

February 4, 2020

Consolidated Financial Results

Kikkoman Corporation Flash Report for Fiscal 2020 3Q

Nine-month period ended December 31, 2019

Listed company name: **Kikkoman Corporation**
Shares listed: Tokyo (1st Section)
Code No.: 2801
URL: <https://www.kikkoman.com>
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Scheduled submission date of quarterly accounting report: February 13, 2020
Scheduled date for cash dividend payments: —
Supplementary Schedules for quarter: Yes
Results briefing for quarter: None

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, 2019 (April 1, 2019 to December 31, 2019)

1) Business Performance

(Millions of yen)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)
Apr. 1, 2019 - Dec. 31, 2019	355,496	3.5	32,612	5.7	33,607	7.6	23,407	4.8
Apr. 1, 2018 - Dec. 31, 2018	343,390	5.3	30,859	3.6	31,225	5.5	22,340	9.3

(Note) Comprehensive Income

April 1, 2019 to December 31, 2019: ¥ 21,195 million ((7.7) %)

April 1, 2018 to December 31, 2018: ¥ 22,972 million ((18.3) %)

	Earnings per share (yen)	Earnings per share (Assuming full dilution) (yen)
Apr. 1, 2019 - Dec. 31, 2019	121.93	—
Apr. 1, 2018 - Dec. 31, 2018	116.37	—

2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
Dec. 31, 2019	394,486	283,105	70.5%
Mar. 31, 2019	362,119	270,451	73.3%

(Reference) Total shareholders' equity

December 31, 2019: ¥ 277,974 million

March 31, 2019: ¥ 265,428 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, 2018 -Mar. 31, 2019	—	20.00	—	21.00	41.00
Apr. 1, 2019 -Mar. 31, 2020	—	21.00	—		
Apr. 1, 2019 -Mar. 31, 2020 (Estimated)				21.00	42.00

(Note) Revisions to recently announced forecasts of dividends: None

3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share (yen)
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	
Apr. 1, 2019- Mar. 31, 2020	465,200	2.6	39,120	1.8	38,400	1.3	26,590	2.3	138.51

(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): None
- 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: Yes
 - 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, 2019	—	193,883,202 shares	March 31, 2019 — 193,883,202 shares
② Treasury stock at end of period			
December 31, 2019	—	1,908,286 shares	March 31, 2019 — 1,905,508 shares
③ Shares outstanding during the period (cumulative for period, consolidated)			
December 31, 2019	—	191,976,348 shares	December 31, 2018 — 191,979,406 shares

* This flash report is not included in the scope of an audit by certified public accountants or the audit corporations.

* 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 under review, the U.S. economy maintained a recovery and the European economy also continued to expand, albeit moderately. Overall, the global economy remained solid in general. The Japanese economy, too, remained on a path to revitalization at a moderate pace.

In this environment, the overall domestic sales of the Group rose year on year in the Foods—Manufacturing and Sales business due to steady sales of food products and beverages, despite year-on-year decreases in the sales of soy sauce and liquor and wine. Overseas sales climbed year on year, supported by the strong performance of the Foods—Manufacturing and Sales business and the Foods—Wholesale business.

As a result, consolidated operating results for the first nine months of fiscal 2020 were as follows.

<Consolidated Financial Statements>

(Millions of yen, %)

	FY2019 3Q		FY2020 3Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2018 – 12.31.2018		4.1.2019 – 12.31.2019		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%						
Net sales	343,390	100.0	355,496	100.0	12,106	103.5	—	(5,572)	17,679	105.1
Operating profit	30,859	9.0	32,612	9.2	1,752	105.7	0.2	(541)	2,294	107.4
Ordinary profit	31,225	9.1	33,607	9.5	2,381	107.6	0.4	(486)	2,867	109.2
Profit attributable to owners of parent	22,340	6.5	23,407	6.6	1,067	104.8	0.1	(345)	1,412	106.3
Exchange rate (¥/US\$)	110.82		109.10		(1.72)					
(¥/EUR)	129.38		121.46		(7.92)					

<Reporting Segments>

(Millions of yen, %)

		FY2019 3Q		FY2020 3Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2018 – 12.31.2018		4.1.2019 – 12.31.2019		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%				Amount		
Domestic Foods— Manufacturing and Sales	Net sales	136,193	100.0	139,360	100.0	3,166	102.3	—	—	3,166	102.3
	Operating profit	9,865	7.2	10,585	7.6	720	107.3	0.4	—	720	107.3
Domestic Others	Net sales	16,236	100.0	16,056	100.0	(179)	98.9	—	—	(179)	98.9
	Operating profit	1,322	8.1	1,373	8.6	50	103.8	0.5	—	50	103.8
Overseas Foods— Manufacturing and Sales	Net sales	69,598	100.0	71,477	100.0	1,879	102.7	—	(1,914)	3,794	105.5
	Operating profit	14,180	20.4	14,669	20.5	488	103.4	0.1	(366)	854	106.0
Overseas Foods— Wholesale	Net sales	142,716	100.0	150,662	100.0	7,945	105.6	—	(3,885)	11,831	108.3
	Operating profit	6,061	4.2	6,946	4.6	885	114.6	0.4	(129)	1,015	116.8
Adjustments	Net sales	(21,355)	100.0	(22,060)	100.0	(705)	—	—	227	(933)	—
	Operating profit	(570)	—	(963)	—	(392)	—	—	(45)	(347)	—
Consolidated Total	Net sales	343,390	100.0	355,496	100.0	12,106	103.5	—	(5,572)	17,679	105.1
	Operating profit	30,859	9.0	32,612	9.2	1,752	105.7	0.2	(541)	2,294	107.4
Exchange rate (¥/US\$)		110.82		109.10		(1.72)					
		(¥/EUR)	129.38	121.46		(7.92)					

Performance in each reporting segment is outlined as follows.

【Domestic】

Sales in Japan were as follows.

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 of soy sauce increased in the home-use sector of the Soy Sauce Division with the increased understanding of its added values, such as the flavor of raw soy sauce and the easy-to-use bottles that keep the contents fresh, in the market attributable to the thorough execution of marketing measures, including TV advertising. In the meantime, sales fell year on year for products in conventional plastic bottles such as *Koikuchi Shoyu*. Sales were also down year on year in the industrial- and foodservice-use sectors. As a result, sales decreased year on year for the Soy Sauce Division.

■ Food Products Division

Sales of *tsuyu* products decreased year on year, however in the home-use sector the *Gumen* series — a straight type *tsuyu* that does not need to be diluted — performed well while sales for other straight type *tsuyu* are weak. Sales of *tare* products rose year on year, reflecting the strong performance of the mainstay *Wagaya wa Yakinikuyasan* series and increased sales of products for industrial- and foodservice-use. Sales of the *Uchi no Gohan* series (handy Japanese-style seasoning mixes) surpassed the year-ago level due to the strong performance of the new *Kyabetsu no Garibatashoyuitame* as well as the growth of sales in the *Mazegohan no Moto* series. Sales grew year on year for Del Monte seasonings due to the strong performance of high value-added products including Lycopene-Rich.

As a result, sales rose year on year for the Food Products Division.

■ Beverages Division

Sales of soy milk beverages rose year on year, with rising health awareness, due to the growth of products designated as Food for Specified Health Use and unprocessed soy milk, as well as an increase in the number of consumers who use soy milk, not only as a beverage but also as a cooking ingredient. Soy Milk *Okara* (soy pulp) Powder, launched in the previous year, introduced on the TV programs, also contributed to the sales growth in the sector.

Sales fell year on year for Del Monte beverages due to lackluster sales of vegetable juice and juice gifts, despite solid sales of tomato juice such as Lycopene-Rich and salt-free tomato juice.

As a result, sales grew year on year for the Beverages Division.

■ Liquor and Wine Division

Sales decreased year on year for *Hon Mirin*. In the home-use sector, products in PET bottles did not perform well, which offset a rise in sales for high value-added products such as *Komekoji Kodawari-jikomi Hon Mirin* and in the industrial sector, sales for products in large containers fell year on year.

Sales declined year on year for wine. Although sales in the foodservice-use sector and of Japanese wine made from domestic grapes in the home-use sector, sales of other products were weak.

As a result, sales fell year on year for the Liquor and Wine Division.

As a result of the above, the Foods—Manufacturing and Sales segment recorded higher sales and higher profit, with net sales increasing 2.3% year on year, to ¥139,360 million, and operating profit increasing 7.3% year on year, to ¥10,585 million.

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 biochemical business suffered a year-on-year decline, reflecting lackluster sales of clinical diagnostic reagents and the impact of withdrawal from the alginic acid business, despite strong sales of hyaluronic acid.

As a result of the above, the Others segment recorded lower sales and higher profit, with net sales decreasing 1.1% year on year, to ¥16,056 million, and operating profit increasing 3.8% year on year, to ¥1,373 million.

【Overseas】

Sales overseas were as follows.

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 did its business making use of the Kikkoman brand by continuing efforts to enhance the lineup of mainstay soy sauce products, soy sauce-based seasonings and other products for the home-use sector. In addition, the division worked to expand businesses in the industrial- and foodservice-use sectors, dealing with customer needs attentively. As a result, sales in the market rose year on year.

In the European market, sales grew year on year, aided by robust sales in key markets including Germany, France, the Netherlands and Italy.

In the Asia and Oceania market, sales rose in China. Sales also grew in Thailand and Indonesia among others.

As a result, overall sales in the market were higher than the year-ago level.

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

■ Del Monte Division

This division manufactures and sells canned fruits, canned corn, tomato ketchup and other products in the Asia and Oceania region, and overall sales rose year on year.

■ Other Foods Division

This division manufactures and sells health foods, mainly in the North American region, and overall sales rose year on year.

As a result of the above, the Foods—Manufacturing and Sales segment recorded higher sales and higher profit, with net sales increasing 2.7% year on year, to ¥71,477 million, and operating profit increasing 3.4% year on year, to ¥14,669 million.

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 Asia and Oceania, leading to good growth in sales in each region. As a result, sales increased year on year for the segment.

As a result of the above, the Foods—Wholesale segment recorded higher sales and higher profit, with net sales increasing 5.6% year on year, to ¥150,662 million, and operating profit increasing 14.6% year on year, to ¥6,946 million.

As a result of the aforementioned segment results, the Company reported consolidated net sales for the first nine months of fiscal 2020 of ¥355,496 million increasing 3.5% year on year, operating profit of ¥32,612 million increasing 5.7%, ordinary profit of ¥33,607 million increasing 7.6%, and profit attributable to owners of parent of ¥23,407 million increasing 4.8%.

2) Explanation of financial position

(Assets)

Current assets as of December 31, 2019 were ¥162,594 million, up ¥6,076 million from March 31, 2019. This was mainly due to an increase in notes and accounts receivable-trade. Noncurrent assets were ¥231,892 million, up ¥26,291 million. This was largely attributable to an increase in lease assets, net as a result of application of IFRS 16 “Leases” and ASU 2016-02 “Leases” at overseas subsidiaries.

As a result, total assets increased ¥32,367 million from March 31, 2019, to ¥394,486 million.

(Liabilities)

Current liabilities as of December 31, 2019 were ¥63,195 million, up ¥6,955 million from March 31, 2019. This was mainly due to an increase in short-term loans payable. Noncurrent liabilities were ¥48,186 million, up ¥12,758 million from March 31, 2019. This was largely due to an increase in lease obligations as a result of application of IFRS 16 “Leases” and ASU 2016-02 “Leases” at overseas subsidiaries.

As a result, total liabilities increased ¥19,713 million from March 31, 2019, to ¥111,381 million.

(Net Assets)

Net assets were ¥283,105 million, up ¥12,654 million from March 31, 2019. This was largely attributable to an increase in retained earnings, despite decreases in foreign currency translation adjustment.

As a result, the equity ratio was 70.5% (down from 73.3% on March 31, 2019).

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

Consolidated earnings forecasts for the year ending March 31, 2020, remain unchanged from the forecasts accompanying the Flash Report for First Six Months of Fiscal 2020, disclosed on November 1, 2019.

There are no significant changes to business risks that might affect business performance from the disclosures in the latest securities report (submitted on June 25, 2019).

2. Consolidated Quarterly Financial Statements and Main Notes

1) Consolidated Quarterly Balance Sheets

	(Millions of yen)	
	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	30,162	27,099
Notes and accounts receivable-trade	60,719	66,883
Short-term investment securities	—	20
Merchandise and finished goods	42,513	42,533
Work in process	10,997	11,198
Raw materials and supplies	5,330	5,611
Other	7,512	10,048
Allowance for doubtful accounts	(717)	(801)
Total current assets	156,518	162,594
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	42,862	48,802
Machinery, equipment and vehicles, net	40,879	41,418
Land	20,936	20,936
Lease assets, net	254	16,527
Construction in progress	14,080	14,386
Other, net	4,376	4,477
Total property, plant and equipment	123,390	146,549
Intangible assets		
Goodwill	4,969	4,440
Other	5,339	5,336
Total intangible assets	10,308	9,776
Investments and other assets		
Investment securities	59,207	62,724
Long-term loans receivable	1,491	1,771
Net defined benefit asset	5,936	6,251
Deferred tax assets	3,053	3,022
Other	3,940	3,798
Allowance for doubtful accounts	(1,726)	(2,000)
Total investments and other assets	71,902	75,566
Total noncurrent assets	205,601	231,892
Total assets	362,119	394,486

	(Millions of yen)	
	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable-trade	22,383	23,295
Short-term loans payable	3,487	8,798
Lease obligations	50	2,498
Accounts payable-other	18,872	15,883
Income taxes payable	3,230	4,601
Provision for bonuses	2,592	829
Provision for directors' bonuses	125	93
Other	5,497	7,194
Total current liabilities	56,240	63,195
Noncurrent liabilities		
Long-term loans payable	13,602	13,602
Lease obligations	90	14,674
Deferred tax liabilities	7,934	8,073
Provision for directors' retirement benefits	711	729
Provision for environmental measures	31	31
Net defined benefit liability	5,511	5,317
Other	7,546	5,757
Total noncurrent liabilities	35,427	48,186
Total liabilities	91,667	111,381
Net assets		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	13,695	13,695
Retained earnings	225,835	240,854
Treasury stock	(3,631)	(3,639)
Total shareholders' equity	247,498	262,510
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,521	17,429
Deferred gains or losses on hedges	(4)	6
Foreign currency translation adjustment	1,081	(1,176)
Remeasurements of defined benefit plans	(667)	(794)
Total Accumulated other comprehensive income	17,930	15,464
Non-controlling interests	5,022	5,131
Total net assets	270,451	283,105
Total liabilities and net assets	362,119	394,486

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 2020)

	(Millions of yen)	
	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net sales	343,390	355,496
Cost of sales	208,920	216,478
Gross profit	134,469	139,018
Selling, general and administrative expenses	103,609	106,406
Operating profit	30,859	32,612
Non-operating income		
Interest income	191	199
Dividends income	1,052	914
Equity in earnings of affiliates	200	225
Rent income	521	532
Foreign exchange gains	37	874
Gain on valuation of derivatives	3,007	765
Other	1,498	1,359
Total non-operating income	6,510	4,870
Non-operating expenses		
Interest expenses	90	371
Foreign exchange losses	2,348	127
Loss on valuation of derivatives	1	20
Other	3,703	3,356
Total non-operating expenses	6,144	3,876
Ordinary profit	31,225	33,607
Extraordinary income		
Gain on sales of property, plant and equipment	393	15
Gain on sales of investment securities	—	148
Total extraordinary income	393	164
Extraordinary loss		
Loss on retirement of noncurrent assets	66	638
Loss on valuation of investment securities	—	20
Loss on valuation of golf club membership	7	16
Provision for environmental measures	259	—
Total extraordinary loss	332	675
Profit before income taxes	31,286	33,095
Income taxes	8,601	9,331
Profit	22,685	23,764
Profit attributable to non-controlling interests	345	357
Profit attributable to owners of parent	22,340	23,407

(Consolidated Quarterly Statements of Comprehensive Income)
(During the first nine months of fiscal 2020)

	(Millions of yen)	
	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	22,685	23,764
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,491)	(131)
Deferred gains or losses on hedges	36	11
Foreign currency translation adjustment	3,863	(2,373)
Remeasurements of defined benefit plans, net of tax	68	(116)
Share of other comprehensive income of associates accounted for using equity method	(190)	41
Total other comprehensive income	287	(2,569)
Comprehensive income	22,972	21,195
Total comprehensive income attributable to:		
Owners of parent	22,782	20,941
Non-controlling interests	189	254

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

No applicable items.

(Notes Regarding Significant Changes in Shareholders' Equity)

No applicable items.

(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 profit before income taxes and non-controlling interests 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 profit before income taxes and non-controlling interests.

(Changes in accounting policies)

(Adoption of ASU2014-09 "Revenue from Contracts with Customers")

Certain overseas subsidiaries which apply U.S. GAAP have adopted ASU 2014-09 "Revenue from Contracts with Customers." from the first quarter of fiscal 2020.

With the adoption, the entity recognizes revenue upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in the exchange for those goods or services.

In adopting the accounting standard, retained earnings has been adjusted for the cumulative effects of the application at the beginning of the first quarter of fiscal 2020 in line with the transitional treatment of the standard.

The effect of this change on retained earnings at the beginning of the first quarter of fiscal 2020 and operating profit, ordinary profit, profit before income taxes, and profit for the first nine months of fiscal 2020 was immaterial.

(Application of IFRS 16 "Leases" and ASU 2016-02 "Leases")

IFRS 16 "Leases" and ASU 2016-02 "Leases" have been applied at overseas subsidiaries from the first quarter of fiscal 2020. With this application, leases, in principle, record all leases as assets and liabilities on the balance sheets.

In applying the accounting standards, retained earnings has been adjusted for the cumulative effects of the application at the beginning of the first quarter of fiscal 2020 in line with the transitional treatment of the standards.

As a result, "lease assets, net" in noncurrent assets, "lease obligations" in current liabilities and "lease obligations" in noncurrent liabilities were ¥16,215 million, ¥2,435 million, and ¥14,501 million greater, respectively, than if the former accounting standards were applied.

The effect of this adjustment on operating profit, ordinary profit, profit before income taxes, and profit for the first nine months of fiscal 2020 was immaterial.

(Segment Information, etc.)

 I. First nine months of fiscal 2019 (April 1, 2018 to December 31, 2018)
 Sales, Profit, 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	134,867	5,742	60,389	142,390	343,390	—	343,390
Intragroup sales or transfers	1,326	10,494	9,208	326	21,355	(21,355)	—
Total sales	136,193	16,236	69,598	142,716	364,745	(21,355)	343,390
Operating profit	9,865	1,322	14,180	6,061	31,430	(570)	30,859

(Notes)

1. Adjustments of ¥ (570) million in segment operating profit consist mainly of difference in the allocation of corporate expenses.
2. Segment operating profits are adjusted to the operating profits recorded in the consolidated statements of income.

 II. First nine months of fiscal 2020 (April 1, 2019 to December 31, 2019)
 Sales, Profit, 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	137,714	5,231	62,222	150,328	355,496	—	355,496
Intragroup sales or transfers	1,646	10,825	9,254	334	22,060	(22,060)	—
Total sales	139,360	16,056	71,477	150,662	377,557	(22,060)	355,496
Operating profit	10,585	1,373	14,669	6,946	33,575	(963)	32,612

(Notes)

1. Adjustments of ¥ (963) million in segment operating profit consist mainly of difference in the allocation of corporate expenses.
2. Segment operating profits are adjusted to the operating profits recorded in the consolidated statements of income.