

## Consolidated Financial Results

# Kikkoman Corporation Flash Report for First Six months of Fiscal 2015

Six-month period ended September 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: November 13, 2014  
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, 2014 (April 1, 2014 to September 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 -Sep. 30, 2014	178,799	6.2	12,296	(2.9)	11,743	4.1	7,785	8.8
Apr. 1, 2013 -Sep. 30, 2013	168,403	14.5	12,662	22.7	11,286	23.1	7,156	49.7

(Note) Comprehensive Income (loss)

April 1, 2014 to September 30, 2014: ¥ 15,873 million ((11.3) %)

April 1, 2013 to September 30, 2013: ¥ 17,888 million (—%)

	Net income per share (yen)	Net income per share (Assuming full dilution) (yen)
Apr. 1, 2014 -Sep. 30, 2014	39.36	39.36
Apr. 1, 2013 -Sep. 30, 2013	35.80	35.78

### 2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
Sep. 30, 2014	360,478	213,673	58.8%
Mar. 31, 2014	349,103	210,407	59.9%

(Note) Total shareholders' equity

Sep. 30, 2014: ¥ 211,858 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	—	0.00	/	/	/
Apr. 1, 2014 -Mar. 31, 2015 (Estimated)	/	/	—	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- Mar.31, 2015	363,000	5.8	24,700	3.6	23,500	3.6	14,500	15.4	73.70

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

**[Notes]**

1) Changes in important subsidiaries during the first six 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 10, 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 10, 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)  
September 30, 2014 — 210,383,202 shares      Mar. 31, 2014 — 210,383,202 shares
- ② Treasury stock at end of period  
September 30, 2014 — 14,862,474 shares      Mar. 31, 2014 — 10,351,947 shares
- ③ Shares outstanding during the period (cumulative for period, consolidated)  
September 30, 2014 — 197,783,530 shares      September 30, 2013 — 199,879,404 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) Explanation of forward-looking statements, including forecasts of consolidated business performance.

(How to obtain business performance presentation materials)

- (1) Kikkoman will publish supplementary schedules to the first half result on TD-net for viewing in Japan, and on its Website.
- (2) Kikkoman plans to publish business performance presentation materials on its Website.

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## 1. Qualitative Information and Consolidated Financial Statements, etc.

### 1) Explanation of business performance

During the first half of the fiscal year ending March 2015, the global economy as a whole gradually recovered, with a recovery in the U.S. economy and continued economic turnaround in Europe. Meanwhile, despite some weakness in consumer spending and other economic activities, given the steady improvement in the employment situation, the Japanese economy continued to stage a gradual recovery.

In this environment, the Kikkoman Group recorded sales almost on par with the year-on-year in the Domestic Foods-Manufacturing and Sales segment, reflecting strong results in soy milk beverages, offsetting 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, with strong performance in the Soy Sauce and the Overseas Foods-Wholesale business.

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

### <Consolidated Financial Statements>

(Millions of yen, %)

	FY2014 1st half		FY2015 1st half		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2013 – 9.30.2013		4.1.2014 – 9.30.2014		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%						
Net Sales	168,403	100.0	178,799	100.0	10,395	106.2	—	4,904	5,490	103.3
Operating Income	12,662	7.5	12,296	6.9	(365)	97.1	(0.6)	530	(895)	92.9
Ordinary Income	11,286	6.7	11,743	6.6	457	104.1	(0.1)	475	(17)	99.8
Net Income	7,156	4.2	7,785	4.4	629	108.8	0.2	325	303	104.2
Exchange Rate (¥/US\$)	97.99		103.51		5.52					
(¥/EUR)	128.79		139.07		10.28					

## &lt;Reporting segments&gt;

(Millions of yen, %)

		FY2014 1st half		FY2015 1st half		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2013 – 9.30.2013		4.1.2014 – 9.30.2014		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%						
Domestic Foods-Manufacturing and Sales	Net Sales	80,661	100.0	80,466	100.0	(195)	99.8	—	—	(195)	99.8
	Operating Income	2,564	3.2	1,540	1.9	(1,023)	60.1	(1.3)	—	(1,023)	60.1
Domestic Others	Net Sales	10,233	100.0	10,291	100.0	57	100.6	—	—	57	100.6
	Operating Income	597	5.8	505	4.9	(91)	84.7	(0.9)	—	(91)	84.7
Overseas Foods-Manufacturing and Sales	Net Sales	31,088	100.0	34,816	100.0	3,728	112.0	—	1,964	1,763	105.7
	Operating Income	6,239	20.1	6,854	19.7	614	109.9	(0.4)	364	250	104.0
Overseas Foods-Wholesale	Net Sales	56,934	100.0	64,576	100.0	7,641	113.4	—	3,168	4,473	107.9
	Operating Income	2,752	4.8	2,928	4.5	176	106.4	(0.3)	121	55	102.0
Adjustments	Net Sales	(10,513)	100.0	(11,351)	100.0	(837)	—	—	(228)	(609)	—
	Operating Income	509	—	467	—	(42)	—	—	44	(86)	—
Consolidated Total	Net Sales	168,403	100.0	178,799	100.0	10,395	106.2	—	4,904	5,490	103.3
	Operating Income	12,662	7.5	12,296	6.9	(365)	97.1	(0.6)	530	(895)	92.9
Exchange Rate	(¥/US\$)	97.99		103.51		5.52					
	(¥/EUR)	128.79		139.07		10.28					

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, partly due to adverse weather conditions. 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 Kyoho* (pear- and grape-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 *Minna no Yasai* (easy-to-drink vegetable beverage), 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 consumption tax hike on 1L bottle items, such as a mainstay product, *Manjo Hojun Hon Mirin*, offsetting strong sales of *Komekoji Kodawaririkomi Hon Mirin 450ml*, as the Group pursued sales promotion activities to commemorate the 200th anniversary in 2014 of *Shiromirin*, which was developed in the Edo Period. Sales of domestic wines declined year on year, mainly due to sluggish sales of cooking wines, although *Koshu Kobo no Awa*, 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, net sales for the Domestic Foods-Manufacturing and Sales declined 0.2% year on year, to ¥80,466 million. Operating income declined 39.9% year on year, to ¥1,540 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, Domestic Others saw net sales increase 0.6% year on year, to ¥10,291 million, and operating income decline 15.3% year on year, to ¥505 million.

## 【Overseas】

Sales overseas were as follows.

### Overseas Foods—Manufacturing and Sales

This business comprises the manufacturing and sales and the sale 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, despite the negative impact of the Russian market resulting from a rise in market prices as a result of the weak ruble.

In the Asian and Oceania market, sales declined year on year in Indonesia, but they increased in the key market, Thailand, and other countries. Overall, with the inclusion of sales in the second quarter from a sales company in China that was established in April, sales in the Asian and Oceania market rose from the same period of the previous fiscal year.

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

### ■ Del Monte Division

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

Overall sales in the Del Monte Division 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.

### ■ 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, net sales for Overseas Foods-Manufacturing and Sales segment increased 12.0% year on year, to ¥34,816 million. Operating income rose 9.9% year on year, to ¥6,854 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, Overseas Foods-Wholesale saw net sales increase 13.4% year on year to ¥64,576 million and operating income climbed 6.4% year on year to ¥2,928 million.

As a result of the aforementioned segment results, the Company reported consolidated net sales for the first six months of fiscal 2015 of ¥178,799 million (up 6.2% year on year), operating income of ¥12,296 million (down 3.9%), ordinary income of ¥11,743 million (up 4.1%), and net income of ¥7,785 million (up 8.8%).

## 2) Explanation of financial position

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

#### (Assets)

Current assets as of September 30, 2014, were ¥139,013 million, an increase of ¥5,791 million from March 31, 2014. This was primarily due to an increase in merchandise and finished goods, notes and accounts receivable-trade and work in process. Noncurrent assets were up ¥5,583 million to ¥221,464 million, primarily because of an increase in investment securities.

As a result, total assets increased by ¥11,374 million from March 31, 2014 to ¥360,478 million.

#### (Liabilities)

Current liabilities were ¥62,583 million, an increase of ¥6,965 million from March 31, 2014. This was mainly attributable to an increase in short-term loans payable. Noncurrent liabilities increased by ¥1,142 million to ¥84,220 million, mainly because of an increase in deferred tax liabilities.

As a result, total liabilities increased by ¥8,107 million to ¥146,804 million from March 31, 2014.

#### (Net Assets)

Net assets stood at ¥213,673 million, up ¥3,266 million from March 31, 2014. This was mainly due to increases in retained earnings and foreign currency translation adjustments while acquiring treasury stock.

As a result, the equity ratio declined 1.1 percentage points from 59.9% to 58.8%.

### 2. Cash Flows

Cash and cash equivalents as of September 30, 2014 were ¥26,149 million. This reflected an increase in cash and cash equivalents of ¥729 million from March 31, 2014.

Cash flows for each activity and reasons are as follows.

#### (Cash Flows from Operating Activities)

During the six months ended September 30, 2014, operating activities provided net cash of ¥12,787 million, an increase of ¥380 million from March 31, 2014. 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 and increase in inventories.

#### (Cash Flows from Investing Activities)

Investing activities used net cash of ¥6,286 million, mainly for the purchase of property, plant and equipment.

#### (Cash Flows from Financing Activities)

Financing activities used net cash of ¥6,519 million. This was due primarily to the acquisition of treasury stock and the payment of cash dividends.

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

With respect to the consolidated results for the full fiscal year, the Company has raised net sales while maintaining operating income, ordinary income and net income, which is considered to primarily be the result of changes in foreign exchange rates from the initial assumption, the progress of business performance until the second quarter of the current fiscal year and the effects of new subsidiaries. For business risk, etc. which influences results, etc., there are no important changes from what was disclosed in the latest security report (submitted on June 24, 2014).

Differences from the full-year forecasts announced in the Flash Report 2014 on April 25, 2014 are as shown below.

(Full year)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previously Issued Forecast (A)	361,000	24,700	23,500	14,500	73.09
Current Revised Forecast (B)	363,000	24,700	23,500	14,500	73.70
Difference (B – A)	2,000	-	-	-	-
Percent Change (%)	0.6	-	-	-	-
Results from Previous Fiscal Year	343,168	23,847	22,682	12,559	62.82

Note: Assumed foreign currency exchange rates:

Previously announced forecast: US\$ = ¥100, EUR = ¥140

Forecast as of this announcement: US\$ = ¥104, EUR = ¥137

## 2. Summary Information (Notes)

### 1) Changes in Important Subsidiaries during the First Six Months

No applicable items

Changes in subsidiaries outside of specific subsidiaries

Consolidations (New) Kikkoman Shanghai Trading CO, LTD (newly established)  
President Kikkoman Inc. (Changed from an affiliate (an equity method affiliate) in accordance with effective control standards)

Equity method (exclusion) President Kikkoman Inc. (Changed to a consolidated subsidiary in accordance with effective control standards)

### 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) 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 six 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 six 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 six 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 September 30, 2014
<b>Assets</b>		
Current assets		
Cash and deposits	28,564	29,074
Notes and accounts receivable-trade	47,370	48,724
Short-term investment securities	131	437
Merchandise and finished goods	26,983	29,640
Work in process	11,193	12,218
Raw materials and supplies	4,256	4,633
Deferred tax assets	4,430	4,594
Other	10,713	10,164
Allowance for doubtful accounts	(422)	(473)
Total current assets	133,222	139,013
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	44,471	44,255
Machinery, equipment and vehicles, net	33,085	33,956
Land	20,706	21,111
Lease assets, net	180	141
Construction in progress	2,919	3,579
Other, net	3,654	3,593
Total property, plant and equipment	105,017	106,637
Intangible assets		
Goodwill	18,392	17,698
Other	4,805	4,982
Total intangible assets	23,198	22,680
Investments and other assets		
Investment securities	75,609	79,623
Long-term loans receivable	673	633
Net defined benefit asset	5,245	6,199
Deferred tax assets	1,130	746
Other	5,745	5,694
Allowance for doubtful accounts	(738)	(751)
Total investments and other assets	87,666	92,146
Total noncurrent assets	215,881	221,464
<b>Total assets</b>	349,103	360,478

	(Millions of yen)	
	As of March 31, 2014	As of September 30, 2014
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	18,193	19,196
Short-term loans payable	12,961	20,502
Lease obligations	66	69
Accounts payable-other	14,528	14,356
Income taxes payable	3,396	1,410
Provision for bonuses	2,205	2,557
Provision for directors' bonuses	90	43
Other	4,174	4,447
<b>Total current liabilities</b>	<b>55,618</b>	<b>62,583</b>
Noncurrent liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	13,000	13,000
Lease obligations	111	102
Deferred tax liabilities	8,075	9,531
Provision for directors' retirement benefits	898	837
Provision for environmental measures	504	493
Net defined benefit liability	3,737	3,598
Other	6,751	6,657
<b>Total noncurrent liabilities</b>	<b>83,078</b>	<b>84,220</b>
<b>Total liabilities</b>	<b>138,696</b>	<b>146,804</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	21,377	21,405
Retained earnings	178,260	182,844
Treasury stock	(10,121)	(20,057)
Deposit for subscriptions to treasury stock	10	—
<b>Total shareholders' equity</b>	<b>201,126</b>	<b>195,791</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,623	12,243
Deferred gains or losses on hedges	3	9
Foreign currency translation adjustment	(285)	4,908
Remeasurements of defined benefit plans	(1,300)	(1,094)
<b>Total Accumulated other comprehensive income</b>	<b>8,040</b>	<b>16,066</b>
Subscription rights to shares	36	—
Minority interests	1,203	1,815
<b>Total net assets</b>	<b>210,407</b>	<b>213,673</b>
<b>Total liabilities and net assets</b>	<b>349,103</b>	<b>360,478</b>

## 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 2015)

	(Millions of yen)	
	Six months ended September 30, 2013	Six months ended September 30, 2014
Net sales	168,403	178,799
Cost of sales	99,752	107,407
Gross profit	68,651	71,391
Selling, general and administrative expenses	55,989	59,094
Operating income	12,662	12,296
Non-operating income		
Interest income	63	56
Dividends income	507	461
Equity in earnings of affiliates	481	414
Rent income	268	313
Gain on valuation of derivatives	918	2,023
Other	484	855
Total non-operating income	2,724	4,124
Non-operating expenses		
Interest expenses	761	575
Foreign exchange losses	870	2,241
Other	2,468	1,860
Total non-operating expenses	4,100	4,677
Ordinary income	11,286	11,743
Extraordinary income		
Gain on sales of property, plant and equipment	1,059	37
Gain on sales of investment securities	94	114
Total extraordinary income	1,154	152
Extraordinary loss		
Loss on retirement of noncurrent assets	507	184
Loss on valuation of golf club membership	2	13
Special extra retirement payments	—	33
Compensation for termination of business relations	671	—
Total extraordinary loss	1,180	231
Income before income taxes and minority interests	11,259	11,664
Income taxes	4,067	3,818
Income before minority interests	7,191	7,846
Minority interests in income	34	60
Net income	7,156	7,785

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

	(Millions of yen)	
	Six months ended September 30, 2013	Six months ended September 30, 2014
Income before minority interests	7,191	7,846
Other comprehensive income		
Valuation difference on available-for-sale securities	5,709	2,240
Deferred gains or losses on hedges	(5)	13
Foreign currency translation adjustment	4,155	5,305
Unfunded retirement benefit obligation of overseas subsidiaries	(20)	—
Remeasurements of defined benefit plans, net of tax	—	224
Share of other comprehensive income of associates accounted for using equity method	858	243
Total other comprehensive income	10,696	8,026
Comprehensive income	17,888	15,873
Total comprehensive income attributable to:		
Owners of the Company	17,851	15,811
Minority interests	36	61



## 3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	11,259	11,664
Depreciation and amortization	6,223	6,048
Increase (decrease) in provision for retirement benefits	(102)	-
Increase (decrease) in provision for directors' retirement benefits	(82)	(61)
Increase (decrease) in net defined benefit liability	-	5
Interest and dividends income	(570)	(518)
Interest expenses	761	575
Equity in (earnings) losses of affiliates	(481)	(414)
Loss (gain) on sales of property, plant and equipment	(1,066)	(41)
Loss (gain) on sales of investment securities	(94)	(114)
Loss on retirement of property, plant and equipment	613	268
Loss (gain) on valuation of investment securities	3	-
Decrease (increase) in notes and accounts receivable-trade	530	(80)
Decrease (increase) in inventories	(2,102)	(2,643)
Increase (decrease) in notes and accounts payable-trade	885	109
Other, net	1,375	3,689
Subtotal	17,151	18,489
Interest and dividends received	826	910
Interest expenses paid	(1,007)	(344)
Income taxes paid	(4,562)	(6,268)
Net cash provided by (used in) operating activities	12,407	12,787
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(10,351)	(6,183)
Proceeds from sales of property, plant and equipment	1,261	63
Purchase of intangible assets	(793)	(706)
Purchase of investment securities	(508)	(634)
Proceeds from sales of investment securities	401	265
Payments of loans receivable	(406)	(157)
Collection of loans receivable	49	688
Other, net	(183)	379
Net cash provided by (used in) investing activities	(10,530)	(6,286)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	980	7,508
Proceeds from exercise of stock option	229	92
Purchase of treasury stock	(78)	(10,036)
Cash dividends paid	(4,002)	(4,008)
Cash dividends paid to minority shareholders	(7)	(6)
Other, net	(28)	(69)
Net cash provided by (used in) financing activities	(2,906)	(6,519)
Effect of exchange rate change on cash and cash equivalents	1,038	746
Net increase (decrease) in cash and cash equivalents	8	729
Cash and cash equivalents at beginning of the period	27,754	25,420
Cash and cash equivalents at end of period	27,763	26,149

#### 4) 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 4,581,000 shares of common stock for ¥9,998 million by August 29, 2014 by way of market purchase on the Tokyo Stock Exchange.

#### (Segment Information, etc)

##### I. First six months of fiscal 2014 (April 1, 2013 to September 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	80,111	4,210	27,314	56,767	168,403	–	168,403
Intragroup sales or transfers	550	6,023	3,773	166	10,513	(10,513)	–
Total sales	80,661	10,233	31,088	56,934	178,917	(10,513)	168,403
Operating income	2,564	597	6,239	2,752	12,152	509	12,662

(Notes)

- Adjustments of ¥509 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 six months of fiscal 2015 (April 1, 2014 to September 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	79,894	3,932	30,542	64,430	178,799	–	178,799
Intragroup sales or transfers	572	6,359	4,274	145	11,351	(11,351)	–
Total sales	80,466	10,291	34,816	64,576	190,150	(11,351)	178,799
Operating income	1,540	505	6,854	2,928	11,829	467	12,296

(Notes)

- Adjustments of ¥467 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 six months of the consolidated fiscal year under review is negligible.