

Flash Report for Fiscal 2008 3Q

Kikkoman Corporation



Consolidated Financial Results

February 12, 2008

Nine-month period ended December 31, 2007

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U.S. dollar amounts in this release are translated from yen, for convenience only, at the rate of ¥114.00 = U.S.\$1.00, the approximate rate of exchange on December 31, 2007.



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**1. Business Performance for the Nine-month Period Ended December 31, 2007
(April 1, 2007 to December 31, 2007)**

1) Business Performance

(Millions of yen)

	Net sales		Operating income		Recurring income	
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)
Apr. 1, 2007 -Dec.31, 2007	¥315,519	6.3	¥19,960	16.3	¥19,428	11.8
Apr. 1, 2006 -Dec.31, 2006	¥296,904	8.3	¥17,161	10.6	¥17,374	11.4
Apr. 1, 2006 -Mar.31, 2007	¥392,611	9.1	¥21,646	16.6	¥20,983	20.9

	Net income		Net income per share (yen)	Net income per share (Assuming full dilution) (yen)
	Amount	Y o Y (%)		
Apr. 1, 2007 -Dec.31, 2007	¥10,151	4.2	¥52.46	¥52.42
Apr. 1, 2006 -Dec.31, 2006	¥9,740	2.6	¥50.33	¥50.29
Apr. 1, 2006 -Mar.31, 2007	¥10,739	6.1	¥55.49	¥55.45

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

2) Financial Position

(Millions of yen)

	Total assets	Net Assets	Shareholders' equity ratio	Net Assets per share (yen)
Dec.31, 2007	¥362,219	¥210,453	49.2%	¥920.68
Dec.31, 2006	¥353,296	¥208,010	49.6%	¥904.88
Mar.31, 2007	¥348,995	¥206,919	50.3%	¥906.84

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, 2007 – Dec.31, 2007	¥16,440	(¥13,465)	¥5,440	¥32,846
Apr. 1, 2006 – Dec.31, 2006	¥14,101	(¥16,203)	(¥ 8,643)	¥25,170
Apr. 1, 2006 -Mar.31, 2007	¥24,663	(¥27,634)	(¥ 9,549)	¥23,474



2. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2008 (April 1, 2007 to March 31, 2008)

There has been no change to forecasts, as operating results largely tracked the forecasts issued on October 29, 2007.

(Millions of yen)

	Net sales	Operating Income	Recurring income	Net income	Net income per share(yen)
Apr.1, 2007- Mar.31, 2008	¥414,000	¥23,000	¥21,500	¥11,000	56.85

3. Notes Relating to the Preparation of Quarterly Financial Statements

1) Changes to Important Subsidiaries (Specified Subsidiaries) During the Third Quarter: None

Changes in scope of consolidation except specified subsidiaries were as follows.

Newly consolidated companies: 5

Newly unconsolidated company: 0

Companies newly accounted for by the equity method: 0

Companies no longer accounted for by the equity method: 3

Note: The fiscal year-ends of two consolidated subsidiaries in Europe, Kikkoman Foods Europe B.V. and Kikkoman Trading Europe GmbH changed from December 31 to March 31 effective from the current fiscal year.

2) Election of Simplified Accounting Method

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

3) Changes in Accounting Procedure from Most Recent Fiscal Year

i) Change in Depreciation Method

The Company and its domestic consolidated subsidiaries (excluding certain consolidated subsidiaries) have changed depreciation method related to the fixed assets acquired on or after April 1, 2007 from the one as defined under the previous Japanese Tax Code to the one as defined under the revised Japanese Tax Code introduced in the 2007 tax reform. The effect of this change on operating income and income before taxes and minority interests for the period is immaterial.

The Company and the certain consolidated subsidiaries will continue to apply the depreciation method as defined under the previous Japanese Tax Code related to tangible fixed assets acquired on or prior to March 31, 2007 and the difference between the 5% of the acquisition cost and the nominal value of each in such



group of assets will be evenly allocated to the period of 5 years commencing the year next to the year when the net book value of each in such group of assets reaches 5% of the original acquisition cost. As a result, operating income has been decreased by ¥536 million (\$4,702 thousand) and income before income taxes and minority interests for the period has been decreased by ¥547 million (\$4,798 thousand).

ii) Change in the Estimated Useful Lives

The Company has changed the estimated useful lives of production facilities for soy sauce material to reflect more realistic useful lives of those production facilities based on the studies conducted in conjunction with the medium and long-term equipment investment plan. Due to that change, depreciation expense has been decreased by ¥2 million (\$18 thousand) and ¥327 million (\$2,868 thousand) has been recorded as depreciation expense resulting from revision of residual value. As a result, operating income has been increased by ¥2 million (\$18 thousand) and income before income taxes and minority interests for the period has been decreased by ¥324 million (\$2,842 thousand).



4. Qualitative Information Concerning Consolidated Business Performance

In Japan, while the Other Foods Division struggled, strong sales in the Soy Sauce Derivative Products Division and the Coca-Cola Segment lifted net sales and operating income year on year. Overseas, the Company maintained robust growth in the soy sauce and food wholesale operations. As a result, net sales, operating income, recurring income and net income all increased year on year.

Results were as follows.

1) Consolidated Statement of Income

(Millions of yen, %)

	FY2007 3Q		FY2008 3Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.06 – 12.31.06		4.1.07 – 12.31.07		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%				Amount		
Net Sales	296,904	100.0	315,519	100.0	18,614	106.3	-	2,226	16,388	105.5
Operating Income	17,161	5.8	19,960	6.3	2,798	116.3	0.5	239	2,558	114.9
Recurring Income	17,374	5.9	19,428	6.2	2,053	111.8	0.3	214	1,839	110.6
Net Income	9,740	3.3	10,151	3.2	410	104.2	(0.1)	142	268	102.8
Exchange Rate (¥/US\$)	116.27		117.23		0.96					

2) Geographical Segment Information

(Millions of yen, %)

		FY2007 3Q		FY2008 3Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.06 – 12.31.06		4.1.07 – 12.31.07		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%				Amount		
Japan	Net Sales	225,420	100.0	232,407	100.0	6,986	103.1	-	-	6,986	103.1
	Operating Income	8,992	4.0	9,919	4.3	927	110.3	0.3	-	927	110.3
Overseas	Net Sales	81,522	100.0	95,227	100.0	13,705	116.8	-	2,255	11,449	114.0
	Operating Income	8,186	10.0	10,047	10.6	1,860	122.7	0.6	239	1,620	119.8
Eliminations	Net Sales	(10,037)	100.0	(12,114)	100.0	(2,077)	-	-	(29)	(2,047)	-
	Operating Income	(17)	-	(6)	-	10	-	-	0	10	-
Consolidated total	Net Sales	296,904	100.0	315,519	100.0	18,614	106.3	-	2,226	16,388	105.5
	Operating Income	17,161	5.8	19,960	6.3	2,798	116.3	0.5	239	2,558	114.9
Exchange Rate (¥/US\$)		116.27		117.23		0.96					



**4. Qualitative Information Concerning Consolidated Business Performance
(Continued)**

3) Business Segment Information

(Millions of yen, %)

		FY2007 3Q		FY2008 3Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.06 – 12.31.06		4.1.07 – 12.31.07		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%						
Foods-manufacturing and sales	Net Sales	155,546	100.0	158,993	100.0	3,447	102.2	-	1,203	2,243	101.4
	Operating Income	12,424	8.0	13,201	8.3	776	106.3	0.3	187	589	104.7
Foods-wholesale	Net Sales	49,182	100.0	58,000	100.0	8,818	117.9	-	1,007	7,810	115.9
	Operating Income	2,254	4.6	2,956	5.1	702	131.2	0.5	52	649	128.8
Coca-Cola	Net Sales	87,614	100.0	93,600	100.0	5,986	106.8	-	-	5,986	106.8
	Operating Income	1,834	2.1	2,923	3.1	1,089	159.4	1.0	-	1,089	159.4
Others	Net Sales	5,207	100.0	11,553	100.0	6,346	221.9	-	32	6,313	221.2
	Operating Income	644	12.4	842	7.3	198	130.7	(5.1)	(0)	198	130.9
Eliminations	Net Sales	(645)	100.0	(6,629)	100.0	(5,983)	-	-	(17)	(5,966)	-
	Operating Income	4	-	35	-	31	-	-	0	31	-
Consolidated total	Net Sales	296,904	100.0	315,519	100.0	18,614	106.3	-	2,226	16,388	105.5
	Operating Income	17,161	5.8	19,960	6.3	2,798	116.3	0.5	239	2,558	114.9
Exchange Rate (¥/US\$)		116.27		117.23		0.96					

Note: The fiscal year-ends of two consolidated subsidiaries in Europe, Kikkoman Foods Europe B.V. and Kikkoman Trading Europe GmbH changed from December 31 to March 31 effective from the current fiscal year.



4. Qualitative Information Concerning Consolidated Business Performance (Continued)

Results by business segment were as follows.

(Foods—Manufacturing and Sales)

In Japan, while the Other Foods Division struggled, sales were steady in the Soy Sauce Derivative Products Division. Overseas, the Company posted robust sales growth in the North American market, mainly in the home and industrial use sectors. It also performed strongly in Europe, and Asia and Oceania.

As a result, segment sales were ¥158,993 million, up 2.2% on the same period of the previous fiscal year. Operating income was ¥13,201 million, up 6.3%.

(Foods—Wholesale)

Net sales and operating income in this segment far exceeded those of the previous fiscal year. This was attributable to continued strong sales growth due to expansion in oriental food markets overseas, as well as the consolidation of wholesale companies in Asia and Oceania this fiscal year.

As a result, segment net sales were ¥58,000 million, up 17.9%. Operating income was ¥2,956 million, up 31.2%.

(Coca-Cola)

Despite a persistently harsh operating environment, the Company achieved healthy sales, thanks to fine weather and aggressive sales promotion during the nine months.

As a result, segment net sales were ¥93,600 million, up 6.8%, and operating income was ¥2,923 million, up 59.4%.

(Others)

For the first nine months of fiscal 2008, due to a change in the scope of consolidation and other factors, segment net sales rose to ¥11,553 million, up 121.9%, while operating income increased to ¥842 million, up 30.7%.



5. Qualitative Information Regarding Consolidated Financial Position

1) Total Assets, Total Liabilities and Net Assets

Total assets at the end of the third quarter were ¥362,219 million, an increase of ¥13,223 million from March 31, 2007. This was mainly due to increases in cash and time deposits and notes and accounts receivable, as well as to increased property, plant and equipment and cash and time deposits resulting from new consolidations.

Total liabilities at the end of the third quarter were up ¥9,689 million to ¥151,765 million, mainly due to an issue of corporate bonds.

Total net assets at the end of the third quarter increased by ¥3,534 million from March 31, 2007 to ¥210,453 million, mainly due to an increase in retained earnings.

2) Cash Flows

Cash and cash equivalents at the end of the third quarter were ¥32,846 million. This reflected an increase in cash and cash equivalents of ¥8,543 million compared with March 31, 2007, as well as an increase in cash and cash equivalents due to new consolidations.

Cash flows for each activity and reasons are as follows.

(Cash Flows From Operating Activities)

Operating activities provided net cash of ¥16,440 million. This was mainly due to income before income taxes and minority interests and depreciation and amortization.

(Cash Flows From Investing Activities)

Investing activities used net cash of ¥13,465 million. This was mainly attributable to outgoings for the acquisition of property, plant and equipment and investments in securities.

(Cash Flows From Financing Activities)

Financing activities provided net cash of ¥5,440 million. This was mainly due to inflows from the issue of corporate bonds, offset by outflows for the bond retirement and the payment of cash dividends.



**6. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2008
(April 1, 2007 to March 31, 2008)**

There has been no change to forecasts, as operating results largely tracked the forecasts issued on October 29, 2007.

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.



7. Summary of Consolidated Balance Sheets

	March 31, 2007	December 31, 2007	December 31, 2007
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Assets			
Current assets:			
Cash and time deposits	¥ 24,505	¥ 33,873	\$ 297,132
Trade notes and accounts receivable	50,656	58,850	516,228
Allowance for doubtful receivables	(967)	(1,023)	(8,974)
	<u>49,689</u>	<u>57,827</u>	<u>507,254</u>
Inventories	29,910	29,988	263,053
Deferred tax assets	4,728	4,986	43,737
Other current assets	7,558	9,182	80,544
Total current assets	<u>116,391</u>	<u>135,858</u>	<u>1,191,737</u>
Property, plant and equipment, at cost:			
Land	32,560	32,637	286,289
Buildings and structures	106,130	107,358	941,737
Machinery, equipment and vehicles	158,594	160,956	1,411,895
Other	55,207	56,736	497,684
Construction in progress	3,983	8,674	76,088
	<u>356,477</u>	<u>366,363</u>	<u>3,213,711</u>
Accumulated depreciation	(222,954)	(230,453)	(2,021,518)
Property, plant and equipment, net	<u>133,522</u>	<u>135,909</u>	<u>1,192,184</u>
Investments and other assets:			
Investments in securities	47,202	40,672	356,772
Investments in and advances to unconsolidated subsidiaries and affiliates	12,451	10,056	88,211
Goodwill	27,775	25,490	223,596
Other intangible assets	6,239	4,994	43,807
Deferred tax assets	3,573	3,494	30,649
Other assets	1,838	5,742	50,368
Total investments and other assets	<u>99,081</u>	<u>90,451</u>	<u>793,430</u>
Total assets	<u>¥ 348,995</u>	<u>¥ 362,219</u>	<u>\$ 3,177,360</u>



7. Summary of Consolidated Balance Sheets (continued)

	March 31, 2007	December 31, 2007	December 31, 2007
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Liabilities and shareholders' equity			
Current liabilities:			
Short-term bank loans	¥ 13,004	¥ 11,717	\$ 102,781
Current portion of long-term debt	11,444	1,165	10,219
Trade notes and accounts payable	16,242	18,786	164,789
Other accounts payable	14,549	15,109	132,535
Accrued employees' bonus	2,169	1,656	14,526
Accrued directors' bonus	122	103	904
Accrued income taxes	2,477	2,776	24,351
Other current liabilities	6,820	7,819	68,588
Total current liabilities	<u>66,831</u>	<u>59,135</u>	<u>518,728</u>
Long-term liabilities:			
Long-term debt	41,070	61,088	535,860
Accrued employees' pension and severance costs	16,448	14,602	128,088
Accrued officers' severance benefits	1,930	2,102	18,439
Deferred tax liabilities	8,399	5,580	48,947
Other long-term liabilities	7,395	9,255	81,184
Total long-term liabilities	<u>75,245</u>	<u>92,630</u>	<u>812,544</u>
Net Assets:			
Shareholders' equity			
Common stock, without par value:			
Authorized: 600,000,000 shares			
Issued: 197,202,300 shares at December 31, 2007	11,599	11,599	101,746
Capital surplus	5,782	5,789	50,781
Retained earnings	145,091	153,650	1,347,807
Treasury stock, at cost:			
December 31, 2007 – 3,698,286 shares	(2,786)	(2,920)	(25,614)
Total shareholders' equity	<u>159,687</u>	<u>168,119</u>	<u>1,474,728</u>
Difference of appreciation and conversion:			
Unrealized holding gain on securities	16,926	11,020	96,667
Deferred hedge gain / loss	167	120	1,053
Translation adjustments	(719)	(564)	(4,947)
Unfunded retirement benefit obligation of overseas subsidiaries	(539)	(540)	(4,737)
Total difference of appreciation and conversion	<u>15,835</u>	<u>10,035</u>	<u>88,026</u>
Stock acquisition rights	-	67	588
Minority Interests	31,396	32,229	282,711
Total net assets	<u>206,919</u>	<u>210,453</u>	<u>1,846,079</u>
Total liabilities and net assets	<u>¥ 348,995</u>	<u>¥ 362,219</u>	<u>\$ 3,177,360</u>



8. Summary of Consolidated Statements of Income

	Nine-month period ended December 31		
	2006	2007	2007
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Net sales	¥ 296,904	¥ 315,519	\$ 2,767,711
Cost of sales	179,076	190,369	1,669,904
Gross profit	117,828	125,150	1,097,807
Selling, general and administrative expenses	100,666	105,190	922,719
Operating income	17,161	19,960	175,088
Other income (expenses):			
Interest and dividend income	1,063	1,091	9,570
Equity in earnings of unconsolidated subsidiaries and affiliates	482	332	2,912
Interest expense	(821)	(769)	(6,746)
Gain on sales of property, plant and equipment	1,115	2,028	17,789
Gain on sales of securities	20	370	3,246
Dividends from liquidation of securities	-	28	246
Gain on establishment of pension trust fund	-	1,598	14,018
Loss on impairment of fixed assets	-	(1,344)	(11,789)
Depreciation expense resulting from revision of residual value	-	(327)	(2,868)
Loss on disposal of property, plant and equipment	(702)	(464)	(4,070)
Loss on revaluation of investments in securities	(16)	(13)	(114)
Loss on revaluation of golf membership	(12)	(6)	(53)
Loss from redemption of bond	(78)	-	-
Special additional severance benefits	-	(195)	(1,711)
Loss on cancellation of material purchase contracts	(172)	-	-
Expense for Kikkoman's 50th Anniversary in America Project	-	(1,917)	(16,816)
Other, net	(39)	(770)	(6,754)
	839	(359)	(3,149)
Income before income taxes and minority interests	18,001	19,600	171,930
Income taxes	6,822	8,230	72,193
Income before minority interests	11,178	11,370	99,737
Minority interests	(1,437)	(1,219)	(10,693)
Net income	¥ 9,740	¥ 10,151	\$ 89,044



9. Summary of Consolidated Statements of Cash Flows

	Nine-month period ended December 31		
	2006	2007	2007
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Cash flows from operating activities			
Income before income taxes and minority interests	¥ 18,001	¥ 19,600	\$ 171,930
Depreciation and amortization	11,906	12,780	112,105
Depreciation expense resulting from revision of residual value	–	327	2,868
Loss on impairment of fixed assets	–	1,344	11,789
Accrued employees' pension and severance costs	(2,366)	(3,808)	(33,404)
Increase (decrease) in accrued expenses resulting from transition of pension plan	–	2,280	20,000
Accrued officers' severance benefits	56	152	1,333
Interest and dividend income	(1,063)	(1,091)	(9,570)
Interest expense	821	771	6,763
Equity in earnings of unconsolidated subsidiaries and affiliates	(482)	(332)	(2,912)
Gain on sales of property, plant and equipment	(1,115)	(2,028)	(17,789)
Gain on sales of securities	(20)	(370)	(3,246)
Gain on establishment of pension trust fund	–	(1,598)	(14,018)
Loss on disposal of property, plant and equipment	702	464	4,070
Loss on revaluation of investments in securities	16	13	114
Notes and accounts receivable	(7,980)	(7,537)	(66,114)
Inventories	(260)	632	5,544
Notes and accounts payable	1,548	1,630	14,298
Other	969	(487)	(4,272)
Subtotal	20,732	22,742	199,491
Interest and dividends received	1,356	1,302	11,421
Interest paid	(825)	(790)	(6,930)
Income taxes paid	(7,161)	(6,813)	(59,763)
Net cash provided by operating activities	14,101	16,440	144,211
Cash flows from investing activities			
Acquisition of property, plant and equipment	(11,335)	(14,104)	(123,719)
Proceeds from sales of property, plant and equipment	6,140	3,870	33,947
Acquisition of intangible assets	(262)	(363)	(3,184)
Acquisition of investments in securities	(6,097)	(4,934)	(43,281)
Proceeds from sales of investments in securities	593	428	3,754
Purchase of subsidiary's stock	(6,043)	–	–
Addition to loans receivable	(427)	(400)	(3,509)
Collection of loans receivable	703	1,861	16,325
Other	524	176	1,544
Net cash used in investing activities	(16,203)	(13,465)	(118,114)



9. Summary of Consolidated Statements of Cash Flows (continued)

	Nine-month period ended December 31		
	2006	2007	2007
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Cash flows from financing activities			
Increase (decrease) in short-term bank loans	3,584	(758)	(6,649)
Proceeds from long-term debt	–	21,000	184,211
Repayment of long-term debt	(9,354)	(11,261)	(98,781)
Purchases of treasury stock	(188)	(133)	(1,167)
Cash dividends paid	(2,761)	(3,262)	(28,614)
Other	75	(144)	(1,263)
Net cash provided (used) in financing activities	(8,643)	5,440	47,719
Effect of exchange rate changes on cash and cash equivalents	312	128	1,123
Increase (decrease) in cash and cash equivalents	(10,433)	8,543	74,939
Cash and cash equivalents at beginning of year	35,642	23,474	205,912
Net increase (decrease) in cash and cash equivalents due to change in subsidiaries' year-ends	(1,072)	(55)	(482)
Increase arising from inclusion of subsidiaries in consolidation	625	884	7,754
Increase in cash due to merger of non-consolidated subsidiaries	408	-	-
Cash and cash equivalents at end of year	<u>¥ 25,170</u>	<u>¥ 32,846</u>	<u>\$ 288,123</u>



10. 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, sake and wine, soy milk, food products for business purpose and food products for health; 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, logistics, restaurants and chemical products.

1) Business Segments

Nine-month period ended December 31, 2006

	Foods – manufacturing and sales	Foods – wholesale	Coca-Cola	Others	Total	Eliminations and corporate	Consoli- dated
	<i>(Millions of yen)</i>						
Sales and operating income:							
Sales to third parties	¥ 155,079	¥ 49,004	¥ 87,614	¥ 5,206	¥296,904	¥ -	¥296,904
Intragroup sales and transfers	467	177	-	0	645	(645)	-
Total sales	155,546	49,182	87,614	5,207	297,550	(645)	296,904
Operating expenses	143,122	46,928	85,780	4,562	280,393	(650)	279,743
Operating income	¥ 12,424	¥ 2,254	¥ 1,834	¥ 644	¥ 17,157	¥ 4	¥ 17,161

Nine-month period ended December 31, 2007

	Foods – manufacturing and sales	Foods – wholesale	Coca-Cola	Others	Total	Eliminations and corporate	Consoli- dated
	<i>(Millions of yen)</i>						
Sales and operating income:							
Sales to third parties	¥ 158,214	¥ 57,807	¥ 93,526	¥ 5,971	¥ 315,519	¥ -	¥ 315,519
Intragroup sales and transfers	779	193	74	5,581	6,629	(6,629)	-
Total sales	158,993	58,000	93,600	11,553	322,149	(6,629)	315,519
Operating expenses	145,792	55,044	90,677	10,711	302,225	(6,665)	295,559
Operating income	¥ 13,201	¥ 2,956	¥ 2,923	¥ 842	¥ 19,924	¥ 35	¥ 19,960

Nine-month period ended December 31, 2007

	Foods – manufacturing and sales	Foods – wholesale	Coca-Cola	Others	Total	Eliminations and corporate	Consoli- dated
	<i>(Thousands of U.S. dollars)</i>						
Sales and operating income:							
Sales to third parties	\$ 1,387,842	\$ 507,079	\$ 820,404	\$ 52,377	\$2,767,711	\$ -	\$2,767,711
Intragroup sales and transfers	6,833	1,693	649	48,956	58,149	(58,149)	-
Total sales	1,394,675	508,772	821,053	101,342	2,825,868	(58,149)	2,767,711
Operating expenses	1,278,877	482,842	795,412	93,956	2,651,096	(58,465)	2,592,623
Operating income	\$ 115,798	\$ 25,930	\$ 25,640	\$ 7,386	\$ 174,772	\$ 307	\$ 175,088



10. Segment Information (continued)

2) Geographical Segments

Geographical segment information for the Company and its consolidated subsidiaries for the nine-month period ended December 31, 2007 and year ended December 31, 2006 is summarized as follows:

Nine-month period ended December 31, 2006						
Japan	North America	Other	Total	Eliminations and corporate	Consolidated	
<i>(Millions of yen)</i>						
Sales to third parties	¥216,933	¥66,384	¥13,587	¥296,904	¥ -	¥296,904
Interarea sales and transfers	8,486	1,805	380	10,672	(10,672)	-
Total sales	225,420	68,189	13,968	307,577	(10,672)	296,904
Operating expenses	216,428	61,294	12,675	290,398	(10,655)	279,743
Operating income	¥ 8,992	¥ 6,894	¥ 1,292	¥ 17,178	¥ (17)	¥ 17,161
Nine-month period ended December 31, 2007						
Japan	North America	Other	Total	Eliminations and corporate	Consolidated	
<i>(Millions of yen)</i>						
Sales to third parties	¥221,104	¥73,238	¥21,176	¥315,519	¥ -	¥315,519
Interarea sales and transfers	11,303	1,158	402	12,863	(12,863)	-
Total sales	232,407	74,396	21,578	328,383	(12,863)	315,519
Operating expenses	222,487	66,608	19,320	308,417	(12,857)	295,559
Operating income	¥ 9,919	¥ 7,788	¥ 2,258	¥ 19,965	¥ (5)	¥ 19,960
Nine-month period ended December 31, 2007						
Japan	North America	Other	Total	Eliminations and corporate	Consolidated	
<i>(Thousands of U.S. dollars)</i>						
Sales to third parties	\$1,939,509	\$642,439	\$185,754	\$2,767,711	\$ -	\$2,767,711
Interarea sales and transfers	99,149	10,158	3,526	112,833	(112,833)	-
Total sales	2,038,658	652,596	189,281	2,880,553	(112,833)	2,767,711
Operating expenses	1,951,640	584,281	169,474	2,705,412	(112,781)	2,592,623
Operating income	\$ 87,009	\$ 68,316	\$ 19,807	\$ 175,132	\$ (44)	\$ 175,088