

## Consolidated Financial Results

# Kikkoman Corporation Flash Report for Fiscal 2010 1Q

Three-month period ended June 30, 2009

Listed company name: **Kikkoman Corporation**  
Code No.: 2801  
Shares listed: Tokyo (1st Section), Osaka (1st Section)  
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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, 2009 (April 1, 2009 to June 30, 2009)

### 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, 2009 -Jun. 30, 2009	71,210	(28.6)	6,234	35.1	5,801	26.5	3,316	20.3
Apr. 1, 2008 -Jun. 30, 2008	99,699	—	4,614	—	4,586	—	2,757	—

	Net income per share (yen)	Net income per share (Assuming full dilution) (yen)
Apr. 1, 2009 -Jun. 30, 2009	16.05	—
Apr. 1, 2008 -Jun. 30, 2008	14.25	14.25

### 2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (yen)
Jun. 30, 2009	310,020	163,565	52.2%	782.99
Mar. 31, 2009	310,873	161,817	51.5%	774.61

(Note) Total shareholders' equity  
 Jun. 30, 2009: ¥ 161,787 million  
 Mar. 31, 2009: ¥ 160,066 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, 2008 -Mar. 31, 2009	—	0.00	—	15.00	15.00
Apr. 1, 2009 -Mar. 31, 2010	—	/	/	/	/
Apr. 1, 2009 -Mar. 31, 2010 (Estimated)	/	0.00	—	15.00	15.00

(Note) Revisions to dividend forecasts this quarter: None



## Qualitative Information and Financial Statements, etc.

### 1. Consolidated Operating Results

Although the global economy as a whole continued to face adverse conditions during the first quarter of fiscal 2010, the period saw a rally in economic growth in China. But while the Japanese economy has seen signs of a similar upturn emerge in certain sectors, a worsening employment outlook and concerns of further declines in the global economy are among the visible risks that threaten to put downward pressure on the economy.

In this climate, the Kikkoman Group saw a significant fall in sales in Japan as a result of the removal of Coca-Cola operations from the scope of consolidation. Foods—manufacturing and sales, however, saw increased sales in all divisions except for Del Monte. Soy sauce shipments were up year on year as a result of the sluggish sales the previous year due to a reaction to temporary demand following price revisions, while sales of soy sauce derivative products were also firm. Soy milk beverage sales also rose significantly on strong performance continued from the second half of the previous year. Overseas operations struggled for growth during the first quarter under the impact of the global depression, exacerbated by the reaction to temporary demand for soy sauce in the previous year following price revisions. Currency translation effects related to the strong yen also resulted in lower sales.

In terms of earnings, higher sales in Foods—manufacturing and sales and changes in inventory valuation methods were able to absorb the negative impact of the strong yen and the removal of the Coca-Cola operations from the scope of consolidation. As a result, consolidated operating results for the first quarter of fiscal 2010 were as follows.

#### 1) Consolidated Statements of Income (Millions of yen, %)

	FY2009 1Q		FY2010 1Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.08 – 6.30.08		4.1.09 – 6.30.09		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%						
Net Sales	99,699	100.0	71,210	100.0	(28,488)	71.4	—	(3,458)	(25,029)	74.9
Operating Income	4,614	4.6	6,234	8.8	1,619	135.1	4.2	(352)	1,972	142.7
Ordinary Income	4,586	4.6	5,801	8.1	1,215	126.5	3.5	(325)	1,540	133.6
Net Income	2,757	2.8	3,316	4.7	558	120.3	1.9	(226)	784	128.4
Exchange Rate (¥/US\$)	104.13		97.13		(7.00)					
(¥/EUR)	163.13		132.55		(30.58)					

## 2) Geographical Segment Information

(Millions of yen, %)

		FY2009 1Q		FY2010 1Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.08 – 6.30.08		4.1.09 – 6.30.09		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%				Amount		
Japan	Net Sales	71,140	100.0	44,505	100.0	(26,635)	62.6	–	–	(26,635)	62.6
	Operating Income	895	1.3	3,058	6.9	2,163	341.5	5.6	–	2,163	341.5
Overseas	Net Sales	33,769	100.0	30,744	100.0	(3,025)	91.0	–	(3,501)	475	101.4
	Operating Income	3,784	11.2	3,291	10.7	(493)	87.0	(0.5)	(352)	(141)	96.3
Eliminations	Net Sales	(5,210)	100.0	(4,038)	100.0	1,172	–	–	43	1,129	–
	Operating Income	(66)	–	(115)	–	(49)	–	–	(0)	(49)	–
Consolidated total	Net Sales	99,699	100.0	71,210	100.0	(28,488)	71.4	–	(3,458)	(25,029)	74.9
	Operating Income	4,614	4.6	6,234	8.8	1,619	135.1	4.2	(352)	1,972	142.7
Exchange Rate (¥/US\$)		104.13		97.13		(7.00)					
		(¥/EUR)	163.13		132.55		(30.58)				

## 3) Business Segment Information

(Millions of yen, %)

		FY2009 1Q		FY2010 1Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.08 – 6.30.08		4.1.09 – 6.30.09		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%				Amount		
Foods-manufacturing and sales	Net Sales	50,178	100.0	50,666	100.0	488	101.0	–	(1,363)	1,852	103.7
	Operating Income	2,935	5.9	5,052	10.0	2,116	172.1	4.1	(251)	2,368	180.7
Foods-wholesale	Net Sales	21,301	100.0	19,147	100.0	(2,154)	89.9	–	(2,093)	(60)	99.7
	Operating Income	1,291	6.1	947	4.9	(343)	73.4	(1.2)	(103)	(240)	81.4
Coca-Cola	Net Sales	26,769	100.0	–	–	(26,769)	–	–	–	(26,769)	–
	Operating Income	150	0.6	–	–	(150)	–	–	–	(150)	–
Others	Net Sales	3,497	100.0	3,494	100.0	(2)	99.9	–	(16)	13	100.4
	Operating Income	226	6.5	229	6.6	3	101.4	0.1	2	0	100.2
Eliminations	Net Sales	(2,047)	100.0	(2,097)	100.0	(50)	–	–	15	(65)	–
	Operating Income	10	–	4	–	(5)	–	–	(0)	(5)	–
Consolidated total	Net Sales	99,699	100.0	71,210	100.0	(28,488)	71.4	–	(3,458)	(25,029)	74.9
	Operating Income	4,614	4.6	6,234	8.8	1,619	135.1	4.2	(352)	1,972	142.7
Exchange Rate (¥/US\$)		104.13		97.13		(7.00)					
		(¥/EUR)	163.13		132.55		(30.58)				

Note: Tone Coca-Cola Bottling Co., Ltd. and four other companies were excluded from the scope of consolidation at the end of fiscal 2009.

Results by business segment were as follows.

## Foods—Manufacturing and Sales

This segment comprises the Soy Sauce Division, the Soy Sauce Derivative Products Division (*tsuyu*, *tare* and other processed seasonings), the Del Monte Division (Del Monte processed tomato products, fruit and vegetable juices, and other products), the *Sake* and Wine Division (*mirin*, wine, and other alcoholic beverages), and Other Foods Division, which includes soy milk, food products for business purpose and health food products in the U.S. All products are manufactured and sold in Japan and overseas.

The results for each division are as follows.

### ■ Soy Sauce Division

In Japan, in the home-use market, sales rose over the same period a year earlier thanks the impact of a reaction against temporary demand during the same period a year ago due to upward price revisions and to firm sales of 750 ml bottles of *Tokusen Marudaizu Shoyu*, the flagship soy sauce product in this sector. In the industrial-use and foodservice-use sectors, sales grew steadily on strong performance from foodservice-use products, lifting overall sales higher year on year.

Overseas, in the North American market, while weak economic conditions and other factors led to lower sales of products for industrial use and foodservice use year on year, sales of products for home use increased for the same period on a local currency basis. In the European market, local currency sales declined, reflecting the sizeable amount of sales during the first quarter of the previous fiscal year stemming from temporary demand accompanying price revisions. In the Asia and Oceania market, sales increased on a local currency basis.

### ■ Soy Sauce Derivative Products Division

In *tsuyu* (soy sauce soup base), sales grew in the home use sector despite flat sales of flagship product *Hon Tsuyu*, reflecting healthy sales of another *tsuyu* product, *Straight Tsuyu*. Overall, sales of *tsuyu* remained on a par with the same period a year earlier, despite faltering growth in the industrial-use and foodservice-use sectors. In *tare* (dipping and marinade sauces), overall sales rose year on year despite relatively flat sales of *Wagaya-wa-Yakinikuyasan*, our mainstay product in this area, thanks to growth in market share for *Steak Shoyu*. Sales of the *Uchi-no-Gohan* series (a handy Japanese-style seasoning mix) were sharply higher year on year, reflecting aggressive storefront promotion activities as well as benefits from the launch of a new *Uchi-no-Gohan* product—*Nasu-no-Mizore Itame*—and *Jumoku Hijiki*, a new product in the *Mazegohan-no-Moto* series. As a result, sales rose year on year.

### ■ Del Monte Division

In the Japanese market, sales of processed tomato products, such as tomato ketchup, declined year on year due to market contraction. Similarly, sales of sauces were lower than a year earlier, reflecting slower performance in home-use and foodservice-use products. Sales in the beverages sector were also lower for the period as a prolonged downturn in the vegetable juice market outweighed strong performance from tomato juice. Overseas, segment sales were down year on year as sales in South Korea struggled. As a result, sales were lower year on year.

### ■ Sake and Wine Division

*Hon Mirin* sales fell short of those reported a year earlier, as struggling sales in the industrial-use and foodservice-use sectors of *Hon Mirin* in large containers, due to contraction in the restaurant industry caused by the economic depression, offset brisk sales in the home-use sector of *Hon Mirin* in small containers. Overall sales of wine rose year on year, reflecting firm growth in sales of *Shiki Shunka* and other wines made with 100% domestic grapes.

### ■ Other Foods Division

In Japan, sales of soy milk were substantially higher year on year, benefiting from a recovery in sales of modified soy milk, as well as the sale of new products *Ichigo* and *Sawayaka Annin*.

In the North American market, health food operations reported significant sales growth, largely from the inclusion of business results from Allergy Research Group, which we acquired in the previous fiscal year.

As a result, sales in Foods—manufacturing and sales posted a year-on-year gain of 1.0% to ¥50,666 million. Operating income was up by 72.1% to ¥5,052 million, due to the rise in sales and changes in inventory accounting methods.

## Foods—Wholesale

This segment procures and sells oriental food products in Japan and overseas.

In the North American market, sales were slightly lower due to the impact of lackluster economic conditions. In contrast, sales in the European market grew steadily on a local currency basis, as the booming popularity of Japanese food continued to spread. Sales were also brisk in the Asia and Oceania market, resulting in higher sales year on year on a local currency basis.

As a result, sales in Foods—wholesale posted a year-on-year decline of 10.1% to ¥19,147 million. Operating income was down by 26.6% to ¥947 million, due in part to the effects of currency translation adjustments.

## Others

This segment includes production and sales of medical reagents, clinical diagnostic reagents, hygiene inspection agents and chemical products such as hyaluronic acid, as well as real estate rental, and other businesses.

Sales of medical reagents, clinical diagnostic reagents, and hygiene inspection agents all struggled during the term, resulting in lower sales year on year. Similarly, sales of hyaluronic acid faced an adverse climate, with the product's use in pharmaceutical applications for overseas markets hit hard by the global economic depression. Nevertheless, overall sales of chemical products remained on a par with the same period a year earlier. The logistics business, meanwhile, saw sales grow steadily during the first quarter.

As a result, sales in Others were down 0.1% year on year to ¥3,494 million, but operating income was up by 1.4% to ¥229 million.

As a result of the aforementioned segment results, the Company reported consolidated net sales for the first quarter of fiscal 2010 of ¥71,210 million (down 28.6% year on year), operating income of ¥6,234 million (up 35.1%), ordinary income of ¥5,801 million (up 26.5%) and net income of ¥3,316 million (up 20.3% year on year).

## 2. Financial Position

### 1) Total Assets, Total Liabilities and Net Assets

Total assets as of June 30, 2009 were ¥310,020 million, a decrease of ¥852 million from March 31, 2009. This was mainly due to a decline in cash and deposits, which offset increases in investment securities and Property, plant and equipment.

Total liabilities as of June 30, 2009 were down ¥2,600 million from the end of the previous fiscal year to ¥146,455 million, mainly due to a decrease in income taxes payable.

Total net assets as of June 30, 2009 rose ¥1,747 million from March 31, 2009 to ¥163,565 million, mainly due to an increase in valuation difference on available-for-sale securities.

### 2) Cash Flows

Cash and cash equivalents at the end of the first quarter was ¥22,239 million. This reflected a decrease in cash and cash equivalents of ¥5,544 million.

Cash flows for each activity and reasons are as follows.

#### Cash Flows From Operating Activities

Operating activities used net cash of ¥1,189 million. This was primarily due to an increase in income taxes as a result of the partial sale of shares of Tone Coca-Cola Bottling Co., Ltd, despite higher income before

income taxes and minority interests.

**Cash Flows From Investing Activities**

Investing activities used net cash of ¥2,727 million. This was mainly due to purchase of property, plant and equipment, which outweighed collection of loans receivable.

**Cash Flows From Financing Activities**

Financing activities used net cash of ¥1,892 million. This was mainly due to payment of dividends, which outweighed short-term loans.

### 3. Forecasts of Business Performance

There has been no change to forecasts, as operating results largely tracked the forecasts issued on April 27, 2009.

No substantive changes have been made with respect to business risks and other risks that may impact Kikkoman's operating results, which were disclosed in the Company's most recent securities report filing on June 23, 2009.



#### 4. Other Matters

##### 1) Changes to important subsidiaries during the first quarter (Changes in certain specified subsidiaries resulting in revised scope of consolidation):

No applicable items.

##### 2) Application of simplified accounting methods, and of special accounting methods in the preparation of quarterly consolidated financial statements:

###### Application of simplified accounting methods

###### Method of calculating deferred tax assets and deferred tax liabilities

For deferred tax assets that are judged to be recoverable, because there has been no significant change in the operating environment or temporary differences since the end of the previous fiscal year, deferred tax assets and deferred tax liabilities are calculated using the business forecasts used at the end of the previous fiscal year and using a method employing tax planning.

###### Special accounting methods used in the preparation of quarterly financial statements:

###### Calculation of tax expenses

The effective tax rate after the application of deferred tax accounting to net income before income taxes and minority interests for the consolidated fiscal year including the first quarter under review is reasonably estimated, and the tax expenses are calculated by multiplying this estimated effective tax rate by net income before income taxes and minority interests. The income tax adjustment is included in income taxes-current on the statement of income.

##### 3) Changes in accounting principles, procedures, methods of presentation, etc. associated with preparation of quarterly consolidated financial statements:

###### Accounting standard for measurement of inventories

Pursuant to “Accounting Standard for Measurement of Inventories” (ASBJ Standard No. 9, September 26, 2008), which can be applied ahead of schedule for the fiscal year ending March 31, 2010, the Company has applied this standard from the first quarter of the fiscal year under review. Consequently, the Group has changed its method for measuring inventories in the soy sauce category (raw materials (excluding packaging), products in process and finished goods) for Kikkoman Corporation and certain consolidated subsidiaries from the last-in, first-out method to the total average method.

The effect of this change was a respective increase of ¥1,488 million in operating income, ordinary income and income before income taxes and minority interests.

This monetary effect is calculated as the difference between the average total book value of paid-out inventories (cost of sales) and the total cost for re-procuring inventories following pay out. These inventories, which are included in calculated income/loss pertaining to inventories held, consist of soy sauce raw materials, products in process, and finished products.

The effects of this change on segment information are discussed below.

## 5. Consolidated Quarterly Financial Statements

## 1) Consolidated Quarterly Balance Sheets

	(Millions of yen)	
	As of June 30, 2009	As of March 31, 2009
<b>Assets</b>		
Current assets		
Cash and deposits	23,457	28,855
Notes and accounts receivable-trade	40,893	40,524
Short-term investment securities	130	130
Merchandise and finished goods	20,292	19,794
Work in process	7,456	6,267
Raw materials and supplies	3,315	2,903
Deferred tax assets	4,772	4,920
Other	8,765	10,582
Allowance for doubtful accounts	(643)	(626)
Total current assets	108,440	113,353
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	40,875	41,427
Machinery, equipment and vehicles, net	33,489	33,402
Land	16,246	16,281
Lease assets, net	345	283
Construction in progress	4,956	2,686
Other, net	2,662	2,590
Total property, plant and equipment	98,575	96,671
Intangible assets		
Goodwill	29,784	30,171
Rights of trademarks	428	627
Other	2,012	2,042
Total intangible assets	32,225	32,840
Investments and other assets		
Investment securities	53,925	50,765
Long-term loans receivable	2,494	2,412
Deferred tax assets	950	1,393
Other	16,231	16,184
Allowance for doubtful accounts	(2,822)	(2,749)
Total investments and other assets	70,779	68,007
Total noncurrent assets	201,580	197,519
<b>Total assets</b>	310,020	310,873

(Millions of yen)

	As of June 30, 2009	As of March 31, 2009
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	15,170	13,854
Short-term loans payable	14,102	10,741
Lease obligations	154	127
Accounts payable-other	10,067	10,312
Income taxes payable	1,601	6,169
Provision for bonuses	974	2,198
Provision for directors' bonuses	18	79
Other	5,262	5,084
<b>Total current liabilities</b>	<b>47,351</b>	<b>48,570</b>
Noncurrent liabilities		
Bonds payable	60,000	60,000
Long-term loans payable	24,113	26,209
Lease obligations	217	197
Deferred tax liabilities	1,988	1,503
Provision for retirement benefits	3,725	3,399
Provision for directors' retirement benefits	1,114	1,340
Other	7,944	7,834
<b>Total noncurrent liabilities</b>	<b>99,103</b>	<b>100,485</b>
<b>Total liabilities</b>	<b>146,455</b>	<b>149,055</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	21,211	21,212
Retained earnings	146,293	146,082
Treasury stock	(3,824)	(3,811)
<b>Total shareholders' equity</b>	<b>175,280</b>	<b>175,082</b>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	546	(996)
Deferred gains or losses on hedges	3	12
Foreign currency translation adjustment	(13,228)	(13,209)
Unfunded retirement benefit obligation of overseas subsidiaries	(814)	(822)
<b>Total valuation and translation adjustments</b>	<b>(13,492)</b>	<b>(15,016)</b>
Subscription rights to shares	106	106
Minority interests	1,670	1,644
<b>Total net assets</b>	<b>163,565</b>	<b>161,817</b>
<b>Total liabilities and net assets</b>	<b>310,020</b>	<b>310,873</b>

## 2) Consolidated Quarterly Statements of Income

	(Millions of yen)	
	First quarter ended June 30, 2008	First quarter ended June 30, 2009
Net sales	99,699	71,210
Cost of sales	60,786	41,019
Gross profit	38,912	30,190
Selling, general and administrative expenses	34,298	23,956
Operating income	4,614	6,234
Non-operating income		
Interest income	149	38
Dividends income	325	261
Equity in earnings of affiliates	58	113
Rent income	158	167
Other	818	314
Total non-operating income	1,510	896
Non-operating expenses		
Interest expenses	305	402
Other	1,232	926
Total non-operating expenses	1,537	1,328
Ordinary income	4,586	5,801
Extraordinary income		
Gain on sales of property, plant and equipment	967	35
Dividends from liquidation of securities	—	4
Total extraordinary income	967	39
Extraordinary loss		
Loss on retirement of noncurrent assets	—	277
Loss on valuation of investment securities	119	4
Special extra retirement payments	47	—
Loss on valuation of inventories	33	—
Change cost of Corporate Identity	202	—
Expenses for change of the Company's name of subsidiaries and affiliates	—	62
Total extraordinary loss	402	343
Income before income taxes and minority interests	5,151	5,498
Income taxes	2,365	2,155
Minority interests in income	28	26
Net income	2,757	3,316

## 3) Consolidated Quarterly Statements of Cash Flows

	(Millions of yen)	
	First quarter ended June 30, 2008	First quarter ended June 30, 2009
Cash flows from operating activities		
Income before income taxes and minority interests	5,151	5,498
Depreciation and amortization	4,024	3,024
Increase (decrease) in provision for retirement benefits	(187)	307
Increase (decrease) in accrued expenses resulting from transition of pension plan	(790)	—
Increase (decrease) in provision for directors' retirement benefits	(354)	(225)
Interest and dividends income	(474)	(300)
Interest expenses	305	402
Equity in (earnings) losses of affiliates	(58)	(113)
Loss (gain) on sales of property, plant and equipment	(967)	(72)
Loss on retirement of property, plant and equipment	125	311
Loss (gain) on valuation of investment securities	119	4
Decrease (increase) in notes and accounts receivable-trade	2,176	(313)
Decrease (increase) in inventories	(1,260)	(1,948)
Increase (decrease) in notes and accounts payable-trade	(1,274)	1,241
Other, net	(2,452)	(2,977)
Subtotal	4,082	4,839
Interest and dividends received	438	442
Interest expenses paid	(143)	(546)
Income taxes paid	(1,961)	(5,924)
Net cash provided by (used in) operating activities	2,417	(1,189)
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,081)	(4,456)
Proceeds from sales of property, plant and equipment	1,302	83
Purchase of intangible assets	(114)	(108)
Purchase of investment securities	(26,702)	(515)
Proceeds from sales of investment securities	28	0
Payments of loans receivable	(76)	(159)
Collection of loans receivable	133	2,499
Other, net	(94)	(69)
Net cash provided by (used in) investing activities	(30,604)	(2,727)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	29,558	1,370
Repayment of long-term loans payable	(403)	(95)
Purchase of treasury stock	(33)	(18)
Cash dividends paid	(2,915)	(3,105)
Cash dividends paid to minority shareholders	(358)	(5)
Other, net	(40)	(38)
Net cash provided by (used in) financing activities	25,806	(1,892)
Effect of exchange rate change on cash and cash equivalents	1,368	264
Net increase (decrease) in cash and cash equivalents	(1,011)	(5,544)
Cash and cash equivalents at beginning of the period	32,984	27,783
Increase (decrease) from the changes of accounting year-end date in certain consolidated subsidiaries	(22)	—
Increase in cash and cash equivalents from newly consolidated subsidiaries	125	—
Cash and cash equivalents at end of period	32,075	22,239

## 4) Notes Regarding Going Concern

No applicable items.

## 5) Segment Information

## Business Segments

Three-month period ended June 30, 2008

(Millions of yen)

	Foods – manufacturing and sales	Foods – wholesale	Coca-Cola	Others	Total	Eliminations and corporate	Consoli- dated
Sales							
1) Sales to third parties	49,944	21,246	26,712	1,795	99,699	—	99,699
2) Intragroup sales or transfers	233	54	57	1,701	2,047	(2,047)	—
Total sales	50,178	21,301	26,769	3,497	101,746	(2,047)	99,699
Operating income	2,935	1,291	150	226	4,604	10	4,614

Three-month period ended June 30, 2009

(Millions of yen)

	Foods – manufacturing and sales	Foods – wholesale	Others	Total	Eliminations and corporate	Consoli- dated
Sales						
1) Sales to third parties	50,389	19,111	1,710	71,210	—	71,210
2) Intragroup sales or transfers	277	35	1,784	2,097	(2,097)	—
Total sales	50,666	19,147	3,494	73,308	(2,097)	71,210
Operating income	5,052	947	229	6,229	4	6,234

## (Note) Changes in accounting principles

First quarter of fiscal year ending March 31, 2010

(Accounting standard for measurement of inventories)

As stated above in “4. Other Matters, 3) Changes in accounting principles, procedures, methods of presentation, etc. associated with preparation of quarterly consolidated financial statements,” pursuant to “Accounting Standard for Measurement of Inventories” (ASBJ Standard No. 9, September 26, 2008), which can be applied ahead of schedule for the fiscal year ending March 31, 2010, the Company has applied this standard from the first quarter of the fiscal year under review. Consequently, the Group has changed its method for measuring inventories in the soy sauce category (raw materials (excluding packaging), products in process and finished goods) for Kikkoman Corporation and certain consolidated subsidiaries from the last-in, first-out method to the total average method. Relative to the previous method used, the effect of this change was an increase of ¥1,488 million in operating income from the Foods– manufacturing and sales segment.

## Geographical Segments

Three-month period ended June 30, 2008

(Millions of yen)

	Japan	North America	Other	Total	Eliminations and corporate	Consolidated
Sales						
1) Sales to third parties	67,006	25,200	7,492	99,699	—	99,699
2) Interarea sales or transfers	4,133	1,257	133	5,524	(5,524)	—
Total sales	71,140	26,457	7,626	105,223	(5,524)	99,699
Operating income	895	2,869	915	4,680	(66)	4,614

Three-month period ended June 30, 2009

(Millions of yen)

	Japan	North America	Other	Total	Eliminations and corporate	Consolidated
Sales						
1) Sales to third parties	40,840	24,192	6,177	71,210	—	71,210
2) Interarea sales or transfers	3,664	446	184	4,296	(4,296)	—
Total sales	44,505	24,639	6,362	75,507	(4,296)	71,210
Operating income	3,058	2,613	677	6,350	(115)	6,234

(Note) Changes in accounting principles

First quarter of fiscal year ending March 31, 2010

(Accounting standard for measurement of inventories)

As stated above in “4. Other Matters, 3) Changes in accounting principles, procedures, methods of presentation, etc. associated with preparation of quarterly consolidated financial statements,” pursuant to “Accounting Standard for Measurement of Inventories” (ASBJ Standard No. 9, September 26, 2008), which can be applied ahead of schedule for the fiscal year ending March 31, 2010, the Company has applied this standard from the first quarter of the fiscal year under review. Consequently, the Group has changed its method for measuring inventories in the soy sauce category (raw materials (excluding packaging), products in process and finished goods) for Kikkoman Corporation and certain consolidated subsidiaries from the last-in, first-out method to the total average method. Relative to the previous method used, the effect of this change was an increase of ¥1,488 million in operating income from the Japan geographical segment.

## Overseas Sales

Three-month period ended June 30, 2008

(Millions of yen)

	North America	Other	Total
Overseas sales	25,165	8,836	34,002
Consolidated net sales			99,699
Ratio of overseas sales to consolidated net sales	25.2%	8.9%	34.1%

Three-month period ended June 30, 2009

(Millions of yen)

	North America	Other	Total
Overseas sales	24,052	7,449	31,502
Consolidated net sales			71,210
Ratio of overseas sales to consolidated net sales	33.8%	10.4%	44.2%

## 6) Notes Regarding Dramatic Changes in Shareholders' Equity

No applicable items.