November 5, 2015

Consolidated Financial Results

Kikkoman Corporation
Flash Report
for First Six months of Fiscal 2016

Six-month period ended September 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
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Scheduled submission date of quarterly accounting report:	November 12, 2015
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, 2015 (April 1, 2015 to September 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 -Sep. 30, 2015	202,774	13.4	16,939	37.8	15,957	35.9	10,485	34.7
Apr. 1, 2014 -Sep. 30, 2014	178,799	6.2	12,296	(2.9)	11,743	4.1	7,785	8.8

(Note) Comprehensive Income
April 1, 2015 to September 30, 2015: ¥ 9,608 million ((39.5) %)
April 1, 2014 to September 30, 2014: ¥ 15,873 million ((11.3) %)

	Net income per share *(yen)*	Net income per share (Assuming full dilution) *(yen)*
Apr. 1, 2015 -Sep. 30, 2015	53.68	–
Apr. 1, 2014 -Sep. 30, 2014	39.36	39.36

2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
Sep. 30, 2015	377,960	237,983	62.4%
Mar. 31, 2015	378,766	238,431	62.4%

(Note) Total shareholders' equity
Sep. 30, 2015: ¥ 236,003 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	–	0.00			
Apr. 1, 2015 -Mar. 31, 2016 (Estimated)			–	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- Mar.31, 2016	405,000	9.1	31,200	23.0	29,200	19.8	19,100	24.2	97.79

(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: Yes
③ Changes in accounting estimates: Yes
④ Restatement of revisions: None

(Note) For details, please refer to the attachments to this report, Page 11, 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, 2015 — 210,383,202 shares   March 31, 2015 — 210,383,202 shares
② Treasury stock at end of period
September 30, 2015 — 15,072,341 shares   March 31, 2015 — 15,046,330 shares
③ Shares outstanding during the period (cumulative for period, consolidated)
September 30, 2015 — 195,322,205 shares   September 30, 2014 — 197,783,530 shares

* Status of implementation 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 results on TD-net for viewing in Japan, and on its website.
(2) Kikkoman plans to publish business performance presentation materials on its website.

Table of Contents of Attachments

1. Qualitative Information and Consolidated Financial Statements, etc.

1) Explanation of business performance

During the first half of the fiscal year ending March 2016, the U.S. economy continued to recover but growth in the global economy as a whole slowed slightly because of the slowdown in the Chinese economy and other emerging economies. Only a slight recovery was seen in the Japanese 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 good performance of the Overseas Foods-Manufacturing and Sales and Overseas Foods-Wholesale business.

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

<Consolidated Financial Statements>

(Millions of yen, %)

	FY2015 1st half 4.1.2014 – 9.30.2014		FY2016 1st half 4.1.2015 – 9.30.2015		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Net Sales	178,799	100.0	202,774	100.0	23,975	113.4	—	12,839	11,135	106.2
Operating Income	12,296	6.9	16,939	8.4	4,643	137.8	1.5	1,502	3,140	125.5
Ordinary Income	11,743	6.6	15,957	7.9	4,213	135.9	1.3	1,349	2,863	124.4
Net income attributable to owners of parent	7,785	4.4	10,485	5.2	2,699	134.7	0.8	888	1,811	123.3
Exchange Rate (¥/US$)	103.51		121.50		17.99					
(¥/EUR)	139.07		134.60		(4.47)					

<Reporting segments>

(Millions of yen, %)

		FY2015 1st half 4.1.2014 – 9.30.2014		**FY2016 1st half** 4.1.2015 – 9.30.2015		**Increase /Decrease**			**Translation difference**	**Increase /Decrease except translation difference**	
		Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Domestic Foods-Manufacturing and Sales	Net Sales	80,466	100.0	84,628	100.0	4,162	105.2	–	–	4,162	105.2
	Operating Income	1,540	1.9	3,529	4.2	1,989	229.1	2.3	–	1,989	229.1
Domestic Others	Net Sales	10,291	100.0	10,413	100.0	122	101.2	–	–	122	101.2
	Operating Income	505	4.9	851	8.2	346	168.5	3.3	–	346	168.5
Overseas Foods-Manufacturing and Sales	Net Sales	34,816	100.0	42,478	100.0	7,661	122.0	–	4,831	2,830	108.1
	Operating Income	6,854	19.7	8,370	19.7	1,515	122.1	0.0	962	553	108.1
Overseas Foods-Wholesale	Net Sales	64,576	100.0	77,746	100.0	13,170	120.4	–	8,583	4,587	107.1
	Operating Income	2,928	4.5	3,884	5.0	955	132.6	0.5	437	517	117.7
Adjustments	Net Sales	(11,351)	100.0	(12,493)	100.0	(1,141)	–	–	(575)	(566)	–
	Operating Income	467	–	303	–	(163)	–	–	102	(266)	–
Consolidated Total	Net Sales	178,799	100.0	202,774	100.0	23,975	113.4	–	12,839	11,135	106.2
	Operating Income	12,296	6.9	16,939	8.4	4,643	137.8	1.5	1,502	3,140	125.5
Exchange Rate	(¥/US$)	103.51		121.50		17.99					
	(¥/EUR)	139.07		134.60		(4.47)					

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 of the Soy Sauce Division continued to be good, thanks to the market penetration of its value-added “great taste of fresh *nama* shoyu (raw soy sauce),” “maintaining freshness,” and “ease of use” and stepped-up sales promotions at stores. 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) declined year on year. In the home-use sector, *Itsudemo Shinsen Dashikaoru Zeitaku Tsuyu* (always fresh, rich stock flavored *tsuyu*), a new product, contributed to sales, but sales of *Straight Tsuyu* were weak due to adverse weather conditions in the summer. 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) rose year on year due to aggressive new product development, TV advertising, and storefront promotion activities. Sales of Del Monte seasonings increased year on year, driven by 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 witnessed strong growth, the company conducted 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 outlets such as television and magazines. New products such as *Tonyu Inryo Hakuto* (white peach-flavored soy milk beverage) helped to boost sales, with sales of soy milk beverages exceeding sales for the same period of the previous fiscal year.

Looking at the Del Monte beverages, *Minna no Tomato and Minna no Yasai* (easy-to-drink tomato and vegetable beverages), which continued to post strong sales, and *Genmai de Tsukutta Rice Milk* (brown rice milk), which was launched this year, contributed to sales. The aggregate sales of Del Monte beverages increased year on year, despite the year-on-year decline in the sales of tomato juice. As a result, the overall sales of the Beverages Division increased year on year.

■Liquor and Wine Division

Sales of *Hon Mirin* were driven by the continuously good sales of *Komekoji Kodawari-jikomi Hon Mirin*. An increase in sales of *Manjo Hojun Hon Mirin* and other mainstay products in the home-use sector contributed to a year-on-year increase in the overall sales of *Hon Mirin*. Sales of domestic wines rose year on year, thanks to the robust sales of *Koshu Kobo no Awa*, the Solaris series, and other Japanese wines. As a result, the overall sales in the Liquor and Wine Division increased year on year.

As a result of the above, net sales for the Domestic Foods-Manufacturing and Sales increased 5.2% year on year, to ¥84,628 million. Operating income increased 129.1% year on year, to ¥3,529 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.

The aggregate division sales rose year on year, reflecting a year-on-year increases in sales from the logistics business that offset a year-on-year decline in pharmaceutical raw materials.

As a result, Domestic Others saw net sales increase 1.2% year on year, to ¥10,413 million, and operating income increase 68.5% year on year, to ¥851 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 utilized 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 exhibited 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, thanks to the good sales in key markets such as Germany, the Netherlands, and Italy, despite the negative impact on the Russian market stemming from a rise in market prices as a result of the weak ruble.
In the Asia and Oceania market, sales grew well in the Philippines, one of the key markets. With the contribution of a sales company in China and a manufacturing company 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, which partially reflected the impact 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.
The 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, China, and Korea, the key markets in the region.

■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 excellent sales through general retailers and medical doctors.

As a result of the above, net sales for Overseas Foods-Manufacturing and Sales segment increased 22.0% year on year, to ¥42,478 million. Operating income rose 22.1% year on year, to ¥8,370million.

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 good 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 20.4% year on year to ¥77,746 million and operating income climbed 32.6% year on year to ¥3,884 million.

As a result of the aforementioned segment results, the Company reported consolidated net sales for the first six months of fiscal 2016 of ¥202,774 million (up 13.4% year on year), operating income of ¥16,939 million (up 37.8%), ordinary income of ¥15,957 million (up 35.9%), and net income attributable to owners of parent of ¥10,485 million (up 34.7%).

2) Explanation of financial position

1. Total Assets, Total Liabilities and Net Assets

(Assets)

Current assets as of September 30, 2015, were ¥150,728 million, an increase of ¥978 million from March 31, 2015. This was primarily due to an increase in merchandise and finished goods, notes and accounts receivable-trade while other current assets decreased. Noncurrent assets were decreased by ¥1,783 million to ¥227,232 million, primarily because of a decrease of goodwill while construction in progress and land increased.

As a result, total assets decreased by ¥805 million from March 31, 2015 to ¥377,960 million.

(Liabilities)

Current liabilities were ¥53,460 million, a decrease of ¥118 million from March 31, 2015. This was mainly attributable to a decrease in accounts payable and notes and accounts payable-trade while income tax payable increased. Noncurrent liabilities declined by ¥238 million to ¥86,517 million, mainly because of a decrease in net defined benefit liability.

As a result, total liabilities decreased by ¥357 million to ¥139,977 million from March 31, 2015.

(Net Assets)

Net assets stood at ¥237,983 million, down ¥447 million from March 31, 2015. This was mainly due to a decrease of capital surplus and foreign currency translation adjustment while retained earnings increased.

As a result, the equity ratio is 62.4%, equal to March 31, 2015.

2. Cash Flows

Cash and cash equivalents as of September 30, 2015 were ¥32,779 million. This reflected an increase in cash and cash equivalents of ¥552 million from March 31, 2015.

Cash flows for each activity and reasons are as follows.

(Cash Flows from Operating Activities)

During the six months ended September 30, 2015, operating activities provided net cash of ¥16,134 million, an increase of ¥3,346 million from March 31, 2015. The main contributing factors were cash provided by operating activities comprising the sum of income before income taxes, 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 ¥10,499 million, mainly for the purchase of property, plant and equipment and payments for transfer of business.

(Cash Flows from Financing Activities)

Financing activities used net cash of ¥4,927 million. This was due primarily to 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, operating income, ordinary income and net income attributable to owners of parent, which are considered to primarily be the result of changes in foreign exchange rates from the initial assumption and the progress of business performance until the second quarter of the current fiscal year. 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, 2015).

Differences from the full-year forecasts announced in the Flash Report 2015 on April 27, 2015 are as shown below.

(Full year)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share *(yen)*
Previously Issued Forecast (A)	400,000	28,000	26,000	17,000	87.03
Current Revised Forecast (B)	405,000	31,200	29,200	19,100	97.79
Difference (B－A)	5,000	3,200	3,200	2,100	-
Percent Change (%)	1.3	11.4	12.3	12.4	-
Results from Previous Fiscal Year	371,339	25,370	24,364	15,382	78.20

Note: Assumed foreign currency exchange rates:
Previously announced forecast: US$ = ¥115, EUR = ¥125
Forecast as of this announcement: US$ = ¥120, EUR = ¥135

2. Summary Information (Notes)

1) Changes in Important Subsidiaries during the First Six Months

No applicable items

Changes in subsidiaries outside of specific subsidiaries

Consolidation (New) NUTRI GOLD SW LIMITED (Stock acquisition)

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 six months 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 six 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 six months of the consolidated fiscal year under review all increased 194 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 six months of the consolidated fiscal year under review decreased 520 million yen compared to calculations based on the previous method, while operating income increased 383 million yen. Both ordinary income and income before income taxes increased 390 million yen.

3. Consolidated Quarterly Financial Statements

1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	34,565	35,119
Notes and accounts receivable-trade	50,219	51,786
Short-term investment securities	273	356
Merchandise and finished goods	31,442	33,881
Work in process	12,479	12,213
Raw materials and supplies	5,088	5,524
Deferred tax assets	4,178	4,190
Other	12,001	8,151
Allowance for doubtful accounts	(500)	(495)
Total current assets	149,749	150,728
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	43,772	42,941
Machinery, equipment and vehicles, net	34,078	33,229
Land	21,093	22,454
Lease assets, net	170	129
Construction in progress	2,061	3,751
Other, net	3,518	3,632
Total property, plant and equipment	104,695	106,138
Intangible assets		
Goodwill	17,139	12,402
Other	5,265	5,862
Total intangible assets	22,404	18,265
Investments and other assets		
Investment securities	86,483	87,048
Long-term loans receivable	770	766
Net defined benefit asset	8,863	9,165
Deferred tax assets	726	715
Other	5,831	5,904
Allowance for doubtful accounts	(759)	(770)
Total investments and other assets	101,916	102,829
Total noncurrent assets	229,016	227,232
Total assets	378,766	377,960

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	20,766	19,698
Short-term loans payable	7,473	7,447
Lease obligations	70	65
Accounts payable-other	16,481	15,333
Income taxes payable	1,078	2,402
Provision for bonuses	2,238	2,515
Provision for directors' bonuses	90	48
Other	5,380	5,949
Total current liabilities	53,579	53,460
Noncurrent liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	11,300	11,300
Lease obligations	82	77
Deferred tax liabilities	12,365	12,406
Provision for directors' retirement benefits	847	786
Provision for environmental measures	480	473
Net defined benefit liability	4,530	4,323
Other	7,150	7,148
Total noncurrent liabilities	86,755	86,517
Total liabilities	140,335	139,977
Net assets		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	21,405	13,934
Retained earnings	190,440	198,555
Treasury stock	(20,680)	(20,777)
Total shareholders' equity	202,765	203,312
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,103	18,835
Deferred gains or losses on hedges	14	(13)
Foreign currency translation adjustment	13,903	13,046
Remeasurements of defined benefit plans	721	823
Total Accumulated other comprehensive income	33,743	32,691
Non-controlling interests	1,922	1,979
Total net assets	238,431	237,983
Total liabilities and net assets	378,766	377,960

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 2016)

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net sales	178,799	202,774
Cost of sales	107,407	121,712
Gross profit	71,391	81,062
Selling, general and administrative expenses	59,094	64,122
Operating income	12,296	16,939
Non-operating income		
Interest income	56	58
Dividends income	461	462
Equity in earnings of affiliates	414	523
Rent income	313	319
Other	2,878	947
Total non-operating income	4,124	2,311
Non-operating expenses		
Interest expenses	575	539
Other	4,101	2,754
Total non-operating expenses	4,677	3,294
Ordinary income	11,743	15,957
Extraordinary income		
Gain on sales of property, plant and equipment	37	13
Gain on sales of investment securities	114	—
Total extraordinary income	152	13
Extraordinary loss		
Loss on retirement of noncurrent assets	184	158
Loss on valuation of golf club membership	13	—
Special extra retirement payments	33	13
Total extraordinary loss	231	172
Income before income taxes	11,664	15,797
Income taxes	3,818	5,158
Net income	7,846	10,639
Net income attributable to non-controlling interests	60	154
Net income attributable to owners of parent	7,785	10,485

(Consolidated Quarterly Statements of Comprehensive Income)

(During the first six months of fiscal 2016)

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net income	7,846	10,639
Other comprehensive income		
Valuation difference on available-for-sale securities	2,240	213
Deferred gains or losses on hedges	13	(27)
Foreign currency translation adjustment	5,305	(487)
Remeasurements of defined benefit plans, net of tax	224	138
Share of other comprehensive income of associates accounted for using equity method	243	(868)
Total other comprehensive income	8,026	(1,030)
Comprehensive income	15,873	9,608
Total comprehensive income attributable to:		
Owners of the Company	15,811	9,432
Non-controlling interests	61	175

3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flows from operating activities		
Income before income taxes	11,664	15,797
Depreciation and amortization	6,048	5,871
Increase (decrease) in provision for directors' retirement benefits	(61)	(60)
Increase (decrease) in net defined benefit liability	5	(412)
Interest and dividends income	(518)	(521)
Interest expenses	575	539
Equity in (earnings) losses of affiliates	(414)	(523)
Loss (gain) on sales of property, plant and equipment	(41)	(27)
Loss (gain) on sales of investment securities	(114)	―
Loss on retirement of property, plant and equipment	268	250
Decrease (increase) in notes and accounts receivable-trade	(80)	(1,482)
Decrease (increase) in inventories	(2,643)	(2,712)
Increase (decrease) in notes and accounts payable-trade	109	(979)
Other, net	3,689	3,994
Subtotal	18,489	19,735
Interest and dividends received	910	804
Interest expenses paid	(344)	(489)
Income taxes paid	(6,268)	(3,916)
Net cash provided by (used in) operating activities	12,787	16,134
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,183)	(6,967)
Proceeds from sales of property, plant and equipment	63	31
Purchase of intangible assets	(706)	(496)
Purchase of investment securities	(634)	(619)
Proceeds from sales of investment securities	265	―
Payments for transfer of business	―	(1,872)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	―	(75)
Payments of loans receivable	(157)	(363)
Collection of loans receivable	688	196
Other, net	379	(331)
Net cash provided by (used in) investing activities	(6,286)	(10,499)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	7,508	(24)
Proceeds from exercise of stock option	92	―
Purchase of treasury stock	(10,036)	(125)
Cash dividends paid	(4,008)	(4,697)
Dividends paid to non-controlling interests	(6)	(7)
Other, net	(69)	(73)
Net cash provided by (used in) financing activities	(6,519)	(4,927)
Effect of exchange rate change on cash and cash equivalents	746	(154)
Net increase (decrease) in cash and cash equivalents	729	552
Cash and cash equivalents at beginning of the period	25,420	32,398
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	―	(172)
Cash and cash equivalents at end of period	26,149	32,779

4) 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 six months of fiscal 2015 (April 1, 2014 to September 30, 2014)

Sales, Income, and Losses by Reporting Segment

(Millions of yen)

	Reporting Segment					Adjustments (Note 1)	Consolidated 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)

1. Adjustments of ¥467 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 six months of fiscal 2016 (April 1, 2015 to September 30, 2015)

1. Sales, Income, and Losses by Reporting Segment

(Millions of yen)

	Reporting Segment					Adjustments (Note 1)	Consolidated Total (Note 2)
	Domestic Foods – Manufacturing and Sales	Domestic Others	Overseas Foods – Manufacturing and Sales	Overseas Foods – Wholesale	Total		
Sales							
Sales to third parties	84,001	3,834	37,379	77,558	202,774	–	202,774
Intragroup sales or transfers	626	6,578	5,098	188	12,493	(12,493)	–
Total sales	84,628	10,413	42,478	77,746	215,267	(12,493)	202,774
Operating income	3,529	851	8,370	3,884	16,635	303	16,939

(Notes)

1. Adjustments of ¥303 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 six 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 six months of the consolidated fiscal year under review increased 194 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 six months of the consolidated fiscal year under review increased 323 million yen in Domestic Foods-Manufacturing and Sales, 20 million yen in Domestic Others, and 39 million yen in Adjustments respectively.