



Kikkoman Corporation Flash Report

Listed company name: **Kikkoman Corporation**
 Code No.: 2801
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Kikkoman Announces Sales Figures for Fiscal 2004 1Q

1. Notes Relating to the Preparation of Quarterly Financial Statements

Changes in accounting treatment of net sales from nearest consolidated fiscal year: No

2. Business Performance for the Three-month Period Ended June 30, 2003 (April 1, 2003 to June 30, 2003)

1) Net Sales

(¥ million)

	Fiscal 2004 1Q	Fiscal 2003 1Q	Increase/ (Decrease)	%	(Reference) Fiscal 2003
Net Sales	¥ 79,470	¥ 83,012	(¥ 3,541)	95.7	¥ 342,508

Notes:

1. Net sales are cumulative figures to the end of the quarter.
2. Net sales for geographical and business segments are as follows:

Geographical Segments

(¥ million)

	Fiscal 2004 1Q		Fiscal 2003 1Q		Increase /Decrease	Translation difference	Increase /Decrease except translation difference	
	4.1.03 – 6.30.03		4.1.02 – 6.30.02				Amount	%
	Amount	Amount	Amount	%				
Japan	63,171	65,716	(2,545)	96.1	-	(2,545)	96.1	
North America	15,973	16,875	(902)	94.7	(1,831)	929	105.5	
Other	3,158	3,210	(51)	98.4	46	(98)	96.9	
Intragroup sales and transfers	(42)	(51)	8	83.3	4	3	93.0	
Overseas total	19,089	20,035	(945)	95.3	(1,779)	833	104.2	
Intragroup sales and transfers	(2,790)	(2,740)	(50)	101.8	84	(134)	104.9	
Consolidated total	79,470	83,012	(3,541)	95.7	(1,695)	(1,846)	97.8	
	US\$	119.23	133.11	(13.88)				



Business Segments

(¥ million)

	Fiscal 2004	Fiscal 2003	Increase /Decrease		Translation difference	Increase /Decrease except translation difference	
	1Q	1Q				Amount	%
	4.1.03 – 6.30.03	4.1.02 – 6.30.02	Amount	%			
Foods– manufacturing and sales	42,710	44,775	(2,065)	95.4	(659)	(1,405)	96.9
Foods – wholesale	11,761	12,168	(406)	96.7	(1,054)	647	105.3
Coca- Cola	24,362	25,347	(984)	96.1	-	(984)	96.1
Others	951	1,029	(78)	92.4	14	(92)	91.0
Intragroup sales and transfers	(314)	(308)	(6)	102.1	3	(10)	103.3
Consolidated total	79,470	83,012	(3,541)	95.7	(1,695)	(1,846)	97.8
	US\$ 119.23	133.11	(13.88)				

Supplementary Explanation for Net Sales

Consolidated net sales in the first quarter of the fiscal year ending March 31, 2004 were ¥79,470 million, 4.3% lower year on year. Results by business segment were as follows.

(Foods—Manufacturing and Sales)

In Japan, although the Soy Sauce Derivative Products Division continued to perform steadily, all other divisions faced an uphill battle. Overseas, sales grew steadily in Europe, but market conditions were difficult in the U.S. as the economy there slowed. The Del Monte Division also had to cope with sluggishness in Asia. The appreciation of the yen, relative to the level in the first quarter in the previous fiscal year, added to the difficulties. The overall result of these factors was a drop in overseas sales.

Overall, the segment posted net sales of ¥42,710 million, 4.6% lower year on year.

(Foods—Wholesale)

Overseas, this segment’s performance was encouraging given the uncertain geopolitical situation, but sales nevertheless declined, due in part to the appreciation of the yen relative to the level in the first quarter in the previous fiscal year. As a result, segment net sales declined 3.3% to ¥11,761 million.

(Coca-Cola)

Compared with the same period in the previous fiscal year, when good weather supported strong demand, the operating environment was difficult. This was reflected in a decline in sales volume as competition intensified. As a result, the segment posted net sales of ¥24,362 million, 3.9% lower year on year.

(Others)

Net sales in this segment dropped 7.6% to ¥951 million.

2) There were no occurrences to report that had a material effect on the group’s financial position or operating results in the first quarter.



3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2004

1) Consolidated Basis

(¥ million)

	Net sales	Recurring income	Net income
Apr. 1, - Sep.30, 2003	¥164,200	¥5,900	¥3,300
Apr.1, 2003 – Mar.31, 2004	¥338,100	¥14,800	¥7,750

Notes:

1. Estimated net income per share (full year): ¥39.20
2. Estimated operating income
(full year) ¥16,300 million, (interim) ¥6,500 million.
3. Estimated exchange rate
(full year) ¥120=US\$1.00, (interim) ¥120=US\$1.00.

Qualitative Information and Other Matters Concerning Operating Result Forecasts

(Interim Period)

Kikkoman has downwardly revised its initial forecasts for the interim period ending September 30, 2003 to account for factors such as the war in Iraq, the effect of SARS on overseas markets, the negative impact of unseasonable weather on the Coca-Cola Business, and protracted sluggishness in the Japanese marketplace. The forecast for net sales has been lowered ¥4,300 million to ¥164,200 million, representing a year-on-year decline of 3.1%; the forecast for recurring income has been lowered ¥1,300 million to ¥5,900 million, representing a year-on-year decline of 17.3%; and the forecast for net income has been lowered ¥500 million to ¥3,300 million, representing a year-on-year decline of 8.9%.

(Full Year)

Kikkoman forecasts a recovery in operating results in overseas businesses during the second half of the fiscal year. However, with interim results expected to fall short of initial projections, and considerable uncertainty in the second-half operating environment, such as the direction of the economy and personal consumption, Kikkoman has revised downward its forecasts for the full year. The forecast for net sales has been lowered ¥8,900 million to ¥338,100 million, representing a year-on-year decline of 1.3%; the forecast for recurring income has been lowered ¥2,200 million to ¥14,800 million, representing a year-on-year decline of 5.4%; and the forecast for net income has been lowered ¥750 million to ¥7,750 million, representing a year-on-year decline of 6.8%.



2) Non-Consolidated Basis

(¥ million)

	Net sales	Recurring income	Net income
Apr. 1, - Sep.30, 2003	¥62,000	¥1,500	¥900
Apr.1, 2003 - Mar.31, 2004	¥126,000	¥4,800	¥3,000

Notes:

1. Estimated net income per share (full year): ¥15.04
2. Estimated operating income
(full year) ¥3,700 million, (interim) ¥1,000 million

The above 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.