

November 2, 2012

Consolidated Financial Results

Kikkoman Corporation Flash Report for First Six Months of Fiscal 2013

Six-month period ended September 30, 2012

Listed company name: **Kikkoman Corporation**
Shares listed: Tokyo , Osaka
Code No.: 2801
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Scheduled submission date of quarterly accounting report: November 13, 2012
Scheduled date for cash dividend payments: —
Supplementary schedules for quarter: Yes
Results briefing for quarter: Yes

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 Six-month Period Ended September 30, 2012 (April 1, 2012 to September 30, 2012)

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, 2012 -Sep. 30, 2012	147,158	3.8	10,356	10.6	9,207	12.6	4,805	9.4
Apr. 1, 2011 -Sep. 30, 2011	141,834	(1.2)	9,363	(9.0)	8,176	(9.8)	4,391	(3.3)

(Note) Comprehensive Income (loss)

April 1, 2012 to September 30, 2012: ¥792million (—%)

April 1, 2011 to September 30, 2011: ¥ (1,587) million (—%)

	Net income per share (yen)	Net income per share (Assuming full dilution) (yen)
Apr. 1, 2012 -Sep. 30, 2012	23.84	—
Apr. 1, 2011 -Sep. 30, 2011	21.41	—

2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
Sep. 30, 2012	305,642	160,171	51.9%
Mar. 31, 2012	331,371	167,352	50.0%

(Note) Total shareholders' equity

Sep. 30, 2012: ¥ 158,523million

Mar. 31, 2012: ¥ 165,762 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, 2011 -Mar. 31, 2012	—	0.00	—	15.00	15.00
Apr. 1, 2012 -Mar. 31, 2013	—	0.00	/	/	/
Apr. 1, 2012 -Mar. 31, 2013 (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, 2013 (April 1, 2012 to March 31, 2013)

(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, 2012- Mar.31, 2013	296,000	4.5	19,500	9.8	17,200	12.8	10,000	11.3	49.82

(Note) Revisions to recently announced forecasts of business performance: Yes

4. Notes

1) Changes in important subsidiaries during the first six months (Changes in certain specific subsidiaries resulting in a revised scope of consolidation):
None

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 10, 2.Summary Information (Other),

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: None

③ Changes in accounting estimates: None

④ Restatement of revisions: None

4) Issued and outstanding shares (common stock)

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

Sep. 30, 2012 — 210,383,202 shares Mar. 31, 2012 — 210,383,202 shares

② Treasury stock at end of period

Sep. 30, 2012 — 10,607,753 shares Mar. 31, 2012 — 5,331,687 shares

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

Sep. 30, 2012 — 201,545,443 shares Sep. 30, 2011 — 205,118,550 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

(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 10, 1. Qualitative Information and Consolidated Financial Statements, etc., 3) Qualitative Information Relating to Forecasts of Business Performance.

(Method for Obtaining Supplementary Schedules for Quarterly Results)

Kikkoman will publish supplementary schedules to the first half 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) Qualitative Information Relating to Consolidated Operating Results

During the first half of fiscal 2013 (April 1 to September 30, 2012), the recovery of the global economy was sluggish overall, with the European economy harboring downside risks owing to the fiscal debt crisis, despite a gradual recovery in the U.S. economy. The Japanese economy has stalled amid an anemic pace of recovery against the backdrop of such factors as the global economic slowdown.

Under these conditions, the Kikkoman Group saw increased sales in the Domestic Foods—Manufacturing and Sales segment in Japan, mainly reflecting higher sales in Food Products and *Sake* and Wine as well as a substantial sales increase in Beverages. Meanwhile, Soy Sauce sales were mostly on a par with the same period a year earlier. Overseas, sales increased year on year, as Soy Sauce sales grew steadily on a local currency basis primarily in North America and Europe, while the Overseas Foods-Wholesale business performed strongly.

As a result, consolidated operating results through the first half of fiscal 2013 were as follows.

<Consolidated Financial Statements>

(Millions of yen, %)

	FY2012 1st half		FY2013 1st half		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2011 – 9.30.2011		4.1.2012 – 9.30.2012		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%				Amount		
Net Sales	141,834	100.0	147,158	100.0	5,323	103.8	—	(1,240)	6,564	104.6
Operating Income	9,363	6.6	10,356	7.0	992	110.6	0.4	(211)	1,204	112.9
Ordinary Income	8,176	5.8	9,207	6.3	1,031	112.6	0.5	(189)	1,221	114.9
Net Income	4,391	3.1	4,805	3.3	414	109.4	0.2	(133)	547	112.5
Exchange Rate (¥/US\$)	79.73		79.43		(0.30)					
(¥/EUR)	114.09		101.12		(12.97)					

<Reporting segments>

(Millions of yen, %)

		FY2012 1st half		FY2013 1st half		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2011 – 9.30.2011		4.1.2012 – 9.30.2012		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%				Amount		
Domestic Foods- Manufacturing and Sales	Net Sales	73,772	100.0	78,702	100.0	4,929	106.7	—	—	4,929	106.7
	Operating Income	2,180	3.0	3,331	4.2	1,150	152.8	1.3	—	1,150	152.8
Domestic Others	Net Sales	10,280	100.0	10,213	100.0	(67)	99.3	—	—	(67)	99.3
	Operating Income	857	8.3	757	7.4	(100)	88.3	(0.9)	—	(100)	88.3
Overseas Foods- Manufacturing and Sales	Net Sales	23,853	100.0	24,347	100.0	494	102.1	—	(591)	1,086	104.6
	Operating Income	4,271	17.9	4,589	18.9	318	107.5	0.9	(140)	458	110.7
Overseas Foods- Wholesale	Net Sales	43,722	100.0	43,730	100.0	7	100.0	—	(721)	728	101.7
	Operating Income	2,051	4.7	1,916	4.4	(134)	93.4	(0.3)	(43)	(91)	95.5
Adjustments	Net Sales	(9,794)	100.0	(9,834)	100.0	(39)	—	—	72	(112)	—
	Operating Income	3	—	(238)	—	(242)	—	—	(28)	(213)	—
Consolidated Total	Net Sales	141,834	100.0	147,158	100.0	5,323	103.8	—	(1,240)	6,564	104.6
	Operating Income	9,363	6.6	10,356	7.0	992	110.6	0.4	(211)	1,204	112.9
Exchange Rate	(¥/US\$)	79.73		79.43		(0.30)					
	(¥/EUR)	114.09		101.12		(12.97)					

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 in the first half of fiscal 2013 (April 1 to September 30, 2012) were mostly the same year on year. The division stopped the decline in sales in the home-use sector through the launch of *Yawaraka Mippu Bottle 450 mL* (soft hermetically sealed bottles of soy sauce) in the *Itsudemo Shinsen* (always fresh) series of *Shiboritate-Nama Shoyu* (fresh raw soy sauce with filtration), along with strong sales of 200 mL bottle products. This was despite a continuing decline in sales of existing products. Also, *Uma Tsubu Shoyu* (delicious granulated soy sauce), a granulated soy sauce product launched in the first half, also contributed positively to higher sales. However, difficult market conditions caused sales in the industrial- and foodservice-use sectors to decrease year on year.

■ Food Products Division

In *tsuyu* (soy sauce soup base), overall sales were lower year on year. This mainly reflected lackluster sales of existing lines such as the flagship product *Hon Tsuyu* and *Straight Tsuyu*, despite favorable sales of *Karameru Gu Men Sauce* (thick and hearty noodle sauce), introduced for the home-use sector in fiscal 2012, and sales growth in the industrial- and foodservice-use sectors. In contrast, aggregate sales of *tare* (dipping and marinade sauces) rose year on year. The mainstay *Wagaya-wa-Yakinikuyasan* series of *tare*, *Steak Shoyu* (soy steak sauce) and other products for the home-use sector, as well as *tare* products for the industrial- and foodservice-use sectors, posted solid sales growth. Sales of the *Uchi-no-Gohan* series (handy Japanese-style seasoning mixes) increased year on year, supported by aggressive product development and storefront promotion activities for this product, along with efforts to cultivate new customers through such products as the *Dekitate My Deli* series; or seasoning mixes in a paper box container that can be microwaved and served by adding one fresh ingredient to complete the dish. The *Yo-Gohan Tsukuro* series (handy Western-style seasoning mixes) also performed strongly, posting higher sales year on year. As a result, aggregate sales in the Food Products Division rose from the same period the year before.

■Beverages Division

Sales of soy milk beverages performed strongly owing to vigorous sales promotion activities aimed at expanding the market. These 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 various media such as television and magazines. On aggregate, sales of Del Monte beverages also increased year on year. This reflected substantial growth in tomato juice sales, which has continued to be spurred by the announcement of research indicating organic compounds in tomatoes had the potential of stemming lifestyle-related diseases. Other contributing factors included sales of products such as *Fruity Tomato* and *Vege Start*, and the sale of beverages packaged as gifts. As a result, overall division sales of beverages were much higher than in the same period the year before.

■Sake and Wine Division

Overall sales of *Hon Mirin* rose from the same period the year before. This was owing to the cultivation of new customers in the industrial-use sector, despite sluggish sales of gift products and home-use containers in the home-use sector. In domestic wines, the *SOLARIS* series of wines continued to receive accolades by winning Gold Awards in the Japan Wine Competition 2012 once again in fiscal 2013, leading to increased sales. Sales of imported wines also increased year on year as a result of measures to cultivate the market. As a result, overall division sales increased year on year.

As a result of the above, both net sales and operating income for the Domestic Foods-Manufacturing and Sales increased 6.7% and 52.8% year on year, to ¥78,702 million and ¥3,331 million, respectively.

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.

Hyaluronic acid sales decreased year on year, despite strong sales performances by clinical diagnostic reagents and hygiene inspection agents. As a result, aggregate division sales declined year on year.

As a result, Domestic Others saw net sales in decline 0.7% year on year to ¥10, 213million, and operating income decline 11.7% year on year to ¥757 million.

【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 division leveraged Kikkoman's brand power to expand 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 addition, in the industrial- and foodservice-use sectors, the division worked attentively to meet customer needs. As a result, sales in the North American market increased both in the home-use sector and industrial- and foodservice-use sectors compared with the same period a year earlier.

In the European market, the division achieved double-digit sales growth on a local currency basis, thanks to steady growth in sales in Russia where demand for soy sauce is strongest, and in the core markets of Germany, France and the U.K.

In the Asian and Oceanian market, the division posted higher year-on-year sales on a local currency basis, reflecting sustained market growth in the ASEAN region.

As a result of the above, the division recorded a strong sales performance overall.

■ Del Monte Division

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

Aggregate division sales decreased year on year, as sales growth in Hong Kong was counteracted by a dip in the market in South Korea.

■ Other Foods Division

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

Division sales increased year on year on a local currency basis mainly as a result of consistently strong sales through medical doctors.

As a result of the above, both net sales and operating income for the Overseas Food-Manufacturing and Sales segment increased 2.1% and 7.5% year on year, to ¥24,347 million and ¥4,589 million, respectively.

Overseas Foods—Wholesale

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

Sales grew steadily in North America as a result of efforts to penetrate not only the Asian markets but the local market in general with Japanese food products. Popularity of Japanese food has continued to expand in Europe and Oceania, leading to steady growth in sales in each region. As a result, aggregate division sales rose year on year.

As a result of the above, Overseas Foods-Wholesale posted net sales of ¥43,730 million, mostly unchanged from the same period a year earlier. Operating income decreased 6.6% year on year to ¥1,916 million.

As a result of the aforementioned segment results, the Company reported consolidated net sales for the first six months of fiscal 2013 of ¥147,158 million (up 3.8% year on year), operating income of ¥10,356 million (up 10.6%), ordinary income of ¥9,207 million (up 12.6%) and net income of ¥4,805 million (up 9.4% year on year).

2) Qualitative Information Relating to Consolidated Financial Position

1. Total Assets, Total Liabilities and Net Assets

(Assets)

Current assets as of September 30, 2012, were ¥111,058 million, down ¥22,746 million from March 31, 2012. This was due primarily to a decrease in cash and deposits, and short-term investment securities. Noncurrent assets declined ¥2,982 million to ¥194,584 million, primarily because of a decline in property, plant and equipment, and investment securities.

As a result, total assets came to ¥305,642 million, down ¥25,729 million from March 31, 2012.

(Liabilities)

Current liabilities were ¥43,366 million, a decrease of ¥17,748 million from March 31, 2012. This was mainly attributable to a decrease in current portion of bonds. Noncurrent liabilities decreased ¥799 million to ¥102,104 million, mainly because of a decrease in deferred tax liabilities, and provision of directors' retirement benefits.

As a result, total liabilities decreased by ¥18,548 million to ¥145,470 million from March 31, 2012.

(Net Assets)

Net assets stood at ¥160,171 million, down ¥7,181 million from March 31, 2012. This was mainly due to a decrease in treasury stock, and deterioration in foreign currency translation adjustment.

As a result, the equity ratio rose 1.9 percentage points from 50.0% to 51.9%.

2. Cash Flows

Cash and cash equivalents as of September 30, 2012 were ¥20,832 million. This reflected a decrease in cash and cash equivalents of ¥25,104 million from March 31, 2012.

Cash flows for each activity and reasons are as follows.

(Cash Flows from Operating Activities)

During the six months ended September 30, 2012, operating activities provided net cash of ¥11,006 million. The main contributing factors were cash provided by operating activities comprising the sum of income before income taxes and minority interests, and non-cash items such as depreciation and amortization, which outweighed cash used and other decreases in operating funds as a consequence of income taxes paid, an increase in inventories, and net changes in the balance of notes and accounts receivable-trade and notes and accounts payable-trade.

(Cash Flows from Investing Activities)

Investing activities used net cash of ¥7,985million, mainly for the purchase of property, plant and equipment.

(Cash Flows from Financing Activities)

Financing activities used net cash of ¥27,245 million. This was due primarily to the redemption of bonds, Purchase of treasury stock and payment of cash dividends.

3) Qualitative Information Relating to Forecasts of Business Performance

We have revised our full-year forecasts for consolidated business performance. Net sales, operating income and ordinary income have all been revised upward. These revisions were made to reflect Beverages Division sales that were stronger than expected for the Domestic Foods-Manufacturing and Sales segment. The net income forecast was left unrevised to reflect the impact of a loss on valuation of investment securities incurred during the six months ended September 30, 2012. 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 26, 2012.

The differences between the revised forecasts for consolidated business performance and those given in the earnings report of April 27, 2012 are as follows.

(Full year)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previously Issued Forecast (A)	291,000	19,000	16,700	10,000	49.82
Current Revised Forecast (B)	296,000	19,500	17,200	10,000	49.82
Difference (B – A)	5,000	500	500	-	—
Percent Change (%)	1.7	2.6	3.0	-	—
Results from Previous Fiscal Year	283,239	17,764	15,242	8,983	43.80

Note: Assumed foreign currency exchange rates:

Previously announced forecast: US\$ = ¥78.0, EUR = ¥100.0

Forecast as of this announcement: US\$ = ¥78.8, EUR = ¥100.6

2. Summary Information (Other)

1) Changes in Important Subsidiaries during the First Six Months

No applicable items

Changes in subsidiaries outside of specific subsidiaries

Consolidations (New) NUTRI-LINK LIMITED (stock acquisition)

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 half 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. Consolidated Quarterly Financial Statements

1) Consolidated Quarterly Balance Sheets

	(Millions of yen)	
	As of March 31, 2012	As of September 30, 2012
Assets		
Current assets		
Cash and deposits	27,941	23,069
Notes and accounts receivable-trade	42,274	43,684
Short-term investment securities	20,131	135
Merchandise and finished goods	21,377	21,852
Work in process	9,386	9,561
Raw materials and supplies	3,462	3,600
Deferred tax assets	4,283	5,118
Other	5,171	4,264
Allowance for doubtful accounts	(223)	(229)
Total current assets	133,804	111,058
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	40,241	40,256
Machinery, equipment and vehicles, net	33,485	31,546
Land	19,764	19,629
Lease assets, net	158	130
Construction in progress	3,356	3,336
Other, net	2,163	3,069
Total property, plant and equipment	99,170	97,970
Intangible assets		
Goodwill	23,514	22,872
Other	3,365	3,555
Total intangible assets	26,879	26,427
Investments and other assets		
Investment securities	59,536	58,232
Long-term loans receivable	589	743
Deferred tax assets	1,538	1,524
Other	11,631	11,379
Allowance for doubtful accounts	(1,779)	(1,693)
Total investments and other assets	71,517	70,186
Total noncurrent assets	197,567	194,584
Total assets	331,371	305,642

	(Millions of yen)	
	As of March 31, 2012	As of September 30, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	15,474	16,114
Short-term loans payable	6,412	7,290
Current portion of bonds	20,000	-
Lease obligations	68	59
Accounts payable-other	11,756	10,908
Income taxes payable	980	2,256
Provision for bonuses	2,154	2,495
Provision for directors' bonuses	81	38
Provision for lost on disaster	50	-
Provision for loss on plant closing	209	209
Other	3,927	3,994
Total current liabilities	61,114	43,366
Noncurrent liabilities		
Bonds payable	70,000	70,000
Long-term loans payable	17,600	17,600
Lease obligations	105	87
Deferred tax liabilities	2,688	2,550
Provision for retirement benefits	4,198	4,286
Provision for directors' retirement benefits	1,114	950
Provision for environmental measures	336	325
Other	6,860	6,303
Total noncurrent liabilities	102,903	102,104
Total liabilities	164,018	145,470
Net assets		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	21,209	21,209
Retained earnings	162,149	163,892
Treasury stock	(5,275)	(10,292)
Total shareholders' equity	189,682	186,408
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(392)	(532)
Deferred gains or losses on hedges	15	12
Foreign currency translation adjustment	(22,618)	(26,510)
Unfunded retirement benefit obligation of overseas subsidiaries	(924)	(854)
Total accumulated other comprehensive income	(23,920)	(27,884)
Subscription rights to shares	179	179
Minority interests	1,410	1,468
Total net assets	167,352	160,171
Total liabilities and net assets	331,371	305,642

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

(Consolidated Quarterly Statements of Income)

(During the first six months of fiscal 2013)

	(Millions of yen)	
	Six months ended September 30, 2011	Six months ended September 30, 2012
Net sales	141,834	147,158
Cost of sales	83,927	85,492
Gross profit	57,907	61,666
Selling, general and administrative expenses	48,543	51,309
Operating income	9,363	10,356
Non-operating income		
Interest income	53	56
Dividends income	311	392
Equity in earnings of affiliates	144	190
Rent income	243	234
Foreign exchange gains	785	787
Other	413	487
Total non-operating income	1,952	2,148
Non-operating expenses		
Interest expenses	706	803
Loss on valuation of derivatives	764	834
Other	1,668	1,658
Total non-operating expenses	3,139	3,296
Ordinary income	8,176	9,207
Extraordinary income		
Gain on sales of property, plant and equipment	4	26
Gain on sales of investment securities	15	-
Subsidy income	-	854
Compensation income	-	635
Reversal of Special extra retirement payments	65	-
Total extraordinary income	86	1,517
Extraordinary loss		
Impairment loss	427	-
Loss on retirement of noncurrent assets	39	304
Loss on reduction of noncurrent assets	-	854
Loss on valuation of investment securities	43	1,429
Loss on valuation of golf club membership	3	10
Expenses for change of the Company's name of subsidiaries and affiliates	70	-
Loss on disaster	473	-
Other	83	68
Total extraordinary loss	1,141	2,668
Income before income taxes and minority interests	7,121	8,057
Income taxes	2,696	3,188
Income before minority interests	4,424	4,868
Minority interests in income	33	63
Net income	4,391	4,805

(Consolidated Quarterly Statements of Comprehensive Income)
 (During the first six months of fiscal 2013)

	(Millions of yen)	
	Six months ended September 30, 2011	Six months ended September 30, 2012
Income before minority interests	4,424	4,868
Other comprehensive income		
Valuation difference on available-for-sale securities	123	(234)
Deferred gains or losses on hedges	(3)	(2)
Foreign currency translation adjustment	(6,065)	(3,879)
Unfunded retirement benefit obligation of overseas subsidiaries	64	70
Share of other comprehensive income of associates accounted for using equity method	(130)	(29)
Total other comprehensive income (loss)	(6,011)	(4,075)
Comprehensive income (loss)	(1,587)	792
Total comprehensive income (loss) attributable to:		
Owners of the Company	(1,608)	735
Minority interests	21	56

3) Consolidated Quarterly Statements of Cash Flows

	(Millions of yen)	
	Six months ended September 30, 2011	Six months ended September 30, 2012
Cash flows from operating activities		
Income before income taxes and minority interests	7,121	8,057
Depreciation and amortization	5,914	5,805
Impairment loss	427	-
Increase (decrease) in provision for retirement benefits	153	207
Increase (decrease) in provision for directors' retirement benefits	(39)	(165)
Increase (decrease) in provision for lost on disaster	(240)	(50)
Interest and dividends income	(364)	(448)
Interest expenses	706	803
Equity in (earnings) losses of affiliates	(144)	(190)
Loss (gain) on sales of property, plant and equipment	(12)	(35)
Loss (gain) on sales of investment securities	(15)	-
Compensation income	-	(635)
Loss on retirement of property, plant and equipment	141	379
Loss (gain) on valuation of investment securities	44	1,429
Decrease (increase) in notes and accounts receivable-trade	(1,759)	(2,351)
Decrease (increase) in inventories	(3,156)	(1,607)
Increase (decrease) in notes and accounts payable-trade	1,326	1,228
Other, net	470	(27)
Subtotal	10,572	12,399
Interest and dividends received	551	659
Interest expenses paid	(686)	(864)
Proceeds from compensation	-	635
Income taxes paid	(3,384)	(1,823)
Net cash provided by (used in) operating activities	7,052	11,006
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,036)	(6,087)
Proceeds from sales of property, plant and equipment	30	92
Purchase of intangible assets	(575)	(523)
Purchase of investment securities	(202)	(541)
Proceeds from sales of investment securities	22	-
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(343)
Payments of loans receivable	(246)	(444)
Collection of loans receivable	115	113
Other, net	(152)	(253)
Net cash provided by (used in) investing activities	(11,045)	(7,985)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	49	1,001
Proceeds from long-term loans payable	445	-
Repayment of long-term loans payable	(100)	(100)
Redemption of bonds	-	(20,000)
Purchase of treasury stock	(14)	(5,017)
Cash dividends paid	(3,082)	(3,081)
Cash dividends paid to minority shareholders	(6)	(8)
Other, net	(39)	(40)
Net cash provided by (used in) financing activities	(2,747)	(27,245)

(Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Effect of exchange rate change on cash and cash equivalents	(1,600)	(879)
Net increase (decrease) in cash and cash equivalents	(8,341)	(25,104)
Cash and cash equivalents at beginning of the period	28,855	45,867
Increase(decrease) from the changes of accounting year-end date in certain consolidated subsidiaries	—	69
Cash and cash equivalents at end of period	20,513	20,832

4) Notes Regarding Going Concern

No applicable items.

5) Notes Regarding Significant Changes in Shareholders' Equity

Kikkoman Corporation passed a resolution at a meeting of the Board of Directors held on April 27, 2012 on matters concerning the acquisition of its own shares in accordance with Article 156 of the Companies Act, applied pursuant to Article 165-3 of the same Act. Consequently, by June 22, 2012, the Company had acquired 5,259,000 shares of its own common stock for ¥4,999 million in open market purchases on the Tokyo Stock Exchange.

6) Segment Information, etc.

1. First six months of fiscal 2012(April 1, 2011 to September 30, 2011)

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	73,205	4,161	20,886	43,581	141,834	–	141,834
Intragroup sales or transfers	567	6,119	2,966	141	9,794	(9,794)	–
Total sales	73,772	10,280	23,853	43,722	151,629	(9,794)	141,834
Operating income	2,180	857	4,271	2,051	9,360	3	9,363

(Notes)

- Adjustments of ¥3 million in segment operating income consist mainly of elimination of inter-segment transactions.
- Segment operating incomes are adjusted to the operating incomes recorded in the consolidated statements of income.

2. First six months of fiscal 2013 (April 1, 2012 to September 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	78,148	4,044	21,327	43,638	147,158	–	147,158
Intragroup sales or transfers	554	6,168	3,019	92	9,834	(9,834)	–
Total sales	78,702	10,213	24,347	43,730	156,992	(9,834)	147,158
Operating income	3,331	757	4,589	1,916	10,595	(238)	10,356

(Notes)

- Adjustments of ¥ (238) 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.