

Consolidated Financial Results

Kikkoman Corporation Flash Report for First Nine months of Fiscal 2017

Nine-month period ended December 31, 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: February 13, 2017
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, 2016 (April 1, 2016 to December 31, 2016)

1) Business Performance

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)
Apr. 1, 2016 -Dec. 31, 2016	301,777	(2.9)	26,259	(3.1)	25,653	(0.1)	22,390	31.1
Apr. 1, 2015 -Dec. 31, 2015	310,643	11.7	27,099	32.8	25,676	29.3	17,074	27.5

(Note) Comprehensive Income

April 1, 2016 to December 31, 2016: ¥ 25,418 million (25.7 %)

April 1, 2015 to December 31, 2015: ¥ 20,219 million ((42.4) %)

	Net income per share (yen)	Net income per share (Assuming full dilution) (yen)
Apr. 1, 2016 -Dec. 31, 2016	115.92	—
Apr. 1, 2015 -Dec. 31, 2015	87.58	—

2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
Dec. 31, 2016	358,421	244,146	66.9%
Mar. 31, 2016	365,671	225,675	61.2%

(Note) Total shareholders' equity

December.31, 2016: ¥239,889 million

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	—	16.00	—		
Apr. 1, 2016 -Mar. 31, 2017 (Estimated)				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 owners of 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- Mar.31, 2017	393,000	(3.8)	31,500	(3.4)	30,000	(3.3)	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 nine months (Changes in certain specific subsidiaries resulting in a revised scope of consolidation): Yes

Newly consolidated companies: PRESIDENT KIKKOMAN ZHENJI FOODS CO. LTD.
 Newly unconsolidated companies: None

(Note) For details, please refer to the attachments to this report, Page 10, 2. Summary Information (Notes),
 1) Changes in Important Subsidiaries during the First Nine Months.

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: 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)
 December 31, 2016 — 210,383,202 shares March 31, 2016 — 210,383,202 shares
- ② Treasury stock at end of period
 December 31, 2016 — 17,244,569 shares March 31, 2016 — 17,560,687 shares
- ③ Shares outstanding during the period (cumulative for period, consolidated)
 December 31, 2016 — 193,146,382 shares December 31, 2015 — 194,953,814 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.

(How to obtain business performance presentation materials)

Kikkoman will publish supplementary schedules to the first nine months results on TD-net for viewing in Japan, and on its website.

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1. Qualitative Information and Consolidated Financial Statements, etc.

1) Explanation of business performance

During the first nine months of the fiscal year ending March 2017, global economic growth as a whole was somewhat stagnant due to the slowdown in the Chinese economy and other emerging economies, despite the ongoing 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 and Liquor and Wine Divisions offsetting good sales in the Soy Sauce Division and higher sales compared to a year ago in the Beverages 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 nine months of fiscal 2017 were as follows.

<Consolidated Financial Statements>

(Millions of yen, %)

	Nine months Ended December 31,2015		Nine months Ended December 31,2016		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2015 – 12.31.2015		4.1.2016 – 12.31.2016		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%						
Net Sales	310,643	100.0	301,777	100.0	(8,866)	97.1	—	(20,518)	11,651	103.8
Operating Income	27,099	8.7	26,259	8.7	(840)	96.9	(0.0)	(2,284)	1,443	105.3
Ordinary Income	25,676	8.3	25,653	8.5	(22)	99.9	0.2	(2,063)	2,040	107.9
Net income attributable to owners of parent	17,074	5.5	22,390	7.4	5,315	131.1	1.9	(1,401)	6,716	139.3
Exchange Rate (¥/US\$)	121.49		107.88		(13.61)					
(¥/EUR)	133.67		119.13		(14.54)					

<Reporting Segments>

(Millions of yen, %)

		Nine months Ended December 31,2015		Nine months Ended December 31,2016		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2015 – 12.31.2015		4.1.2016 – 12.31.2016		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%						
Domestic Foods-Manufacturing and Sales	Net Sales	130,093	100.0	129,144	100.0	(949)	99.3	—	—	(949)	99.3
	Operating Income	6,392	4.9	7,775	6.0	1,382	121.6	1.1	—	1,382	121.6
Domestic Others	Net Sales	15,926	100.0	16,066	100.0	139	100.9	—	—	139	100.9
	Operating Income	1,325	8.3	1,038	6.5	(287)	78.3	(1.8)	—	(287)	78.3
Overseas Foods-Manufacturing and Sales	Net Sales	63,708	100.0	59,345	100.0	(4,362)	93.2	—	(7,060)	2,697	104.2
	Operating Income	12,454	19.5	12,165	20.5	(289)	97.7	1.0	(1,485)	1,196	109.6
Overseas Foods-Wholesale	Net Sales	119,876	100.0	116,149	100.0	(3,726)	96.9	—	(14,379)	10,653	108.9
	Operating Income	6,134	5.1	5,564	4.8	(569)	90.7	(0.3)	(617)	48	100.8
Adjustments	Net Sales	(18,961)	100.0	(18,929)	100.0	32	—	—	921	(889)	—
	Operating Income	792	—	(284)	—	(1,077)	—	—	(180)	(897)	—
Consolidated Total	Net Sales	310,643	100.0	301,777	100.0	(8,866)	97.1	—	(20,518)	11,651	103.8
	Operating Income	27,099	8.7	26,259	8.7	(840)	96.9	(0.0)	(2,284)	1,443	105.3
Exchange Rate	(¥/US\$)	121.49		107.88		(13.61)					
	(¥/EUR)	133.67		119.13		(14.54)					

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* (soy sauce soup base), *tare* (dipping and marinade sauces), 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 *Dashishikkari Gen-en Tsuyu* (rich stock flavored, low-salt *tsuyu*) and *Itsudemo Shinsen Zeitaku Shirodashi* (always-fresh, rich-flavored, light-colored stock) contributed to sales; however, a decrease in sales due to changes in the price system associated with the renewal of the mainstay product, *Hon Tsuyu*, caused overall sales of *tsuyu* to fall year on year. In *tare*, sales of the mainstay *Wagaya wa Yakinikuyasan* series were strong as a result of 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) declined slightly from a year ago, 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 higher sales of the mainstay tomato ketchup centering on high value-added products such as Lycopene-Rich. As a result, aggregate sales in the Food Products Division decreased from the same period of the previous fiscal year mainly due to the effect of the fall in sales of *tsuyu*.

■ Beverages Division

In soy milk, sales of products designated as Food for Specified Health Use increased, against the backdrop of rising health awareness. The company has been conducting 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. This resulted in an increase in sales from a year earlier.

Looking at the Del Monte beverages, although sales of the mainstay tomato juice rose from a year ago and sales of gifts and fruit drinks grew as a result of promotions such as sales campaigns, sales of vegetable juices fell year on year, resulting in a year-on-year decline in the aggregate sales of Del Monte beverages. 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 high value-added products such as *Komekoji Kodawari-jikomi Hon Mirin*, and the sales of cooking sales were led also by good sales of high value-added products such as *Kokusanmai Kodawari-jikomi Ryouri No Seishu*. Meanwhile, sales of products for gifts and industrial and foodservice use remained weak, resulting in a year-on-year decrease in overall sales of *Hon Mirin*. Sales of domestic wines remained flat from a year ago despite the continued strength of sales of Japanese wines, particularly *Koshu Kobo No Awa*, which was selected as the Japanese wines to be provided with meals served at the G7 2016 Ise-Shima Summit. 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 0.7% year on year, to ¥129,144 million, and operating income increasing 21.6% year on year, to ¥7,775 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.

Sales of clinical diagnostic reagents and hygiene inspection agents and sales from logistics rose from a year ago. As a result, the aggregate division sales rose year on year.

As a result of the above, the Domestic Others segment recorded higher sales and lower income, with net sales increasing 0.9% year on year, to ¥16,066 million, and operating income falling 21.7% year on year, to ¥1,038 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 harnessed 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 terms increased year on year, thanks to the strong sales in key markets such as Germany and France.

In the Asia and Oceania market, local currency-based sales declined slightly year on year chiefly due to the effect of voluntary restraint of purchases in Thailand, one of the major markets.

■ Del Monte Division

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

Sales of the division were down 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 abnormal weather, which affected the overall market, including 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 lower income, with net sales falling 6.8% year on year, to ¥59,345 million, and operating income falling 2.3% year on year, to ¥12,165 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 terms of local currencies rose year on year.

As a result of the above, the Overseas Foods-Wholesale segment recorded lower sales and lower income, with net sales falling 3.1% year on year, to ¥116,149 million, and operating income falling 9.3% year on year, to ¥5,564 million.

As a result of the aforementioned segment results, the Company reported consolidated net sales for the first nine months of fiscal 2017 of ¥301,777 million (down 2.9% year on year), operating income of ¥26,259 million (down 3.1%), ordinary income of ¥25,653 million (down 0.1%), and net income attributable to owners of parent of ¥22,390 million (up 31.1%).

2) Explanation of financial position

(Assets)

Current assets as of December 31, 2016, were ¥163,437 million, an increase of ¥17,143 million from March 31, 2016. This was primarily due to increases in notes and accounts receivable-trade as well as other current assets. Noncurrent assets decreased by ¥24,392 million to ¥194,984 million, primarily because of a decrease in investment securities.

As a result, total assets decreased by ¥7,249 million from March 31, 2016 to ¥358,421 million.

(Liabilities)

Current liabilities were ¥52,118 million, down ¥5,449 million from March 31, 2016. This was mainly attributable to decreases in short-term loans payable and accounts payable-other. Noncurrent liabilities decreased by ¥20,270 million to ¥62,157 million, mainly because of a decrease in bonds payable.

As a result, total liabilities decreased by ¥25,719 million to ¥114,275 million from March 31, 2016.

(Net Assets)

Net assets stood at ¥244,146 million, an increase of ¥18,470 million from March 31, 2016. This was mainly due to an increase in retained earnings.

As a result, the equity ratio was 66.9% (compared with 61.2% on March 31, 2016).

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

Consolidated earnings forecasts for the year ending March 31, 2017, remain unchanged from the forecasts accompanying the Flash Report for First Six Months of Fiscal 2017, disclosed on November 1, 2016. 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 23, 2016.

2. Summary Information (Notes)

1) Changes in Important Subsidiaries during the First Nine Months

Changes in certain specific subsidiaries resulting in a revised scope of consolidation

Consolidation (new)	PRESIDENT KIKKOMAN ZHENJI FOODS CO. LTD. (Changed from an associated company (a non-equity method affiliate) in accordance with effective control standards)
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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)
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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) 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 December 31, 2016
Assets		
Current assets		
Cash and deposits	36,260	35,619
Notes and accounts receivable-trade	52,010	61,203
Short-term investment securities	269	1,160
Merchandise and finished goods	31,986	33,060
Work in process	11,562	10,576
Raw materials and supplies	4,909	4,713
Deferred tax assets	3,746	6,012
Other	6,034	11,606
Allowance for doubtful accounts	(485)	(513)
Total current assets	146,294	163,437
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	43,072	42,922
Machinery, equipment and vehicles, net	33,645	33,573
Land	22,312	22,416
Lease assets, net	57	111
Construction in progress	2,046	2,717
Other, net	3,817	3,857
Total property, plant and equipment	104,951	105,600
Intangible assets		
Goodwill	11,275	10,192
Other	5,289	5,674
Total intangible assets	16,564	15,867
Investments and other assets		
Investment securities	86,109	63,903
Long-term loans receivable	920	882
Net defined benefit asset	4,629	5,060
Deferred tax assets	760	545
Other	6,206	3,893
Allowance for doubtful accounts	(765)	(768)
Total investments and other assets	97,860	73,516
Total noncurrent assets	219,376	194,984
Total assets	365,671	358,421

	(Millions of yen)	
	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable-trade	20,279	21,127
Short-term loans payable	6,871	4,331
Lease obligations	51	48
Accounts payable-other	18,048	15,787
Income taxes payable	2,975	2,923
Provision for bonuses	2,312	772
Provision for directors' bonuses	105	73
Other	6,922	7,054
Total current liabilities	57,567	52,118
Noncurrent liabilities		
Bonds payable	50,000	30,000
Long-term loans payable	9,300	11,300
Lease obligations	58	58
Deferred tax liabilities	9,728	7,892
Provision for directors' retirement benefits	796	779
Provision for environmental measures	457	404
Net defined benefit liability	5,236	4,894
Other	6,849	6,826
Total noncurrent liabilities	82,427	62,157
Total liabilities	139,995	114,275
Net assets		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	13,912	13,914
Retained earnings	208,035	221,194
Treasury stock	(30,833)	(30,582)
Total shareholders' equity	202,713	216,125
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,728	20,750
Deferred gains or losses on hedges	(14)	12
Foreign currency translation adjustment	5,203	5,495
Remeasurements of defined benefit plans	(2,947)	(2,495)
Total Accumulated other comprehensive income	20,970	23,763
Non-controlling interests	1,991	4,256
Total net assets	225,675	244,146
Total liabilities and net assets	365,671	358,421

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 2017)

	(Millions of yen)	
	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net sales	310,643	301,777
Cost of sales	187,252	181,403
Gross profit	123,390	120,373
Selling, general and administrative expenses	96,291	94,114
Operating income	27,099	26,259
Non-operating income		
Interest income	87	99
Dividends income	710	1,315
Equity in earnings of affiliates	878	143
Rent income	505	533
Gain on valuation of derivatives	112	1,506
Other	896	1,289
Total non-operating income	3,189	4,888
Non-operating expenses		
Interest expenses	803	642
Foreign exchange losses	202	1,447
Other	3,606	3,403
Total non-operating expenses	4,613	5,493
Ordinary income	25,676	25,653
Extraordinary income		
Gain on sales of property, plant and equipment	15	7
Gain on sales of investment securities	—	164
Total extraordinary income	15	171
Extraordinary loss		
Loss on retirement of noncurrent assets	176	—
Loss on valuation of investment securities	28	—
Loss on sales of shares of subsidiaries and associates	—	377
Loss on valuation of golf club membership	1	—
Loss on bond retirement	—	432
Special extra retirement payments	13	—
Total extraordinary loss	219	809
Income before income taxes	25,472	25,015
Income taxes	8,191	2,453
Net income	17,280	22,561
Net income attributable to non-controlling interests	205	171
Net income attributable to owners of parent	17,074	22,390

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

	(Millions of yen)	
	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net income	17,280	22,561
Other comprehensive income		
Valuation difference on available-for-sale securities	3,446	2,832
Deferred gains or losses on hedges	(31)	34
Foreign currency translation adjustment	(447)	840
Remeasurements of defined benefit plans, net of tax	368	442
Share of other comprehensive income of associates accounted for using equity method	(397)	(1,293)
Total other comprehensive income	2,939	2,856
Comprehensive income	20,219	25,418
Total comprehensive income attributable to:		
Owners of parent	20,028	25,330
Non-controlling interests	190	87

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 nine months of fiscal 2016 (April 1, 2015 to December 31, 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	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)

- Adjustments of ¥792 million in segment operating income consist mainly of difference in the allocation of corporate expenses.
- Segment operating incomes are adjusted to the operating incomes recorded in the consolidated statements of income.

II. First nine months of fiscal 2017 (April 1, 2016 to December 31, 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	128,126	5,919	51,829	115,902	301,777	–	301,777
Intragroup sales or transfers	1,018	10,146	7,516	247	18,929	(18,929)	–
Total sales	129,144	16,066	59,345	116,149	320,706	(18,929)	301,777
Operating income	7,775	1,038	12,165	5,564	26,543	(284)	26,259

(Notes)

- Adjustments of ¥(284) 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.