen)</i>						
Sales to third parties	¥208,831	¥53,565	¥11,777	¥274,175	¥ -	¥274,175
Interarea sales and transfers	6,780	1,999	358	9,139	(9,139)	-
Total sales	215,612	55,565	12,136	283,314	(9,139)	274,175
Operating expenses	207,439	49,416	10,947	267,803	(9,142)	258,661
Operating income	¥ 8,172	¥ 6,148	¥ 1,188	¥15,510	¥ 2	¥ 15,513
Nine-month period ended December 31, 2005						
Japan	North America	Other	Total	Eliminations and corporate	Consolidated	
<i>(Thousands of U.S. dollars)</i>						
Sales to third parties	\$1,769,754	\$453,941	\$ 99,805	\$2,323,517	\$ -	\$2,323,517
Interarea sales and transfers	57,458	16,941	3,034	77,449	(77,449)	-
Total sales	1,827,220	470,890	102,847	2,400,966	(77,449)	2,323,517
Operating expenses	1,757,958	418,780	92,771	2,269,517	(77,475)	2,192,042
Operating income	\$ 69,254	\$ 52,102	\$ 10,068	\$ 131,441	\$ 17	\$ 131,466
Nine-month period ended December 31, 2004						
Japan	North America	Other	Total	Eliminations and corporate	Consolidated	
<i>(Millions of yen)</i>						
Sales to third parties	¥206,961	¥47,454	¥11,047	¥265,463	¥ -	¥265,463
Interarea sales and transfers	6,087	1,904	383	8,374	(8,374)	-
Total sales	213,048	49,358	11,431	273,838	(8,374)	265,463
Operating expenses	204,815	43,759	10,316	258,892	(8,382)	250,509
Operating income	¥ 8,232	¥ 5,599	¥ 1,114	¥14,946	¥ 7	¥ 14,953



8. Supplementary Schedules

1) Consolidated Results for Fiscal 2006 3Q and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements

Consolidated Statement of Income

(Millions of yen, %)

	FY2006 3Q		FY2005 3Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.05 – 12.31.05		4.1.04 – 12.31.04		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%				Amount		
Net Sales	274,175	100.0	265,463	100.0	8,711	103.3	-	1,922	6,788	102.6
Operating Income	15,513	5.7	14,953	5.6	559	103.7	0.1	220	339	102.3
Recurring Income	15,598	5.7	14,676	5.5	921	106.3	0.2	212	708	104.8
Net Income	9,492	3.5	8,649	3.3	843	109.7	0.2	132	711	108.2
Exchange Rate (¥/US\$)	112.30		109.04		3.26					

Geographical Segment Information

(Millions of yen, %)

		FY2006 3Q		FY2005 3Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.05 – 12.31.05		4.1.04 – 12.31.04		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%				Amount		
Japan	Net Sales	215,612	100.0	213,048	100.0	2,563	101.2	-	-	2,563	101.2
	Operating Income	8,172	3.8	8,232	3.9	(60)	99.3	(0.1)	-	(60)	99.3
Overseas	Net Sales	67,198	100.0	60,382	100.0	6,816	111.3	-	1,973	4,842	108.0
	Operating Income	7,337	10.9	6,713	11.1	624	109.3	(0.2)	220	404	106.0
Eliminations	Net Sales	(8,635)	100.0	(7,966)	100.0	(668)	108.4	-	(50)	(618)	107.8
	Operating Income	2	-	8	-	(5)	-	-	(0)	(5)	-
Consolidated total	Net Sales	274,175	100.0	265,463	100.0	8,711	103.3	-	1,922	6,788	102.6
	Operating Income	15,513	5.7	14,953	5.6	559	103.7	0.1	220	339	102.3
Exchange Rate (¥/US\$)		112.30		109.04		3.26					



8. Supplementary Schedules (Continued)

1) Consolidated Results for 2006 3Q and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements (Continued)

Business Segment Information

(Millions of yen, %)

		FY2006 3Q		FY2005 3Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.05 – 12.31.05		4.1.04 – 12.31.04		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%						
Foods-manufacturing and sales	Net Sales	137,355	100.0	133,285	100.0	4,069	103.1	-	719	3,350	102.5
	Operating Income	10,778	7.8	9,983	7.5	794	108.0	0.3	167	627	106.3
Foods-wholesale	Net Sales	44,122	100.0	39,141	100.0	4,980	112.7	-	1,198	3,782	109.7
	Operating Income	1,764	4.0	1,385	3.5	379	127.4	0.5	53	325	123.5
Coca-Cola	Net Sales	89,968	100.0	91,070	100.0	(1,102)	98.8	-	-	(1,102)	98.8
	Operating Income	2,321	2.6	2,946	3.2	(624)	78.8	(0.6)	-	(624)	78.8
Others	Net Sales	3,515	100.0	3,097	100.0	417	113.5	-	8	409	113.2
	Operating Income	643	18.3	647	20.9	(3)	99.5	(2.6)	(1)	(2)	99.7
Eliminations	Net Sales	(786)	100.0	(1,131)	100.0	345	69.5	-	(3)	348	69.2
	Operating Income	4	-	(8)	-	13	-	-	(0)	13	-
Consolidated total	Net Sales	274,175	100.0	265,463	100.0	8,711	103.3	-	1,922	6,788	102.6
	Operating Income	15,513	5.7	14,953	5.6	559	103.7	0.1	220	339	102.3
Exchange Rate (¥/US\$)		112.30		109.04		3.26					

Note: The income statements for the first quarter of fiscal 2006 for the one domestic consolidated subsidiary and five North American consolidated subsidiaries that changed their fiscal year-ends are for the period from April 1 to December 31, 2005. The third quarter of the previous fiscal year is the period from January 1 to September 30, 2004.

Japan: Pacific Trading Co., Ltd.

North America: Kikkoman Foods, Inc., Kikkoman International Inc., JFC International Inc., Japan Food Canada Inc., and Hapi Products, Inc.