

Flash Report Interim 2008

Kikkoman Corporation



Consolidated Financial Results

October 29, 2007

Six-month Period Ended September 30, 2007

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: October 29, 2007

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended September 30, 2007 are presented solely for convenience.



Kikkoman Corporation

Flash Report Interim 2008

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**1. Business Performance for the Six-month Period Ended September 30, 2007
(April 1, 2007 to September 30, 2007)**

(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, 2007 | ¥202,727 | ¥11,219 | ¥10,793 |
| Apr. 1- Sep.30, 2006 | ¥189,710 | ¥9,239 | ¥9,073 |
| Apr. 1, 2006 -Mar.31, 2007 | ¥392,611 | ¥21,646 | ¥20,983 |

| | Net income | Net income per share (yen) | Net income per share: Assuming full dilution (yen) |
|-------------------------------|------------|-------------------------------|--|
| Apr. 1- Sep.30, 2007 | ¥5,702 | ¥29.47 | ¥29.44 |
| Apr. 1- Sep.30, 2006 | ¥5,026 | ¥25.97 | ¥25.95 |
| Apr. 1, 2006 -Mar.31, 2007 | ¥10,739 | ¥55.49 | ¥55.45 |

Notes:

Income from equity in earnings of unconsolidated subsidiaries and affiliates:

Apr.1-Sep.30, 2007: ¥163 million

Apr.1-Sep.30, 2006: ¥241 million

Apr.1, 2006-Mar.31, 2007: ¥620 million

1. Business Performance for the Six-month Period Ended September 30, 2007
(April 1, 2007 to September 30, 2007) (continued)

(2) Financial Position

(Millions of yen)

| | Total assets | Total Net Assets | Shareholders' equity ratio | Shareholders' equity ratio per share (yen) |
|--------------|--------------|------------------|----------------------------|--|
| Sep.30, 2007 | ¥347,730 | ¥205,625 | 50.1% | ¥899.53 |
| Sep.30, 2006 | ¥345,916 | ¥201,541 | 49.0% | ¥875.61 |
| Mar.31, 2007 | ¥348,995 | ¥206,919 | 50.3% | ¥906.84 |

Note:

Total Shareholders' equity

Sep.30, 2007: ¥ 174,070 million

Sep.30, 2006: ¥ 169,477 million

Mar.31, 2007: ¥ 175,522 million

(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, 2007 | ¥10,085 | (¥ 7,608) | (¥1,348) | ¥25,459 |
| Apr. 1- Sep.30, 2006 | ¥10,333 | (¥12,206) | (¥8,303) | ¥25,197 |
| Apr. 1, 2006 -Mar.31, 2007 | ¥24,663 | (¥27,634) | (¥9,549) | ¥23,474 |

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

- Consolidated subsidiaries: 39
- Unconsolidated subsidiaries accounted for by equity method: 1
- Affiliates accounted for by equity method: 6

**1. Business Performance for the Six-month Period Ended September 30, 2007
(April 1, 2007 to September 30, 2007) (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: | 5 |
| Newly unconsolidated companies: | 0 |
| Companies newly accounted for by the equity method: | 0 |
| Companies no longer accounted for by the equity method: | 3 |

2. Cash Dividends

(Millions of yen)

| | Cash dividends per share (yen) | | |
|---|-----------------------------------|-----------------|-------|
| | Half year ended | Full year ended | Total |
| Apr. 1, 2006 -Mar. 31, 2007 | - | 15.00 | 15.00 |
| Apr. 1, 2007 -Mar. 31, 2008 (Estimated) | - | 12.00 | 12.00 |

Notes:

This fiscal year ended March 31, 2007 dividend includes a commemorative dividend of ¥3.00 per share.

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

(Millions of yen)

| | Net sales | Operating Income | Recurring income | Net income |
|--------------------------------|-----------|---------------------|---------------------|------------|
| Apr. 1, 2007- Mar. 31, 2008 | ¥414,000 | ¥23,000 | ¥21,500 | ¥11,000 |

4. Consolidated Interim Balance Sheets

| | September 30, | | |
|---|--------------------------|------------------|---|
| | <u>2007</u> | <u>2006</u> | <u>2007</u> |
| | <i>(Millions of yen)</i> | | <i>(Thousands of U.S. dollars)</i> <i>(Note 4)</i> |
| Assets | | | |
| Current assets: | | | |
| Cash and time deposits | ¥ 26,397 | ¥ 26,207 | \$ 229,539 |
| Trade notes and accounts receivable | 51,799 | 49,393 | 450,426 |
| Allowance for doubtful receivables | (1,062) | (791) | (9,235) |
| | <u>50,737</u> | <u>48,601</u> | <u>441,191</u> |
| Inventories | 31,368 | 30,208 | 272,765 |
| Deferred tax assets | 5,110 | 4,861 | 44,435 |
| Other current assets | 8,298 | 7,044 | 72,157 |
| Total current assets | <u>121,912</u> | <u>116,923</u> | <u>1,060,104</u> |
| Property, plant and equipment, at cost: | | | |
| Land | 32,693 | 31,860 | 284,287 |
| Buildings and structures | 107,147 | 104,235 | 931,713 |
| Machinery, equipment and vehicles | 160,116 | 157,138 | 1,392,313 |
| Other | 56,783 | 56,338 | 493,765 |
| Construction in progress | 5,554 | 2,269 | 48,296 |
| | <u>362,295</u> | <u>351,843</u> | <u>3,150,391</u> |
| Accumulated depreciation | (227,953) | (219,841) | (1,982,200) |
| Property, plant and equipment, net | <u>134,342</u> | <u>132,001</u> | <u>1,168,191</u> |
| Investments and other assets: | | | |
| Investments in securities | 41,336 | 45,971 | 359,443 |
| Investments in and advances to unconsolidated subsidiaries and affiliates | 9,904 | 12,530 | 86,122 |
| Goodwill | 25,806 | 26,759 | 224,400 |
| Other intangible assets | 5,501 | 6,210 | 47,835 |
| Deferred tax assets | 3,060 | 3,555 | 26,609 |
| Other assets | 5,866 | 1,965 | 51,009 |
| Total investments and other assets | <u>91,475</u> | <u>96,992</u> | <u>795,435</u> |
| | | | |
| Total assets | <u>¥ 347,730</u> | <u>¥ 345,916</u> | <u>\$ 3,023,739</u> |

4. Consolidated Interim Balance Sheets (continued)

| | September 30, | | |
|--|--------------------------|-----------------|---|
| | 2007 | 2006 | 2007 |
| | <i>(Millions of yen)</i> | | <i>(Thousands of U.S. dollars)</i> <i>(Note 4)</i> |
| Liabilities | | | |
| Current liabilities: | | | |
| Short-term loans | ¥ 15,517 | ¥ 12,221 | \$ 134,930 |
| Current portion of long-term debt | 11,229 | 2,295 | 97,643 |
| Trade notes and accounts payable | 17,775 | 16,552 | 154,565 |
| Other accounts payable | 13,641 | 13,689 | 118,617 |
| Accrued employees' bonus | 2,829 | 2,718 | 24,600 |
| Accrued directors' bonus | 69 | 64 | 600 |
| Accrued income taxes | 2,007 | 2,453 | 17,452 |
| Other current liabilities | 6,809 | 6,026 | 59,209 |
| Total current liabilities | <u>69,879</u> | <u>56,023</u> | <u>607,643</u> |
| Long-term liabilities: | | | |
| Long-term debt | 40,372 | 51,788 | 351,061 |
| Accrued employees' pension and severance costs | 14,410 | 18,459 | 125,304 |
| Accrued officers' severance benefits | 2,019 | 1,759 | 17,557 |
| Deposits received | 6,029 | 6,340 | 52,426 |
| Deferred tax liabilities | 6,038 | 8,431 | 52,504 |
| Other long-term liabilities | 3,355 | 1,571 | 29,174 |
| Total long-term liabilities | <u>72,226</u> | <u>88,351</u> | <u>628,052</u> |
| Net assets | | | |
| Shareholders' equity: | | | |
| Common stock, without par value: | | | |
| Authorized: 300,000,000 shares | | | |
| Issued: 197,202,300 shares at September 30, 2007 | 11,599 | 11,599 | 100,861 |
| Capital surplus | 5,787 | 5,778 | 50,322 |
| Retained earnings | 148,655 | 139,130 | 1,292,652 |
| Treasury stock, at cost | | | |
| September 30, 2007 – 3,689,501 shares | (2,894) | (2,746) | (25,165) |
| Total shareholders' equity | <u>163,147</u> | <u>153,762</u> | <u>1,418,670</u> |
| Difference of appreciation and conversion: | | | |
| Unrealized holding gain on securities | 11,712 | 17,193 | 101,843 |
| Deferred hedge gain/loss | 135 | 181 | 1,174 |
| Translation adjustments | (924) | (1,659) | (8,035) |
| Total difference of appreciation and conversion | <u>10,923</u> | <u>15,715</u> | <u>94,983</u> |
| Minority interests | 31,554 | 32,064 | 274,383 |
| Total net assets | <u>205,625</u> | <u>201,541</u> | <u>1,788,043</u> |
| Total liabilities and net assets | <u>¥347,730</u> | <u>¥345,916</u> | <u>\$3,023,739</u> |

See accompanying notes to consolidated interim financial statements.

5. Consolidated Interim Statements of Income

| | Six months ended September 30, | | |
|--|---------------------------------------|-------------|---|
| | 2007 | 2006 | 2007 |
| | <i>(Millions of yen)</i> | | <i>(Thousands of U.S. dollars)</i> <i>(Note 4)</i> |
| Net sales | ¥202,727 | ¥189,710 | \$1,762,843 |
| Cost of sales | 122,321 | 114,395 | 1,063,661 |
| Gross profit | 80,405 | 75,315 | 699,174 |
| Selling, general and administrative expenses | 69,186 | 66,075 | 601,617 |
| Operating income | 11,219 | 9,239 | 97,557 |
| Other income (expenses): | | | |
| Interest and dividend income | 672 | 617 | 5,843 |
| Equity in earnings of unconsolidated subsidiaries and affiliates | 163 | 241 | 1,417 |
| Interest expense | (485) | (562) | (4,217) |
| Gain on sales of securities | 360 | 20 | 3,130 |
| Gain on sales of property, plant and equipment | 2,019 | 1,014 | 17,557 |
| Loss on impairment of fixed assets | (1,344) | – | (11,687) |
| Loss on disposal of property, plant and equipment | (264) | (535) | (2,296) |
| Loss on revaluation of investments in securities | (12) | (16) | (104) |
| Loss on revaluation of golf membership | (5) | (12) | (43) |
| Loss from redemption of bond | – | (78) | – |
| Dividends from liquidation of securities | 27 | – | 235 |
| Gain on establishment of pension trust fund | 1,598 | – | 13,896 |
| Depreciation expense resulting from revision of residual value | (327) | – | (2,843) |
| Special additional severance benefits | (59) | – | (513) |
| Expense for Kikkoman's 50th Anniversary in America Project | (1,260) | – | (10,957) |
| Other, net | (557) | (156) | (4,843) |
| Income before income taxes and minority interests | 11,747 | 9,771 | 102,148 |
| Income taxes: | | | |
| Current | 4,117 | 4,181 | 35,800 |
| Deferred | 1,424 | (61) | 12,383 |
| | 5,542 | 4,120 | 48,191 |
| Income before minority interests | 6,205 | 5,651 | 53,957 |
| Minority interests | (502) | (624) | (4,365) |
| Net income | ¥ 5,702 | ¥ 5,026 | \$ 49,583 |

See accompanying notes to consolidated interim financial statements.

6. Consolidated Interim Statements of Net Assets

| | Six months ended September 30, | | |
|--|---------------------------------------|-------------|---|
| | 2007 | 2006 | 2007 |
| | <i>(Millions of yen)</i> | | <i>(Thousands of U.S. dollars)</i> <i>(Note 4)</i> |
| Common stock | | | |
| Balance at beginning and end of the period (September 30, 2007– 197,202,300 shares; September 30, 2006 – 197,202,300 shares) | ¥ 11,599 | ¥ 11,599 | \$ 100,861 |
| Capital surplus | | | |
| Balance at beginning of the period | ¥ 5,782 | ¥ 5,775 | \$ 50,278 |
| Add: | | | |
| Gain on sales of treasury stock | 4 | 3 | 35 |
| Balance at end of the period | ¥ 5,787 | ¥ 5,778 | \$ 50,322 |
| Retained earnings | | | |
| Balance at beginning of the period | ¥145,091 | ¥136,546 | \$1,261,661 |
| Add: | | | |
| Net income | 5,702 | 5,026 | 49,583 |
| Increase from accounting period changes of consolidated subsidiaries | 198 | 40 | 1,722 |
| Increase due to addition of consolidated subsidiaries previously not consolidated | 1,125 | – | 9,783 |
| Other | – | 32 | – |
| Deduct: | | | |
| Cash dividends paid | (2,916) | (2,333) | (25,357) |
| Bonuses to directors' and statutory auditors | – | (105) | – |
| Other | – | (74) | – |
| Balance at end of the period | ¥149,201 | ¥139,130 | \$1,297,400 |
| Treasury stock | | | |
| Balance at beginning of the period | ¥ (2,786) | ¥ (2,668) | \$ (24,226) |
| Add: | | | |
| Purchase | (166) | (131) | (1,443) |
| Deduct: | | | |
| Sales | 58 | 53 | 504 |
| Balance at end of the period | ¥ (2,894) | ¥ (2,746) | \$ (25,165) |
| Unrealized holding gain on securities | | | |
| Balance at beginning of the period | ¥ 16,926 | ¥ 19,497 | \$ 147,183 |
| Net change during the period | (5,213) | (2,304) | (45,330) |
| Balance at end of the period | ¥ 11,712 | ¥ 17,193 | \$ 101,843 |
| Deferred hedge gain/loss | | | |
| Balance at beginning of the period | ¥ 167 | ¥ – | \$ 1,452 |
| Net change during the period | (32) | 181 | (278) |
| Balance at end of the period | ¥ 135 | ¥ 181 | \$ 1,174 |
| Translation adjustments | | | |
| Balance at beginning of the period | ¥ (719) | ¥ (2,073) | \$ (6,252) |
| Net change during the period | (205) | 414 | (1,783) |
| Balance at end of the period | ¥ (924) | ¥ (1,659) | \$ (8,035) |
| Unfunded retirement benefit obligation of overseas subsidiaries | | | |
| Balance at beginning of the period | ¥ (539) | ¥ – | \$ (4,687) |
| Net change during the period | (7) | – | (61) |
| Balance at end of the period | ¥ (546) | ¥ – | \$ (4,748) |
| Minority interests | | | |
| Balance at beginning of the period | ¥ 31,396 | ¥ 23,331 | \$ 273,009 |
| Net change during the period | 158 | 8,732 | 1,374 |
| Balance at end of the period | ¥ 31,554 | ¥ 32,064 | \$ 274,383 |

See accompanying notes to consolidated interim financial statements.

7. Consolidated Interim Statements of Cash Flows

| | Six months ended September 30, | | |
|--|---------------------------------------|-------------|------------------------------------|
| | 2007 | 2006 | 2007 |
| | <i>(Millions of yen)</i> | | <i>(Thousands of U.S. dollars)</i> |
| | | | <i>(Note 4)</i> |
| Cash flows from operating activities | | | |
| Income before income taxes and minority interests | ¥11,747 | ¥ 9,771 | \$102,148 |
| Depreciation and amortization | 8,286 | 7,703 | 72,052 |
| Depreciation expense resulting from revision of residual value | 327 | – | 2,843 |
| Loss on impairment for fixed assets | 1,344 | – | 11,687 |
| Accrued employees' pension and severance costs | (4,003) | (681) | (34,809) |
| Increase (decrease) in accrued expenses resulting from transition of pension plan | 2,321 | – | 20,183 |
| Accrued officers' severance benefits | 69 | (25) | 600 |
| Interest and dividend income | (672) | (617) | (5,843) |
| Interest expense | 485 | 562 | 4,217 |
| Equity in earnings of unconsolidated subsidiaries and affiliates | (163) | (241) | (1,417) |
| Gain on sales of property, plant and equipment | (2,019) | (1,014) | (17,557) |
| Gain on sales of securities | (360) | (20) | (3,130) |
| Gain on establishment of pension trust fund | (1,598) | – | (13,896) |
| Loss on disposal of property, plant and equipment | 264 | 535 | 2,296 |
| Loss on revaluation of investments in securities | 12 | 16 | 104 |
| Notes and accounts receivable | (292) | (906) | (2,539) |
| Inventories | (538) | (972) | (4,678) |
| Notes and accounts payable | 508 | 997 | 4,417 |
| Other | (1,435) | (231) | (12,478) |
| Subtotal | 14,280 | 14,877 | 124,174 |
| Interest and dividends received | 904 | 939 | 7,861 |
| Interest paid | (493) | (568) | (4,287) |
| Income taxes paid | (4,605) | (4,914) | (40,043) |
| Net cash provided by operating activities | 10,085 | 10,333 | 87,696 |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | (8,451) | (8,721) | (73,487) |
| Proceeds from sales of property, plant and equipment | 3,908 | 6,019 | 33,983 |
| Acquisition of intangible assets | (321) | (213) | (2,791) |
| Acquisition of investments in securities | (4,233) | (4,959) | (36,809) |
| Proceeds from sales of investments in securities | 405 | 588 | 3,522 |
| Payments for purchase of shares of consolidated subsidiaries due to change in scope of consolidation | – | (6,043) | – |
| Loans granted | (283) | (303) | (2,461) |
| Loans collected | 1,373 | 468 | 11,939 |
| Other | (6) | 959 | (52) |
| Net cash used in investing activities | (7,608) | (12,206) | (66,157) |
| Cash flows from financing activities | | | |
| Increase (decrease) in short-term bank loans | 3,007 | 2,666 | 26,148 |
| Repayment of long-term debt | (912) | (3,116) | (7,930) |
| Redemption of bonds | – | (5,000) | – |
| Acquisition of treasury stock | (166) | (131) | (1,443) |
| Cash dividends paid | (3,263) | (2,760) | (28,374) |
| Other | (13) | 39 | (113) |
| Net cash used in by financing activities | (1,348) | (8,303) | (11,722) |
| Effect of exchange rate changes on cash and cash equivalents | 28 | 168 | 243 |
| Increase (decrease) in cash and cash equivalents | 1,156 | (10,007) | 10,052 |
| Cash and cash equivalents at beginning of the period | 23,474 | 35,642 | 204,122 |
| Decrease from the changes of accounting year-end date in certain consolidated subsidiaries | (55) | (1,072) | (478) |
| Increase arising from inclusion of subsidiaries in consolidation | 884 | 625 | 7,687 |
| Increase in cash due to merger of non-consolidated subsidiaries | – | 9 | – |
| Cash and cash equivalents at end of the period | ¥25,459 | ¥ 25,197 | \$221,383 |

See accompanying notes to consolidated interim financial statements.

8. Notes to Consolidated Interim Financial Statements

September 30, 2007

(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.

8. Notes to Consolidated Interim Financial Statements (continued)

(2) Summary of Significant Accounting Policies (continued)

(b) Foreign currency translation

Revenue and expense accounts of the foreign consolidated subsidiaries are translated at the average exchange rates in effect during the 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 foreign currency translation adjustments and minority interests in a separate component of net assets.

(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 difference of appreciation and conversion. 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 part of rental equipments 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.

8. Notes to Consolidated Interim Financial Statements (continued)

(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 employees' bonuses

Accrued employees' bonuses are provided for payment of employees' bonuses based on the estimated amounts.

(i) Accrued directors' bonuses

Accrued directors' bonuses are provided for payment of directors' bonuses based on the estimated amounts.

(j) 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 12 years which is shorter than the average remaining years of service of the active participants in the plans.

8. Notes to Consolidated Interim Financial Statements (continued)

(2) Summary of Significant Accounting Policies (continued)

(j) Accrued pension and severance costs (continued)

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 12 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.

(k) 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.

(l) Research and development costs

Research and development costs are charged to income as incurred.

(m) Derivatives

The Company and its consolidated subsidiaries utilize derivative financial instruments for the purpose of hedging their exposure to manage adverse fluctuations in foreign currency exchange rates but not for speculation purposes. Derivatives are stated at fair value with any changes in unrealized gain or loss charged or credited to income, except for those which meet the criteria for deferral hedge accounting under which unrealized gain or loss is deferred as a separate component of difference of appreciation and conversion. Payables hedged by qualified forward foreign exchange contracts are translated at the corresponding contract rates.

8. Notes to Consolidated Interim Financial Statements (continued)

(3) Changes in Accounting Policies

1) 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 ¥355 million (\$3,087 thousand) and income before income taxes and minority interests for the period has been decreased by ¥358 million (\$3,113 thousand).

2) 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 ¥1 million (\$9 thousand) and ¥327 million (\$2,843 thousand) has been recorded as depreciation expense resulting from revision of residual value. As a result, operating income has been increased by ¥1 million (\$9 thousand) and income before income taxes and minority interests for the period has been decreased by ¥325 million (\$2,826 thousand).

(4) 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 ¥115 = U.S.\$1.00, the approximate rate of exchange in effect on September 30, 2007. 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.

8. Notes to Consolidated Interim Financial Statements (continued)

(5) Segment Information

The Company and its consolidated subsidiaries are primarily engaged in the processing and sales of products in Japan and overseas in four major segments: 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, logistics and restaurants.

Business Segments

Business segments information of the Company and its consolidated subsidiaries for the six months ended September 30, 2007 and 2006 is summarized as follows:

| | Six months ended September 30, 2007 | | | | | | |
|------------------------|-------------------------------------|-------------------------------|-----------|--------|----------|----------------------------------|-------------------|
| | Foods – processing and sales | Foods – wholesale sales | Coca-Cola | Other | Total | Eliminations and Corporate | Consoli- dated |
| | <i>(Millions of yen)</i> | | | | | | |
| Sales: | | | | | | | |
| Sales to third parties | ¥103,445 | ¥37,847 | ¥57,380 | ¥4,054 | ¥202,727 | ¥ – | ¥202,727 |
| Intragroup sales | 499 | 120 | 50 | 3,545 | 4,215 | (4,215) | – |
| Total sales | 103,944 | 37,967 | 57,430 | 7,599 | 206,943 | (4,215) | 202,727 |
| Operating expenses | 96,208 | 35,963 | 56,472 | 7,097 | 195,742 | (4,233) | 191,508 |
| Operating income | ¥ 7,736 | ¥ 2,004 | ¥ 957 | ¥ 502 | ¥ 11,200 | ¥ 18 | ¥ 11,219 |

| | Six months ended September 30, 2007 | | | | | | |
|------------------------|-------------------------------------|-------------------------------|-----------|----------|-------------|----------------------------------|-------------------|
| | Foods – processing and sales | Foods – wholesale sales | Coca-Cola | Other | Total | Eliminations and Corporate | Consoli- dated |
| | <i>(Thousands of U.S. dollars)</i> | | | | | | |
| Sales: | | | | | | | |
| Sales to third parties | \$899,522 | \$329,104 | \$498,957 | \$35,252 | \$1,762,843 | \$ – | \$1,762,843 |
| Intragroup sales | 4,339 | 1,043 | 435 | 30,826 | 36,652 | (36,652) | – |
| Total sales | 903,861 | 330,148 | 499,391 | 66,078 | 1,799,504 | (36,652) | 1,762,843 |
| Operating expenses | 836,591 | 312,722 | 491,061 | 61,713 | 1,702,104 | (36,809) | 1,665,287 |
| Operating income | \$ 67,270 | \$ 17,426 | \$ 8,322 | \$ 4,365 | \$ 97,391 | \$ 157 | \$ 97,557 |

| | Six months ended September 30, 2006 | | | | | | |
|------------------------|-------------------------------------|-------------------------------|-----------|--------|----------|----------------------------------|-------------------|
| | Foods – processing and sales | Foods – wholesale sales | Coca-Cola | Other | Total | Eliminations and Corporate | Consoli- dated |
| | <i>(Millions of yen)</i> | | | | | | |
| Sales: | | | | | | | |
| Sales to third parties | ¥101,009 | ¥31,955 | ¥53,343 | ¥3,401 | ¥189,710 | ¥ – | ¥189,710 |
| Intragroup sales | 300 | 112 | – | 0 | 413 | (413) | – |
| Total sales | 101,310 | 32,067 | 53,343 | 3,401 | 190,123 | (413) | 189,710 |
| Operating expenses | 94,005 | 30,540 | 53,336 | 3,003 | 180,886 | (415) | 180,470 |
| Operating income | ¥ 7,304 | ¥ 1,526 | ¥ 7 | ¥ 398 | ¥ 9,236 | ¥ 2 | ¥ 9,239 |

8. Notes to Consolidated Interim Financial Statements (continued)

(5) Segment Information (continued)

Geographical Segments

Geographical segments information of the Company and its consolidated subsidiaries for the six months ended September 30, 2007 and 2006 is summarized as follows:

| Six months ended September 30, 2007 | | | | | | |
|-------------------------------------|----------|---------------|---------|----------|----------------------------|--------------|
| | Japan | North America | Other | Total | Eliminations and corporate | Consolidated |
| <i>(Millions of yen)</i> | | | | | | |
| Sales to third parties | ¥139,840 | ¥48,825 | ¥14,061 | ¥202,727 | ¥ – | ¥202,727 |
| Interarea sales | 7,468 | 808 | 253 | 8,531 | (8,531) | – |
| Total sales | 147,309 | 49,634 | 14,314 | 211,258 | (8,531) | 202,727 |
| Operating expenses | 143,059 | 44,169 | 12,792 | 200,020 | (8,512) | 191,508 |
| Operating income | ¥ 4,249 | ¥ 5,465 | ¥ 1,522 | ¥ 11,237 | ¥ (18) | ¥ 11,219 |

| Six months ended September 30, 2007 | | | | | | |
|-------------------------------------|-------------|---------------|-----------|-------------|----------------------------|--------------|
| | Japan | North America | Other | Total | Eliminations and corporate | Consolidated |
| <i>(Thousands of U.S. dollars)</i> | | | | | | |
| Sales to third parties | \$1,216,000 | \$424,565 | \$122,270 | \$1,762,843 | \$ – | \$1,762,843 |
| Interarea sales | 64,939 | 7,026 | 2,200 | 74,183 | (74,183) | – |
| Total sales | 1,280,948 | 431,600 | 124,470 | 1,837,026 | (74,183) | 1,762,843 |
| Operating expenses | 1,243,991 | 384,078 | 111,235 | 1,739,304 | (74,017) | 1,665,287 |
| Operating income | \$ 36,948 | \$ 47,522 | \$ 13,235 | \$ 97,713 | \$ (157) | \$ 97,557 |

| Six months ended September 30, 2006 | | | | | | |
|-------------------------------------|----------|---------------|--------|----------|----------------------------|--------------|
| | Japan | North America | Other | Total | Eliminations and corporate | Consolidated |
| <i>(Millions of yen)</i> | | | | | | |
| Sales to third parties | ¥137,090 | ¥43,453 | ¥9,165 | ¥189,710 | ¥ – | ¥189,710 |
| Interarea sales | 5,712 | 693 | 238 | 6,643 | (6,643) | – |
| Total sales | 142,802 | 44,147 | 9,404 | 196,353 | (6,643) | 189,710 |
| Operating expenses | 139,014 | 39,582 | 8,476 | 187,072 | (6,601) | 180,470 |
| Operating income | ¥ 3,788 | ¥ 4,564 | ¥ 928 | ¥ 9,281 | ¥ (41) | ¥ 9,239 |

8. Notes to Consolidated Interim Financial Statements (continued)

(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, 2007 and 2006 are summarized as follows:

| | Six months ended September 30, 2007 | | | | | |
|--|--|---------|----------|------------------------------------|-----------|------------|
| | North America | Other | Total | North America | Other | Total |
| | <i>(Millions of yen)</i> | | | <i>(Thousands of U.S. dollars)</i> | | |
| Overseas sales | ¥48,739 | ¥16,548 | ¥ 65,288 | \$423,817 | \$143,896 | \$ 567,722 |
| Consolidated net sales | | | 202,727 | | | 1,762,843 |
| Ratio of overseas sales to consolidated net sales | 24.0% | 8.2% | 32.2% | 24.0% | 8.2% | 32.2% |
| | Six months ended September 30, 2006 | | | | | |
| | North America | Other | Total | | | |
| | <i>(Millions of yen)</i> | | | | | |
| Overseas sales | ¥43,122 | ¥12,547 | ¥ 55,669 | | | |
| Consolidated net sales | | | 189,710 | | | |
| Ratio of overseas sales to consolidated net sales | 22.7% | 6.6% | 29.3% | | | |

9. Supplementary Schedules

(1) Consolidated Results for FY2008 Interim and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements

Consolidated Statement of Income

(Millions of yen, %)

| | FY2008 interim | | FY2007 interim | | Increase /Decrease | | | Translation difference | Increase /Decrease except translation difference | |
|------------------------|------------------|-------|------------------|-------|--------------------|-------|-----|------------------------|--|-------|
| | 4.1.07 – 9.30.07 | | 4.1.06 – 9.30.06 | | Amount | YoY | % | | Amount | YoY |
| | Amount | % | Amount | % | | | | | | |
| Net Sales | ¥202,727 | 100.0 | ¥189,710 | 100.0 | ¥13,017 | 106.9 | - | ¥2,509 | ¥10,508 | 105.5 |
| Operating Income | 11,219 | 5.5 | 9,239 | 4.9 | 1,979 | 121.4 | 0.6 | 282 | 1,697 | 118.4 |
| Recurring Income | 10,793 | 5.3 | 9,073 | 4.8 | 1,719 | 118.9 | 0.5 | 258 | 1,460 | 116.1 |
| Net Income | 5,702 | 2.8 | 5,026 | 2.6 | 676 | 113.5 | 0.2 | 190 | 485 | 109.7 |
| Exchange Rate (¥/US\$) | 119.03 | | 115.63 | | 3.40 | | | | | |

Geographical Segment Information

(Millions of yen, %)

| | | FY2008 interim | | FY2007 interim | | Increase /Decrease | | | Translation difference | Increase /Decrease except translation difference | |
|------------------------|------------------|------------------|-------|------------------|-------|--------------------|-------|-----|------------------------|--|-------|
| | | 4.1.07 – 9.30.07 | | 4.1.06 – 9.30.06 | | Amount | YoY | % | | Amount | YoY |
| | | Amount | % | Amount | % | | | | | | |
| Japan | Net Sales | ¥147,309 | 100.0 | ¥142,802 | 100.0 | ¥ 4,507 | 103.2 | - | ¥ - | ¥ 4,507 | 103.2 |
| | Operating Income | 4,249 | 2.9 | 3,788 | 2.7 | 461 | 112.2 | 0.2 | - | 461 | 112.2 |
| Overseas | Net Sales | 63,439 | 100.0 | 53,143 | 100.0 | 10,295 | 119.4 | - | 2,536 | 7,758 | 114.6 |
| | Operating Income | 6,988 | 11.0 | 5,492 | 10.3 | 1,496 | 127.2 | 0.7 | 282 | 1,213 | 122.1 |
| Eliminations | Net Sales | (8,021) | 100.0 | (6,236) | 100.0 | (1,784) | - | - | (27) | (1,757) | - |
| | Operating Income | (19) | - | (41) | - | 22 | - | - | (0) | 22 | - |
| Consolidated total | Net Sales | 202,727 | 100.0 | 189,710 | 100.0 | 13,017 | 106.9 | - | 2,509 | 10,508 | 105.5 |
| | Operating Income | 11,219 | 5.5 | 9,239 | 4.9 | 1,979 | 121.4 | 0.6 | 282 | 1,697 | 118.4 |
| Exchange Rate (¥/US\$) | | 119.03 | | 115.63 | | 3.40 | | | | | |

9. Supplementary Schedules (Continued)

(1) Consolidated Results for FY2008 Interim and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements (Continued)

| | | Business Segment Information | | | | <i>(Millions of yen, %)</i> | | | | | | |
|-------------------------------|------------------|-------------------------------------|-------|-----------------------|-------|-----------------------------|-------|-------|-------------------------------|---|-------|-----|
| | | FY2008 interim | | FY2007 interim | | Increase /Decrease | | | Translation difference | Increase /Decrease except translation difference | | |
| | | 4.1.07 – 9.30.07 | | 4.1.06 – 9.30.06 | | | | | | Amount | | YoY |
| | | Amount | % | Amount | % | Amount | YoY | % | | Amount | YoY | |
| Foods-manufacturing and sales | Net Sales | ¥103,944 | 100.0 | ¥101,310 | 100.0 | ¥2,634 | 102.6 | - | ¥ 1,247 | ¥1,386 | 101.4 | |
| | Operating Income | 7,736 | 7.4 | 7,304 | 7.2 | 432 | 105.9 | 0.2 | 224 | 207 | 102.8 | |
| Foods-wholesale | Net Sales | 37,967 | 100.0 | 32,067 | 100.0 | 5,900 | 118.4 | - | 1,249 | 4,651 | 114.5 | |
| | Operating Income | 2,004 | 5.3 | 1,526 | 4.8 | 477 | 131.3 | 0.5 | 58 | 419 | 127.5 | |
| Coca-Cola | Net Sales | 57,430 | 100.0 | 53,343 | 100.0 | 4,087 | 107.7 | - | - | 4,087 | 107.7 | |
| | Operating Income | 957 | 1.7 | 7 | 0.0 | 950 | - | 1.7 | - | 950 | - | |
| Others | Net Sales | 7,599 | 100.0 | 3,401 | 100.0 | 4,197 | 223.4 | - | 23 | 4,173 | 222.7 | |
| | Operating Income | 502 | 6.6 | 398 | 11.7 | 103 | 126.1 | (5.1) | (0) | 103 | 126.1 | |
| Eliminations | Net Sales | (4,215) | 100.0 | (413) | 100.0 | (3,802) | - | - | (11) | (3,790) | - | |
| | Operating Income | 18 | - | 2 | - | 15 | - | - | (0) | 15 | - | |
| Consolidated total | Net Sales | 202,727 | 100.0 | 189,710 | 100.0 | 13,017 | 106.9 | - | 2,509 | 10,508 | 105.5 | |
| | Operating Income | 11,219 | 5.5 | 9,239 | 4.9 | 1,979 | 121.4 | 0.6 | 282 | 1,697 | 118.4 | |
| Exchange Rate (¥/US\$) | | 119.03 | | 115.63 | | 3.40 | | | | | | |

9. Supplementary Schedules (Continued)

(2) Consolidated Forecasts for FY2008 and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements

Consolidated Statement of Income

(Millions of yen, %)

| | FY2008 | | FY2007 | | Increase /Decrease | | | Translation difference | Increase /Decrease except translation difference | |
|------------------------|------------------|-------|------------------|-------|--------------------|-------|-------|------------------------|--|-------|
| | 4.1.07 – 3.31.08 | | 4.1.06 – 3.31.07 | | Amount | YoY | % | | Amount | YoY |
| | Amount | % | Amount | % | | | | | | |
| Net Sales | ¥414,000 | 100.0 | 392,611 | 100.0 | ¥21,388 | 105.4 | - | ¥ 1,861 | ¥19,526 | 105.0 |
| Operating Income | 23,000 | 5.6 | 21,646 | 5.5 | 1,353 | 106.3 | 0.1 | 187 | 1,165 | 105.4 |
| Recurring Income | 21,500 | 5.2 | 20,983 | 5.3 | 516 | 102.5 | (0.1) | 177 | 338 | 101.6 |
| Net Income | 11,000 | 2.7 | 10,739 | 2.7 | 260 | 102.4 | - | 121 | 138 | 101.3 |
| Exchange Rate (¥/US\$) | 117.00 | | 117.00 | | - | | | | | |

Geographical Segment Information

(Millions of yen, %)

| | | FY2008 | | FY2007 | | Increase /Decrease | | | Translation difference | Increase /Decrease except translation difference | |
|--------------------|------------------------|------------------|-------|------------------|-------|--------------------|-------|-------|------------------------|--|-------|
| | | 4.1.07 – 3.31.08 | | 4.1.06 – 3.31.07 | | Amount | YoY | % | | Amount | YoY |
| | | Amount | % | Amount | % | | | | | | |
| Japan | Net Sales | ¥303,500 | 100.0 | 294,875 | 100.0 | ¥8,624 | 102.9 | - | ¥ - | ¥8,624 | 102.9 |
| | Operating Income | 9,950 | 3.3 | 10,623 | 3.6 | (673) | 93.7 | (0.3) | - | (673) | 93.7 |
| Overseas | Net Sales | 126,500 | 100.0 | 110,908 | 100.0 | 15,591 | 114.1 | - | 1,881 | 13,710 | 112.4 |
| | Operating Income | 13,050 | 10.3 | 11,082 | 10.0 | 1,967 | 117.8 | 0.3 | 187 | 1,779 | 116.1 |
| Eliminations | Net Sales | (16,000) | 100.0 | (13,172) | 100.0 | (2,827) | - | - | (19) | (2,808) | - |
| | Operating Income | - | - | (59) | - | 59 | - | - | - | 59 | - |
| Consolidated total | Net Sales | 414,000 | 100.0 | 392,611 | 100.0 | 21,388 | 105.4 | - | 1,861 | 19,526 | 105.0 |
| | Operating Income | 23,000 | 5.6 | 21,646 | 5.5 | 1,353 | 106.3 | 0.1 | 187 | 1,165 | 105.4 |
| | Exchange Rate (¥/US\$) | 117.00 | | 117.00 | | - | | | | | |

9. Supplementary Schedules (Continued)

(2) Consolidated Forecasts for FY2008 and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements (Continued)

| | | Business Segment Information | | | | <i>(Millions of yen, %)</i> | | | | | | |
|-------------------------------|------------------|-------------------------------------|-------|------------------|-------|-----------------------------|-------|-------|-------------------------------|---|-------|---|
| | | FY2008 | | FY2007 | | Increase /Decrease | | | Translation difference | Increase /Decrease except translation difference | | |
| | | 4.1.07 – 3.31.08 | | 4.1.06 – 3.31.07 | | | | | | Amount | YoY | % |
| | | Amount | % | Amount | % | Amount | YoY | % | | Amount | YoY | |
| Foods-manufacturing and sales | Net Sales | ¥206,000 | 100.0 | 201,793 | 100.0 | ¥4,206 | 102.1 | - | ¥ 1,009 | ¥3,196 | 101.6 | |
| | Operating Income | 14,400 | 7.0 | 15,120 | 7.5 | (720) | 95.2 | (0.5) | 142 | (862) | 94.3 | |
| Foods- wholesale | Net Sales | 77,700 | 100.0 | 67,609 | 100.0 | 10,090 | 114.9 | - | 829 | 9,261 | 113.7 | |
| | Operating Income | 3,900 | 5.0 | 2,994 | 4.4 | 905 | 130.2 | 0.6 | 46 | 859 | 128.7 | |
| Coca-Cola | Net Sales | 123,000 | 100.0 | 116,806 | 100.0 | 6,193 | 105.3 | - | - | 6,193 | 105.3 | |
| | Operating Income | 3,300 | 2.7 | 2,481 | 2.1 | 818 | 133.0 | 0.6 | - | 818 | 133.0 | |
| Others | Net Sales | 15,500 | 100.0 | 7,313 | 100.0 | 8,186 | 211.9 | - | 38 | 8,147 | 211.4 | |
| | Operating Income | 1,400 | 9.0 | 1,048 | 14.3 | 351 | 133.5 | (5.3) | (1) | 352 | 133.6 | |
| Eliminations | Net Sales | (8,200) | 100.0 | (911) | 100.0 | (7,288) | - | - | (15) | (7,272) | - | |
| | Operating Income | - | - | 2 | - | (2) | - | - | - | (2) | - | |
| Consolidated total | Net Sales | 414,000 | 100.0 | 392,611 | 100.0 | 21,388 | 105.4 | - | 1,861 | 19,526 | 105.0 | |
| | Operating Income | 23,000 | 5.6 | 21,646 | 5.5 | 1,353 | 106.3 | 0.1 | 187 | 1,165 | 105.4 | |
| Exchange Rate (¥/US\$) | | 117.00 | | 117.00 | | - | | | | | | |

9. Supplementary Schedules (continued)

(3) Major Consolidated Performance Indicators

| <i>Consolidated Results</i> | | Interim 2006.3 Actual | Interim 2007.3 Actual | Interim 2008.3 Actual | 2006.3 Actual | 2007.3 Actual | 2008.3 Forecast |
|--|-----------------|-----------------------------|-----------------------------|-----------------------------|------------------|------------------|--------------------|
| Net Sales | millions of yen | 173,000 | 189,710 | 202,727 | 359,906 | 392,611 | 414,000 |
| YoY Change | % | 2.0 | 9.7 | 6.9 | 4.4 | 9.1 | 5.4 |
| Operating Income | millions of yen | 8,087 | 9,239 | 11,219 | 18,557 | 21,646 | 23,000 |
| (Operating Income Ratio to Net Sales) | % | 4.7 | 4.9 | 5.5 | 5.2 | 5.5 | 5.6 |
| YoY Change | % | 2.1 | 14.2 | 21.4 | 4.0 | 16.6 | 6.3 |
| Recurring Income | millions of yen | 8,191 | 9,073 | 10,793 | 17,350 | 20,983 | 21,500 |
| (Recurring Income Ratio to Net Sales) | % | 4.7 | 4.8 | 5.3 | 4.8 | 5.3 | 5.2 |
| YoY Change | % | 6.5 | 10.8 | 18.9 | 4.2 | 20.9 | 2.5 |
| Net Income | millions of yen | 4,631 | 5,026 | 5,702 | 10,125 | 10,739 | 11,000 |
| (Net Income Ratio to Net Sales) | % | 2.7 | 2.6 | 2.8 | 2.8 | 2.7 | 2.7 |
| YoY Change | % | (2.6) | 8.5 | 13.5 | 6.7 | 6.1 | 2.4 |
| Shareholders' Equity per Share | yen | 813.18 | 875.61 | 899.53 | 870.82 | 906.84 | - |
| Net Income per Share | yen | 23.91 | 25.97 | 29.47 | 51.80 | 55.49 | 56.84 |
| Diluted Net Income per Share | yen | 23.91 | 25.95 | 29.44 | 51.79 | 55.45 | - |
| Total Net Assets | millions of yen | 157,457 | 201,541 | 205,625 | 168,676 | 206,919 | - |
| Shareholders' Equity | millions of yen | - | 169,477 | 174,070 | - | 175,522 | - |
| Total Assets | millions of yen | 307,983 | 345,916 | 347,730 | 331,781 | 348,995 | - |
| Shareholders' Equity Ratio | % | 51.1 | 49.0 | 50.1 | 50.8 | 50.3 | - |
| D/E Ratio | % | 32.7 | 39.1 | 38.6 | 37.8 | 37.3 | - |
| Dividend on Equity | % | - | - | - | 1.5 | 1.7 | - |
| ROE | % | 3.0 | 3.0 | 3.3 | 6.4 | 6.2 | - |
| Recurring Income to Total Assets | % | 2.7 | 2.7 | 3.1 | 5.5 | 6.2 | - |
| Share Price as of Term-end | yen | 1,090 | 1,377 | 1,734 | 1,324 | 1,510 | - |
| PER | Times | - | - | - | 25.6 | 27.2 | - |
| Cash Flows From Operating Activities | millions of yen | 9,864 | 10,333 | 10,085 | 20,646 | 24,663 | - |
| Cash Flows From Investing Activities | millions of yen | (5,626) | (12,206) | (7,608) | (17,270) | (27,634) | - |
| Cash Flows From Financing Activities | millions of yen | (644) | (8,303) | (1,348) | 11,240 | (9,549) | - |
| Term-end Cash and Cash Equivalents | millions of yen | 24,223 | 25,197 | 25,459 | 35,642 | 23,474 | - |
| Free Cash Flows | millions of yen | 1,673 | 1,398 | 1,313 | 4,090 | 5,848 | - |
| Free Cash Flows per Share | yen | 8.64 | 7.22 | 6.78 | 21.12 | 30.22 | - |
| Interest-bearing Debt | millions of yen | 57,005 | 71,802 | 72,172 | 69,396 | 70,616 | - |
| Capital Expenditures | millions of yen | 8,209 | 7,630 | 9,118 | 17,156 | 17,064 | 23,700 |
| (For Property, Plant and Equipment) | millions of yen | 7,804 | 7,331 | 8,628 | 15,964 | 16,425 | 23,000 |
| Depreciation and Amortization | millions of yen | 6,694 | 7,703 | 8,583 | 14,223 | 16,290 | 17,800 |
| (On Property, Plant and Equipment) | millions of yen | 5,833 | 6,730 | 7,539 | 12,506 | 14,235 | 15,700 |
| R&D Costs | millions of yen | 1,669 | 1,793 | 1,810 | 3,439 | 3,783 | - |
| Net Financial Income (Loss) | millions of yen | 281 | 53 | 187 | 191 | 175 | - |
| Average Term Exchange Rate | yen/US\$ | 109.93 | 115.63 | 119.03 | 113.42 | 117.00 | 117.00 |
| No. of Employees | people | 6,383 | 7,149 | 7,590 | 6,422 | 7,065 | - |
| No. of Shares Issued and Outstanding at Term-end | Thousand | 193,632 | 193,553 | 193,512 | 193,589 | 193,553 | - |

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

2. Free cash flows = Cash flows from operating activities - Acquisition of property, plant, equipment and intangible assets

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

5. Shareholders' equity is computed by subtracting stock acquisition rights and minority interests from net assets.

6. D/E ratio = (Loans + Bonds) / Shareholders' equity

7. No. of shares issued and outstanding at term-end is computed by subtracting shareholders' equity.