

February 5, 2015

## Consolidated Financial Results

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

Nine-month period ended December 31, 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: February 13, 2015  
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, 2014 (April 1, 2014 to December 31, 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 -Dec. 31, 2014	278,095	7.6	20,401	4.0	19,851	5.8	13,396	12.2
Apr. 1, 2013 -Dec. 31, 2013	258,413	14.6	19,609	18.0	18,756	20.2	11,944	32.3

(Note) Comprehensive Income

April 1, 2014 to December 31, 2014: ¥ 35,081 million (3.3%)

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

	Net income per share (yen)	Net income per share (Assuming full dilution) (yen)
Apr. 1, 2014 -Dec. 31, 2014	67.97	67.96
Apr. 1, 2013 -Dec. 31, 2013	59.75	59.71

### 2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
Dec. 31, 2014	383,029	232,853	60.3%
Mar. 31, 2014	349,103	210,407	59.9%

(Note) Total shareholders' equity

Dec. 31, 2014: ¥230,913 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: None

**[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: 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)  
December 31, 2014 — 210,383,202 shares      Mar. 31, 2014 — 210,383,202 shares
- ② Treasury stock at end of period  
December 31, 2014 — 14,881,455 shares      Mar. 31, 2014 — 10,351,947 shares
- ③ Shares outstanding during the period (cumulative for period, consolidated)  
December 31, 2014 — 197,101,229 shares      December 31, 2013 — 199,903,305 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.

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

### 1) Explanation of business performance

During the first nine months of the fiscal year ending March 2015, the global economy as a whole gradually recovered, with an improvement in the U.S. economy and signs of a turnaround in the persistently sluggish European economy. Meanwhile, the Japanese economy continued to stage a gradual recovery, despite some weakness in consumer spending and other economic activities.

In this environment, the Kikkoman Group recorded sales almost on a par with those for the same period of the previous fiscal 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 Liquor and Wine Divisions. Overseas, sales increased year on year, with a strong performance in the Foods-Manufacturing and Sales and the Foods-Wholesale business.

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

### <Consolidated Financial Statements>

(Millions of yen, %)

	Nine months Ended December 31,2013		Nine months Ended December 31,2014		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2013 – 12.31.2013		4.1.2014 – 12.31.2014						Amount	
	Amount	%	Amount	%	Amount	YoY	%	Amount	YoY	
Net Sales	258,413	100.0	278,095	100.0	19,681	107.6	—	9,892	9,789	103.8
Operating Income	19,609	7.6	20,401	7.3	792	104.0	(0.3)	1,044	(252)	98.7
Ordinary Income	18,756	7.3	19,851	7.1	1,095	105.8	(0.2)	926	169	100.9
Net Income	11,944	4.6	13,396	4.8	1,451	112.2	0.2	623	827	106.9
Exchange Rate (¥/US\$)	99.23		107.27		8.04					
(¥/EUR)	132.13		140.50		8.37					

## &lt;Reporting segments&gt;

(Millions of yen, %)

		Nine months Ended December 31,2013		Nine months Ended December 31,2014		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2013 – 12.31.2013		4.1.2014 – 12.31.2014		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%						
Domestic Foods-Manufacturing and Sales	Net Sales	124,135	100.0	124,641	100.0	505	100.4	—	—	505	100.4
	Operating Income	4,443	3.6	3,233	2.6	(1,209)	72.8	(1.0)	—	(1,209)	72.8
Domestic Others	Net Sales	15,264	100.0	15,507	100.0	243	101.6	—	—	243	101.6
	Operating Income	781	5.1	875	5.6	93	112.0	0.5	—	93	112.0
Overseas Foods-Manufacturing and Sales	Net Sales	47,468	100.0	54,196	100.0	6,728	114.2	—	3,711	3,016	106.4
	Operating Income	9,234	19.5	10,527	19.4	1,292	114.0	(0.0)	695	597	106.5
Overseas Foods-Wholesale	Net Sales	87,646	100.0	101,320	100.0	13,673	115.6	—	6,636	7,036	108.0
	Operating Income	4,208	4.8	4,716	4.7	507	112.1	(0.1)	265	242	105.8
Adjustments	Net Sales	(16,102)	100.0	(17,570)	100.0	(1,468)	—	—	(455)	(1,012)	—
	Operating Income	941	—	1,049	—	107	—	—	83	23	—
Consolidated Total	Net Sales	258,413	100.0	278,095	100.0	19,681	107.6	—	9,892	9,789	103.8
	Operating Income	19,609	7.6	20,401	7.3	792	104.0	(0.3)	1,044	(252)	98.7
Exchange Rate	(¥/US\$)	99.23		107.27		8.04					
	(¥/EUR)	132.13		140.50		8.37					

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 Liquor 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 during the summer. As a result, aggregated sales in *tsuyu* declined year on year. In *tare* (dipping and marinade sauces), sales of *Wagaya wa Yakinikuyasan Nokodare*, the new product of mainstay *Wagaya wa Yakinikuyasan* series, were favorable. 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 partly 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 by products, such as *Asa Salad* (easy-to-drink tomato beverage) that were launched in the previous year and new products, such as *Minna no Tomato* (easy-to-drink tomato beverage) and *Minna no Yasai* (easy-to-drink vegetable beverage) and *VeggieFiber* (Vegetable beverage for specified health use).

As a result, overall sales in the Beverages Division increased year on year.

## ■Liquor and Wine Division

Overall sales of *Hon Mirin* fell slightly year on year, reflecting the negative effects of the consumption tax hike on *Manjo Hojun Hon Mirin* and other mainstay products, offsetting strong sales of *Komekoji Kodawarijkomi Hon Mirin 450ml* and other products, as the Group pursued sales promotion activities in 2014 to commemorate the 200th anniversary since *Shiromirin* 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 Liquor 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 increased 0.4% year on year, to ¥124,641 million. Operating income declined 27.2% year on year, to ¥3,233 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 increased 1.6% year on year, to ¥15,507 million, and operating income decrease 12.0% year on year, to ¥ 875 million.



## 【Overseas】

Sales overseas were as follows.

### Overseas Foods—Manufacturing and Sales

This business comprises overseas manufacturing and sales 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 markets, sales increased in key markets, such as Thailand and the Philippines. Overall, with the inclusion of sales from a sales company in China, which was established in April, since the second quarter, and sales from a manufacturing company in Taiwan since the third quarter, sales in the Asian and Oceania markets significantly rose from the year-ago period.

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.

While sales of tomato ketchup and corn products grew steadily, those of canned fruits made in the Philippines declined, due to the supply constraints caused by a shortage of certain raw materials. With the effects of foreign exchange rates, overall sales in the division rose from the same period of the previous fiscal 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 both general stores and medical doctors.

As a result of the above, net sales for Overseas Foods-Manufacturing and Sales segment increased 14.2% year on year, to ¥54,196 million. Operating income rose 14.0% year on year, to ¥10,527 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 15.6% year on year to ¥101,320 million and operating income climbed 12.1% year on year to ¥4,716 million.

As a result of the above, the Company reported consolidated net sales for the first nine months of fiscal 2015 of ¥278,095 million (up 7.6% year on year), operating income of ¥20,401 million (up 4.0%), ordinary income of ¥19,851 million (up 5.8%), and net income of ¥13,396 million (up 12.2%).

## 2) Explanation of financial position

### (Assets)

Current assets as of December 31, 2014, were ¥154,489 million, an increase of ¥21,267 million from March 31, 2014. This was primarily due to an increase in notes and accounts receivable-trade and merchandise and finished goods. Noncurrent assets were up ¥12,658 million to ¥228,540 million, primarily because of an increase in investment securities.

As a result, total assets increased by ¥33,925 million from March 31, 2014 to ¥383,029 million.

### (Liabilities)

Current liabilities were ¥65,722 million, an increase of ¥10,104 million from March 31, 2014. This was mainly attributable to an increase in short-term loans payable. Noncurrent liabilities increased by ¥1,375 million to ¥84,453 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 ¥11,479 million to ¥150,176 million from March 31, 2014.

### (Net Assets)

Net assets stood at ¥232,853 million, up ¥22,446 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 rose 0.4 percentage points from 59.9% to 60.3%.

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

Consolidated earnings forecasts for the year ending March 31, 2015, remain unchanged from the forecasts accompanying the Flash Report for First Six Months of Fiscal 2015, disclosed on November 5, 2014. No substantive changes have been made with respect to business risks and other risks that may impact Kikkoman's operating results, which were disclosed in the Company's most recent securities report filing on June 24, 2014.

## 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 Shanghai Trading CO, LTD (newly established) President Kikkoman Inc. (Changed from an affiliate (an equity method affiliate) in accordance with effective control standards)
	JFC BRASIL IMPORTADORA E COMERCIO DE PRODUTOS ALIMENTICIOS LTDA. (newly established)
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 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

(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 nine 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 nine 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 nine 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 December 31, 2014
<b>Assets</b>		
Current assets		
Cash and deposits	28,564	30,733
Notes and accounts receivable-trade	47,370	57,483
Short-term investment securities	131	302
Merchandise and finished goods	26,983	30,545
Work in process	11,193	12,276
Raw materials and supplies	4,256	4,597
Deferred tax assets	4,430	4,742
Other	10,713	14,344
Allowance for doubtful accounts	(422)	(535)
Total current assets	133,222	154,489
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	44,471	46,080
Machinery, equipment and vehicles, net	33,085	35,903
Land	20,706	21,470
Lease assets, net	180	121
Construction in progress	2,919	2,395
Other, net	3,654	3,524
Total property, plant and equipment	105,017	109,495
Intangible assets		
Goodwill	18,392	17,382
Other	4,805	5,104
Total intangible assets	23,198	22,487
Investments and other assets		
Investment securities	75,609	83,866
Long-term loans receivable	673	743
Net defined benefit asset	5,245	6,263
Deferred tax assets	1,130	678
Other	5,745	5,762
Allowance for doubtful accounts	(738)	(756)
Total investments and other assets	87,666	96,557
Total noncurrent assets	215,881	228,540
<b>Total assets</b>	<b>349,103</b>	<b>383,029</b>

	(Millions of yen)	
	As of March 31, 2014	As of December 31, 2014
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	18,193	19,957
Short-term loans payable	12,961	21,557
Lease obligations	66	73
Accounts payable-other	14,528	15,396
Income taxes payable	3,396	1,693
Provision for bonuses	2,205	687
Provision for directors' bonuses	90	64
Other	4,174	6,292
<b>Total current liabilities</b>	<b>55,618</b>	<b>65,722</b>
Noncurrent liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	13,000	11,000
Lease obligations	111	96
Deferred tax liabilities	8,075	11,022
Provision for directors' retirement benefits	898	842
Provision for environmental measures	504	486
Net defined benefit liability	3,737	3,540
Other	6,751	7,466
<b>Total noncurrent liabilities</b>	<b>83,078</b>	<b>84,453</b>
<b>Total liabilities</b>	<b>138,696</b>	<b>150,176</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	21,377	21,405
Retained earnings	178,260	188,454
Treasury stock	(10,121)	(20,109)
Deposit for subscriptions to treasury stock	10	—
<b>Total shareholders' equity</b>	<b>201,126</b>	<b>201,350</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,623	14,611
Deferred gains or losses on hedges	3	22
Foreign currency translation adjustment	(285)	15,940
Remeasurements of defined benefit plans	(1,300)	(1,010)
<b>Total Accumulated other comprehensive income</b>	<b>8,040</b>	<b>29,563</b>
Subscription rights to shares	36	—
Minority interests	1,203	1,939
<b>Total net assets</b>	<b>210,407</b>	<b>232,853</b>
<b>Total liabilities and net assets</b>	<b>349,103</b>	<b>383,029</b>

## 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 2015)

	(Millions of yen)	
	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Net sales	258,413	278,095
Cost of sales	153,819	167,624
Gross profit	104,594	110,471
Selling, general and administrative expenses	84,984	90,069
Operating income	19,609	20,401
Non-operating income		
Interest income	98	87
Dividends income	806	732
Equity in earnings of affiliates	883	789
Rent income	414	475
Gain on valuation of derivatives	2,817	5,465
Other	1,265	1,119
Total non-operating income	6,285	8,671
Non-operating expenses		
Interest expenses	1,140	862
Foreign exchange losses	2,796	5,761
Other	3,202	2,597
Total non-operating expenses	7,139	9,221
Ordinary income	18,756	19,851
Extraordinary income		
Gain on sales of property, plant and equipment	1,074	38
Gain on sales of investment securities	94	155
Total extraordinary income	1,168	194
Extraordinary loss		
Loss on retirement of noncurrent assets	859	294
Loss on valuation of golf club membership	2	15
Special extra retirement payments	—	95
Compensation for termination of business relations	671	—
Total extraordinary loss	1,533	405
Income before income taxes and minority interests	18,391	19,640
Income taxes	6,400	6,126
Income before minority interests	11,990	13,513
Minority interests in income	45	117
Net income	11,944	13,396

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

	(Millions of yen)	
	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income before minority interests	11,990	13,513
Other comprehensive income		
Valuation difference on available-for-sale securities	9,266	4,388
Deferred gains or losses on hedges	14	35
Foreign currency translation adjustment	11,592	15,969
Unfunded retirement benefit obligation of overseas subsidiaries	(93)	—
Remeasurements of defined benefit plans, net of tax	—	322
Share of other comprehensive income of associates accounted for using equity method	1,173	851
Total other comprehensive income	21,954	21,567
Comprehensive income	33,944	35,081
Total comprehensive income attributable to:		
Owners of the Company	33,892	34,919
Minority interests	51	161

### 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 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 nine months of fiscal 2014 (April 1, 2013 to December 31, 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	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.

##### II. First nine months of fiscal 2015 (April 1, 2014 to December 31, 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	123,724	5,790	47,497	101,082	278,095	–	278,095
Intragroup sales or transfers	916	9,717	6,699	237	17,570	(17,570)	–
Total sales	124,641	15,507	54,196	101,320	295,666	(17,570)	278,095
Operating income	3,233	875	10,527	4,716	19,352	1,049	20,401

(Notes)

- Adjustments of ¥1,049 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 nine months of the consolidated fiscal year under review is negligible.