

August 2, 2017

## Consolidated Financial Results

# Kikkoman Corporation Flash Report for Fiscal 2018 1Q

Three-month period ended June 30, 2017

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 10, 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 Three-month Period Ended June 30, 2017 (April 1, 2017 to June 30, 2017)

### 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, 2017 - Jun. 30, 2017	106,834	8.1	9,703	14.6	9,962	15.1	6,102	(44.9)
Apr. 1, 2016 - Jun. 30, 2016	98,863	(2.1)	8,469	0.8	8,653	4.7	11,073	97.3

(Note) Comprehensive Income

April 1, 2017 to June 30, 2017: ¥ 8,516 million (—%)

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

	Net income per share (yen)	Net income per share (Assuming full dilution) (yen)
Apr. 1, 2017 - Jun. 30, 2017	31.60	—
Apr. 1, 2016 - Jun. 30, 2016	57.33	—

### 2) Financial Position

*(Millions of yen)*

	Total assets	Net assets	Shareholders' equity ratio
Jun. 30, 2017	364,618	249,817	67.2%
Mar. 31, 2017	361,248	244,437	66.4%

(Note) Total shareholders' equity

June 30, 2017: ¥ 245,002 million

March 31, 2017: ¥ 240,009 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, 2016 - Mar. 31, 2017	—	16.00	—	18.00	34.00
Apr. 1, 2017 - Mar. 31, 2018	—	/	/	/	/
Apr. 1, 2017 - Mar. 31, 2018 (Estimated)	/	17.00	—	17.00	34.00

(Note) Revisions to dividend forecasts this quarter: None

### 3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(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, 2017-Sep.30, 2017	204,000	3.7	17,700	4.5	16,700	1.6	10,900	(31.9)	56.44
Apr.1, 2017-Mar.31, 2018	413,800	2.9	34,500	5.0	33,000	3.0	21,500	(9.7)	111.32

(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): Yes

Newly consolidated companies: KUNSHAN PRESIDENT KIKKOMAN BIOTECHNOLOGY CO., LTD.

Newly unconsolidated companies: None

(Note) For details, please refer to the attachments to this report, Page 14, 2. Consolidated Quarterly Financial Statements and Main Notes, 3) Notes on quarterly consolidated financial statements, (Changes in Important Subsidiaries during the First Three 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 14, 2. Consolidated Quarterly Financial Statements and Main Notes, 3) Notes on quarterly consolidated financial statements, (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, 2017 — 210,383,202 shares	March 31, 2017 — 210,383,202 shares
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- ② Treasury stock at end of period
 

June 30, 2017 — 17,250,153 shares	March 31, 2017 — 17,249,765 shares
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- ③ Shares outstanding during the period (cumulative for period, consolidated)
 

June 30, 2017 — 193,133,254 shares	June 30, 2016 — 193,150,614 shares
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- \* This quarterly flash report is not subject to a quarterly review.
- \* 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 under review, there were signs of weakness in the European economy, but the U.S. economy recovered steadily. Overall, the global economy continued to recover moderately. The Japanese economy remained on a moderate recovery trend. Exports grew as the global economy recovered, and there were signs of recovery in consumer spending.

In this environment, sales in the Domestic Foods-Manufacturing and Sales segment of the Group rose year on year, with sales of soy sauce and food products increasing from a year-earlier level and sales of beverages being strong. Overseas sales also climbed year on year, with the Overseas Foods-Manufacturing and Sales business and the Overseas Foods-Wholesale business performing well.

As a result, consolidated operating results for the first three months of fiscal 2018 were as follows.

### <Consolidated Financial Statements>

(Millions of yen, %)

	FY2017 1Q		FY2018 1Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2016 – 6.30.2016		4.1.2017 – 6.30.2017		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%						
Net Sales	98,863	100.0	106,834	100.0	7,970	108.1	—	792	7,177	107.3
Operating Income	8,469	8.6	9,703	9.1	1,234	114.6	0.5	(67)	1,301	115.4
Ordinary Income	8,653	8.8	9,962	9.3	1,309	115.1	0.5	(74)	1,383	116.0
Net income attributable to the parent	11,073	11.2	6,102	5.7	(4,971)	55.1	(5.5)	(54)	(4,916)	55.6
Exchange Rate (¥/US\$)	109.07		111.61		2.54					
(¥/EUR)	122.47		123.14		0.67					

## &lt;Reporting Segments&gt;

(Millions of yen, %)

		FY2017 1Q		FY2018 1Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2016 – 6.30.2016		4.1.2017 – 6.30.2017						Amount	
		Amount	%	Amount	%	Amount	YoY	%	Amount	YoY	
Domestic Foods-Manufacturing and Sales	Net Sales	41,720	100.0	43,566	100.0	1,845	104.4	—	—	1,845	104.4
	Operating Income	1,910	4.6	2,887	6.6	976	151.1	2.0	—	976	151.1
Domestic Others	Net Sales	5,363	100.0	5,279	100.0	(84)	98.4	—	—	(84)	98.4
	Operating Income	342	6.4	367	7.0	24	107.2	0.6	—	24	107.2
Overseas Foods-Manufacturing and Sales	Net Sales	20,623	100.0	22,334	100.0	1,711	108.3	—	175	1,536	107.5
	Operating Income	4,441	21.5	4,733	21.2	292	106.6	(0.3)	0	291	106.6
Overseas Foods-Wholesale	Net Sales	37,528	100.0	42,658	100.0	5,130	113.7	—	677	4,452	111.9
	Operating Income	2,038	5.4	2,071	4.9	32	101.6	(0.5)	(43)	76	103.8
Adjustments	Net Sales	(6,372)	100.0	(7,004)	100.0	(632)	—	—	(60)	(572)	—
	Operating Income	(263)	—	(355)	—	(92)	—	—	(23)	(68)	—
Consolidated Total	Net Sales	98,863	100.0	106,834	100.0	7,970	108.1	—	792	7,177	107.3
	Operating Income	8,469	8.6	9,703	9.1	1,234	114.6	0.5	(67)	1,301	115.4
Exchange Rate (¥/US\$)		109.07		111.61		2.54					
		(¥/EUR)	122.47	123.14		0.67					

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 increase, thanks to the market penetration of its value-added “great taste of fresh *nama shoyu* (raw soy sauce),” “maintaining freshness,” and “ease of use.” Sales promotions in stores were stepped-up, and TV advertising increased. Sales of products for foodservice-use fell year on year. Sales of products for industrial-use were favorable. As a result, the Soy Sauce Division as a whole enjoyed an increase from a year earlier.

## ■Food Products Division

Among *tsuyu* products in the home-use sector, the *Gumen* series, a straight type, sold well. Sales of condensed *tsuyu* products rose year on year, with sales of *Koidashi Hon Tsuyu*, which was renewed in the previous year, climbing. In *tare*, sales of the mainstay *Wagaya wa Yakinikuyasan* series were strong, and sales of Steak Shoyu and products for foodservice-use increased. As a result, overall *tare* sales rose from a year earlier. Sales of the *Uchi No Gohan* (handy Japanese-style seasoning mixes) series rose year on year partly due to TV advertising and sales promotion campaigns. Sales of Del Monte Seasonings declined from a year ago. Although sales of high value-added products, including Lycopene-Rich and Ketchup Half, were strong, sales decreased due to the price system change. Aggregate sales in the Food Products Division rose from the same period of the previous fiscal year.

## ■Beverages Division

In soy milk beverages, sales of products designated as Food for Specified Health Use increased, with the rising health awareness. Increasing numbers of consumers are using soy milk not only as a beverage, but also as a cooking ingredient. As a result, sales of soy milk beverages increased year on year.

Sales of the Del Monte beverages rose from a year ago as sales of tomato juice climbed significantly with the expansion of the market and sales of vegetable juices were strong. As a result, the overall sales of the Beverages Division increased year on year.

## ■Liquor and Wine Division

Sales of *Hon Mirin* fell from a year earlier. Although sales of *Komekoji Kodawari-jikomi Hon Mirin* in a new bottle were strong, sales of *Houjun Hon Mirin* were weak. Sales of domestic wines rose year on year, reflecting strong sales of Japanese wines, such as *Koshu Kobo No Awa*, despite a decline in sales of wine in large containers for foodservice-use. Sales of imported wine were strong. As a result, overall sales in the Liquor and Wine Division decreased slightly year on year.

As a result of the above, the Domestic Foods-Manufacturing and Sales segment recorded higher sales and income, with net sales rising 4.4%, to ¥43,566 million, and operating income increasing 51.1%, to ¥2,887 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 were strong, but sales of chemical products such as hyaluronic acid declined from a year ago. As a result, the aggregate division sales decreased year on year.

As a result, the Domestic Others segment recorded lower sales and higher income, with net sales falling 1.6% year on year, to ¥5,279 million, and operating income rising 7.2% year on year, to ¥367 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-use and foodservice-use sectors, the division worked attentively to meet consumer needs, and both sectors exhibited good performance. As a result, sales increased from the same period of the previous fiscal year.

In the European market, sales increased year on year, thanks to the strong sales in key markets such as France.

In Asia and Oceania, sales rose in Singapore and Indonesia, among other countries. Results at a manufacturing company in China have been added from the fourth quarter of the previous fiscal year. Overall, sales in this market rose significantly from a year earlier.

As a result, aggregate sales in this division rose year on year.

#### ■ 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 supply of canned tropical fruits did not recover sufficiently, and sales in the key markets of South Korea, Hong Kong, and China declined year on year.

#### ■ Other Foods Division

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

The division sales decreased slightly year on year as a result of weak sales through general retailers despite strong sales through medical doctors.

As a result of the above, the Overseas Foods-Manufacturing and Sales segment recorded higher sales and income, with net sales rising 8.3% year on year, to ¥22,334 million, and operating income climbing 6.6% year on year, to ¥4,733 million.

### Overseas Foods—Wholesale

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

Sales grew in North America as a result of efforts to penetrate not only Asian-American markets but also local markets in general. Moreover, markets continued to grow in Europe and Asia and Oceania, leading to good growth in sales in each region. As a consequence, aggregate division sales rose year on year.

As a result, the Overseas Foods-Wholesale segment recorded higher sales and income, with net sales rising 13.7% year on year, to ¥42,658 million, and operating income increasing 1.6% year on year, to ¥2,071 million.

As a result of the aforementioned segment results, the Company reported consolidated net sales for the first three months of fiscal 2018 of ¥106,834 million (up 8.1% year on year), operating income of ¥9,703 million (up 14.6%), ordinary income of ¥9,962 million (up 15.1%), and net income attributable to the parent of ¥6,102 million (down 44.9%).

## 2) Explanation of financial position

### (Assets)

Current assets as of June 30, 2017, were ¥167,357 million, an increase of ¥398 million from March 31, 2017. This was primarily due to increases in merchandise and finished goods and notes and accounts receivable-trade, offsetting a decrease in cash and deposits. Noncurrent assets increased by ¥2,970 million to ¥197,260 million, primarily because of an increase in investment securities.

As a result, total assets increased by ¥3,369 million from March 31, 2017 to ¥364,618 million.

### (Liabilities)

Current liabilities were ¥49,318 million, a decrease of ¥2,557 million from March 31, 2017. This was mainly attributable to a decrease in accounts payable-other. Noncurrent liabilities increased by ¥546 million to ¥65,482 million, mainly because of an increase in deferred tax liabilities.

As a result, total liabilities decreased by ¥2,010 million from March 31, 2017 to ¥114,800 million.

### (Net Assets)

Net assets stood at ¥249,817 million, up ¥5,379 million from March 31, 2017. This was mainly due to increases in retained earnings and valuation difference on available-for-sale securities.

As a result, the equity ratio increased 0.8 percentage points from 66.4% to 67.2%.

## 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 flash report published on April 27, 2017. There are no material changes to the business risks that may affect business performance from those disclosed in the latest Annual Securities Report submitted on June 27, 2017.

## 2. Consolidated Quarterly Financial Statements and Main Notes

## 1) Consolidated Quarterly Balance Sheets

	(Millions of yen)	
	As of March 31, 2017	As of June 30, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	45,297	41,490
Notes and accounts receivable-trade	54,930	55,793
Short-term investment securities	1,184	1,320
Merchandise and finished goods	34,120	37,284
Work in process	10,855	10,909
Raw materials and supplies	4,640	4,890
Deferred tax assets	4,534	4,613
Other	11,877	11,618
Allowance for doubtful accounts	(483)	(564)
Total current assets	166,958	167,357
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	42,449	42,357
Machinery, equipment and vehicles, net	33,987	35,119
Land	22,273	22,265
Lease assets, net	234	236
Construction in progress	3,592	3,475
Other, net	3,807	3,923
Total property, plant and equipment	106,344	107,379
Intangible assets		
Goodwill	5,826	5,641
Other	5,769	5,550
Total intangible assets	11,595	11,192
Investments and other assets		
Investment securities	63,180	65,639
Long-term loans receivable	919	823
Net defined benefit asset	6,523	6,499
Deferred tax assets	2,442	2,267
Other	4,045	4,218
Allowance for doubtful accounts	(762)	(758)
Total investments and other assets	76,350	78,689
Total noncurrent assets	194,290	197,260
<b>Total assets</b>	<b>361,248</b>	<b>364,618</b>

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	21,196	21,596
Short-term loans payable	2,820	2,876
Lease obligations	44	43
Accounts payable-other	16,771	13,424
Income taxes payable	1,888	3,207
Provision for bonuses	2,383	1,025
Provision for directors' bonuses	101	25
Other	6,668	7,118
<b>Total current liabilities</b>	<b>51,875</b>	<b>49,318</b>
Noncurrent liabilities		
Bonds payable	30,000	30,000
Long-term loans payable	13,300	13,300
Lease obligations	54	56
Deferred tax liabilities	9,048	9,636
Provision for directors' retirement benefits	786	720
Provision for environmental measures	349	347
Net defined benefit liability	4,521	4,553
Other	6,877	6,868
<b>Total noncurrent liabilities</b>	<b>64,936</b>	<b>65,482</b>
<b>Total liabilities</b>	<b>116,811</b>	<b>114,800</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	13,914	13,914
Retained earnings	222,614	225,232
Treasury stock	(30,600)	(30,602)
<b>Total shareholders' equity</b>	<b>217,528</b>	<b>220,144</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,306	21,873
Deferred gains or losses on hedges	(3)	3
Foreign currency translation adjustment	2,652	3,317
Remeasurements of defined benefit plans	(473)	(335)
<b>Total Accumulated other comprehensive income</b>	<b>22,481</b>	<b>24,858</b>
Non-controlling interests	4,427	4,814
<b>Total net assets</b>	<b>244,437</b>	<b>249,817</b>
<b>Total liabilities and net assets</b>	<b>361,248</b>	<b>364,618</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 2018)

	(Millions of yen)	
	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	98,863	106,834
Cost of sales	58,930	64,033
Gross profit	39,933	42,801
Selling, general and administrative expenses	31,463	33,097
Operating income	8,469	9,703
Non-operating income		
Interest income	29	65
Dividends income	947	539
Equity in earnings of affiliates	28	50
Rent income	180	183
Gain on valuation of derivatives	114	513
Other	4,738	385
Total non-operating income	6,038	1,736
Non-operating expenses		
Interest expenses	256	121
Other	5,598	1,356
Total non-operating expenses	5,855	1,477
Ordinary income	8,653	9,962
Extraordinary income		
Gain on sales of property, plant and equipment	—	5
Gain on sales of investment securities	149	—
Total extraordinary income	149	5
Extraordinary loss		
Loss on valuation of investment securities	—	605
Loss on sales of shares of subsidiaries and associates	377	—
Total extraordinary loss	377	605
Income before income taxes and non-controlling interests	8,425	9,362
Income taxes	(2,723)	3,152
Net income	11,149	6,210
Net income attributable to non-controlling interests	75	107
Net income attributable to owners of parent	11,073	6,102

(Consolidated Quarterly Statements of Comprehensive Income)  
 (During the first three months of fiscal 2018)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net income	11,149	6,210
Other comprehensive income		
Valuation difference on available-for-sale securities	906	1,506
Deferred gains or losses on hedges	(56)	6
Foreign currency translation adjustment	(12,617)	680
Remeasurements of defined benefit plans, net of tax	260	139
Share of other comprehensive income of associates accounted for using equity method	(1,551)	(26)
Total other comprehensive income	(13,057)	2,306
Comprehensive income	(1,907)	8,516
Total comprehensive income attributable to:		
Owners of parent	(1,938)	8,467
Non-controlling interests	30	49

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

No applicable items.

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

No applicable items.

### (Changes in Important Subsidiaries during the First Three Months)

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

Consolidation (new) KUNSHAN PRESIDENT KIKKOMAN BIOTECHNOLOGY CO., LTD.  
(Changed from an associated company (an equity method affiliate) in accordance with effective control standards)

Changes in subsidiaries outside of specific subsidiaries

Consolidation (new) JFC NEW ZEALAND LIMITED (Changes to a consolidated subsidiary from non-consolidated subsidiary based on the viewpoint of significance)  
JFC NORDEN (SWEDEN) AB (Changes to a consolidated subsidiary from non-consolidated subsidiary based on the viewpoint of significance)

Consolidation (exclusion) Edogawa Foods Company (Merger with Kikkoman Foodtech Company)  
JFC Restaurant GmbH (Changes to a non-consolidated subsidiary from consolidated subsidiary based on the viewpoint of significance)

### (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 months 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.

## (Segment Information, etc.)

## I. 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)

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

## II. First three months of fiscal 2018 (April 1, 2017 to June 30, 2017)

## 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	43,170	1,844	19,251	42,568	106,834	–	106,834
Intragroup sales or transfers	395	3,434	3,083	90	7,004	(7,004)	–
Total sales	43,566	5,279	22,334	42,658	113,839	(7,004)	106,834
Operating income	2,887	367	4,733	2,071	10,059	(355)	9,703

(Notes)

1. Adjustments of ¥(355) 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.