

Consolidated Financial Results

Kikkoman Corporation Flash Report for First Nine months of Fiscal 2014

Nine-month period ended December 31, 2013

Listed company name: **Kikkoman Corporation**
Shares listed: Tokyo (1st Section)
Code No.: 2801
URL: <http://www.kikkoman.com>
Representative: Noriaki Horikiri, President and Chief Executive Officer
Contact: Kazuki Usui, Corporate Officer General Manager
Corporate Communication Department
E-mail: ir@mail.kikkoman.co.jp

Scheduled submission date of quarterly accounting report: February 13, 2014
Scheduled date for cash dividend payments: —
Supplementary Schedules for quarter: Yes
Results briefing for quarter: / No

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, 2013 (April 1, 2013 to December 31, 2013)

1) Business Performance

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income	
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)
Apr. 1, 2013 -Dec. 31, 2013	258,413	14.6	19,609	18.0	18,756	20.2	11,944	32.3
Apr. 1, 2012 -Dec. 31, 2012	225,480	—	16,614	—	15,598	—	9,027	—

(Note) Comprehensive Income

April 1, 2013 to December 31, 2013: ¥ 33,944 million (124.7%)

April 1, 2012 to December 31, 2012: ¥ 15,106 million (—%)

	Net income per share (yen)	Net income per share (Assuming full dilution) (yen)
Apr. 1, 2013 -Dec. 31, 2013	59.75	59.71
Apr. 1, 2012 -Dec. 31, 2012	44.91	—

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

2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
Dec. 31, 2013	377,113	217,609	57.4%
Mar. 31, 2013	337,051	187,459	55.2%

(Note) Total shareholders' equity

Dec. 31, 2013: ¥216,305 million

Mar. 31, 2013: ¥186,168 million

2. Cash Dividends

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

(Note) Revisions to dividend forecasts this quarter: None

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

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (yen)
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	
Apr.1, 2013- Mar.31, 2014	337,000	12.2	23,200	17.1	21,000	12.3	12,500	13.6	62.53

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

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

[Notes]

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

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

(Note) For details, please refer to the attachments to this report, Page 9, 2.Summary Information (Notes),

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

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

① Changes in accounting policy associated with accounting standard revisions: None

② Changes in accounting policy other than those in ① above: Yes

③ Changes in accounting estimates: None

④ Restatement of revisions: None

(Note) For details, please refer to the attachments to this report, Page 9, 2.Summary Information (Notes), 3) Changes in Accounting Policy, Changes in Accounting Estimates and Restatement of Revisions.

4) Issued and outstanding shares (common stock)

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

December 31, 2013 — 210,383,202 shares Mar. 31, 2013 — 210,383,202 shares

② Treasury stock at end of period

December 31, 2013 — 10,422,332 shares Mar. 31, 2013 — 10,651,103 shares

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

December 31, 2013 — 199,903,305 shares December 31, 2012 — 201,007,800 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 9, 1. Qualitative Information and Consolidated Financial Statements, etc., 3) Explanation of forward-looking statements, including forecasts of consolidated business performance.

(Method for Obtaining Supplementary Schedules for Quarterly Results)

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

Table of Contents of Attachments

1. Qualitative Information and Consolidated Financial Statements, etc.	5
1) Explanation of business performance	5
2) Explanation of financial position	9
3) Explanation of forward-looking statements, including forecasts of consolidated business performance	9
2. Summary Information (Notes)	9
1) Changes in Important Subsidiaries during the First Nine Months	9
2) Application of Special Accounting Methods in Preparation for the Consolidated Quarterly Financial Statements	9
3) Changes in Accounting Policy, Changes in Accounting Estimates and Restatement of Revisions	9
3. Consolidated Quarterly Financial Statements	11
1) Consolidated Quarterly Balance Sheets	11
2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income	13
Consolidated Quarterly Statements of Income	
(During the first nine months of fiscal 2014)	13
Consolidated Quarterly Statements of Comprehensive Income	
(During the first nine months of fiscal 2014)	14
3) Notes on quarterly consolidated financial statements	
(Notes Regarding Going Concern)	15
(Notes Regarding Significant Changes in Shareholders' Equity)	15
(Segment Information, etc)	15

1. Qualitative Information and Consolidated Financial Statements, etc.

1) Explanation of business performance

During the first nine months of fiscal 2014 (April 1 – December 31, 2013), the global economy continued to stage a weak recovery overall, but increased its underlying strength, with a moderate improvement in the United States and signs of a turnaround in the European economy. The Japanese economy recovered moderately, reflecting an increase in consumer spending and a turnaround in capital investment.

In this environment the Kikkoman Group recorded higher sales in Domestic Foods-Manufacturing and Sales than in the same period of the previous fiscal year, attributable to an increase in the sales of Soy Sauce, Food Products, Beverages and *Sake* and Wine. Overseas, sales increased from the previous year, as sales of Soy Sauce rose steadily in North America and Europe, while sales remained strong in the Overseas Foods-Wholesale business.

As a result, consolidated operating results for the first nine months of fiscal 2014 were as follows.

<Consolidated Financial Statements>

(Millions of yen, %)

	Nine months Ended December 31,2012		Nine months Ended December 31,2013		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2012 – 12.31.2012		4.1.2013 – 12.31.2013		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%						
Net Sales	225,480	100.0	258,413	100.0	32,933	114.6	—	22,968	9,964	104.4
Operating Income	16,614	7.4	19,609	7.6	2,994	118.0	0.2	2,577	416	102.5
Ordinary Income	15,598	6.9	18,756	7.3	3,158	120.2	0.4	2,224	913	105.9
Net Income	9,027	4.0	11,944	4.6	2,917	132.3	0.6	1,636	1,280	114.2
Exchange Rate (¥/US\$)	80.43		99.23		18.80					
(¥/EUR)	103.24		132.13		28.89					

<Reporting segments>

(Millions of yen, %)

		Nine months Ended December 31,2012		Nine months Ended December 31,2013		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2012 – 12.31.2012		4.1.2013 – 12.31.2013		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%						
Domestic Foods-Manufacturing and Sales	Net Sales	121,044	100.0	124,135	100.0	3,091	102.6	—	—	3,091	102.6
	Operating Income	5,884	4.9	4,443	3.6	(1,441)	75.5	(1.3)	—	(1,441)	75.5
Domestic Others	Net Sales	15,405	100.0	15,264	100.0	(140)	99.1	—	—	(140)	99.1
	Operating Income	1,166	7.6	781	5.1	(385)	67.0	(2.5)	—	(385)	67.0
Overseas Foods-Manufacturing and Sales	Net Sales	36,594	100.0	47,468	100.0	10,874	129.7	—	8,636	2,237	106.1
	Operating Income	6,639	18.1	9,234	19.5	2,594	139.1	1.3	1,719	875	113.2
Overseas Foods-Wholesale	Net Sales	67,243	100.0	87,646	100.0	20,402	130.3	—	15,417	4,985	107.4
	Operating Income	2,915	4.3	4,208	4.8	1,293	144.4	0.5	637	656	122.5
Adjustments	Net Sales	(14,807)	100.0	(16,102)	100.0	(1,295)	—	—	(1,085)	(209)	—
	Operating Income	9	—	941	—	932	—	—	221	711	—
Consolidated Total	Net Sales	225,480	100.0	258,413	100.0	32,933	114.6	—	22,968	9,964	104.4
	Operating Income	16,614	7.4	19,609	7.6	2,994	118.0	0.2	2,577	416	102.5
Exchange Rate	(¥/US\$)	80.43		99.23		18.80					
	(¥/EUR)	103.24		132.13		28.89					

(Note) As described in 2. Summary Information (Notes), 3) Changes in Accounting Policy, Changes in Accounting Estimates and Restatement of Revisions, certain domestic consolidated subsidiaries have changed their revenue recognition standard since the first three months of the fiscal year under review onwards. The new revenue recognition standard is applied retroactively to the figures for the same quarter of the previous fiscal year.

Performance in each reporting segment is outlined as follows.

【Domestic】

Sales in Japan were as follows.

Domestic Foods—Manufacturing and Sales

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

■ Soy Sauce Division

The Company focused on the added value – the good taste of fresh, raw soy sauce, the preservation of freshness, and the user-friendliness – of the *Yawaraka Mippu 450 mL bottle* (airtight soft plastic bottles), which was launched in the previous fiscal year in response to consumer demand, in the *Itsudemo Shinsen* (always fresh) series. Sales in this new soy sauce category steadily expanded. Sales also increased in the industrial-use sector, and aggregate sales in the Soy Sauce Division rose from the same period in the previous fiscal year.

■ Food Products Division

For *tsuyu* (soy sauce soup base), in the home-use sector, sales increased from the same period in the previous fiscal year thanks to strong sales of the flagship product *Hon Tsuyu* and *Straight Tsuyu*. Sales in the industrial- and food service-use sector also rose, and as a result, aggregate sales of *tsuyu* rose from a year ago. For *tare* (dipping and marinade sauces), sales of the mainstay *Wagaya-wa-Yakinikuyasan* series were strong, partly due to the contribution of *Shoyukoji-no-Tsukekomidare*, a new product. Meanwhile, sales declined from a year earlier in the industrial- and food service-use sector. As a result, aggregate sales of *tare* decreased slightly year on year. The *Uchi-no-Gohan* series (handy Japanese-style seasoning mixes) drove the expansion of the market through aggressive product development, TV advertising, and storefront promotional activities, and year on year sales for the series rose sharply. Aggregate sales of Del Monte seasonings were on a par with the year-ago level, despite the contribution of new products, including *Lycopene-rich Tomato Ketchup*. As a result, aggregate sales for the Food Products Division increased from the same period in the previous fiscal year.

■ Beverages Division

Sales of soy milk beverages rose from the same period in the previous fiscal year, thanks to sales promotion activities aimed at expanding the market and strong sales of new products, including *Tonyu Inryo Mango* and *Tonyu Inryo Melon* and increased sales of designated health foods backed by increasing consumer health awareness. These promotional activities, in conjunction with media such as television and magazines, were designed to promote the appeal of soy milk for use in cooking utilizing recipe books and as a beverage, among other selling points. Despite the contribution of gifts and new products, including *Asa Tomato* and *Asa Sarada*, and sales promotion, including a Del Monte 50th anniversary campaign, aggregate sales of Del Monte beverages declined from the same period in the previous fiscal year, partly because of the underperformance of tomato juice, which had increased sharply in the previous fiscal year. As a result, overall sales for the Beverages Division increased year on year.

■ Sake and Wine Division

Overall sales of *Honmirin* rose from the same period in the previous fiscal year, reflecting growth in sales of 1 L bottles in the home-use sector and the contribution of *Komekoji Kodawari-jikomi Honmirin*, a new product. Sales of domestic wines increased in the industrial- and food service-use sector. Sales of imported wines also rose as a result of measures to cultivate the market. Consequently, overall sales in the *Sake* and Wine Division increased from the same period in the previous fiscal year.

As a result of the above, net sales for the Domestic Foods-Manufacturing and Sales increased 2.6% year on year, to ¥124,135 million. Operating income declined 24.5% year on year, to ¥4,443 million, partly due to an increase in materials and other costs.

Domestic Others

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

Aggregate division sales declined year on year, as sales of hyaluronic acid and logistics fell, although sales of clinical diagnostic reagents such as enzymes for diabetes testing increased from the previous year.

As a result, Domestic Others saw net sales decline 0.9% year on year, to ¥15,264 million, and operating income decrease 33.0% year on year, to ¥ 781 million.

【Overseas】

Sales overseas were as follows.

Overseas Foods—Manufacturing and Sales

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

■ Soy Sauce Division

In the North American market, the division leveraged Kikkoman's brand power to expand its business by continuing to enhance its lineup of mainstay soy sauce products, soy sauce-based seasonings and other products for the home-use sector. In the industrial- and food service-use sectors, the division worked diligently to meet consumer demand. As a result of these initiatives, aggregate sales in the North American market increased from the same period of the previous fiscal year.

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

In the market for Asia and Oceania, the sales volume remained firm in Thailand and Indonesia. Overall, sales in the Asia and Oceania market rose from the same period of the previous fiscal year.

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

■ Del Monte Division

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

Sales in the Chinese and Hong Kong markets remained strong, and aggregate division sales increased year on year.

■ Other Foods Division

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

Overall division sales increased year on year, mainly due to consistently strong sales through medical doctors.

As a result of the above, net sales for Overseas Foods-Manufacturing and Sales segment increased 29.7% year on year, to ¥47,468 million. Operating income rose 39.1% year on year, to ¥9,234 million.

Overseas Foods—Wholesale

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

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

As a result, Overseas Foods-Wholesale saw net sales increase 30.3% year on year to ¥87,646 million and operating income climbed 44.4% year on year to ¥4,208 million.

As a result of the above, the Company reported consolidated net sales for the first nine months of fiscal 2014 of ¥258,413 million (up 14.6% year on year), operating income of 19,609 million (up 18.0%), ordinary income of ¥ 18,756 million (up 20.2%), and net income of ¥11,944 million (up 32.3%).

2) Explanation of financial position

1. Total Assets, Total Liabilities and Net Assets

(Assets)

Current assets as of December 31, 2013, were ¥143,600 million, an increase of ¥17,590 million from March 31, 2013. This was primarily due to an increase in notes and accounts receivable-trade, cash and deposits and other current assets. Noncurrent assets were up ¥22,470 million to ¥233,512 million, primarily because of an increase in investment securities and property, plant and equipment.

As a result, total assets increased by ¥40,061 million from March 31, 2013 to ¥377,113 million.

(Liabilities)

Current liabilities were ¥52,658 million, an increase of ¥6,496 million from March 31, 2013. This was mainly attributable to an increase in short-term loans payable. Noncurrent liabilities increased by ¥3,415 million to ¥106,845 million, mainly because of an increase in deferred tax liabilities, despite a decline in long-term loans payable.

As a result, total liabilities increased by ¥9,911 million to ¥159,503 million from March 31, 2013.

(Net Assets)

Net assets stood at ¥217,609 million, up ¥30,149 million from March 31, 2013. This was mainly due to increases in retained earnings, valuation difference on available-for-sale securities, and foreign currency translation adjustments.

As a result, the equity ratio rose 2.2 percentage points from 55.2% to 57.4%.

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

Consolidated earnings forecasts for the year ending March 31, 2014, remain unchanged from the forecasts accompanying the Flash Report for First Six Months of Fiscal 2014, disclosed on October 31, 2013. 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 25, 2013.

2. Summary Information (Notes)

1) Changes in Important Subsidiaries during the First Nine Months

No applicable items

Changes in subsidiaries outside of specific subsidiaries

Consolidations (New) Kikkoman Daily Company (newly established)

Nippon Del Monte Agri Company (newly established)

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 nine under review, is reasonably estimated, and the tax expenses are calculated by multiplying this estimated effective tax rate by income before income taxes and minority interests.

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

Changes in accounting policy

(Change in revenue recognition standard)

The Company's domestic consolidated subsidiaries recognized revenue primarily on a shipping basis. Starting the first quarter of the fiscal year under review, however, certain domestic consolidated subsidiaries are recognizing revenue on delivery dates under the terms and conditions of contracts. Those

consolidated subsidiaries have changed the revenue recognition standard to more adequately reflect actual sales. They have agreed with their customers to record billing amounts on delivery dates to reflect actual transactions with the customers more accurately and have completed a system to deal with the change.

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

The retroactive application has increased net sales for the first nine of the previous fiscal year 174 million yen. Operating income, ordinary income, and income before income taxes and minority interests each have increased 18 million yen. The net assets at the beginning of the previous fiscal year have reflected the cumulative effects of the change in accounting policy, and retained earnings at the beginning of the previous fiscal year decreased 390 million yen.

3. Consolidated Quarterly Financial Statements

1) Consolidated Quarterly Balance Sheets

	(Millions of yen)	
	As of March 31, 2013	As of December 31, 2013
Assets		
Current assets		
Cash and deposits	30,598	34,328
Notes and accounts receivable-trade	44,053	52,634
Short-term investment securities	131	131
Merchandise and finished goods	23,984	25,887
Work in process	10,405	11,084
Raw materials and supplies	3,861	4,409
Deferred tax assets	5,610	4,783
Other	7,570	10,729
Allowance for doubtful accounts	(205)	(386)
Total current assets	126,010	143,600
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	42,529	46,588
Machinery, equipment and vehicles, net	32,542	35,265
Land	20,039	21,805
Lease assets, net	181	177
Construction in progress	5,351	1,920
Other, net	3,048	3,722
Total property, plant and equipment	103,693	109,479
Intangible assets		
Goodwill	21,792	20,578
Other	3,675	4,220
Total intangible assets	25,468	24,799
Investments and other assets		
Investment securities	70,858	87,649
Long-term loans receivable	691	695
Deferred tax assets	1,112	1,032
Other	9,948	10,584
Allowance for doubtful accounts	(732)	(727)
Total investments and other assets	81,879	99,233
Total noncurrent assets	211,041	233,512
Total assets	337,051	377,113

	(Millions of yen)	
	As of March 31, 2013	As of December 31, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	16,005	18,150
Short-term loans payable	7,338	13,362
Lease obligations	57	65
Accounts payable-other	13,412	12,521
Income taxes payable	2,095	1,943
Provision for bonuses	2,172	662
Provision for directors' bonuses	84	67
Other	4,995	5,885
Total current liabilities	46,162	52,658
Noncurrent liabilities		
Bonds payable	70,000	70,000
Long-term loans payable	15,600	13,600
Lease obligations	94	106
Deferred tax liabilities	5,699	11,048
Provision for retirement benefits	4,271	3,847
Provision for directors' retirement benefits	967	891
Provision for environmental measures	321	507
Other	6,475	6,844
Total noncurrent liabilities	103,429	106,845
Total liabilities	149,591	159,503
Net assets		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	21,227	21,340
Retained earnings	169,702	177,645
Treasury stock	(10,352)	(10,182)
Deposit for subscriptions to treasury stock	78	41
Total shareholders' equity	192,254	200,443
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,867	15,703
Deferred gains or losses on hedges	19	37
Foreign currency translation adjustment	(10,918)	1,269
Unfunded retirement benefit obligation of overseas subsidiaries	(1,054)	(1,148)
Total accumulated other comprehensive income	(6,085)	15,862
Subscription rights to shares	115	58
Minority interests	1,174	1,245
Total net assets	187,459	217,609
Total liabilities and net assets	337,051	377,113

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

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

	(Millions of yen)	
	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Net sales	225,480	258,413
Cost of sales	131,655	153,819
Gross profit	93,825	104,594
Selling, general and administrative expenses	77,210	84,984
Operating income	16,614	19,609
Non-operating income		
Interest income	84	98
Dividends income	667	806
Equity in earnings of affiliates	632	883
Rent income	358	414
Gain on valuation of derivatives	1,001	2,817
Other	917	1,265
Total non-operating income	3,661	6,285
Non-operating expenses		
Interest expenses	1,188	1,140
Foreign exchange losses	1,139	2,796
Other	2,350	3,202
Total non-operating expenses	4,678	7,139
Ordinary income	15,598	18,756
Extraordinary income		
Gain on sales of property, plant and equipment	266	1,074
Gain on sales of investment securities	1	94
Subsidy income	854	—
Compensation income	635	—
Total extraordinary income	1,759	1,168
Extraordinary loss		
Loss on retirement of noncurrent assets	448	859
Loss on reduction of noncurrent assets	854	—
Loss on valuation of investment securities	1,323	—
Loss on valuation of golf club membership	29	2
Compensation for termination of business relations	—	671
Other	69	—
Total extraordinary loss	2,724	1,533
Income before income taxes and minority interests	14,632	18,391
Income taxes	5,520	6,400
Income before minority interests	9,112	11,990
Minority interests in income	85	45
Net income	9,027	11,944

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

	(Millions of yen)	
	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Income before minority interests	9,112	11,990
Other comprehensive income		
Valuation difference on available-for-sale securities	1,390	9,266
Deferred gains or losses on hedges	20	14
Foreign currency translation adjustment	4,218	11,592
Unfunded retirement benefit obligation of overseas subsidiaries	(11)	(93)
Share of other comprehensive income of associates accounted for using equity method	376	1,173
Total other comprehensive income	5,994	21,954
Comprehensive income	15,106	33,944
Total comprehensive income attributable to:		
Owners of the Company	15,012	33,892
Minority interests	94	51

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

No applicable items.

(Notes Regarding Significant Changes in Shareholders' Equity)

No applicable items.

(Segment Information, etc)

I. First nine months of fiscal 2013 (April 1, 2012 to December 31, 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	120,213	6,074	32,105	67,086	225,480	—	225,480
Intragroup sales or transfers	830	9,330	4,489	156	14,807	(14,807)	—
Total sales	121,044	15,405	36,594	67,243	240,287	(14,807)	225,480
Operating income	5,884	1,166	6,639	2,915	16,605	9	16,614

(Notes)

- Adjustments of ¥9 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.

II. First nine months of fiscal 2014 (April 1, 2013 to December 31, 2013)

1. Sales, Income, and Losses by Reporting Segment

(Millions of yen)

	Reporting Segment					Adjustments (Note 1)	Consoli- dated Total (Note 2)
	Domestic Foods – Manufacturing and Sales	Domestic Others	Overseas Foods – Manufacturing and Sales	Overseas Foods – Wholesale	Total		
Sales							
Sales to third parties	123,302	6,082	41,613	87,415	258,413	—	258,413
Intragroup sales or transfers	832	9,182	5,855	231	16,102	(16,102)	—
Total sales	124,135	15,264	47,468	87,646	274,516	(16,102)	258,413
Operating income	4,443	781	9,234	4,208	18,668	941	19,609

(Notes)

- Adjustments of ¥941 million in segment operating income consist mainly of difference in the allocation of corporate expenses.
- Segment operating incomes are adjusted to the operating incomes recorded in the consolidated statements of income.

2. Changes relating to reporting segments

(Change in revenue recognition standard)

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

The change in accounting policy is retroactively applied to the segment information for the first nine of

the previous fiscal year. For Domestic Foods-Manufacturing and Sales, net sales increased 174 million yen, and operating income increased 18 million yen.