February 5, 2016

Consolidated Financial Results

Kikkoman Corporation
Flash Report
for First Nine months of Fiscal 2016

Nine-month period ended December 31, 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:	February 10, 2016
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, 2015 (April 1, 2015 to December 31, 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 -Dec. 31, 2015	310,643	11.7	27,099	32.8	25,676	29.3	17,074	27.5
Apr. 1, 2014 -Dec. 31, 2014	278,095	7.6	20,401	4.0	19,851	5.8	13,396	12.2

(Note) Comprehensive Income
April 1, 2015 to December 31, 2015: ¥ 20,219 million ((42.4) %)
April 1, 2014 to December 31, 2014: ¥ 35,081 million (3.3%)

	Net income per share *(yen)*	Net income per share (Assuming full dilution) *(yen)*
Apr. 1, 2015 -Dec. 31, 2015	87.58	–
Apr. 1, 2014 -Dec. 31, 2014	67.97	67.96

2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
Dec. 31, 2015	385,355	239,995	61.8%
Mar. 31, 2015	378,766	238,431	62.4%

(Note) Total shareholders' equity
December. 31, 2015: ¥238,001 million
March. 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	98.18

(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: 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)
December 31, 2015 ― 210,383,202 shares   March 31, 2015 ― 210,383,202 shares
② Treasury stock at end of period
December 31, 2015 ― 17,181,293 shares   March 31, 2015 ― 15,046,330 shares
③ Shares outstanding during the period (cumulative for period, consolidated)
December 31, 2015 ― 194,953,814 shares   December 31, 2014 ― 197,101,229 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 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.

Table of Contents of Attachments

1. Qualitative Information and Consolidated Financial Statements, etc.

1) Explanation of business performance

During the first nine months of the fiscal year ending March 2016, global economic growth as a whole was somewhat stagnant due to the slowdown in the Chinese economy and other emerging economies, despite the continuous recovery of the U.S. and European economies. The Japanese economy, too, enjoyed a limited recovery.

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 nine months of fiscal 2016 were as follows.

<Consolidated Financial Statements>

(Millions of yen, %)

	Nine months Ended December 31,2014 4.1.2014 – 12.31.2014		Nine months Ended December 31,2015 4.1.2015 – 12.31.2015		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Net Sales	278,095	100.0	310,643	100.0	32,547	111.7	–	14,660	17,887	106.4
Operating Income	20,401	7.3	27,099	8.7	6,697	132.8	1.4	1,798	4,899	124.0
Ordinary Income	19,851	7.1	25,676	8.3	5,824	129.3	1.2	1,623	4,201	121.2
Net income attributable to owners of parent	13,396	4.8	17,074	5.5	3,678	127.5	0.7	1,060	2,617	119.5
Exchange Rate (¥/US$)	107.27		121.49		14.22					
(¥/EUR)	140.50		133.67		(6.83)					

<Reporting segments>

(Millions of yen, %)

		Nine months Ended December 31,2014		**Nine months Ended December 31,2015**		**Increase /Decrease**			**Translation difference**	**Increase /Decrease except translation difference**	
		4.1.2014 – 12.31.2014		4.1.2015 – 12.31.2015							
		Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Domestic Foods-Manufacturing and Sales	Net Sales	124,641	100.0	130,093	100.0	5,452	104.4	–	–	5,452	104.4
	Operating Income	3,233	2.6	6,392	4.9	3,159	197.7	2.3	–	3,159	197.7
Domestic Others	Net Sales	15,507	100.0	15,926	100.0	418	102.7	–	–	418	102.7
	Operating Income	875	5.6	1,325	8.3	450	151.4	2.7	–	450	151.4
Overseas Foods-Manufacturing and Sales	Net Sales	54,196	100.0	63,708	100.0	9,511	117.6	–	5,700	3,811	107.0
	Operating Income	10,527	19.4	12,454	19.5	1,926	118.3	0.1	1,126	800	107.6
Overseas Foods-Wholesale	Net Sales	101,320	100.0	119,876	100.0	18,556	118.3	–	9,605	8,950	108.8
	Operating Income	4,716	4.7	6,134	5.1	1,418	130.1	0.4	540	877	118.6
Adjustments	Net Sales	(17,570)	100.0	(18,961)	100.0	(1,391)	–	–	(645)	(746)	–
	Operating Income	1,049	–	792	–	(256)	–	–	131	(387)	–
Consolidated Total	Net Sales	278,095	100.0	310,643	100.0	32,547	111.7	–	14,660	17,887	106.4
	Operating Income	20,401	7.3	27,099	8.7	6,697	132.8	1.4	1,798	4,899	124.0
Exchange Rate	(¥/US$)	107.27		121.49		14.22					
	(¥/EUR)	140.50		133.67		(6.83)					

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 in 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.

■Food Products Division

In the home-use sector, *Itsudemo Shinsen Dashikaoru Zeitaku Tsuyu* (always fresh, rich stock flavored *tsuyu*), a new product, contributed to sales; however, adverse weather conditions in the summer and an abnormally warm winter caused the overall sales of *tsuyu* (soy sauce soup base) to fall year on year. 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 and olive oil in an airtight bottle that prevents oxidation, which is a new product. 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 in the fiscal year under review, 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 good 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 4.4% year on year, to ¥130,093 million. Operating income rose 97.7% year on year, to ¥6,392 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 year-on-year increases in sales of chemical products such as hyaluronic acid and sales from the logistics business.

As a result, Domestic Others saw net sales increased 2.7% year on year, to ¥15,926 million, and operating income increased 51.4% year on year, to ¥ 1,325 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 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 in Thailand and other countries, and 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 fruits 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 17.6% year on year, to ¥63,708million. Operating income rose 18.3% year on year, to ¥12,454million.

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 18.3% year on year to ¥119,876 million and operating income climbed 30.1% year on year to ¥6,134 million.

As a result of the above, the Company reported consolidated net sales for the first nine months of fiscal 2016 of ¥310,643 million (up 11.7% year on year), operating income of ¥27,099 million (up 32.8%), ordinary income of ¥25,676 million (up 29.3%), and net income attributable to owners of parent of ¥17,074 million (up 27.5%).

2) Explanation of financial position

(Assets)

Current assets as of December 31, 2015, were ¥152,635 million, an increase of ¥2,885 million from March 31, 2015. This was primarily due to an increase in notes and accounts receivable-trade while cash and deposits and other current assets decreased. Noncurrent assets were up ¥3,703 million to ¥232,719 million, primarily because of increases of investment securities, construction in progress, and land while goodwill decreased.

As a result, total assets increased by ¥6,588 million from March 31, 2015 to ¥385,355 million.

(Liabilities)

Current liabilities were ¥59,628 million, an increase of ¥6,049 million from March 31, 2015. This was mainly attributable to increases in short-term loans payable and income taxes payable. Noncurrent liabilities decreased by ¥1,025 million to ¥85,730 million, mainly because of a decrease of long-term loans payable.

As a result, total liabilities increased by ¥5,024 million to ¥145,359 million from March 31, 2015.

(Net Assets)

Net assets stood at ¥239,995 million, up ¥1,564 million from March 31, 2015. This was mainly due to increases in retained earnings and valuation difference on available-for-sale securities while acquiring treasury stock and a decrease of capital surplus.

As a result, the equity ratio declined 0.6 percentage points from 62.4% to 61.8%.

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

Consolidated earnings forecasts for the year ending March 31, 2016, remain unchanged from the forecasts accompanying the Flash Report for First Six Months of Fiscal 2016, disclosed on November 5, 2015. 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, 2015.

2. Summary Information (Notes)

1) Changes in Important Subsidiaries during the First Nine 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 nine 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 nine 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 nine months of the consolidated fiscal year under review all increased 291 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 nine months of the consolidated fiscal year under review decreased 820 million yen compared to calculations based on the previous method, while operating income increased 662 million yen. Both ordinary income and income before income taxes increased 672 million yen.

3. Consolidated Quarterly Financial Statements

1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	34,565	27,661
Notes and accounts receivable-trade	50,219	61,659
Short-term investment securities	273	436
Merchandise and finished goods	31,442	31,897
Work in process	12,479	11,876
Raw materials and supplies	5,088	5,025
Deferred tax assets	4,178	4,180
Other	12,001	10,417
Allowance for doubtful accounts	(500)	(520)
Total current assets	149,749	152,635
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	43,772	42,418
Machinery, equipment and vehicles, net	34,078	33,263
Land	21,093	22,598
Lease assets, net	170	102
Construction in progress	2,061	4,310
Other, net	3,518	3,635
Total property, plant and equipment	104,695	106,328
Intangible assets		
Goodwill	17,139	12,048
Other	5,265	5,611
Total intangible assets	22,404	17,659
Investments and other assets		
Investment securities	86,483	92,242
Long-term loans receivable	770	795
Net defined benefit asset	8,863	9,286
Deferred tax assets	726	700
Other	5,831	6,477
Allowance for doubtful accounts	(759)	(770)
Total investments and other assets	101,916	108,731
Total noncurrent assets	229,016	232,719
Total assets	378,766	385,355

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	20,766	20,144
Short-term loans payable	7,473	11,246
Lease obligations	70	62
Accounts payable-other	16,481	16,536
Income taxes payable	1,078	3,394
Provision for bonuses	2,238	700
Provision for directors' bonuses	90	77
Other	5,380	7,466
Total current liabilities	53,579	59,628
Noncurrent liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	11,300	9,413
Lease obligations	82	74
Deferred tax liabilities	12,365	14,019
Provision for directors' retirement benefits	847	791
Provision for environmental measures	480	473
Net defined benefit liability	4,530	4,140
Other	7,150	6,816
Total noncurrent liabilities	86,755	85,730
Total liabilities	140,335	145,359
Net assets		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	21,405	13,909
Retained earnings	190,440	205,145
Treasury stock	(20,680)	(29,350)
Total shareholders' equity	202,765	201,303
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,103	22,633
Deferred gains or losses on hedges	14	(2)
Foreign currency translation adjustment	13,903	13,032
Remeasurements of defined benefit plans	721	1,034
Total Accumulated other comprehensive income	33,743	36,697
Non-controlling interests	1,922	1,994
Total net assets	238,431	239,995
Total liabilities and net assets	378,766	385,355

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 2016)

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Net sales	278,095	310,643
Cost of sales	167,624	187,252
Gross profit	110,471	123,390
Selling, general and administrative expenses	90,069	96,291
Operating income	20,401	27,099
Non-operating income		
Interest income	87	87
Dividends income	732	710
Equity in earnings of affiliates	789	878
Rent income	475	505
Other	6,585	1,008
Total non-operating income	8,671	3,189
Non-operating expenses		
Interest expenses	862	803
Other	8,359	3,809
Total non-operating expenses	9,221	4,613
Ordinary income	19,851	25,676
Extraordinary income		
Gain on sales of property, plant and equipment	38	15
Gain on sales of investment securities	155	—
Total extraordinary income	194	15
Extraordinary loss		
Loss on retirement of noncurrent assets	294	176
Loss on valuation of securities	—	28
Loss on valuation of golf club membership	15	1
Special extra retirement payments	95	13
Total extraordinary loss	405	219
Income before income taxes	19,640	25,472
Income taxes	6,126	8,191
Net income	13,513	17,280
Net income attributable to non-controlling interests	117	205
Net income attributable to owners of parent	13,396	17,074

(Consolidated Quarterly Statements of Comprehensive Income)

(During the first nine months of fiscal 2016)

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Net income	13,513	17,280
Other comprehensive income		
Valuation difference on available-for-sale securities	4,388	3,446
Deferred gains or losses on hedges	35	(31)
Foreign currency translation adjustment	15,969	(447)
Remeasurements of defined benefit plans, net of tax	322	368
Share of other comprehensive income of associates accounted for using equity method	851	(397)
Total other comprehensive income	21,567	2,939
Comprehensive income	35,081	20,219
Total comprehensive income attributable to:		
Owners of the Company	34,919	20,028
Non-controlling interests	161	190

3) Notes on quarterly consolidated financial statements

(Notes Regarding Going Concern)

No applicable items.

(Notes Regarding Significant Changes in Shareholders' Equity)

①Application of the Accounting Standards for Business Combination and other standards

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."

②The acquisition of treasury stock

The Company resolved the matters related to the acquisition of treasury stock at the meeting of its Board of Directors held on November 26, 2015 in accordance with the provisions stipulated in Article 156 of the Companies Act of Japan as applied by substituting certain terms pursuant to paragraph 3 of Article 165 of the Companies Act of Japan. In accordance with this resolution, the Company acquired 2,101,000 shares of common stock for ¥8,542 million by December 31, 2015 by way of market purchase on the Tokyo Stock Exchange.

(Segment Information, etc.)

I. First nine months of fiscal 2015 (April 1, 2014 to December 31, 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	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)

1. Adjustments of ¥1,049 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 nine months of fiscal 2016 (April 1, 2015 to December 31, 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	129,128	5,926	55,973	119,614	310,643	–	310,643
Intragroup sales or transfers	964	10,000	7,734	261	18,961	(18,961)	–
Total sales	130,093	15,926	63,708	119,876	329,605	(18,961)	310,643
Operating income	6,392	1,325	12,454	6,134	26,307	792	27,099

(Notes)

1. Adjustments of ¥792 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 nine 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 nine months of the consolidated fiscal year under review increased 291 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 nine months of the consolidated fiscal year under review increased 564 million yen in Domestic Foods-Manufacturing and Sales, 31 million yen in Domestic Others, and 65 million yen in Adjustments respectively.