

Consolidated Financial Results

Kikkoman Corporation Flash Report for First Nine Months of Fiscal 2011

Nine-month period ended December 31, 2010

Listed company name: **Kikkoman Corporation**
Shares listed: Tokyo (1st Section), Osaka (1st Section)
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Scheduled submission date of quarterly accounting report: February 10, 2011
Supplementary Schedules for quarter: Yes
Results briefing for quarter: No
Scheduled date for cash dividend payments: —

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 Nine-month Period Ended December 31, 2010 (April 1, 2010 to December 31, 2010)

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, 2010 -Dec. 31, 2010	217,180	(0.4)	16,196	(13.3)	14,755	(13.8)	8,305	(8.3)
Apr. 1, 2009 - Dec. 31, 2009	218,139	(30.6)	18,681	11.3	17,109	10.6	9,054	29.3

	Net income per share (yen)	Net income per share (Assuming full dilution) (yen)
Apr. 1, 2010 -Dec. 31, 2010	40.29	—
Apr. 1, 2009 - Dec. 31, 2009	43.83	—

2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (yen)
Dec. 31, 2010	303,997	162,133	52.7%	781.25
Mar. 31, 2010	311,175	167,086	53.1%	800.79

(Note) Total shareholders' equity
Dec. 31, 2010: ¥ 160,266 million
Mar. 31, 2010: ¥ 165,277 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, 2009 -Mar. 31, 2010	—	0.00	—	15.00	15.00
Apr. 1, 2010 -Mar. 31, 2011	—	0.00	—		
Apr. 1, 2010 -Mar. 31, 2011 (Estimated)				15.00	15.00

(Note) Revisions to dividend forecasts this quarter: None

3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(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, 2010- Mar.31, 2011	282,000	(1.3)	20,000	(5.1)	17,800	(7.0)	9,500	10.4	46.14

(Note) Revisions to forecasts of business performance this quarter: None

4. Other data (for details, see page 9 under subsection 2. "Other Matters")

1) Changes to important subsidiaries during the period: No

Newly consolidated companies: (name(s)): None

Newly unconsolidated companies: (name(s)): None

(Note) Changes in certain specified subsidiaries resulting in revised scope of consolidation in the period

2) Application of simplified accounting methods and of special accounting methods: Yes

(Note) Application of simplified accounting methods and of special accounting methods in preparation for consolidated quarterly financial statements

3) Changes in accounting principles, procedures, methods of presentation, etc.

① Changes associated with accounting standard revisions: Yes

② Changes other than those is ① above: No

(Note) Changes in accounting principles, procedures, methods of presentation, etc., associated with the preparation of consolidated quarterly financial statements (Changes in important items fundamental to the preparation of consolidated quarterly financial statements).

4) Issued and outstanding shares (common stock)

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

Dec. 31, 2010 — 210,383,202 shares

Mar. 31, 2010 — 210,383,202 shares

② Treasury stock at end of period

Dec. 31, 2010 — 5,242,776 shares

Mar. 31, 2010 — 3,989,448 shares

③ Shares outstanding during the period (cumulative for period, consolidated)

Dec. 31, 2010 — 206,136,368 shares

Dec. 31, 2010 — 206,588,847 shares

* 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

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 "3. Forecasts of Business Performance" on page 8 of the "Qualitative Information and Consolidated Financial Statements, etc." section below.

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1. Qualitative Information and Consolidated Financial Statements, etc.

1) Consolidated Operating Results

Although the global economy continued to recover in the third quarter of the year ending March 31, 2011, the outlook remained clouded by, for instance, persistently high unemployment rates in the United States and Europe. In that timeframe, some parts of the Japanese economy began to show signs of heading toward recovery, although on the whole it remained at a standstill.

Against this backdrop, the Kikkoman Group saw sales rise year on year in Japan despite a small drop in sales in soy sauce, as sales remained solid for the Food Products Division and grew steadily for soy milk beverages and Del Monte beverages in the Beverages Division.

Overseas sales on a local currency basis increased in North America, Europe, as well as in Asia and Oceania, although these sales were affected by the currency translation effects of a stronger yen.

Income declined in Japan, partly due to a change in inventory valuation methods from the same period of the previous year. Overseas profits on a local currency basis increased on the whole. The main factor in the increase was increased profits on Foods-Manufacturing and Sales, which overcame lower profits on Foods-Wholesale following a rise in procurement costs due to a stronger yen. These overseas profits, however, were affected by the currency translation effects of a stronger yen.

Performance in each reporting segment is outlined as follows.

<Consolidated Financial Statements (adjusted as if the Company had shifted to a holding company structure during the same quarter of the previous year)>

(Millions of yen, %)

	Nine months ended December 31, 2009		Nine months ended December 31, 2010		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2009 – 12.31.2009		4.1.2010 – 12.31.2010		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%						
Net Sales	218,170	100.0	217,180	100.0	(990)	99.5	—	(6,656)	5,666	102.6
Operating Income	18,712	8.6	16,196	7.5	(2,515)	86.6	(1.1)	(747)	(1,767)	90.6
Ordinary Income	17,109	7.8	14,755	6.8	(2,353)	86.2	(1.0)	(657)	(1,696)	90.1
Net Income	9,054	4.1	8,305	3.8	(748)	91.7	(0.3)	(437)	(311)	96.6
Exchange Rate (¥/US\$)	93.73		86.86		(6.87)					
(¥/EUR)	132.69		113.49		(19.20)					

<Reporting segments (adjusted as if the Company had shifted to a holding company structure during the same quarter of the previous year)>

(Millions of yen, %)

		Nine months ended December 31, 2009		Nine months ended December 31, 2010		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2009 – 12.31.2009		4.1.2010 – 12.31.2010		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%						
Domestic Foods-Manufacturing and Sales	Net Sales	118,602	100.0	118,191	100.0	(411)	99.7	—	—	(411)	99.7
	Operating Income	8,075	6.8	5,984	5.1	(2,091)	74.1	(1.7)	—	(2,091)	74.1
Domestic Others	Net Sales	14,084	100.0	15,095	100.0	1,011	107.2	—	—	1,011	107.2
	Operating Income	699	5.0	1,074	7.1	374	153.6	2.1	—	374	153.6
Overseas Foods-Manufacturing and Sales	Net Sales	36,418	100.0	34,935	100.0	(1,483)	95.9	—	(2,686)	1,203	103.3
	Operating Income	6,210	17.1	6,000	17.2	(210)	96.6	0.1	(516)	306	104.9
Overseas Foods-Wholesale	Net Sales	63,390	100.0	63,119	100.0	(271)	99.6	—	(4,328)	4,056	106.4
	Operating Income	3,339	5.3	2,945	4.7	(393)	88.2	(0.6)	(154)	(238)	92.9
Adjustments	Net Sales	(14,324)	100.0	(14,161)	100.0	163	—	—	357	(193)	—
	Operating Income	386	—	191	—	(194)	—	—	(75)	(118)	—
Consolidated operating income (loss)	Net Sales	218,170	100.0	217,180	100.0	(990)	99.5	—	(6,656)	5,666	102.6
	Operating Income	18,712	8.6	16,196	7.5	(2,515)	86.6	(1.1)	(747)	(1,767)	90.6
Exchange Rate	(¥/US\$)	93.73		86.86		(6.87)					
	(¥/EUR)	132.69		113.49		(19.20)					

Note: On October 1, 2009, Kikkoman Corporation shifted to a holding company structure. Figures from the same quarter in the previous fiscal year are included in “1. Qualitative Information and Consolidated Financial Statements, etc. 1) Consolidated Operating Results” in the attached materials for purposes of comparison, and have been adjusted to fit the newly adopted reporting segments, as if the Company had shifted to a holding company structure on April 1, 2009. These figures therefore differ from the figures presented in “3. Consolidated Quarterly Financial Statements 2) Consolidated Quarterly Statements of Income”

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

Division sales of soy sauce fell slightly from the same period the year before. Home-use sector sales of soy sauce fell year on year due to a contracting soy sauce market. This was despite the launch of 750 ml bottles of *Tokusen Marudaizu Shoyu* (premium soy sauce) and *Gen-en Shoyu* (less sodium soy sauce) in the previous fiscal year and market penetration of the new *Shiboritate Nama Shoyu* (freshly pressed raw soy sauce), as well

as attempts to stimulate demand with storefront promotion activities and television commercials. Industrial-use and foodservice-use sales of soy sauce remained steady, partly due to new business development in the industrial-use sector.

■ Food Products Division

In tsuyu (soy sauce soup base), flagship product *Hon Tsuyu* and new products *Mushinabe no Moto* contributed to firm home-use sector sales. Adoption of new products in the industrial-use and foodservice-use sectors contributed further to an increase in tsuyu sales as a whole year on year. In *tare* (dipping and marinade sauces), home-use sector sales of mainstay product *Wagaya-wa-Yakinikuyasan* performed solidly thanks to the contribution of *Komi Yasai Tappuri Shiodare*, and rose year on year, but the industrial-use and foodservice-use sectors struggled with an adverse market environment, and overall sales of *tare* were virtually flat year on year. Sales of the *Uchi-no-Gohan* series (a handy Japanese-style seasoning mix) were much higher year on year, reflecting steady expansion of the user base resulting from aggressive product development and storefront promotion activities. In Del Monte seasonings, sales were up year on year, with *Yo Gohan Tsukuro* series home seasonings and tomato ketchup for foodservice use leading the increase, despite sluggish sales of mainstay tomato ketchup for the home. As a result overall sales in the Food Products Division increased year on year.

■ Beverages Division

Sales of soy milk beverages were higher year on year, due in part to continued buoyant sales of modified soy milk and the contribution of the soy milk beverages *Purin* and *Oishi Muchousei Tonyu* (tasty unmodified soy milk). Sales of Del Monte beverages on the whole increased sharply year on year, riding a wave of recovery in the market for tomato and vegetable juices. Vigorous storefront sales promotion activities and the introduction of a new product, Fruity Tomato, also contributed to this increase. As a result, overall sales in the Beverages Division increased year on year.

■ Sake and Wine Division

Overall *Hon Mirin* sales rose year on year. In the home-use sector, sales of 1-liter bottles, including those for the mainstay product *Manjo Houjun Hon Mirin*, were on par with the same period the year before. In the foodservice-use sector, *Mirin* sales increased from growth in new customers. Sales of domestic wine decreased year on year, partly due to the termination of sales of some casual wines, despite strong performance by *Shinsei Manns Wine* products, including *Jouzouka no House Wine*, and wines for cooking. Sales of imported wines were on par with the same period the year before, supported by introduction of new brands and vigorous sales promotion activities. As a result, overall sales in the Sake and Wine Division decreased year on year.

As a result of the above, segment sales amounted to ¥118,191 million, down 0.3% from the previous year. Segment operating income declined 25.9% to ¥5,984 million, due in part to changes in inventory valuation methods from the previous year.

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.

On the whole, chemical products sales increased year on year. Compared to the same period the year before, sales of clinical diagnostic reagents, hygiene inspection agents and processing enzymes all increased sharply. Hyaluronic acid sales were on the whole steady, driven by an increase in demand from food applications within Japan, even though sales for pharmaceutical and cosmetic applications were choppy. Sales performance in the logistics business meanwhile was steady.

As a result, segment sales were ¥15,095 million, up 7.2% on the same period of the previous fiscal year. Operating income was ¥1,074 million, up 53.6%.

【Overseas】

Sales overseas were as follows.

Overseas Foods—Manufacturing and Sales

This business comprises the manufacturing and sales and the sale for export overseas 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 Company leveraged its brand strength to expand operations. In the home-use sector, the Company expanded sales of its mainstay soy sauce products, as well as soy sauce-based seasonings. In the industrial-use and foodservice-use sectors too, the Company worked carefully to meet customer needs. As a result, although the impact of the economic downturn persisted, sales were higher year on year on a local currency basis due to strong performance in the home-use sector and the industrial-use and foodservice-use sectors. In the European market, the economic downturn had an impact in some markets, but sales increased year on year on a local currency basis on the back of robust demand in major countries such as Germany and France, and as sales in the foodservice-use sector remained firm. In the Asia and Oceania market, sales were higher year on year, buoyed by growth in the home-use and foodservice-use sectors.

As a result, although overall division sales fell compared to the previous year due to currency translation effects, on a local currency basis sales were higher year on year.

■ Del Monte Division

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

Local currency sales for the division as a whole rose year on year from strong sales in Indonesia and Malaysia, even though sales in the division's major markets of Hong Kong remained on par with the same period the year before.

■ Other Foods Division

This division conducts manufacturing and sales of health foods products, primarily in the North American region.

Although the impact of the economic downturn persisted, the Company completed its response to standards for production management and quality control stipulated by the US Food and Drug Administration, and carried out sales activities aggressively. As a result, overall sales in the division increased year on year on a local currency basis.

As a result, segment sales were ¥34,935 million, down 4.1% from the same period the previous year. Segment operating income was ¥6,000 million, down 3.4%. Both declines were due to currency translation effects. On a local currency basis, both sales and operating income posted an increase.

Overseas Foods—Wholesale

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

Although a harsh situation persisted whereby the yen's appreciation raised the cost of importing Japanese products, sales in the North American market remained steady and increased year on year on a local currency basis. In the European market, sales also grew steadily on a local currency basis, as the popularity of Japanese food continued to spread. Sales increased year on year in the Asia and Oceania market on the back of a recovery trend, despite challenges due to intensifying competition.

As a result, segment sales were ¥63,119 million, down 0.4%, from the same period the previous year. Segment operating income was ¥2,945 million, down 11.8%. Both declines were due to currency translation effects. On a local currency basis, sales increased although operating income decreased following a rise in procurement costs due to the stronger yen.

As a result of the aforementioned segment results, the Company reported consolidated net sales for the first nine months of fiscal 2011 of ¥217,180 million (down 0.5% year on year), operating income of ¥16,196 million (down 13.4%), ordinary income of ¥14,755 million (down 13.8%) and net income of ¥8,305 million (down 8.3% year on year).

2) Financial Position

1. Total Assets, Total Liabilities and Net Assets

Total assets as of December 31, 2010 were ¥303,997 million, a decrease of ¥7,178 million from March 31, 2010. This was mainly due to declines in cash and deposits, and property, plant and equipment.

Total liabilities as of December 31, 2010 were down ¥2,225 million from March 31, 2010 to ¥141,863 million. This was due primarily to a decrease in long-term loans payable.

Total net assets as of December 31, 2010 were down ¥4,953 million from March 31, 2010 to ¥162,133 million. This was due principally to a decrease in the foreign currency translation adjustment, despite an increase in retained earnings.

2. Cash Flows

Cash and cash equivalents as of December 31, 2010 were ¥20,896 million. This reflected a decrease in cash and cash equivalent of ¥4,147 million from March 31, 2010.

Cash flows for each activity and reasons are as follows.

Cash Flows from Operating Activities

Operating activities provided net cash of ¥13,097 million. This was mainly due to income before income taxes and minority interests and a depreciation adjustment, which outweighed an increase in notes and accounts receivable-trade and income tax paid.

Cash Flows from Investing Activities

Investing activities used net cash of ¥9,921 million. This was mainly for the purchase of property, plant and equipment.

Cash Flows from Financing Activities

Financing activities used net cash of ¥5,375 million. This was due primarily to outgoings for payment of dividends and repayment of long-term loans payable.

3) Forecasts of Business Performance

Consolidated earnings forecasts for the year ending March 31, 2011, remain unchanged from the forecasts accompanying the Flash Report for First Six Months of Fiscal 2011, disclosed on November 4, 2010. 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 24, 2010.

2. Other Matters

1) Changes to Important Subsidiaries during the First Nine Months

No applicable items

2) Application of Simplified Accounting Methods and of Special Accounting Methods

1. Simplified Accounting Methods

Method of calculating deferred tax assets and deferred tax liabilities

For deferred tax assets that are deemed recoverable, if there have been no appreciable changes in the operating environment, temporary variances in rates, and other factors since March 31, 2010, they are calculated based on business forecasts and tax planning used at the end of the previous fiscal year.

However, if there have been appreciable changes in the operating environment, temporary variances in rates, and other factors since March 31, 2010, they are calculated based on business forecasts and tax planning used at the end of the previous fiscal year, adjusted in light of the impact of the applicable changes.

2. Special Accounting Methods

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 nine 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. 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

1. Accounting standards and application of guidance for asset retirement obligations

Pursuant to "Accounting Standards for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and "Guidelines on Accounting Standards for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008), the Company applied these standards starting in the first quarter. These changes depressed income before income taxes and minority interests by ¥128 million.

2. Application of Accounting Standards for Equity-Method of Accounting for Investments Income Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method

Pursuant to "Accounting Standards for Equity Method of Accounting for Investments " (ASBJ Statement No. 16, disclosure portion of March 10, 2008) and " Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method " (Practical Issue Task Force No. 24, March 10, 2008), the Company has applied the necessary changes to consolidated accounts beginning in the first quarter.

These changes did not affect ordinary income or income before income taxes and minority interests.

3. Consolidated Quarterly Financial Statements

1) Consolidated Quarterly Balance Sheets

	(Millions of yen)	
	As of December 31, 2010	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	22,034	26,667
Notes and accounts receivable-trade	46,065	41,596
Short-term investment securities	131	131
Merchandise and finished goods	18,442	19,777
Work in process	8,462	9,267
Raw materials and supplies	3,291	3,187
Deferred tax assets	4,431	4,266
Other	9,570	10,387
Allowance for doubtful accounts	(314)	(689)
Total current assets	112,115	114,590
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	41,049	39,209
Machinery, equipment and vehicles, net	33,919	32,288
Land	15,768	16,059
Lease assets, net	298	242
Construction in progress	1,913	7,695
Other, net	2,333	2,459
Total property, plant and equipment	95,282	97,955
Intangible assets		
Goodwill	26,130	27,414
Other	2,401	2,255
Total intangible assets	28,532	29,669
Investments and other assets		
Investment securities	53,593	54,542
Long-term loans receivable	2,463	2,891
Deferred tax assets	3,899	3,028
Other	11,502	11,243
Allowance for doubtful accounts	(3,392)	(2,746)
Total investments and other assets	68,066	68,959
Total noncurrent assets	191,881	196,584
Total assets	303,997	311,175

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010
Liabilities		
Current liabilities		
Notes and accounts payable-trade	15,143	14,507
Short-term loans payable	11,055	9,962
Lease obligations	96	148
Accounts payable-other	11,700	12,710
Income taxes payable	2,346	2,316
Provision for bonuses	702	2,190
Provision for directors' bonuses	57	77
Other	5,163	3,943
Total current liabilities	46,267	45,858
Noncurrent liabilities		
Bonds payable	60,000	60,000
Long-term loans payable	19,534	21,950
Lease obligations	130	143
Deferred tax liabilities	3,426	3,399
Provision for retirement benefits	3,531	4,017
Provision for directors' retirement benefits	1,084	1,142
Provision for environmental measures	329	319
Provision of allowance for investment loss	320	—
Other	7,238	7,257
Total noncurrent liabilities	95,596	98,230
Total liabilities	141,863	144,089
Net assets		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	21,211	21,212
Retained earnings	156,765	151,579
Treasury stock	(5,199)	(4,066)
Total shareholders' equity	184,376	180,324
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(506)	536
Deferred gains or losses on hedges	(30)	27
Foreign currency translation adjustment	(22,807)	(14,816)
Unfunded retirement benefit obligation of overseas subsidiaries	(765)	(793)
Total valuation and translation adjustments	(24,110)	(15,046)
Subscription rights to shares	179	185
Minority interests	1,687	1,623
Total net assets	162,133	167,086
Total liabilities and net assets	303,997	311,175

2) Consolidated Quarterly Statements of Income

(During the first nine months of fiscal 2011)

(Millions of yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010
Net sales	218,139	217,180
Cost of sales	125,700	127,333
Gross profit	92,438	89,847
Selling, general and administrative expenses	73,757	73,650
Operating income	18,681	16,196
Non-operating income		
Interest income	99	145
Dividends income	430	510
Equity in earnings of affiliates	437	469
Rent income	476	432
Foreign exchange gains	—	1,024
Other	863	806
Total non-operating income	2,307	3,390
Non-operating expenses		
Interest expenses	1,168	1,101
Other	2,710	3,729
Total non-operating expenses	3,878	4,830
Ordinary income	17,109	14,755
Extraordinary income		
Gain on sales of property, plant and equipment	37	609
Gain on sales of investment securities	2	166
Dividends from liquidation of securities	4	—
Reversal of reserve for retirement benefits	106	—
Other	—	30
Total extraordinary income	150	807
Extraordinary loss		
Impairment loss	869	—
Loss on retirement of noncurrent assets	526	474
Loss on valuation of investment securities	424	227
Loss on valuation of golf club membership	43	11
Provision of allowance for investment loss	—	320
Special extra retirement payments	—	377
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	128
Expenses for exhibition in Shanghai Expo	—	432
Expenses for change of the Company's name of subsidiaries and affiliates	63	—
Expenses for holding company system shifts	445	—
Other	—	192
Total extraordinary loss	2,373	2,163
Income before income taxes and minority interests	14,887	13,399
Income taxes	5,761	5,015
Income before minority interests	—	8,383
Minority interests in income	72	78
Net income	9,054	8,305

3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010
Cash flows from operating activities		
Income before income taxes and minority interests	14,887	13,399
Depreciation and amortization	9,045	8,920
Impairment loss	869	—
Increase (decrease) in provision for retirement benefits	316	(549)
Increase (decrease) in provision for directors' retirement benefits	(204)	(58)
Interest and dividends income	(530)	(667)
Interest expenses	1,168	1,101
Equity in (earnings) losses of affiliates	(437)	(469)
Loss (gain) on sales of property, plant and equipment	(78)	(617)
Loss (gain) on sales of investment securities	(2)	(166)
Loss on retirement of property, plant and equipment	697	566
Loss (gain) on valuation of investment securities	424	227
Decrease (increase) in notes and accounts receivable-trade	(7,542)	(7,007)
Decrease (increase) in inventories	(2,919)	161
Increase (decrease) in notes and accounts payable-trade	1,870	1,834
Other, net	522	1,164
Subtotal	18,086	17,838
Interest and dividends received	839	1,002
Interest expenses paid	(1,304)	(1,221)
Income taxes paid	(9,221)	(4,522)
Net cash provided by (used in) operating activities	8,401	13,097
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,517)	(9,501)
Proceeds from sales of property, plant and equipment	103	660
Purchase of intangible assets	(605)	(641)
Purchase of investment securities	(1,498)	(1,306)
Proceeds from sales of investment securities	62	202
Payments of loans receivable	(804)	(161)
Collection of loans receivable	2,522	403
Other, net	(138)	423
Net cash provided by (used in) investing activities	(10,875)	(9,921)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,395	1,211
Repayment of long-term loans payable	(2,287)	(2,209)
Purchase of treasury stock	(225)	(1,142)
Cash dividends paid	(3,105)	(3,101)
Cash dividends paid to minority shareholders	(8)	(9)
Other, net	(102)	(125)
Net cash provided by (used in) financing activities	(3,333)	(5,375)
Effect of exchange rate change on cash and cash equivalents	(356)	(1,947)
Net increase (decrease) in cash and cash equivalents	(6,164)	(4,147)
Cash and cash equivalents at beginning of the period	27,783	25,008
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiary	—	35
Cash and cash equivalents at end of period	21,619	20,896

4) Notes Regarding Going Concern

No applicable items.

5) Segment Information

1. Overview of Reporting Segments

For reporting segments, financial data is available broken down into separate business segments, and decisions for allocating business resources and performance assessments are subject to regular review by the Board of Directors.

Led by the holding company, Kikkoman formulates Group strategies and manages operating companies. Under this structure, companies in Japan are categorized into those that primarily engage in the manufacture and sale of foods and those that operate other businesses. Overseas, the holding company's overseas divisions are categorized as operating companies that engage in foods manufacturing and sales and those that engage in oriental food wholesaling under the holding company's overseas business divisions.

Consequently, Group operations are divided into segments broken down into domestic and overseas operations and into overlapping businesses. The four segments are: Domestic Foods— Manufacturing and Sales, Domestic Others, Overseas Foods—Manufacturing and Sales, and Overseas Foods—Wholesale.

Domestic Foods— Manufacturing and Sales engages in the manufacturing and sale of soy sauce, food products, beverages, *sake* and wine. The Domestic others engages in the manufacturing and sale of pharmaceuticals, chemical products, etc and in real estate rentals, logistics, back-office functions, and other businesses. Overseas Foods— Manufacturing and Sales engages in the manufacturing and sale of soy sauce, Del Monte products, health foods, etc overseas and in the export and sales of products for overseas sales. Overseas Foods—Wholesale purchases and sells oriental foods, etc.

2. Sales, Income, and Losses by Reporting Segment

First nine months of fiscal 2011 (April 1, 2010 to December 31, 2010)

(Millions of yen)

	Reporting Segment					Adjustments	Consolidated operating income (loss)
	Domestic Foods – Manufacturing and Sales	Domestic Others	Overseas Foods – Manufacturing and Sales	Overseas Foods – Wholesale	Total		
Sales							
Sales to third parties	117,402	6,294	30,589	62,893	217,180	—	217,180
Intragroup sales or transfers	788	8,800	4,345	225	14,161	(14,161)	—
Total sales	118,191	15,095	34,935	63,119	231,341	(14,161)	217,180
Operating income	5,984	1,074	6,000	2,945	16,004	191	16,196

(Notes) 1. Adjustments of ¥191 million in segment operating income are primarily for difference on allocations of corporate expenses.

2. Segment operating income is adjusted to the quarterly consolidated operating income.

(Additional information)

Pursuant to "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Statement No. 17, March 27, 2009) and "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, March 21, 2008), the Company applied these standards starting in the first quarter of fiscal 2011.

6) Notes Regarding Significant Changes in Shareholders' Equity

No applicable items.