July 31, 2015

Consolidated Financial Results

Kikkoman Corporation
Flash Report for Fiscal 2016 1Q

Three-month period ended June 30, 2015

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

Scheduled submission date of quarterly accounting report:	August 12, 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 Three-month Period Ended June 30, 2015 (April 1, 2015 to June 30, 2015)

1) Business Performance

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Amount	YoY (%)	Amount	YoY (%)	Amount	YoY (%)	Amount	YoY (%)
Apr. 1, 2015 -Jun. 30, 2015	101,027	15.1	8,401	47.9	8,261	41.2	5,613	47.8
Apr. 1, 2014 -Jun. 30, 2014	87,792	4.5	5,682	(12.6)	5,852	6.2	3,798	(5.6)

(Note) Comprehensive Income
April 1, 2015 to June 30, 2015: ¥ 10,889 million (189.8 %)
April 1, 2014 to June 30, 2014: ¥ 3,757 million ((61.0) %)

	Net income per share *(yen)*	Net income per share (Assuming full dilution) *(yen)*
Apr. 1, 2015 -Jun. 30, 2015	28.74	–
Apr. 1, 2014 -Jun. 30, 2014	19.07	19.07

2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
Jun. 30, 2015	378,369	239,417	62.7%
Mar. 31, 2015	378,766	238,431	62.4%

(Note) Total shareholders' equity
Jun. 30, 2015: ¥237,418 million
Mar. 31, 2015: ¥236,508 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, 2014 -Mar. 31, 2015	–	0.00	–	24.00	24.00
Apr. 1, 2015 -Mar. 31, 2016	–				
Apr. 1, 2015 -Mar. 31, 2016 (Estimated)		0.00	–	24.00	24.00

(Note) Revisions to dividend forecasts this quarter: None

3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share *(yen)*
	Amount	YoY (%)	Amount	YoY (%)	Amount	YoY (%)	Amount	YoY (%)	
Apr. 1, 2015-Sep.30, 2015	199,000	11.3	14,000	13.9	12,700	8.1	8,100	4.0	41.47
Apr.1, 2015-Mar.31, 2016	400,000	7.7	28,000	10.4	26,000	6.7	17,000	10.5	87.03

(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: Yes
③ Changes in accounting estimates: Yes
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)
June 30, 2015 — 210,383,202 shares　　Mar. 31, 2015 — 210,383,202 shares
② Treasury stock at end of period
June 30, 2015 — 15,060,430 shares　　Mar. 31, 2015 — 15,046,330 shares
③ Shares outstanding during the period (cumulative for period, consolidated)
June 30, 2015 — 195,328,212 shares　　June 30, 2014 — 199,163,729 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 quarter results on TD-net for viewing in Japan, and on its Website.

Table of Contents of Attachments

1. Qualitative Information and Consolidated Financial Statements, etc.

1) Explanation of business performance

During the first three months of the fiscal year ending March 2016, the global economy as a whole gradually recovered backed by the U.S. economy, which continued to recover, and the European economy, which commenced an upward trend. The Japanese economy, too, maintained a gradual recovery in line with the global economy.
In this environment, the Kikkoman Group recorded higher sales year on year in the Domestic Foods-Manufacturing and Sales segment, in the Soy Sauce, Food Products, Beverages, and Liquor and Wine Divisions. Overseas, sales increased year on year given the strong performance of the Overseas Foods-Manufacturing and Sales and Overseas Foods-Wholesale business.

As a result, consolidated operating results for the first three months of fiscal 2016 were as follows.

<Consolidated Financial Statements>

(Millions of yen, %)

	FY2015 1Q 4.1.2014 – 6.30.2014		**FY2016 1Q** 4.1.2015 – 6.30.2015		**Increase /Decrease**			**Translation difference**	**Increase /Decrease except translation difference**	
	Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Net Sales	87,792	100.0	101,027	100.0	13,235	115.1	—	6,867	6,367	107.3
Operating Income	5,682	6.5	8,401	8.3	2,719	147.9	1.8	719	1,999	135.2
Ordinary Income	5,852	6.7	8,261	8.2	2,408	141.2	1.5	642	1,766	130.2
Net income attributable to owners of parent	3,798	4.3	5,613	5.6	1,814	147.8	1.3	427	1,387	136.5
Exchange Rate (¥/US$)	102.14		121.34		19.20					
(¥/EUR)	140.01		133.86		(6.15)					

<Reporting Segments>

(Millions of yen, %)

		FY2015 1Q 4.1.2014 – 6.30.2014		FY2016 1Q 4.1.2015 – 6.30.2015		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Domestic Foods-Manufacturing and Sales	Net Sales	39,060	100.0	42,155	100.0	3,094	107.9	—	—	3,094	107.9
	Operating Income	418	1.1	1,607	3.8	1,189	384.3	2.7	—	1,189	384.3
Domestic Others	Net Sales	5,235	100.0	5,279	100.0	43	100.8	—	—	43	100.8
	Operating Income	301	5.8	461	8.7	159	152.9	2.9	—	159	152.9
Overseas Foods-Manufacturing and Sales	Net Sales	17,107	100.0	21,247	100.0	4,139	124.2	—	2,497	1,641	109.6
	Operating Income	3,317	19.4	4,142	19.5	825	124.9	0.1	458	366	111.1
Overseas Foods-Wholesale	Net Sales	32,166	100.0	38,643	100.0	6,477	120.1	—	4,679	1,797	105.6
	Operating Income	1,551	4.8	2,088	5.4	537	134.6	0.6	224	312	120.1
Adjustments	Net Sales	(5,777)	100.0	(6,297)	100.0	(520)	—	—	(310)	(210)	—
	Operating Income	93	—	101	—	7	—	—	36	(28)	—
Consolidated Total	Net Sales	87,792	100.0	101,027	100.0	13,235	115.1	—	6,867	6,367	107.3
	Operating Income	5,682	6.5	8,401	8.3	2,719	147.9	1.8	719	1,999	135.2
Exchange Rate	(¥/US$)	102.14		121.34		19.20					
	(¥/EUR)	140.01		133.86		(6.15)					

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 the 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 in the Soy Sauce Division remained strong in the home-use sector thanks to the market penetration of the value-added “great taste of fresh *nama* shoyu (raw soy sauce),” “maintaining freshness,” and “ease of use" of the *Itsudemo Shinsen* (always fresh) series. Sales in the industrial- and foodservice-use sectors also grew. The Soy Sauce Division as a whole enjoyed an increase from a year earlier in terms of both quantity and value after the impact of the reactionary fall from the last-minute surge in demand experienced in the previous fiscal year had subsided.

■Food Products Division

The overall sales of *tsuyu* (soy sauce soup base) increased year on year due to strong sales of *Hon Tsuyu*, a flagship product, in the home-use sector and sales in the industrial- and foodservice-use sectors. In tare (dipping and marinade sauces), sales of the mainstay *Wagaya wa Yakinikuyasan* series were strong, which contributed to the overall sales growth of tare products from a year earlier. Sales of the *Uchi no Gohan* series (handy Japanese-style seasoning mixes) decreased year on year due to intensifying market competition, despite aggressive new product development, TV advertising, and storefront promotion activities. Sales of Del Monte seasonings increased year on year due to high value-added products such as lycopene-rich tomato ketchup. As a result, aggregate sales in the Food Products Division increased from the same period of the previous fiscal year.

■Beverages Division

While the market for soy milk beverages grew 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 the media such as television and magazines. Sales of new products such as *Tonyu Inryo Hakuto* (white peach-flavored soy milk beverage) were also strong, exceeding sales in the same period of the previous fiscal year.

Among the Del Monte beverages, sales of *Genmai de Tsukutta Rice Milk* (brown rice milk), which was launched this year, were strong, while *Minna no Tomato* and *Minna no Yasai* (easy-to-drink tomato and vegetable beverages) also contributed to sales. Aggregate sales of Del Monte beverages increased year on year despite a year-on-year drop in sales of tomato juice. As a result, overall sales in the Beverages Division increased year on year.

■Liquor and Wine Division

Sales of H*on Mirin* were led by continuously steady sales of *Komekoji Kodawari-jikomi Hon Mirin*. The strong performance of *Manjo Hojun Hon Mirin* and other mainstay products in the home-use sector contributed to a year-on-year increase in overall sales of *Hon Mirin*. Sales of domestic wines rose year on year owing to robust sales of *Koshu Kobo no Awa*, the Solaris series and other Japanese wines. Consequently, overall sales in the Liquor and Wine Division increased year on year.

As a result of the above, the Domestic Foods-Manufacturing and Sales segment recorded higher sales and income, with net sales rising 7.9%, to ¥42,155 million, and operating income increasing 284.3%, to ¥1,607 million.

Domestic Others

This segment includes the 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 from the logistics business that offset a year-on-year fall in pharmaceutical raw materials.

As a result, the Domestic Others segment recorded higher sales and income, with net sales rising 0.8% year on year, to ¥5,279 million, and operating income growing 52.9% year on year, to ¥461 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, and both sectors achieved strong performance. As a result, 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 and the Netherlands, despite the negative impact on the Russian market of a rise in market prices as a result of the weak ruble.

In the Asia and Oceania market, sales increased steadily in the Philippines as one of the key markets. With the contribution of subsidiaries in China and in Taiwan, overall sales in the Asia and Oceania market rose significantly from the same period of the previous fiscal year.

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

■Del Monte Division

This division undertakes the manufacturing and sales of canned fruit, canned corn, tomato ketchup, and other products in the Asia and Oceania region.

Overall sales of the Division increased from the same period of the previous fiscal year due to the impact of foreign exchange rates, despite the negative impact of the short supply of canned fruit from the Philippines on sales in Hong Kong and Korea as key markets.

■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 general retailers and medical doctors.

As a result of the above, the Overseas Foods-Manufacturing and Sales segment recorded higher sales and income, with net sales increasing 24.2% year on year, to ¥21,247 million, and operating income rising 24.9% year on year, to ¥4,142 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 20.1% year on year, to ¥38,643million, and operating income climbing 34.6% year on year, to ¥2,088 million.

As a result of the aforementioned segment results, the Company reported consolidated net sales for the first three months of fiscal 2016 of 101,027 million (up 15.1% year on year), operating income of ¥8,401 million (up 47.9%), ordinary income of ¥8,261 million (up 41.2%), and net income attributable to owners of parent of ¥5,613 million (up 47.8%).

2) Explanation of financial position

(Assets)

Current assets as of June 30, 2015, were ¥151,321 million, an increase of ¥1,571 million from March 31, 2015. This was primarily due to an increase in merchandise and finished goods and notes and accounts receivable-trade while cash and deposits and other current assets decreased. Noncurrent assets decreased by ¥1,968 million to ¥227,047 million, primarily because of a decrease of goodwill while investment securities increased.

As a result, total assets decreased by ¥397 million from March 31, 2015 to ¥378,369 million.

(Liabilities)

Current liabilities were ¥51,137 million, a decrease of ¥2,441 million from March 31, 2015. This was mainly attributable to a decrease in accounts payable. Noncurrent liabilities increased by ¥1,058 million to ¥87,814 million, mainly because of an increase in deferred tax liabilities.

As a result, total liabilities decreased by ¥1,383 million to ¥138,951 million from March 31, 2015.

(Net Assets)

Net assets stood at ¥239,417 million, up ¥986 million from March 31, 2015. This was mainly due to an increase in retained earnings, foreign currency translation adjustment, and valuation difference on available-for-sale securities while capital surplus decreased.

As a result, the equity ratio increased 0.3 percentage points from 62.4% to 62.7%.

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 27, 2015. 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, 2015.

2. Summary Information (Notes)

1) Changes in Important Subsidiaries during the First Three Months

No applicable items

Changes in subsidiaries outside of specific subsidiaries

Consolidation (exclusion) JFC BRASIL IMPORTADORA E COMERCIO DE PRODUTOS ALIMENTICIOS LTDA.

(Changes to a non-consolidated subsidiary based on the viewpoint of significance)

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 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.

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

Changes in accounting policy

(Application of Accounting Standard for Business Combination and other standards)

The Accounting Standard for Business Combination (ASBJ Statement No. 21 of September 13th 2013; hereinafter referred to as "the Accounting Standard for Business Combination"), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 of September 13th 2013; hereinafter referred to as "the Accounting Standard for Consolidated Financial Statements"), and the Accounting Standard for Business Divestitures (ASBJ Statement No. 7 of September 13th 2013; hereinafter referred to as "the Accounting Standard for Business Divestitures"), and others have been applied from the first three months of the consolidated fiscal year under review. Differences caused by changes in the company's holdings in subsidiaries that continue to be in its control are recorded as capital surplus, and expenses related to acquisition are now recorded as expenses for the consolidated fiscal year in which the expenses occurred. In addition, regarding the business combination conducted after the beginning of the first three months of the consolidated fiscal year under review, revisions to the purchase price allocation following determination of provisional accounting methods are now reflected in the quarterly financial statements for the three-month period of the consolidated fiscal term in which the business combination occurred. Also, the net income and other statements have been changed accordingly, and minority interest has been changed to non-controlling interest. To reflect these changes, the company has revised the financial statements for the first three months of the previous consolidated fiscal year and the previous consolidated fiscal year.

The application of the Accounting Standard for Business Combination and other standards follow the transitional treatment stated in paragraph 58-2 (3) of the Accounting Standard for Business Combination, paragraph 44-5 (3) of the Accounting Standard for Consolidated Financial Statements, and paragraph 57-4 (3) of the Accounting Standard for Business Divestitures. Capital surplus and retained earnings have been adjusted by retrospectively applying the new accounting policy to all past terms and reflecting the accumulated impact to the beginning of the first three months of the consolidated fiscal year under review.

As a result, at the beginning of the first three months of the consolidated fiscal year under review, goodwill and capital surplus decreased 5,145 million yen and 7,472 million yen respectively, and retained earnings increased 2,327 million yen. Operating income, ordinary income and income before income taxes for the first three months of the consolidated fiscal year under review all increased 97 million yen.

Changes in accounting policy that are difficult to distinguish from changes in accounting estimates

(Change in depreciation method of property, plant and equipment)

The company and certain consolidated domestic subsidiaries previously used the declining balance method for depreciation of property, plant and equipment (except for buildings (excluding additional facilities) acquired on or after April 1, 1998, which were depreciated using the straight line method). From the first three months of the consolidated fiscal year under review, this has been replaced with the straight line method.

The company and its consolidated domestic subsidiaries have overhauled its production system and completed a round of capital investment, and therefore expect future investments to develop more steadily. Manufacturing of soy sauce, the company's flagship product, has also stabilized thanks to recent measures, which implies steady operation of facilities in the future. Furthermore, these factors of capital investment and forecast of demand form the basis of the new medium-term management plan, which began in the fiscal year under review, and, taking this opportunity to review the depreciation method for property, plant and equipment, the company has concluded that the straight line method is more appropriate.

As a result of this change, depreciation for the first three months of the consolidated fiscal year under review decreased 254 million yen compared to calculations based on the previous method, while operating income increased 165 million yen. Both ordinary income and income before income taxes increased 168 million yen.

3. Consolidated Quarterly Financial Statements
1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
Assets		
Current assets		
Cash and deposits	34,565	32,528
Notes and accounts receivable-trade	50,219	51,675
Short-term investment securities	273	339
Merchandise and finished goods	31,442	35,766
Work in process	12,479	12,292
Raw materials and supplies	5,088	5,235
Deferred tax assets	4,178	4,295
Other	12,001	9,700
Allowance for doubtful accounts	(500)	(512)
Total current assets	149,749	151,321
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	43,772	43,631
Machinery, equipment and vehicles, net	34,078	33,326
Land	21,093	21,193
Lease assets, net	170	169
Construction in progress	2,061	2,838
Other, net	3,518	3,562
Total property, plant and equipment	104,695	104,722
Intangible assets		
Goodwill	17,139	11,693
Other	5,265	5,245
Total intangible assets	22,404	16,939
Investments and other assets		
Investment securities	86,483	89,729
Long-term loans receivable	770	761
Net defined benefit asset	8,863	9,035
Deferred tax assets	726	731
Other	5,831	5,900
Allowance for doubtful accounts	(759)	(773)
Total investments and other assets	101,916	105,385
Total noncurrent assets	229,016	227,047
Total assets	378,766	378,369

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	20,766	20,749
Short-term loans payable	7,473	7,545
Lease obligations	70	72
Accounts payable-other	16,481	13,734
Income taxes payable	1,078	2,018
Provision for bonuses	2,238	897
Provision for directors' bonuses	90	23
Other	5,380	6,097
Total current liabilities	53,579	51,137
Noncurrent liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	11,300	11,300
Lease obligations	82	81
Deferred tax liabilities	12,365	13,199
Provision for directors' retirement benefits	847	791
Provision for environmental measures	480	480
Net defined benefit liability	4,530	4,597
Other	7,150	7,364
Total noncurrent liabilities	86,755	87,814
Total liabilities	140,335	138,951
Net assets		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	21,405	13,932
Retained earnings	190,440	193,683
Treasury stock	(20,680)	(20,733)
Total shareholders' equity	202,765	198,482
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,103	21,078
Deferred gains or losses on hedges	14	19
Foreign currency translation adjustment	13,903	17,108
Remeasurements of defined benefit plans	721	729
Total Accumulated other comprehensive income	33,743	38,935
Non-controlling interests	1,922	1,999
Total net assets	238,431	239,417
Total liabilities and net assets	378,766	378,369

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 2016)

(Millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Net sales	87,792	101,027
Cost of sales	53,037	60,534
Gross profit	34,755	40,493
Selling, general and administrative expenses	29,073	32,091
Operating income	5,682	8,401
Non-operating income		
Interest income	30	28
Dividends income	413	409
Equity in earnings of affiliates	240	293
Rent income	160	163
Gain on valuation of derivatives	30	1,044
Other	806	283
Total non-operating income	1,681	2,223
Non-operating expenses		
Interest expenses	286	267
Foreign exchange losses	46	996
Other	1,178	1,099
Total non-operating expenses	1,511	2,363
Ordinary income	5,852	8,261
Extraordinary income		
Gain on sales of property, plant and equipment	25	—
Gain on sales of investment securities	78	—
Total extraordinary income	104	—
Extraordinary loss		
Loss on valuation of golf club membership	15	—
Total extraordinary loss	15	—
Income before income taxes	5,941	8,261
Income taxes	2,109	2,569
Net income	3,831	5,691
Net income attributable to non-controlling interests	32	77
Net income attributable to owners of parent	3,798	5,613

(Consolidated Quarterly Statements of Comprehensive Income)

(During the first three months of fiscal 2016)

(Millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Net income	3,831	5,691
Other comprehensive income		
Valuation difference on available-for-sale securities	1,452	1,719
Deferred gains or losses on hedges	(4)	(10)
Foreign currency translation adjustment	(1,625)	3,177
Remeasurements of defined benefit plans, net of tax	102	26
Share of other comprehensive income of associates accounted for using equity method	0	285
Total other comprehensive income	(73)	5,197
Comprehensive income	3,757	10,889
Total comprehensive income attributable to:		
Owners of the Company	3,725	10,806
Non-controlling interests	32	83

3) Notes on quarterly consolidated financial statements

(Notes Regarding Going Concern)

No applicable items.

(Notes Regarding Significant Changes in Shareholders' Equity)

From the first three months of the consolidated fiscal year under review, the company has applied the Accounting Standards for Business Combination and other standards. The impact of this is as stated in "2. Summary Information (Notes), 3) Changes in Accounting Policy, Changes in Accounting Estimates and Restatement of Revisions: Changes in accounting policy."

(Segment Information, etc)

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

1. Adjustments of ¥93 million in segment operating income consist mainly of difference in the allocation of corporate expenses.
2. Segment operating incomes are adjusted to the operating incomes recorded in the consolidated statements of income.

II. First three months of fiscal 2016 (April 1, 2015 to June 30, 2015)
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	41,821	1,983	18,689	38,533	101,027	–	101,027
Intragroup sales or transfers	334	3,295	2,558	109	6,297	(6,297)	–
Total sales	42,155	5,279	21,247	38,643	107,325	(6,297)	101,027
Operating income	1,607	461	4,142	2,088	8,300	101	8,401

(Notes)

1. Adjustments of ¥101 million in segment operating income consist mainly of difference in the allocation of corporate expenses.
2. Segment operating incomes are adjusted to the operating incomes recorded in the consolidated statements of income.

2. Information related to impairment loss on noncurrent assets, goodwill and others by reporting segment

(Significant change in the amount of goodwill)

As described in 2. Summary Information (Notes), 3) Changes in Accounting Policy, Changes in Accounting Estimates and Restatement of Revisions: Changes in accounting policy, the Accounting Standard for Business Combination and other standards have been applied from the first three months of the consolidated fiscal year under review. The application of the Accounting Standard for Business Combination and other standards follow the transitional treatment stated in paragraph 58-2 (3) of the Accounting Standard for Business Combination, paragraph 44-5 (3) of the Accounting Standard for Consolidated Financial Statements, and paragraph 57-4 (3) of the Accounting Standard for Business Divestitures.

As a result, the amount of goodwill decreased by 5,145 million yen in Foods-Manufacturing and Sales for the first three months of the consolidated fiscal year under review.

3. Changes relating to reporting segments

(Application of Accounting Standard for Business Combination and other standards)

As described in 2. Summary Information (Notes), 3) Changes in Accounting Policy, Changes in Accounting Estimates and Restatement of Revisions: Changes in accounting policy, the Accounting Standard for Business Combination and other standards have been applied from the first three months of the consolidated fiscal year under review. Differences caused by changes in the company's holdings in subsidiaries that continue to be in its control are recorded as capital surplus, and expenses related to acquisition are now recorded as expenses for the consolidated fiscal year in which the expenses occurred. In addition, regarding the business combination conducted after the beginning of the first three months of the consolidated fiscal year under review, revisions to the purchase price allocation following determination of provisional accounting methods are now reflected in the quarterly financial statements for the three-month period of the consolidated fiscal term in which the business combination occurred.

The application of the Accounting Standard for Business Combination and other standards follow the transitional treatment stated in paragraph 58-2 (3) of the Accounting Standard for Business Combination, paragraph 44-5 (3) of the Accounting Standard for Consolidated Financial Statements, and paragraph 57-4 (3) of the Accounting Standard for Business Divestitures. Capital surplus and retained earnings have been adjusted by retrospectively applying the new accounting policy to all past terms and reflecting the accumulated impact to the beginning of the first three months of the consolidated fiscal year under review.

As a result, for Domestic Foods-Manufacturing and Sales, segment operating income for the first three months of the consolidated fiscal year under review increased 97 million yen.

(Change in depreciation method of property, plant and equipment)

As described in 2. Summary Information (Notes), 3) Changes in Accounting Policy, Changes in Accounting Estimates and Restatement of Revisions: Changes in accounting policy that are difficult to distinguish from changes in accounting estimates, the company and certain consolidated domestic subsidiaries previously used the declining balance method for depreciation of property, plant and equipment (except for buildings (excluding additional facilities) acquired on or after April 1, 1998, which were depreciated using the straight line method). From the first three months of the consolidated fiscal year under review, this has been replaced with the straight line method.

As a result, segment operating income for the first three months of the consolidated fiscal year under review increased 133 million yen in Domestic Foods-Manufacturing and Sales, 9 million yen in Domestic Others, and 18 million yen in Adjustments respectively.