

## Consolidated Financial Results

# Kikkoman Corporation Flash Report for Fiscal 2017 1Q

Three-month period ended June 30, 2016

Listed company name: **Kikkoman Corporation**  
Shares listed: Tokyo (1st Section)  
Code No.: 2801  
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Scheduled submission date of quarterly accounting report: August 12, 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 Three-month Period Ended June 30, 2016 (April 1, 2016 to June 30, 2016)

### 1) Business Performance

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income attributable to the parent	
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)
Apr. 1, 2016 -Jun. 30, 2016	98,863	(2.1)	8,469	0.8	8,653	4.7	11,073	97.3
Apr. 1, 2015 -Jun. 30, 2015	101,027	15.1	8,401	47.9	8,261	41.2	5,613	47.8

(Note) Comprehensive Income

April 1, 2016 to June 30, 2016: ¥ (1,907)million (−%)

April 1, 2015 to June 30, 2015: ¥ 10,889 million (189.8%)

	Net income per share (yen)	Net income per share (Assuming full dilution) (yen)
Apr. 1, 2016 -Jun. 30, 2016	57.33	—
Apr. 1, 2015 -Jun. 30, 2015	28.74	—

### 2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
Jun. 30, 2016	349,344	217,691	61.8%
Mar. 31, 2016	365,671	225,675	61.2%

(Note) Total shareholders' equity

Year ended June 30, 2016: ¥215,747 million

Year ended March 31, 2016: ¥223,684 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, 2015 -Mar. 31, 2016	—	0.00	—	32.00	32.00
Apr. 1, 2016 -Mar. 31, 2017	—				
Apr. 1, 2016 -Mar. 31, 2017 (Estimated)		16.00	—	16.00	32.00

(Note) Revisions to dividend forecasts this quarter: None

### 3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income attributable to the parent		Net income per share (yen)
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	
Apr. 1, 2016-Sep.30, 2016	198,500	(2.1)	16,200	(4.4)	14,600	(8.5)	14,500	38.3	75.07
Apr.1, 2016-Mar.31, 2017	403,500	(1.2)	31,500	(3.4)	29,000	(6.5)	24,000	20.2	124.26

(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: None
- ② Changes in accounting policy other than those in ① above: None
- ③ Changes in accounting estimates: None
- ④ Restatement of revisions: None

4) Issued and outstanding shares (common stock)

- ① Shares issued and outstanding at end of period (including treasury stock)
 

June 30, 2016 — 210,383,202 shares	March. 31, 2016 — 210,383,202 shares
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- ② Treasury stock at end of period
 

June 30, 2016 — 17,234,553 shares	March. 31, 2016 — 17,560,687 shares
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- ③ Shares outstanding during the period (cumulative for period, consolidated)
 

June 30, 2016 — 193,150,614 shares	June 30, 2015 — 195,328,212 shares
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\* 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 quarter results on TD-net for viewing in Japan, and on its website.

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

### 1) Explanation of business performance

During the first three months of the fiscal year ending March 2017, 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 a decline in sales compared to the same period of the previous fiscal year in the Domestic Foods-Manufacturing and Sales segment, with lower year-on-year sales in the Food Products, Beverages, and Liquor and Wine Divisions offsetting good sales in the Soy Sauce Division. Overseas, sales in local currency terms increased year on year given the good performance of the Overseas Foods-Manufacturing and Sales and Overseas Foods-Wholesale business, although the Group suffered an impact of foreign exchange rates due to the higher yen.

As a result, consolidated operating results for the first three months of fiscal 2017 were as follows.

### <Consolidated Financial Statements>

(Millions of yen, %)

	FY2016 1Q		FY2017 1Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2015 – 6.30.2015		4.1.2016 – 6.30.2016							
	Amount	%	Amount	%	Amount	YoY	%	Amount	YoY	
Net Sales	101,027	100.0	98,863	100.0	(2,164)	97.9	–	(5,950)	3,786	103.7
Operating Income	8,401	8.3	8,469	8.6	68	100.8	0.3	(474)	542	106.5
Ordinary Income	8,261	8.2	8,653	8.8	391	104.7	0.6	(409)	801	109.7
Net income attributable to the parent	5,613	5.6	11,073	11.2	5,459	197.3	5.6	(272)	5,732	202.1
Exchange Rate (¥/US\$)	121.34		109.07		(12.27)					
(¥/EUR)	133.86		122.47		(11.39)					

## &lt;Reporting Segments&gt;

(Millions of yen, %)

		FY2016 1Q		FY2017 1Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2015 – 6.30.2015		4.1.2016 – 6.30.2016						Amount	
		Amount	%	Amount	%	Amount	YoY	%	Amount	YoY	
Domestic Foods-Manufacturing and Sales	Net Sales	42,155	100.0	41,720	100.0	(434)	99.0	—	—	(434)	99.0
	Operating Income	1,607	3.8	1,910	4.6	302	118.8	0.8	—	302	118.8
Domestic Others	Net Sales	5,279	100.0	5,363	100.0	84	101.6	—	—	84	101.6
	Operating Income	461	8.7	342	6.4	(118)	74.3	(2.3)	—	(118)	74.3
Overseas Foods-Manufacturing and Sales	Net Sales	21,247	100.0	20,623	100.0	(624)	97.1	—	(1,916)	1,291	106.1
	Operating Income	4,142	19.5	4,441	21.5	298	107.2	2.0	(349)	647	115.6
Overseas Foods-Wholesale	Net Sales	38,643	100.0	37,528	100.0	(1,115)	97.1	—	(4,317)	3,202	108.3
	Operating Income	2,088	5.4	2,038	5.4	(49)	97.6	0.0	(111)	62	103.0
Adjustments	Net Sales	(6,297)	100.0	(6,372)	100.0	(74)	—	—	283	(357)	—
	Operating Income	101	—	(263)	—	(365)	—	—	(14)	(351)	—
Consolidated Total	Net Sales	101,027	100.0	98,863	100.0	(2,164)	97.9	—	(5,950)	3,786	103.7
	Operating Income	8,401	8.3	8,469	8.6	68	100.8	0.3	(474)	542	106.5
Exchange Rate	(¥/US\$)	121.34		109.07		(12.27)					
	(¥/EUR)	133.86		122.47		(11.39)					

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.” Product lines were also enhanced, sales promotions in stores were stepped-up, and TV advertising increased. 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, high value-added products such as *Itsudemo Shinsen Dashikaoru Zeitaku Tsuyu* (always fresh, rich stock flavored *tsuyu*) contributed to sales; however, a decrease in sales due to changes in the price system associated with the renewal of mainstay product, *Hon Tsuyu*, 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 as a result of mainly added products such as *Jiwatto Karai Umakara Dare*, 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 slightly year on year, despite active promotion using new products such as the *Wa No Gochisou Ni* series, 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. As a result, aggregate sales in the Food Products Division decreased from the same period of the previous fiscal year.

## ■Beverages Division

The company has been carrying 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 in response to the rising health consciousness by introducing recipe books in conjunction with media outlets such as television and magazines. This resulted in an increase in sales from a year earlier.

Looking at the Del Monte beverages, while sales of gifts and fruit drinks grew as a result of promotions such as sales campaigns, sales of tomato and vegetable juices fell year on year, resulting in a year-on-year decline in the aggregate sales of Del Monte beverages. Consequently, the overall sales of the Beverages Division decreased year on year.

## ■Liquor and Wine Division

Sales of *Hon Mirin* were driven by the continuously good sales of *Komekoji Kodawari-jikomi Hon Mirin*, and the sales of cooking sake were led by good sales of *Kokusanmai Kodawari-jikomi Ryoury No Seishu*. Meanwhile, the sales of products for gifts and industrial- and foodservice-use remained weak, resulting in a year-on-year decrease 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 decreased year on year.

As a result of the above, the Domestic Foods-Manufacturing and Sales segment recorded lower sales and higher income, with net sales falling 1.0%, to ¥41,720 million, and operating income increasing 18.8%, to ¥1,910 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 hyaluronic acid and clinical diagnostic reagents.

As a result, the Domestic Others segment recorded higher sales and lower income, with net sales rising 1.6% year on year, to ¥5,363 million, and operating income falling 25.7% year on year, to ¥342 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, including health foods. 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 good performance. As a result, sales in local currency increased from the same period of the previous fiscal year.

In the European market, sales in local currency increased year on year, thanks to the good sales in key markets such as Germany, France, and the Netherlands.

In the Asia and Oceania market, local-currency-based sales grew year on year in Indonesia, Malaysia, and other countries.

As a result, the division recorded higher sales year on year in terms of local currencies, despite a year-on-year decline in yen due to the impact of foreign exchange rates.

#### ■ Del Monte Division

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

The sales of the division dropped from the same period of the previous fiscal year due to the negative impact of the significant short supply of canned fruits from the Philippines after the drought caused by El Niño on the entire market, including key markets such as Hong Kong and China.

#### ■ Other Foods Division

This division manufactures and sells health foods, mainly in the North American market.

The 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, the Overseas Foods-Manufacturing and Sales segment recorded lower sales and higher income, with net sales falling 2.9% year on year, to ¥20,623 million, and operating income climbing 7.2% year on year, to ¥4,441 million.

### Overseas Foods—Wholesale

This segment procures and sells oriental foods in Japan and overseas.

Sales in terms of local currencies 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 in yen decreased year on year due to the impact of foreign exchange rates, despite a year-on-year increase in terms of local currencies.

As a result, the Overseas Foods-Wholesale segment recorded lower sales and income, with net sales falling 2.9% year on year, to ¥37,528 million, and operating income declining 2.4% year on year, to ¥2,038 million.

As a result of the aforementioned segment results, the Company reported consolidated net sales for the first three months of fiscal 2017 of ¥98,863 million (down 2.1% year on year), operating income of ¥8,469 million (up 0.8%), ordinary income of ¥8,653 million (up 4.7%), and net income attributable to the parent of ¥11,073 million (up 97.3%).

## 2) Explanation of financial position

### (Assets)

Current assets as of June 30, 2016, were ¥161,169 million, an increase of ¥14,875 million from March 31, 2016. This was primarily due to an increase in cash and deposits. Noncurrent assets decreased by ¥31,201 million to ¥188,175 million, primarily because of a decrease in investment securities.

As a result, total assets decreased by ¥16,326 million from March 31, 2016 to ¥349,344 million.

### (Liabilities)

Current liabilities were ¥53,228 million, a decrease of ¥4,339 million from March 31, 2016. This was mainly attributable to a decrease in accounts payable. Noncurrent liabilities decreased by ¥4,001 million to ¥78,425 million, mainly because of a decrease in deferred tax liabilities.

As a result, total liabilities decreased by ¥8,341 million from March 31, 2016 to ¥131,653 million.

### (Net Assets)

Net assets stood at ¥217,691 million, down ¥7,984 million from March 31, 2016. This was mainly due to a decrease in foreign currency translation adjustment while retained earnings increased.

As a result, the equity ratio increased 0.6 percentage points from 61.2% to 61.8%.

## 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 in the Notice regarding the corrections made to the performance forecast published on June 1, 2016. There are also no material changes to the business risks that may affect business performance from those disclosed in the latest Annual Securities Report submitted on June 23, 2016.

## 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 (new)	JFC (S) PTE. LTD. (Changes to a consolidated subsidiary from non-consolidated subsidiary based on the viewpoint of significance) PT. KIKKOMAN AKUFOOD INDONESIA (Newly established)
Consolidation(exclusion)	Kikkoman Daily Company (Merger with Kikkoman Beverage Company)
Change of equity method affiliate	
Equity method (exclusion)	Riken Vitamin Co., Ltd., other 15 companies (Stock sales)

### 2) Application of Special Accounting Methods in Preparation for the Consolidated Quarterly Financial Statements

Calculation of tax expenses

The effective tax rate after application of deferred tax accounting to income before income taxes and non-controlling interests 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 and non-controlling interests.

### 3) Additional Information

(Application of Implementation Guidance on Recoverability of Deferred Tax Assets)

The Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26 of March 28th 2016) is applied from the first three months under review.

### 3. Consolidated Quarterly Financial Statements

#### 1) Consolidated Quarterly Balance Sheets

	(Millions of yen)	
	As of March 31, 2016	As of June 30, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	36,260	50,234
Notes and accounts receivable-trade	52,010	49,764
Short-term investment securities	269	255
Merchandise and finished goods	31,986	32,142
Work in process	11,562	10,712
Raw materials and supplies	4,909	4,407
Deferred tax assets	3,746	5,324
Other	6,034	8,790
Allowance for doubtful accounts	(485)	(463)
Total current assets	146,294	161,169
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	43,072	41,050
Machinery, equipment and vehicles, net	33,645	31,902
Land	22,312	21,872
Lease assets, net	57	93
Construction in progress	2,046	2,682
Other, net	3,817	3,590
Total property, plant and equipment	104,951	101,192
Intangible assets		
Goodwill	11,275	10,901
Other	5,289	5,124
Total intangible assets	16,564	16,025
Investments and other assets		
Investment securities	86,109	59,830
Long-term loans receivable	920	851
Net defined benefit asset	4,629	4,781
Deferred tax assets	760	648
Other	6,206	5,610
Allowance for doubtful accounts	(765)	(766)
Total investments and other assets	97,860	70,957
Total noncurrent assets	219,376	188,175
<b>Total assets</b>	<b>365,671</b>	<b>349,344</b>

	(Millions of yen)	
	As of March 31, 2016	As of June 30, 2016
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	20,279	19,237
Short-term loans payable	6,871	6,558
Lease obligations	51	41
Accounts payable-other	18,048	13,659
Income taxes payable	2,975	2,393
Provision for bonuses	2,312	1,000
Provision for directors' bonuses	105	25
Other	6,922	10,310
<b>Total current liabilities</b>	<b>57,567</b>	<b>53,228</b>
Noncurrent liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	9,300	9,300
Lease obligations	58	51
Deferred tax liabilities	9,728	6,093
Provision for directors' retirement benefits	796	767
Provision for environmental measures	457	444
Net defined benefit liability	5,236	4,949
Other	6,849	6,819
<b>Total noncurrent liabilities</b>	<b>82,427</b>	<b>78,425</b>
<b>Total liabilities</b>	<b>139,995</b>	<b>131,653</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	13,912	13,913
Retained earnings	208,035	212,969
Treasury stock	(30,833)	(30,546)
<b>Total shareholders' equity</b>	<b>202,713</b>	<b>207,935</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,728	18,519
Deferred gains or losses on hedges	(14)	(78)
Foreign currency translation adjustment	5,203	(7,952)
Remeasurements of defined benefit plans	(2,947)	(2,676)
<b>Total Accumulated other comprehensive income</b>	<b>20,970</b>	<b>7,811</b>
Non-controlling interests	1,991	1,943
<b>Total net assets</b>	<b>225,675</b>	<b>217,691</b>
<b>Total liabilities and net assets</b>	<b>365,671</b>	<b>349,344</b>

## 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 2017)

	(Millions of yen)	
	Three months ended June 30, 2015	Three months ended June 30, 2016
Net sales	101,027	98,863
Cost of sales	60,534	58,930
Gross profit	40,493	39,933
Selling, general and administrative expenses	32,091	31,463
Operating income	8,401	8,469
Non-operating income		
Interest income	28	29
Dividends income	409	947
Equity in earnings of affiliates	293	28
Rent income	163	180
Foreign exchange gains	42	4,495
Other	1,286	356
Total non-operating income	2,223	6,038
Non-operating expenses		
Interest expenses	267	256
Loss on valuation of derivatives	3	4,211
Other	2,092	1,386
Total non-operating expenses	2,363	5,855
Ordinary income	8,261	8,653
Extraordinary income		
Gain on sales of investment securities	—	149
Total extraordinary income	—	149
Extraordinary loss		
Loss on sales of shares of subsidiaries and associates	—	377
Total extraordinary loss	—	377
Income before income taxes and non-controlling interests	8,261	8,425
Income taxes	2,569	(2,723)
Net income	5,691	11,149
Net income attributable to non-controlling interests	77	75
Net income attributable to owners of parent	5,613	11,073

(Consolidated Quarterly Statements of Comprehensive Income)  
 (During the first three months of fiscal 2017)

	(Millions of yen)	
	Three months ended June 30, 2015	Three months ended June 30, 2016
Net income	5,691	11,149
Other comprehensive income		
Valuation difference on available-for-sale securities	1,719	906
Deferred gains or losses on hedges	(10)	(56)
Foreign currency translation adjustment	3,177	(12,617)
Remeasurements of defined benefit plans, net of tax	26	260
Share of other comprehensive income of associates accounted for using equity method	285	(1,551)
Total other comprehensive income	5,197	(13,057)
Comprehensive income	10,889	(1,907)
Total comprehensive income attributable to:		
Owners of the Company	10,806	(1,938)
Non-controlling interests	83	30

### 3) Notes on quarterly consolidated financial statements (Notes Regarding Going Concern)

No applicable items.

### (Notes Regarding Significant Changes in Shareholders' Equity)

No applicable items.

### (Segment Information, etc.)

#### I. First three months of fiscal 2016 (April 1, 2015 to June 30, 2015)

##### 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)

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

#### II. First three months of fiscal 2017 (April 1, 2016 to June 30, 2016)

##### 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	41,357	2,058	17,988	37,459	98,863	–	98,863
Intragroup sales or transfers	363	3,305	2,634	69	6,372	(6,372)	–
Total sales	41,720	5,363	20,623	37,528	105,235	(6,372)	98,863
Operating income	1,910	342	4,441	2,038	8,733	(263)	8,469

(Notes)

- Adjustments of ¥(263) million in segment operating income consist mainly of difference in the allocation of corporate expenses.
- Segment operating incomes are adjusted to the operating incomes recorded in the consolidated statements of income.