

## Consolidated Financial Results

# Kikkoman Corporation Flash Report for Fiscal 2014 1Q

Three-month period ended June 30, 2013

Listed company name: **Kikkoman Corporation**  
Shares listed: Tokyo (1st Section)  
Code No.: 2801  
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Scheduled submission date of quarterly accounting report: August 12, 2013  
Scheduled date for cash dividend payments: —  
Supplementary Schedules for quarter: Yes  
Results briefing for quarter: / None

**Notes:**

1. All information has been prepared in accordance with accounting principles and practices generally accepted in Japan.
2. Amounts less than ¥1 million, except for per share amounts, have been omitted in the following tables.

## 1. Business Performance for the Three-month Period Ended June 30, 2013 (April 1, 2013 to June 30, 2013)

### 1) Business Performance

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income	
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)
Apr. 1, 2013 -Jun. 30, 2013	83,979	13.8	6,497	28.4	5,508	22.8	4,023	65.2
Apr. 1, 2012 -Jun. 30, 2012	73,786	—	5,062	—	4,487	—	2,434	—

(Note) Comprehensive Income (loss)

April 1, 2013 to June 30, 2013: ¥ 9,643 million(—%)

April 1, 2012 to June 30, 2012: ¥ (1,056) million (—%)

	Net income per share (yen)	Net income per share (Assuming full dilution) (yen)
Apr. 1, 2013 -Jun. 30, 2013	20.13	20.12
Apr. 1, 2012 -Jun. 30, 2012	12.00	—

(Note) Due to retroactive application associated with a change in accounting policy, year-on-year changes for the figures for the fiscal year ended March 31, 2013 are omitted.

### 2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
Jun. 30, 2013	346,072	193,221	55.5%
Mar. 31, 2013	337,051	187,459	55.2%

(Note) Total shareholders' equity

Jun. 30, 2013: ¥191,934 million

Mar. 31, 2013: ¥186,168 million

## 2. Cash Dividends

	Cash dividends per share (yen)				
	Three-month period ended	Six-month period ended	Nine-month period ended	Full year ended	Total
Apr. 1, 2012 -Mar. 31, 2013	—	0.00	—	20.00	20.00
Apr. 1, 2013 -Mar. 31, 2014	—				
Apr. 1, 2013 -Mar. 31, 2014 (Estimated)		0.00	—	18.00	18.00

(Note) Revisions to dividend forecasts this quarter: None

### 3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2014 (April 1, 2013 to March 31, 2014)

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (yen)
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	
Apr. 1, 2013-Sep.30, 2013	163,250	11.0	11,650	12.9	10,100	10.2	6,100	27.6	30.52
Apr.1, 2013-Mar.31, 2014	327,000	8.9	22,500	13.6	20,500	9.6	12,500	13.6	62.53

(Note) Revisions to recently announced forecasts of business performance: None

Due to retroactive application associated with a change in accounting policy, year-on-year changes are comparisons with figures after retroactive application.

**[Notes]**

1) Changes in important subsidiaries during the first three months (Changes in certain specific subsidiaries resulting in a revised scope of consolidation): No

2) Application of special accounting methods in preparation for the consolidated quarterly financial statements: Yes

(Note) For details, please refer to the attachments to this report, Page 9, 2.Summary Information (Notes),  
2) Application of Special Accounting Methods in Preparation for the Consolidated Quarterly Financial Statements.

3) Changes in accounting policy, changes in accounting estimates and restatement of revisions

- ① Changes in accounting policy associated with accounting standard revisions: None
- ② Changes in accounting policy other than those in ① above: Yes
- ③ Changes in accounting estimates: None
- ④ Restatement of revisions: None

(Note) For details, please refer to the attachments to this report, Page9, 2.Summary Information (Notes),  
3) Changes in Accounting Policy, Changes in Accounting Estimates and Restatement of Revisions.

4) Issued and outstanding shares (common stock)

- ① Shares issued and outstanding at end of period (including treasury stock)
 

June 30, 2013 — 210,383,202 shares	Mar. 31, 2013 — 210,383,202 shares
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- ② Treasury stock at end of period
 

June 30, 2013 — 10,475,090 shares	Mar. 31, 2013 — 10,651,103 shares
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- ③ Shares outstanding during the period (cumulative for period, consolidated)
 

June 30, 2013 — 199,843,796 shares	June 30, 2012 — 202,870,944 shares
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\* Disclosure of quarterly review procedures

This quarterly flash report does not use quarterly review procedures based on the Financial Instruments and Exchange Law. The quarterly review procedures were being conducted for consolidated quarterly financial statements when this quarterly flash review was disclosed.

\* Explanation of appropriate use of business forecasts and other special matters

(Caution Regarding Forward-looking Statements)

Forecasts of business performance and future developments noted in this report are based on assumptions from information available to management at the time of disclosure and deemed reasonable at the present time. Actual results may differ significantly from forecasts. For details of business performance forecasts and guidelines for assumptions, please refer to the attachments to this report, Page 9, 1. Qualitative Information and Consolidated Financial Statements, etc., 3) Explanation of forward-looking statements, including forecasts of consolidated business performance.

(Method for Obtaining Supplementary Schedules for Quarterly Results)

Kikkoman will publish supplementary schedules to the first quarter results on TD-net for viewing in Japan, and on its Website.

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## 1. Qualitative Information and Consolidated Financial Statements, etc.

## 1) Explanation of business performance

During the first three months of fiscal 2014, the global economy continued to make a weak recovery overall, with a moderate improvement in the United States, while the European sovereign debt crisis remained a downside risk. The Japanese economy was recovering steadily, with a rise in exports and personal spending.

In this environment, the Kikkoman Group recorded higher sales in the Domestic Foods-Manufacturing and Sales segment than in the same period of the previous fiscal year, reflecting rises in Soy Sauce and Food Products. Overseas, sales increased year on year, as Soy Sauce sales increased, primarily in North America and Europe, while the Overseas Foods-Wholesale business also did well.

Performance in each reporting segment for the quarter under review is outlined as follows.

## &lt;Consolidated Financial Statements&gt;

*(Millions of yen, %)*

	FY2013 1Q		FY2014 1Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2012 – 6.30.2012		4.1.2013 – 6.30.2013		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%				Amount		
Net Sales	73,786	100.0	83,979	100.0	10,193	113.8	–	7,010	3,183	104.3
Operating Income	5,062	6.9	6,497	7.7	1,435	128.4	0.8	742	693	113.7
Ordinary Income	4,487	6.1	5,508	6.6	1,021	122.8	0.5	619	401	108.9
Net Income	2,434	3.3	4,023	4.8	1,588	165.2	1.5	520	1,067	143.8
Exchange Rate (¥/US\$)	80.40		97.94		17.54					
(¥/EUR)	103.35		127.35		24.00					

## &lt;Reporting segments&gt;

(Millions of yen, %)

		FY2013 1Q		FY2014 1Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2012 – 6.30.2012		4.1.2013 – 6.30.2013						Amount	
		Amount	%	Amount	%	Amount	YoY	%	Amount	YoY	
Domestic Foods-Manufacturing and Sales	Net Sales	39,323	100.0	40,038	100.0	714	101.8	—	—	714	101.8
	Operating Income	1,562	4.0	1,358	3.4	(203)	87.0	(0.6)	—	(203)	87.0
Domestic Others	Net Sales	5,120	100.0	5,206	100.0	85	101.7	—	—	85	101.7
	Operating Income	395	7.7	403	7.8	8	102.1	0.0	—	8	102.1
Overseas Foods-Manufacturing and Sales	Net Sales	12,311	100.0	15,318	100.0	3,007	124.4	—	2,565	441	103.6
	Operating Income	2,242	18.2	3,040	19.8	798	135.6	1.6	495	302	113.5
Overseas Foods-Wholesale	Net Sales	22,142	100.0	28,628	100.0	6,485	129.3	—	4,775	1,709	107.7
	Operating Income	1,085	4.9	1,488	5.2	403	137.1	0.3	192	210	119.4
Adjustments	Net Sales	(5,112)	100.0	(5,212)	100.0	(100)	—	—	(331)	231	—
	Operating Income	(222)	—	206	—	429	—	—	53	375	—
Consolidated Total	Net Sales	73,786	100.0	83,979	100.0	10,193	113.8	—	7,010	3,183	104.3
	Operating Income	5,062	6.9	6,497	7.7	1,435	128.4	0.8	742	693	113.7
Exchange Rate	(¥/US\$)	80.40		97.94		17.54					
	(¥/EUR)	103.35		127.35		24.00					

(Note) As described in 2. Summary Information (Notes), 3) Changes in Accounting Policy, Changes in Accounting Estimates and Restatement of Revisions, certain domestic consolidated subsidiaries have changed their revenue recognition standard for the first three months of the fiscal year under review onwards.

The new revenue recognition standard is applied retroactively to the figures for the same quarter of the previous fiscal year.

Performance in each reporting segment is outlined as follows.

## 【Domestic】

Sales in Japan were as follows.

## Domestic Foods—Manufacturing and Sales

This business segment comprises manufacturing and sales in Japan of products from the Soy Sauce Division and the Food Products Division, which includes *tsuyu*, *tare* and Del Monte seasonings, as well as the Beverages Division, which includes soy milk beverages and Del Monte beverages, and the *Sake* and Wine Division, which includes *mirin* and wines. Sales for each division were as follows.

## ■ Soy Sauce Division

The Company emphasized the added value—the good taste of fresh raw soy sauce, the preservation of freshness, and user-friendliness—of *Yawaraka Mippu Bottle 450 mL* (air-tight soft plastic bottles), which was launched in the previous fiscal year in response to consumer needs, in the *Itsudemo Shinsen* (always fresh) series. It steadily expanded sales of this new category of soy sauce. Aggregate sales in the Soy Sauce Division rose from the same period in the previous fiscal year.

## ■ Food Products Division

In *tsuyu* (soy sauce soup base), in the home-use sector, sales increased from a year earlier due to strong sales of the flagship product *Hon Tsuyu* and *Straight Tsuyu*. Sales in the industrial- and foodservice-use sector also rose, and as a result, aggregate sales in *tsuyu* rose from a year ago. In *tare* (dipping and marinade sauces), sales of the mainstay *Wagaya-wa-Yakinikuyasan* series were strong partly due to the contribution of *Shoyukoji-no-Tsukekomidare*, a new product. Sales of *Steak Shoyu* (soy steak sauce) rose steadily. As a result, aggregate sales of *tare* rose year on year. The *Uchi-no-Gohan* series (handy Japanese-style seasoning mixes) drove the expansion of the market through aggressive product development, TV advertising, and storefront promotion activities, and sales of the series rose sharply year on year. Although ketchup sales climbed from a year earlier partly because of the contribution of new products, including *Ketchup Half*, aggregate sales of Del Monte seasonings were on a par with the year-ago level. Aggregate sales of the Food Products Division increased from the same period in the previous fiscal year.

## ■ Beverages Division

Sales of soy milk beverages rose from the same period in the previous fiscal year thanks to vigorous sales promotion activities aimed at expanding the market and strong sales of new products, including *Tonyu Inryo Mango*. In light of rising consumer health awareness, these promotion activities were designed to promote the appeal of soy milk for use in cooking as well as beverages, among other selling points in conjunction with media such as television and magazines. Despite strong sales of fruit juice, mainly as gifts, sales of new products, including *Asa Tomato*, and aggressive sales promotion, including a Del Monte 50th anniversary campaign, aggregate sales of Del Monte beverages declined slightly from a year earlier, partly because of the underperformance of tomato juice, which had increased sharply in the previous fiscal year. Overall sales of the Beverages Division fell year on year.

## ■ Sake and Wine Division

Overall sales of *Hon Mirin* rose from the same period of the previous year, reflecting strong sales of major items, particularly 1 L bottles in the home-use sector. Sales of domestic wines increased in the foodservice-use sector. Sales of imported wines rose as a result of measures to cultivate the market. Consequently, overall sales in the Sake and Wine Division increased from the previous year.

As a result of the above, net sales for the Domestic Foods-Manufacturing and Sales increased 1.8%, to ¥40,038 million. Operating income declined 13.0%, to ¥1,358 million.

## Domestic Others

This segment includes production and sales of clinical diagnostic reagents, hygiene inspection agents, processing enzymes and chemical products such as hyaluronic acid, as well as real estate rental, logistics, back-office functions for the Kikkoman Group, and other businesses.

Aggregate division sales rose year on year, reflecting strong sales of clinical diagnostic reagents and chemical products such as hyaluronic acid.

As a result, Domestic Others saw net sales rise 1.7% year on year to ¥5,206 million, and operating income increase 2.1% year on year, to ¥403 million.

## 【Overseas】

Sales overseas were as follows.

### Overseas Foods—Manufacturing and Sales

This business comprises the manufacturing and sales and the sale for overseas export of products from the Soy Sauce Division, Del Monte Division, and the Other Foods Division, which sells health foods overseas. Sales for each division were as follows.



## ■ Soy Sauce Division

In the North American market, the division leveraged Kikkoman's brand power to expand its business by continuing to enhance the lineup of mainstay soy sauce products, soy sauce-based seasonings and other products for the home-use sector. In the industrial- and foodservice-use sectors, the division worked attentively to meet consumer needs. The result of those initiatives was that aggregate sales in the North American market increased from the same period of the previous fiscal year.

In the European market, sales continued to rise at a double-digit pace year on year thanks to steady growth in sales in Russia, where demand for soy sauce is strongest, and in the core markets of Germany and the United Kingdom.

In the Asian and Oceanian market, sales volumes increased from a year earlier in Thailand, but sales were weak in the Philippines and Malaysia. Overall, sales in the Asian and Oceanian market declined from the same period of the previous fiscal year.

The division recorded a sharp rise from a year earlier, reflecting the above and currency effects.

## ■ Del Monte Division

This division conducts sales of canned fruits, canned corn, tomato ketchup and other products in the Asia and Oceania region.

Sales in the Hong Kong market were strong, while sales in the South Korean and Chinese markets dipped temporarily. Aggregate division sales rose year on year thanks to currency effects.

## ■ Other Foods Division

This division manufactures and sells health foods, mainly in the North American market.

Overall division sales increased year on year, mainly as a result of consistently strong sales through medical doctors.

As a result of the above, net sales for Overseas Foods-Manufacturing and Sales segment increased 24.4% year on year, to ¥15,318 million. Operating income rose 35.6% year on year, to ¥3,040 million.

## Overseas Foods—Wholesale

This segment procures and sells oriental foods in Japan and overseas.

Sales grew in North America as a result of efforts to penetrate not only Asian markets but also local markets in general. Markets continued to rise in Europe and Oceania, leading to steady growth in sales in each region. As a consequence, aggregate division sales rose year on year.

As a result, Overseas Foods-Wholesale saw net sales increase 29.3% year on year to ¥28,628 million and operating income climbed 37.1% year on year to ¥1,488 million.

As a result of the aforementioned segment results, the Company reported consolidated net sales for the first three months of fiscal 2014 of ¥83,979 million (up 13.8% year on year), operating income of ¥6,497 million (up 28.4%), ordinary income of ¥5,508 million (up 22.8%), and net income of ¥4,023 million (up 65.2%).

## 2) Explanation of financial position

### (Assets)

Current assets as of June 30, 2013, were ¥128,996 million, an increase of ¥2,986 million from March 31, 2013. This was due primarily to an increase in notes and accounts receivable-trade. Noncurrent assets were up ¥6,033 million to ¥217,075 million, primarily because of an increase in property, plant and equipment, and investment securities.

As a result, total assets increased by ¥9,020 million from March 31, 2013 to ¥346,072 million.

### (Liabilities)

Current liabilities were ¥48,610 million, an increase of ¥2,447 million from March 31, 2013. This was mainly attributable to an increase in notes and accounts payable-trade. Noncurrent liabilities increased by ¥811 million to ¥104,241 million, mainly because of an increase in deferred tax liabilities, and Provision for environmental measures.

As a result, total liabilities increased by ¥3,259 million to ¥152,851 million from March 31, 2013.

### (Net Assets)

Net assets stood at ¥193,221 million, up ¥5,761 million from March 31, 2013. This was mainly due to amelioration in foreign currency translation adjustment, and an increase in valuation difference on available-for-sale securities.

As a result, the equity ratio rose 0.3 percentage points from 55.2% to 55.5%.

## 3) Explanation of forward-looking statements, including forecasts of consolidated business performance

There are no changes to the semiannual and full year forecasts of business performance that were announced on April 26, 2013. And, there are no material changes to the business risks that may affect business performance from those disclosed in the latest Annual Securities Report submitted on June 25, 2013.

## 2. Summary Information (Notes)

### 1) Changes in Important Subsidiaries during the First Three Months

No applicable items

### 2) Application of Special Accounting Methods in Preparation for the Consolidated Quarterly Financial Statements

#### Calculation of tax expenses

The effective tax rate after application of deferred tax accounting to income before income taxes and minority interests for the consolidated fiscal year, including the first three months under review, is reasonably estimated, and the tax expenses are calculated by multiplying this estimated effective tax rate by income before income taxes and minority interests.

### 3) Changes in Accounting Policy, Changes in Accounting Estimates and Restatement of Revisions

#### Changes in accounting policy

##### (Change in revenue recognition standard)

The Company's domestic consolidated subsidiaries recognized revenue primarily on a shipping basis. Starting the first quarter of the fiscal year under review, however, certain domestic consolidated subsidiaries are recognizing revenue on delivery dates under the terms and conditions of contracts. Those consolidated subsidiaries have changed the revenue recognition standard to more adequately reflect actual sales. They have agreed with their customers to record billing amounts on delivery dates to reflect actual transactions with the customers more accurately and have completed a system to deal with the change.

The change in accounting policy is retroactively applied to the quarterly consolidated financial statements and full-year consolidated financial statements for the previous consolidated fiscal year.

The retroactive application has boosted net sales for the first quarter of the previous fiscal year 360 million yen. Operating income, ordinary income, and income before income taxes and minority interests

each have increased 144 million yen. The net assets at the beginning of the previous fiscal year have reflected the cumulative effects of the change in accounting policy, and retained earnings at the beginning of the previous fiscal year declined 390 million yen.

### 3. Consolidated Quarterly Financial Statements

#### 1) Consolidated Quarterly Balance Sheets

	(Millions of yen)	
	As of March 31, 2013	As of June 30, 2013
<b>Assets</b>		
Current assets		
Cash and deposits	30,598	28,226
Notes and accounts receivable-trade	44,053	46,685
Short-term investment securities	131	131
Merchandise and finished goods	23,984	25,775
Work in process	10,405	10,614
Raw materials and supplies	3,861	4,136
Deferred tax assets	5,610	4,731
Other	7,570	8,922
Allowance for doubtful accounts	(205)	(227)
Total current assets	126,010	128,996
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	42,529	45,199
Machinery, equipment and vehicles, net	32,542	34,598
Land	20,039	20,473
Lease assets, net	181	176
Construction in progress	5,351	3,661
Other, net	3,048	3,626
Total property, plant and equipment	103,693	107,735
Intangible assets		
Goodwill	21,792	21,382
Other	3,675	3,896
Total intangible assets	25,468	25,279
Investments and other assets		
Investment securities	70,858	72,985
Long-term loans receivable	691	698
Deferred tax assets	1,112	1,036
Other	9,948	10,073
Allowance for doubtful accounts	(732)	(734)
Total investments and other assets	81,879	84,060
Total noncurrent assets	211,041	217,075
Total assets	337,051	346,072

(Millions of yen)

	As of March 31, 2013	As of June 30, 2013
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	16,005	18,444
Short-term loans payable	7,338	7,337
Lease obligations	57	58
Accounts payable-other	13,412	14,902
Income taxes payable	2,095	2,149
Provision for bonuses	2,172	933
Provision for directors' bonuses	84	23
Other	4,995	4,760
<b>Total current liabilities</b>	<b>46,162</b>	<b>48,610</b>
Noncurrent liabilities		
Bonds payable	70,000	70,000
Long-term loans payable	15,600	15,600
Lease obligations	94	91
Deferred tax liabilities	5,699	6,309
Provision for retirement benefits	4,271	4,378
Provision for directors' retirement benefits	967	878
Provision for environmental measures	321	509
Other	6,475	6,474
<b>Total noncurrent liabilities</b>	<b>103,429</b>	<b>104,241</b>
<b>Total liabilities</b>	<b>149,591</b>	<b>152,851</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	21,227	21,308
Retained earnings	169,702	169,723
Treasury stock	(10,352)	(10,206)
Deposit for subscriptions to treasury stock	78	10
<b>Total shareholders' equity</b>	<b>192,254</b>	<b>192,435</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,867	7,011
Deferred gains or losses on hedges	19	13
Foreign currency translation adjustment	(10,918)	(6,430)
Unfunded retirement benefit obligation of overseas subsidiaries	(1,054)	(1,094)
<b>Total accumulated other comprehensive income</b>	<b>(6,085)</b>	<b>(500)</b>
Subscription rights to shares	115	82
Minority interests	1,174	1,203
<b>Total net assets</b>	<b>187,459</b>	<b>193,221</b>
<b>Total liabilities and net assets</b>	<b>337,051</b>	<b>346,072</b>

## 2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income

### (Consolidated Quarterly Statements of Income) (During the first three months of fiscal 2014)

	(Millions of yen)	
	Three months ended June 30, 2012	Three months ended June 30, 2013
Net sales	73,786	83,979
Cost of sales	43,346	49,837
Gross profit	30,440	34,142
Selling, general and administrative expenses	25,378	27,644
Operating income	5,062	6,497
Non-operating income		
Interest income	30	32
Dividends income	371	431
Equity in earnings of affiliates	163	310
Rent income	122	134
Gain on valuation of derivatives	42	1,025
Other	620	287
Total non-operating income	1,351	2,221
Non-operating expenses		
Interest expenses	415	361
Foreign exchange losses	120	1,114
Other	1,389	1,734
Total non-operating expenses	1,926	3,210
Ordinary income	4,487	5,508
Extraordinary income		
Gain on sales of property, plant and equipment	—	1,031
Gain on sales of investment securities	—	16
Compensation income	56	—
Total extraordinary income	56	1,047
Extraordinary loss		
Loss on retirement of noncurrent assets	—	339
Loss on valuation of investment securities	389	—
Loss on valuation of golf club membership	6	2
Total extraordinary loss	395	342
Income before income taxes and minority interests	4,148	6,213
Income taxes	1,681	2,157
Income before minority interests	2,466	4,056
Minority interests in income	31	33
Net income	2,434	4,023

(Consolidated Quarterly Statements of Comprehensive Income)  
 (During the first three months of fiscal 2014)

	(Millions of yen)	
	Three months ended June 30, 2012	Three months ended June 30, 2013
Income before minority interests	2,466	4,056
Other comprehensive income		
Valuation difference on available-for-sale securities	(637)	1,026
Deferred gains or losses on hedges	(2)	0
Foreign currency translation adjustment	(2,913)	4,178
Unfunded retirement benefit obligation of overseas subsidiaries	41	(40)
Share of other comprehensive income of associates accounted for using equity method	(11)	422
Total other comprehensive income (loss)	(3,523)	5,587
Comprehensive income (loss)	(1,056)	9,643
Total comprehensive income (loss) attributable to:		
Owners of the Company	(1,081)	9,608
Minority interests	24	35

### 3) Notes on quarterly consolidated financial statements (Notes Regarding Going Concern)

No applicable items.

### (Notes Regarding Significant Changes in Shareholders' Equity)

No applicable items.

### (Segment Information, etc.)

#### I. First three months of fiscal 2013 (April 1, 2012 to June 30, 2012)

##### Sales, Income, and Losses by Reporting Segment

(Millions of yen)

	Reporting Segment					Adjustments (Note 1)	Consoli- dated Total (Note 2)
	Domestic Foods – Manufacturing and Sales	Domestic Others	Overseas Foods – Manufacturing and Sales	Overseas Foods – Wholesale	Total		
Sales							
Sales to third parties	39,018	1,998	10,669	22,100	73,786	—	73,786
Intragroup sales or transfers	305	3,121	1,642	42	5,112	(5,112)	—
Total sales	39,323	5,120	12,311	22,142	78,898	(5,112)	73,786
Operating income	1,562	395	2,242	1,085	5,285	(222)	5,062

(Notes)

- Adjustments of ¥(222) million in segment operating income consist mainly of difference in the allocation of corporate expenses.
- Segment operating incomes are adjusted to the operating incomes recorded in the consolidated statements of income.

#### II. First three months of fiscal 2014 (April 1, 2013 to June 30, 2013)

##### 1. Sales, Income, and Losses by Reporting Segment

(Millions of yen)

	Reporting Segment					Adjustments (Note 1)	Consoli- dated Total (Note 2)
	Domestic Foods – Manufacturing and Sales	Domestic Others	Overseas Foods – Manufacturing and Sales	Overseas Foods – Wholesale	Total		
Sales							
Sales to third parties	39,779	2,214	13,433	28,551	83,979	—	83,979
Intragroup sales or transfers	258	2,992	1,884	76	5,212	(5,212)	—
Total sales	40,038	5,206	15,318	28,628	89,192	(5,212)	83,979
Operating income	1,358	403	3,040	1,488	6,291	206	6,497

(Notes)

- Adjustments of ¥ 206 million in segment operating income consist mainly of difference in the allocation of corporate expenses.
- Segment operating incomes are adjusted to the operating incomes recorded in the consolidated statements of income.

##### 2. Changes relating to reporting segments

(Change in revenue recognition standard)

As described in 2. Summary Information (Notes), 3) Changes in Accounting Policy, Changes in Accounting Estimates and Restatement of Revisions, certain domestic consolidated subsidiaries have changed their revenue recognition standard for the first three months of the fiscal year under review onwards.



The change in accounting policy is retroactively applied to the segment information for the first quarter of the previous fiscal year. For Domestic Foods-Manufacturing and Sales, net sales increased 360 million yen, and operating income rose 144 million yen.