

Consolidated Financial Results

Kikkoman Corporation Flash Report for Fiscal 2015 1Q

Three-month period ended June 30, 2014

Listed company name: **Kikkoman Corporation**
Shares listed: Tokyo (1st Section)
Code No.: 2801
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Scheduled submission date of quarterly accounting report: August 12, 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 Three-month Period Ended June 30, 2014 (April 1, 2014 to June 30, 2014)

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, 2014 -Jun. 30, 2014	87,792	4.5	5,682	(12.6)	5,852	6.2	3,798	(5.6)
Apr. 1, 2013 -Jun. 30, 2013	83,979	13.8	6,497	28.4	5,508	22.8	4,023	65.2

(Note) Comprehensive Income

April 1, 2014 to June 30, 2014: ¥ 3,757 million ((61.0) %)

April 1, 2013 to June 30, 2013: ¥ 9,643 million (- %)

	Net income per share (yen)	Net income per share (Assuming full dilution) (yen)
Apr. 1, 2014 -Jun. 30, 2014	19.07	19.07
Apr. 1, 2013 -Jun. 30, 2013	20.13	20.12

2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
Jun. 30, 2014	346,219	206,991	59.3%
Mar. 31, 2014	349,103	210,407	59.9%

(Note) Total shareholders' equity

Jun. 30, 2014: ¥205,477 million

Mar. 31, 2014: ¥209,166 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, 2013 -Mar. 31, 2014	—	0.00	—	20.00	20.00
Apr. 1, 2014 -Mar. 31, 2015	—	/	/	/	/
Apr. 1, 2014 -Mar. 31, 2015 (Estimated)	/	0.00	—	20.00	20.00

(Note) Revisions to dividend forecasts this quarter: None

3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2015 (April 1, 2014 to March 31, 2015)

(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, 2014-Sep.30, 2014	179,100	6.4	12,300	(2.9)	11,600	2.8	7,200	0.6	36.24
Apr.1, 2014-Mar.31, 2015	361,000	5.2	24,700	3.6	23,500	3.6	14,500	15.4	73.09

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

[Notes]

1) Changes in important subsidiaries during the first three 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: Yes
- ② Changes in accounting policy other than those in ① above: None
- 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)

June 30, 2014 — 210,383,202 shares	Mar. 31, 2014 — 210,383,202 shares
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- ② Treasury stock at end of period

June 30, 2014 — 12,356,585 shares	Mar. 31, 2014 — 10,351,947 shares
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- ③ Shares outstanding during the period (cumulative for period, consolidated)

June 30, 2014 — 199,163,729 shares	June 30, 2013 — 199,843,796 shares
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* 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 quarter 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) Explanation of business performance

During the first three months of the fiscal year ending March 2015, the global economy as a whole gradually recovered, with the U.S. economy maintaining its recovery trends and the economic turnaround in Europe. Meanwhile, despite the negative reaction to the last-minute demand ahead of the consumption tax hike, the Japanese economy continued to stage a gradual recovery.

In this environment, the Kikkoman Group recorded lower sales year on year in the Domestic Foods-Manufacturing and Sales segment, reflecting the reaction to the last-minute shopping spree ahead of the consumption tax hike in the Soy Sauce, Food Products and *Sake* and Wine Divisions.

Overseas, sales increased year on year, as Soy Sauce sales increased, primarily in North America and Europe, while the Overseas Foods-Wholesale business also performed strongly.

As a result, consolidated operating results for the first three months of fiscal 2015 were as follows.

<Consolidated Financial Statements>

(Millions of yen, %)

	FY2014 1Q		FY2015 1Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2013 – 6.30.2013		4.1.2014 – 6.30.2014		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%						
Net Sales	83,979	100.0	87,792	100.0	3,812	104.5	—	2,040	1,772	102.1
Operating Income	6,497	7.7	5,682	6.5	(815)	87.4	(1.2)	289	(1,104)	83.0
Ordinary Income	5,508	6.6	5,852	6.7	344	106.2	0.1	269	74	101.4
Net Income	4,023	4.8	3,798	4.3	(224)	94.4	(0.5)	185	(409)	89.8
Exchange Rate (¥/US\$)	97.94		102.14		4.20					
(¥/EUR)	127.35		140.01		12.66					

<Reporting Segments>

(Millions of yen, %)

		FY2014 1Q		FY2015 1Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2013 – 6.30.2013		4.1.2014 – 6.30.2014						Amount	
		Amount	%	Amount	%	Amount	YoY	%	Amount	YoY	
Domestic Foods-Manufacturing and Sales	Net Sales	40,038	100.0	39,060	100.0	(978)	97.6	—	—	(978)	97.6
	Operating Income	1,358	3.4	418	1.1	(940)	30.8	(2.3)	—	(940)	30.8
Domestic Others	Net Sales	5,206	100.0	5,235	100.0	29	100.6	—	—	29	100.6
	Operating Income	403	7.8	301	5.8	(102)	74.7	(2.0)	—	(102)	74.7
Overseas Foods-Manufacturing and Sales	Net Sales	15,318	100.0	17,107	100.0	1,789	111.7	—	951	837	105.5
	Operating Income	3,040	19.8	3,317	19.4	276	109.1	(0.5)	192	84	102.8
Overseas Foods-Wholesale	Net Sales	28,628	100.0	32,166	100.0	3,537	112.4	—	1,192	2,345	108.2
	Operating Income	1,488	5.2	1,551	4.8	62	104.2	(0.4)	67	(5)	99.6
Adjustments	Net Sales	(5,212)	100.0	(5,777)	100.0	(565)	—	—	(103)	(462)	—
	Operating Income	206	—	93	—	(112)	—	—	29	(141)	—
Consolidated Total	Net Sales	83,979	100.0	87,792	100.0	3,812	104.5	—	2,040	1,772	102.1
	Operating Income	6,497	7.7	5,682	6.5	(815)	87.4	(1.2)	289	(1,104)	83.0
Exchange Rate (¥/US\$)		97.94		102.14		4.20					
		(¥/EUR)	127.35	140.01		12.66					

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

Sales of the *Itsudemo Shinsen* (always fresh) series in the home-use sector remained steady. However, given the effects of the reaction to the last minute shopping spree ahead of the consumption tax hike, aggregated sales in the Soy Sauce Division in terms of both volume and amount declined year on year.

■Food Products Division

In *tsuyu* (soy sauce soup base), sales in the industrial- and foodservice-use sectors increased year on year, but sales of *Hon Tsuyu*, a flagship product, and *Straight Tsuyu* in the home-use sector failed to match those in the same period of the previous fiscal year. As a result, aggregated sales in *tsuyu* declined year on year. In *tare* (dipping and marinade sauces), with the renewal of products, sales of the mainstay *Wagaya wa Yakinikuyasan* series were strong, while sales of a new product, *Wagaya wa Yakinikuyasan Nokodare*, were also robust. As a result, aggregate sales of *tare* rose year on year. Sales of the *Uchi no Gohan* series (handy Japanese-style seasoning mixes) increased year on year, reflecting aggressive new product development, TV advertising, and storefront promotion activities. Sales of Del Monte seasonings fell year on year due to the reaction to the last minute demand ahead of the consumption tax hike. As a result, aggregate sales in the Food Products Division decreased from the same period of the previous fiscal year.

■Beverages Division

While the market for soy milk beverages was growing steadily, the company carried out sales promotion activities aimed at expanding the market, including promoting the appeal of soy milk not only as a beverage, but also as a cooking ingredient, by introducing recipe books in conjunction with media such as television and magazines. Meanwhile, sales of new products, including *Tonyu Inryo Nashi* and *Tonyu Inryo Cola* (pear- and cola-flavored soy milk beverages), were also strong. Consequently, aggregate sales of soy milk beverages rose year on year.

Aggregate sales of Del Monte beverages declined year on year, given the failure of sales of tomato juice to achieve the same level as those for the same period of the previous fiscal year, offsetting contributions made to sales increases by new products, such as *Asa Salad* (easy-to-drink tomato beverage) and *Vege Fiber* (a vegetable beverage for specified health use), which were launched last year. As a result, overall sales in the Beverages Division increased year on year.

■Sake and Wine Division

Overall sales of *Hon Mirin* fell year on year, reflecting the negative effects of the reaction to the last-minute demand ahead of the consumption tax hike on 1L bottle items, such as a mainstay product, *Manjo Hojun Hon Mirin*, offsetting strong sales of *Komekoji Kodawarijikomi Hon Mirin 450ml*, a product that was launched last year. Sales of domestic wines declined year on year, mainly due to sluggish sales of cooking wines, although the *Solaris* series and other products performed strongly. Consequently, overall sales in the Sake and Wine Division decreased from the same period of the previous fiscal year.

As a result of the above, the Domestic Foods-Manufacturing and Sales segment recorded lower sales and income, with net sales falling 2.4%, to ¥39,060 million, and operating income declining 69.2%, to ¥418 million.

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 rose year on year, reflecting year-on-year increases in sales of clinical diagnostic reagents, hygiene inspection agents and logistics.

As a result, the Domestic Others segment recorded higher sales and lower income, with net sales rising 0.6% year on year, to ¥5,235 million, and operating income decreasing 25.3% year on year, to ¥301 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 the lineup of mainstay soy sauce products, soy sauce-based seasonings and other products for the home-use sector. In the industrial- and foodservice-use sectors, the division worked attentively to meet consumer needs. The result of those initiatives was that aggregate sales in the North American market increased from the same period of the previous fiscal year.

In the European market, sales increased year on year, given steady increases in sales in such key markets as Germany, France and the Netherlands, despite the temporary negative impact on the Russian market from a rise in market prices as a result of the weak ruble.

In the Asian and Oceanian market, sales declined year on year in the Philippines and Indonesia, but they increased in Thailand and other countries. Overall, sales in the Asian and Oceanian market rose from the same period of the previous fiscal year.

As a result, the division recorded higher sales year on year, partly reflecting the effects of foreign exchange rates.

■ 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 increased from the same period of the previous fiscal year, reflecting a recovery in the South Korean market, which was sluggish in the previous year, and further expansion in the Chinese market.

■ Other Foods Division

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

Overall division sales increased year on year as a result of continued strong sales through medical doctors.

As a result of the above, the Overseas Foods-Manufacturing and Sales segment recorded higher sales and income, with net sales increasing 11.7% year on year, to ¥17,107 million, and operating income rising 9.1% year on year, to ¥3,317 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. Moreover, markets continued to grow in Europe and Oceania, leading to steady growth in sales in each region. As a consequence, aggregate division sales rose year on year.

As a result, the Overseas Foods-Wholesale segment recorded higher sales and income, with net sales increasing 12.4% year on year, to ¥32,166 million, and operating income climbing 4.2% year on year, to ¥1,551 million.

As a result of the aforementioned segment results, the Company reported consolidated net sales for the first three months of fiscal 2015 of ¥87,792 million (up 4.5% year on year), operating income of ¥5,682 million (down 12.6%), ordinary income of ¥5,852 million (up 6.2%), and net income of ¥3,798 million (down 5.6%).

2) Explanation of financial position

(Assets)

Current assets as of June 30, 2014, were ¥128,022 million, a decrease of ¥5,199 million from March 31, 2014. This was primarily due to a decrease in cash and deposits. Noncurrent assets were up ¥2,315 million to ¥218,197 million, primarily because of an increase in investment securities.

As a result, total assets decreased by ¥2,883 million from March 31, 2014 to ¥346,219 million.

(Liabilities)

Current liabilities were ¥55,788 million, an increase of ¥170 million from March 31, 2014. This was mainly attributable to an increase in short-term loans payable while income tax payable and accounts payable decreased. Noncurrent liabilities increased by ¥360 million to ¥83,439 million, mainly because of an increase in deferred tax liabilities while net defined benefit liability decreased.

As a result, total liabilities increased by ¥531 million to ¥139,228 million from March 31, 2014.

(Net Assets)

Net assets stood at ¥206,991 million, down ¥3,415 million from March 31, 2014. This was mainly due to the acquisition of treasury stock.

As a result, the equity ratio declined 0.6 percentage points from 59.9% to 59.3%.

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

There are no changes to the semiannual and full year forecasts of business performance that were announced on April 25, 2014. And, there are no material changes to the business risks that may affect business performance from those disclosed in the latest Annual Securities Report submitted on June 24, 2014.

2. Summary Information (Notes)

1) Changes in Important Subsidiaries during the First Three Months

No applicable items

Changes in subsidiaries outside of specific subsidiaries

Consolidations (New) Kikkoman Shanghai Trading CO, LTD (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 three month 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

(Application of the accounting standard for retirement benefits)

Effective from the first three months of the consolidated fiscal year under review, the Company has adopted the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26 of May 17, 2012; hereinafter referred to as “the Accounting Standard for Retirement Benefits”) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 of May 17, 2012; hereinafter referred to as “the Guidance on Accounting Standard for Retirement Benefits”) for the provisions set forth in paragraph 35 of the Accounting Standard for Retirement Benefits and paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits. As a result, it revised the method of calculating retirement benefit obligations and service costs, and it has changed the method of attributing

expected retirement benefits to accounting periods from the straight-line basis to the standard pension benefit formula basis. With respect to the method of determining the discount rate, it has also changed from the discount rate based on the average period until expected payment day to the discount rate that reflects the estimated timing of each benefit payment.

As for the application of the Accounting Standard for Retirement Benefits and the Guidance on Accounting Standard for Retirement Benefits, in accordance with the transitional handling as provided in paragraph 37 of the Accounting Standard for Retirement Benefits, at the beginning of the first three months of the consolidated fiscal year under review, the Company adjusted its retained earnings by taking into account the amount affected by the change in the method of calculating retirement benefit obligations and service costs.

As a result, net defined benefit asset at the beginning of the first three months of the consolidated fiscal year under review has increased ¥805 million, and net defined benefit liability has decreased ¥372 million, while retained earnings has increased ¥806 million. The impact on operating income, ordinary income and income before income taxes and minority interests for the first three months of the consolidated fiscal year under review is negligible.

3. Consolidated Quarterly Financial Statements

1) Consolidated Quarterly Balance Sheets

	(Millions of yen)	
	As of March 31, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and deposits	28,564	22,920
Notes and accounts receivable-trade	47,370	46,658
Short-term investment securities	131	131
Merchandise and finished goods	26,983	28,633
Work in process	11,193	11,500
Raw materials and supplies	4,256	4,247
Deferred tax assets	4,430	4,536
Other	10,713	9,814
Allowance for doubtful accounts	(422)	(420)
Total current assets	133,222	128,022
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	44,471	43,673
Machinery, equipment and vehicles, net	33,085	32,692
Land	20,706	20,656
Lease assets, net	180	148
Construction in progress	2,919	3,713
Other, net	3,654	3,576
Total property, plant and equipment	105,017	104,460
Intangible assets		
Goodwill	18,392	18,132
Other	4,805	4,893
Total intangible assets	23,198	23,025
Investments and other assets		
Investment securities	75,609	78,230
Long-term loans receivable	673	637
Net defined benefit asset	5,245	6,150
Deferred tax assets	1,130	701
Other	5,745	5,742
Allowance for doubtful accounts	(738)	(750)
Total investments and other assets	87,666	90,711
Total noncurrent assets	215,881	218,197
Total assets	349,103	346,219

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Liabilities		
Current liabilities		
Notes and accounts payable-trade	18,193	17,308
Short-term loans payable	12,961	17,951
Lease obligations	66	65
Accounts payable-other	14,528	13,106
Income taxes payable	3,396	1,632
Provision for bonuses	2,205	953
Provision for directors' bonuses	90	21
Other	4,174	4,749
Total current liabilities	55,618	55,788
Noncurrent liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	13,000	13,000
Lease obligations	111	99
Deferred tax liabilities	8,075	8,868
Provision for directors' retirement benefits	898	835
Provision for environmental measures	504	495
Net defined benefit liability	3,737	3,370
Other	6,751	6,768
Total noncurrent liabilities	83,078	83,439
Total liabilities	138,696	139,228
Net assets		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	21,377	21,401
Retained earnings	178,260	178,854
Treasury stock	(10,121)	(14,356)
Deposit for subscriptions to treasury stock	10	11
Total shareholders' equity	201,126	197,510
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,623	11,276
Deferred gains or losses on hedges	3	(9)
Foreign currency translation adjustment	(285)	(2,095)
Remeasurements of defined benefit plans	(1,300)	(1,203)
Total Accumulated other comprehensive income	8,040	7,966
Subscription rights to shares	36	21
Minority interests	1,203	1,492
Total net assets	210,407	206,991
Total liabilities and net assets	349,103	346,219

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

(Consolidated Quarterly Statements of Income)
(During the first three months of fiscal 2015)

	(Millions of yen)	
	Three months ended June 30, 2013	Three months ended June 30, 2014
Net sales	83,979	87,792
Cost of sales	49,837	53,037
Gross profit	34,142	34,755
Selling, general and administrative expenses	27,644	29,073
Operating income	6,497	5,682
Non-operating income		
Interest income	32	30
Dividends income	431	413
Equity in earnings of affiliates	310	240
Rent income	134	160
Foreign exchange gains	6	509
Other	1,305	327
Total non-operating income	2,221	1,681
Non-operating expenses		
Interest expenses	361	286
Loss on valuation of derivatives	3	413
Other	2,845	811
Total non-operating expenses	3,210	1,511
Ordinary income	5,508	5,852
Extraordinary income		
Gain on sales of property, plant and equipment	1,031	25
Gain on sales of investment securities	16	78
Total extraordinary income	1,047	104
Extraordinary loss		
Loss on retirement of noncurrent assets	339	—
Loss on valuation of golf club membership	2	15
Total extraordinary loss	342	15
Income before income taxes and minority interests	6,213	5,941
Income taxes	2,157	2,109
Income before minority interests	4,056	3,831
Minority interests in income	33	32
Net income	4,023	3,798

(Consolidated Quarterly Statements of Comprehensive Income)
 (During the first three months of fiscal 2015)

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Income before minority interests	4,056	3,831
Other comprehensive income		
Valuation difference on available-for-sale securities	1,026	1,452
Deferred gains or losses on hedges	0	(4)
Foreign currency translation adjustment	4,178	(1,625)
Unfunded retirement benefit obligation of overseas subsidiaries	(40)	—
Remeasurements of defined benefit plans, net of tax	—	102
Share of other comprehensive income of associates accounted for using equity method	422	0
Total other comprehensive income	5,587	(73)
Comprehensive income	9,643	3,757
Total comprehensive income attributable to:		
Owners of the Company	9,608	3,725
Minority interests	35	32

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

No applicable items.

(Notes Regarding Significant Changes in Shareholders' Equity)

The Company resolved the matters related to the acquisition of treasury stock at the meeting of its Board of Directors held on April 25, 2014 in accordance with the provisions stipulated in Article 156 of the Companies Act of Japan as applied by substituting certain terms pursuant to paragraph 3 of Article 165 of the Companies Act of Japan. In accordance with this resolution, the Company acquired 2,052,000 shares of common stock for ¥4,275 million by June 30, 2014 by way of market purchase on the Tokyo Stock Exchange.

(Segment Information, etc)

I. First three months of fiscal 2014 (April 1, 2013 to June 30, 2013)

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	39,779	2,214	13,433	28,551	83,979	–	83,979
Intragroup sales or transfers	258	2,992	1,884	76	5,212	(5,212)	–
Total sales	40,038	5,206	15,318	28,628	89,192	(5,212)	83,979
Operating income	1,358	403	3,040	1,488	6,291	206	6,497

(Notes)

- Adjustments of ¥206 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.

II. First three months of fiscal 2015 (April 1, 2014 to June 30, 2014)

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	38,761	2,030	14,912	32,087	87,792	–	87,792
Intragroup sales or transfers	298	3,205	2,194	78	5,777	(5,777)	–
Total sales	39,060	5,235	17,107	32,166	93,570	(5,777)	87,792
Operating income	418	301	3,317	1,551	5,588	93	5,682

(Notes)

- Adjustments of ¥93 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

(Application of the accounting standard for retirement benefits, etc.)

As described in 2. Summary Information (Notes), 3) Changes in Accounting Policy, Changes in Accounting Estimates and Restatement of Revisions, the Company has changed the method of calculating retirement benefit obligations and service cost since the first three months of the fiscal year. The impact on operating income for the first three months of the consolidated fiscal year under review is negligible.